

Contact: Brad Berg

**SALE AND AWARD OF \$201,755,000 (ESTIMATED) HOSPITAL REVENUE BONDS,
SERIES S.U.I. 2022A AND \$101,380,000 (ESTIMATED) HOSPITAL
REVENUE BONDS, SERIES 2022B**

Action Requested: Consider adopting the following resolution, subject to receipt of acceptable bids:

A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$201,755,000 (estimated) Hospital Revenue Bonds, Series S.U.I. 2022A and \$101,380,000 (estimated) Hospital Revenue Bonds, Series S.U.I. 2022B for the purpose of paying a portion of the costs of constructing, equipping, installing and expanding certain Hospital and Clinic facilities related to the Hospital System of the State University of Iowa, and paying costs of issuance.

(ROLL CALL VOTE)

Executive Summary: The Board is asked to consider adoption of a resolution providing for the sale, award, and issuance of Hospital Revenue Bonds Series 2022A (the "Series 2022A Bonds") and the Hospital Revenue Bonds, Series S.U.I. 2022B (the "Series 2022B Bonds" and together with the Series 2022A Bonds, the "Series 2022 Bonds") for the University of Iowa Hospitals & Clinics.

At its September 2021 meeting, the Board approved the project description and budget (\$395M) for its UIHC at Forevergreen Road – Construct Facility Project. This healthcare facility would be a 469,000 square foot medical, clinical, educational, and research office building, and extension of the UIHC. A central utility plant, dedicated to this facility, would also be constructed. Specifically, the facility would include outpatient clinics, faculty offices, inpatient beds, surgical suites, radiology, laboratory, pharmacy, central sterile services, food services, an emergency treatment center, education and research space, and other support services. Proceeds from the Series 2022A and 2022B bonds will be used to finance a portion of the project.

Interest on the Series 2022 Bonds would be exempt from federal and state taxes (double tax-exempt) for Iowa residents who purchase the bonds. Principal on the bonds would be repaid over a period of 40 years, with annual debt service payments of approximately \$12 million on the bonds to be paid from hospital income derived from the operation of the hospital system. Hospital income includes the gross income and funds received by the hospital system, including the proceeds of rates, fees, charges, and payments for health care provider activities for patient care services after deduction of current expenses. Hospital income does not include state appropriations to the University.

Additional Information: Iowa Code Chapter 263A authorizes the Board of Regents to borrow money and to issue and sell revenue bonds to pay all or any part of the cost for projects at the University of Iowa Hospitals and Clinics.

The aggregate \$303,135,000 (estimated) bond proceeds and are expected to include:

- project costs (estimated at \$300,000,000);
- underwriters discount (estimated at \$2,200,000); and
- issuance costs (estimated at \$900,000).

The receipt and opening of bids for the Series 2022A Bonds is scheduled for 10:00 a.m. on Tuesday, January 11, 2022 and the bid opening for the Series 2022B Bonds is scheduled for 10:30 a.m. that same day. Results of the bid opening and a recommendation to the Board for award is scheduled for later that day.

The official statement for the bond sale may be found on the website of Baker Tilly LLC, the Board's Municipal Advisor, at <https://connect.bakertilly.com/bond-sales-calendar>.

A copy of the resolution and related bond documentation, which was prepared by Ahlers & Cooney, P.C. and reviewed by Baker Tilly LLC, is available from the Board Office.

Specifics of the Series 2022A and the Series 2022B bonds are:

- Average Maturity: Series 2022A - 16.6 Years
Series 2022B - 35.3 Years
- Bonds Dated: February 1, 2022
- Interest Due: September 1, 2022 and each March 1 and September 1 to maturity
- Interest Exemption: Exempt from federal and state taxes for individual purchasers who are residents of Iowa
- Principal Due: Series 2022A - September 1, 2022 - 2051
Series 2022B - September 1, 2052 - 2061
- Optional Call: Bonds maturing on or after September 1, 2033 are callable commencing September 1, 2032 and any date thereafter at par
- Denomination: \$5,000 and integral multiples thereof