

Contact: Brad Berg

**UNIVERSITY OF IOWA FACILITIES CORPORATION REIMBURSEMENT RESOLUTION**

**Action Requested:** Consider Adoption of a Resolution directing the University of Iowa Facilities Corporation to authorize a reimbursement resolution for certain original expenditures paid in connection with the renovation and construction of certain medical research facilities on the Carver College of Medicine campus at the State University of Iowa.

**Executive Summary:** The University of Iowa (the University) requests adoption of a resolution which would permit the University to be reimbursed from future SUI Facilities Corporation borrowing for costs incurred by the Eckstein Medical Research Building - Renovate Floors 1-5, Bowen Science Building – Renovate Third Floor, Medical Laboratories-Renovate Laboratories, and the Medical Research Center-Dry Labs and Offices projects.

At its September 2016 meeting, the Board approved a project description and budget (\$9.1 million) for the Eckstein Medical Research Building - Renovate Floors 1-5 project. For the other projects, requests for permission to proceed and project descriptions and budgets will be presented to the Board at a future date in accordance with Board policy.

The reimbursement resolution is being submitted at this time to ensure maximum reimbursement capability under regulations of the federal Internal Revenue Code. Pursuant to these regulations, project payments made not more than 60 days prior to adoption of the resolution are eligible for reimbursement from future financings.

**Additional Information:** United States Department of Treasury Regulation 1.150-2 provides the rules for the reimbursement from future tax-exempt bond proceeds of expenditures originally paid from sources other than bond proceeds. When the bonds are sold, a portion of the proceeds is allocated to reimburse the original expenditure that was paid before the bond issue date.

Treasury regulations require that project costs must be reimbursed from the bond proceeds not later than 18 months after the capital expenditures are paid or 18 months after the property is placed in service, whichever is later.