

Contact: Brad Berg

**ISU FACILITIES CORPORATION REIMBURSEMENT RESOLUTION**

**Action Requested:** Consider Adoption of a Resolution directing the ISU Facilities Corporation to authorize a reimbursement resolution for certain original expenditures paid in connection with the Student Information Center project.

**(ROLL CALL VOTE)**

**Executive Summary:** Iowa State University (the University) requests adoption of a resolution which would permit the University to be reimbursed from any future ISU Facilities Corporation borrowing that may be issued for costs incurred by the University for the Student Innovation Center project. At its December 2016 meeting, the Board approved a project description and budget (total of \$84.0 million) for the project, for which the State has appropriated a total of \$40 million.

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.