

Contact: Brad Berg

IOWA STATE UNIVERSITY FACILITIES CORPORATION REIMBURSEMENT RESOLUTION

Action Requested: Consider Adoption of a Resolution directing the Iowa State University Facilities Corporation to authorize a reimbursement resolution for certain original expenditures paid in connection with the Bessey Addition and Advanced Teaching and Research Building projects.

(ROLL CALL VOTE)

Executive Summary: Iowa State University (the University) requests adoption of a resolution which would permit the University to be reimbursed from future ISU Facilities Corporation borrowing for costs incurred by the University for the Biosciences Facilities - Bessey Addition and Advanced Teaching and Research Building projects.

At its February 2016 meeting, the Board approved a revised project description and budget (total of \$88.0 million) for the Biosciences Facilities projects. The project budget is being funded by state appropriations, university funds, private giving and ISU Facility Corporation bonds.

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.