

Contact: Brad Berg

IOWA STATE UNIVERSITY REIMBURSEMENT RESOLUTIONS

Action Requested: Consider Adoption of:

1. A Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse Iowa State University of Science and Technology for certain original expenditures paid in connection with the renovation of the Memorial Union and;
2. A Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse Iowa State University of Science and Technology for certain original expenditures paid in connection with the renovation of the construction of the Sports Performance Center and improvements and renovations of Jack Trice Stadium and surrounding areas.

(ROLL CALL VOTE)

Executive Summary: Iowa State University (the University) requests adoption of two separate resolutions that would permit the University to be reimbursed from future borrowing for costs incurred by the University for the Memorial Union Renovation Project and the Sports Performance Center and Jack Trice Stadium Improvements Project.

In November 2018, the Board approved the project description and budget for ISU's Sports Performance Center and Jack Trice Stadium Improvements North project. The Sports Performance Center is a four-story addition with a lower level on the east side of the Bergstrom Football Complex. The project also includes renovations on the north side of the stadium including Jacobson Building renovations, a North entry plaza, and a single story addition to the west side of the Bergstrom Football Complex.

In June 2018, the Board granted permission to proceed with planning for ISU's Memorial Union – Floors 4-6 Renovation project. The project description and budget for this project is included in the November 2019 docket. The project includes the development of office suites on each floor with shared common areas for students and staff.

The reimbursement resolutions are 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.