

Contact: Brad Berg

**UNIVERSITY OF IOWA HOSPITALS & CLINICS REIMBURSEMENT RESOLUTION**

**Action Requested:** Consider Adoption of A Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the University of Iowa Hospitals and Clinics for certain original expenditures paid in connection with a certain University of Iowa Hospitals and Clinics project.

**(ROLL CALL VOTE)**

**Executive Summary:** The University of Iowa Hospitals and Clinics (UIHC) requests adoption of a resolution that would permit UIHC to be reimbursed from future borrowing for costs incurred by the new UIHC at Forevergreen Road – Construct Facility project.

In September 2021, the Board approved the project description and budget for the new UIHC facility 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.

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.