

Contact: Brad Berg

UNIVERSITY OF IOWA 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 State University of Iowa for certain original expenditures paid in connection with constructing and equipping a new parking facility and related improvements, all on the campus of the State University of Iowa.

(ROLL CALL VOTE)

Executive Summary: The University of Iowa requests adoption of a resolution that would permit the university to be reimbursed from future borrowing for costs incurred by the Dental Parking Ramp – Construct Facility project.

In February 2024, the Board approved permission to proceed with project planning for the Dental Parking Ramp – Construct Facility project. This project includes construction of a 1,000 to 1,200 stall parking ramp west of the College of Dentistry. Surface parking lots 33, 40 and 44 would be reconstructed and reconfigured for 500 to 550 parking stalls. Also, two Newton Road entrance drives to the College of Dentistry would be reconfigured. At its June 2024 meeting, the Board approved the construction manager at risk delivery method for the project.

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. At this time, an April 2025 bond issue is being planned to partially finance the project.

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.