

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 and to reimburse the University of Iowa Hospitals and Clinics for certain original expenditures paid in connection with certain University of Iowa Hospitals and Clinics projects.

(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 certain projects as described below.

- **Maternity Unit Expansion:** In June 2024, the Board approved the project description and budget for the expansion of existing maternal health services within the University Campus. This expansion will add 30,000 square feet to existing maternal care areas and add 23 beds, new on-call rooms for faculty, and expanded workspace for staff.
- **NICU Expansion:** In February 2024, the Board approved the expansion of the Neonatal Intensive Care Unit (NICU) at University of Iowa Stead Family Children's Hospital. The project will build out the entirety of UI Stead Family Children's Hospital's seventh floor, creating 28 NICU rooms and closely mirroring the existing sixth floor NICU.
- **UIHC – Emergency Department Expansion:** In April 2023, the Board approved the expansion of existing Emergency Department space. This project will create a two-level addition on the south side of the Emergency Department and renovate a portion of the existing department.
- **Emergency Generator Facility:** In September 2022, the Board approved the project to relocate UIHC's emergency power away from the hospital. This project includes constructing a 10,000 gross square foot building addition to the north side of the existing Emergency Power Generator Facility to accommodate up to three emergency generators and upgrading the fuel oil storage space. It will also install two emergency generators to serve as emergency power for the Roy Carver Pavilion (RCP) and Pomerantz Family Pavilion (PFP).
- **New North Liberty Hospital Campus:** 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 will 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.

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, UIHC is planning to issue bonds in January 2025.

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.