

Contact: Brad Berg

SUI FACILITIES CORPORATION - REIMBURSEMENT RESOLUTION

Action Requested: Consider adoption of a resolution directing the SUI Facilities Corporation to authorize a reimbursement resolution for certain original expenditures paid in connection with the Gymnastics/Spirit Squad Training Center and the Wrestling Training Facility projects.

(ROLL CALL VOTE)

Executive Summary: The University of Iowa (the University) requests adoption of a resolution that would permit the University to be reimbursed from any future SUI Facilities Corporation borrowing that may be issued for costs incurred by the University for the Gymnastics/Spirit Squad Training Center and the Wrestling Training Facility projects. An April 2024 bond issue is being planned.

The Board approved the project description and budget for the Gymnastics/Spirit Squad Training Center project at its September 2023 meeting. The existing gymnastics practice facility in the Field House does not include an adequately sized gymnasium, and the spirit squad does not have a dedicated practice space. The existing gymnastics practice space does not include cooling, multi-purpose space, athletic training space, nor does it reflect the status of the gymnastics program for recruitment efforts. This training facility would be located off Prairie Meadow Drive on the UI Hawkeye Campus, adjacent to the women's soccer and field hockey facilities and the University's tennis center.

At its June 2022 meeting, the Board approved the project description and budget for the Wrestling Training Facility project. This project includes a new 38,500 square foot, two-level practice and operations facility for the wrestling team. It would be directly connected by an underground tunnel to Carver Hawkeye Arena, where men's and women's intercollegiate wrestling matches occur. While the project is largely funded by gifts, a portion of the bond proceeds may be needed to help cash flow 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.

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.