

# FCR 25

Office of the President  
May 10, 2005

Members, Board of Trustees:

RESOLUTION APPROVING THE INITIATION OF THE CONSTRUCTION OF  
THE BASKETBALL PRACTICE FACILITY PROJECT, ITS PLAN OF  
FINANCE, AND EXECUTION OF A FINANCING AGREEMENT

Recommendation: that the Board of Trustees authorize the initiation of the Basketball Practice Facility Project and approving its related plan of finance, including the transfer of \$9.5 million from the Intercollegiate Athletics Quasi-Endowment and a financing agreement among the University of Kentucky, the Kentucky Asset/Liability Commission, and the Finance and Administration Cabinet of the Commonwealth of Kentucky to provide \$7.0 million in authorized project bond financing.

Background: The Board of Trustees previously approved the design phase of the Basketball Practice Facility Project, which has been completed. House Bill 267 of the 2005 Kentucky General Assembly authorized the project for construction.

The \$27.5 million construction project is funded as follows: \$7.0 million of bonds, \$8.0 million in gifts, \$3.0 million from Athletic Association fund balances, and \$9.5 million transferred from the Intercollegiate Athletics Quasi Endowment. Fundraising for this project is ongoing. Each additional gift to the project will reduce the use of or replenish the Intercollegiate Athletics-Quasi Endowment.

Since the university does not have a trust indenture that provides for the issuance of bonds for athletic facilities, the Kentucky Asset/Liability Commission has agreed to issue the bonds on the university's behalf. This resolution approves the bonds to be issued at the time needed to fund the cash requirements of the project as determined by the Treasurer of the University.

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Action taken:       Approved     Disapproved     Other \_\_\_\_\_