

# FCR 18

Office of the President  
June 17, 2022

Members, Board of Trustees:

## RENEW/MODERNIZE FACILITIES CAPITAL PROJECT (VARIOUS PROJECTS)

Recommendation: that the Board of Trustees approve the initiation of the Renew/Modernize Capital Project which includes but is not limited to the following: Charles E. Barnhart Building – Design only, Memorial Hall, Frazee Interior Fit-Up and Phase 2, Reynolds Building #1 (Phase 2), and campus enabling infrastructure, and declare its official intent to reimburse capital expenditures from a future debt obligation for the Capital Project.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

The Renew/Modernize Facilities Capital Project is a multi-phase effort to renew and modernize buildings that make up the core of the central campus as well as buildings south of the central campus associated with the College of Agriculture, Food and the Environment. By rehabilitating, restoring, and modernizing these facilities and the campus enabling infrastructure, the university can better preserve its heritage; conserve energy; create an environment for more efficient and effective teaching, and attract and retain world-class researchers.

This modernization initiative will make improvements to existing buildings on campus that will provide needed space for teaching and learning at the Barnhart and Reynolds Buildings, provide space to celebrate diversity and inclusion on campus at Memorial Hall, the campus enabling infrastructure, and provide needed faculty office and support space at Frazee Hall.

This \$74,000,000 project, reauthorized by the 2022 Session of the Kentucky General Assembly, is well within the total legislative authorization of \$125,000,000 for modernization projects. The project will be funded with agency bonds.

The United States Department of Treasury regulations related to the use of proceeds of tax-exempt bonds or notes require that borrowers make a Declaration of Official Intent to reimburse itself for capital expenditures made prior to the issuance of the debt (also known as a “Reimbursement Resolution”) if the issuer intends to reimburse itself from tax-exempt debt proceeds. This recommendation includes such a Declaration of Official Intent.

Pursuant to the University of Kentucky Debt Policy, the Debt Management Committee has reviewed the financing plan and supports the proposed recommendation.

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