

# FCR 19

Office of the President  
June 17, 2022

Members, Board of Trustees:

## ASSET PRESERVATION POOL CAPITAL PROJECT (VARIOUS PROJECTS)

Recommendation: that the Board of Trustees approve the initiation of the Asset Preservation Pool capital project which includes but is not limited to the following: Multi-Disciplinary Sciences (MDS) Building 5<sup>th</sup> Floor Renovation, White Hall Classroom Building Renovation – Design Only, Pence Hall Renovation, Miller Hall Renovation, Patterson Office Tower Partial Renovation, Peterson Service Building Partial Renovation, and various Infrastructure and Building Systems Renovation Projects 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 Asset Preservation Pool Capital Project is a multi-phase effort to preserve existing campus buildings and enabling infrastructure so that they continue to serve their intended functions well into the future.

This Asset Preservation initiative will make improvements to existing buildings on campus that will provide needed space for the College of Nursing and the College of Health Sciences on the 5<sup>th</sup> floor of the MDS Building, design renovations of the widely-used White Hall Classroom Building, renovations to Pence Hall and Miller Hall that are being vacated due to construction of a new College of Design, renovate two floors of the Patterson Office Tower, renovations to Peterson Services Building, as well as campus utility infrastructure and building systems projects.

This \$100,228,000 project, authorized by the 2022 Session of the Kentucky General Assembly, is well within the total legislative authorization of \$200,456,000 and will be funded with state bonds and 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\_\_\_\_\_