

FCR 20

Office of the President
December 3, 2024

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 may include but is not limited to the following: Margaret I. King Library Renovation, W. T. Young Library Basement Renovation, F. Paul Anderson Tower Mechanical Renovation, Hilary J. Boone Center Renovation, College of Nursing Building Mechanical and Electrical Renovations, T. H. Morgan Biological Sciences Building Mechanical and Electrical Renovations, and various infrastructure, building systems, and 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 improve existing buildings on campus, such as providing additional classrooms and student-focused programs in Margaret I. King Library, HVAC and control improvements to F. Paul Anderson Tower, and reconfiguring the basement of the W. T. Young Library to better serve students. Additional projects include renovating the Hilary J. Boone Center for undergraduate student administrative functions, and mechanical and electrical renovations to the T. H. Morgan Biological Sciences Building and the College of Nursing Building. It may also include other various infrastructure, building systems and renovation projects.

This \$154,312,000 project, authorized by the 2024 Session of the Kentucky General Assembly for the same amount, 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.

Action taken: Approved Disapproved Other _____