

FCR 25

Office of the President
June 17, 2022

Members, Board of Trustees:

RENEW/MODERNIZE FACILITIES (REYNOLDS BUILDING #1 (PHASE I) CAPITAL PROJECT)

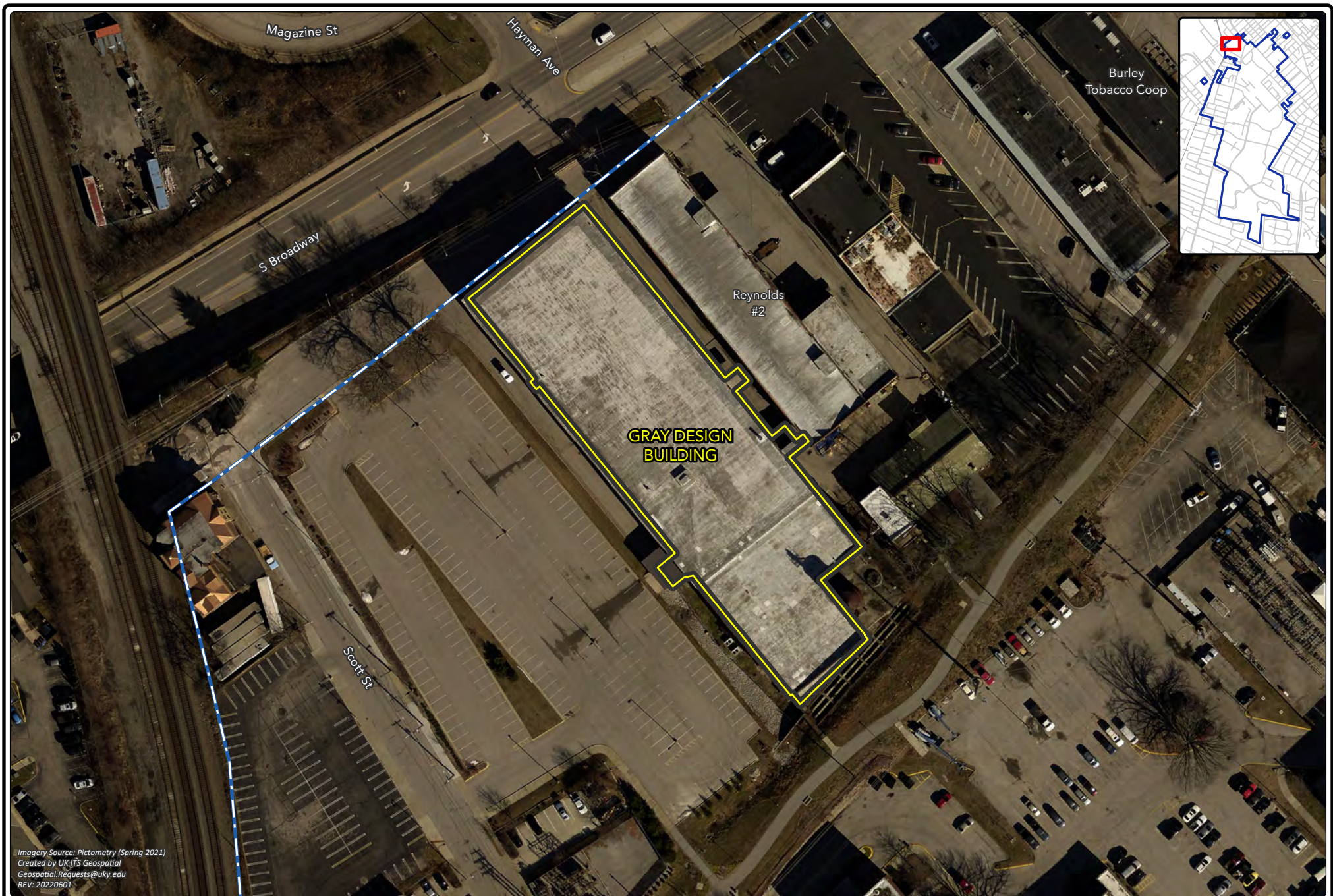
Recommendation: that the Board of Trustees approve the initiation of Phase I construction of the Renew/Modernize Facilities – Reynolds Building #1 Capital Project and the use of agency bonds authorized by the 2018 General Assembly to fund the Project.

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. At its February 22, 2019 meeting, the Board of Trustees approved the design phase of the Renew/Modernize Facilities – Reynolds Building #1 Capital Project at a scope of \$3,400,000 to be financed with a combination of various institutional sources including agency bonds, agency funds or an internal loan. At its December 10, 2019 meeting, the Board of Trustees approved the initiation of the Renew/Modernize Facilities Capital Project at a scope of \$62,000,000 to be financed with agency bonds and declared its intent to reimburse capital expenditures from a future debt obligation for the Capital Project. The Capital Project approved in December 2019 included funding the design phase of the Renew/Modernize Facilities – Reynolds Building #1 Capital Project. Phase I construction will begin the renovation of the historic structure to include classrooms, class labs, offices, conference/seminar rooms and other support spaces.

Phase I construction is not expected to exceed \$12,000,000. The combined design only and Phase I scope of \$15,400,000, is well within the total legislative authorization of \$125,000,000 for modernization projects. The project will be financed with Series 2020 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. The Board approved reimbursement for the Renew/Modernize Facilities Capital Project in December 2019, which will allow for reimbursement of expenses related to the above project.

Action taken: Approved Disapproved Other _____



Imagery Source: Pictometry (Spring 2021)
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