FCR 8

Office of the President
June 19, 2020

Members, Board of Trustees:

CONSTRUCT/IMPROVE GREEK HOUSING
(ALPHA DELTA PI) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct/Improve Greek Housing (Alpha Delta Pi) Capital Project (the "Project").

Background: The Alpha Delta Pi sorority organization has been a part of the University of Kentucky for 79 years. The chapter currently has 288 active members and approximately 2400 living alumnae. This Project will renovate and expand the 13,500 square foot house located at the corner of Rose Street and Columbia Avenue.The addition will be approximately 1,900 square feet and will allow for the relocation of the kitchen and additional bedrooms. The Project will provide an increase in the square footage dedicated to common study and educational areas, designed and furnished to be flexible, multi-purpose spaces. It will also increase sleep/study accommodations for more members to live in the house and to provide laundry facilities and a private entrance for the House Director.

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. This $6,200,000 project, authorized by the 2020 Kentucky General Assembly, is within the total legislative authorization of $72,000,000 and will be funded with a combination of private funds and agency funds. The facility will be leased to the sorority in a structured arrangement whereby the fraternity will be responsible for the development costs to renovate the facility. In accordance with the University's Internal Loan Program Policy, the Debt Management Committee has reviewed and approved an internal loan to be available to Auxiliary Services for up to $950,000. This internal loan will be used as a backstop measure to only be drawn-down in the event there is more than a 30-day delay in payments from Alpha Delta Pi and will be repaid with interest within 30 days of drawdown.

Action taken: ☑ Approved ☐ Disapproved ☐ Other _____