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Office of the President
October 20, 2017

Members, Board of Trustees:

FACILITIES RENEWAL, MODERNIZATION, AND
DEFERRED MAINTENANCE (PHASE-I) CAPITAL PROJECT
(CHEMISTRY-PHYSICS AND ENOCH GREHAN JOURNALISM BUILDINGS)

Recommendation: that the Board of Trustees approve the initiation of the Facilities Renewal, Modernization, and Deferred Maintenance (Phase-I) Capital Project 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 cost of \$1,000,000 or more must be approved by the Board prior to initiation.

The University of Kentucky's Facilities Renewal, Modernization, and Deferred Maintenance Capital Project will be a multi-phase effort to renew and modernize buildings that make up the core of central campus. By rehabilitating, restoring, and modernizing these facilities that average 50 years in age, the University can better preserve its heritage, conserve energy, create an environment for more efficient and effective teaching, and attract productive researchers.

The modernization initiative will restore and revitalize two prominent buildings within the campus core. The effort will encompass the partial renovation of the Chemistry-Physics Building and the complete renovation of the Enoch Grehan Journalism Building (Grehan). These buildings were selected based on modernization criteria that analyze the condition of buildings not only for the infrastructure systems, but also the kind of spaces in each of these facilities. These are "high traffic" facilities, impacting over 11,927 students. Additionally, the goal is to create improved spaces that relocate departments to create adjacencies and to also increase synergies among departmental faculty, staff, and students.

Renovations in the Chemistry-Physics Building will provide centralized state-of-the-art laboratories, accompanying offices, and collaboration spaces on the third floor. The project includes the creation of modern wet-bench research labs and computational spaces. The modernization of Grehan will be similar to the recently completed Patterson Hall project, which will completely restore and modernize the 1950's building, providing a modern and flexible building in the heart of campus. A connector between the Grehan Building and McVey Hall will complete Americans with Disabilities Act (ADA) regulated access to these two buildings and provide gathering spaces for students. Campus utilities are a critical component of the campus modernization effort and during the course of the renovations, dated and deficient infrastructure will be replaced.

Future phases of modernization will invest in similar renovations to key buildings of significance on campus and include investment in critical infrastructure necessary to service these facilities. By investing in and rehabilitating these buildings, the University preserves a significant contribution to the architectural history of the campus.

This \$60,000,000 project, authorized by the 2016 Kentucky General Assembly, 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 the borrower 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 reimbursement of the capital expenditure must occur no later than 18 months after the date of the 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 _____



Campus Modernization Update Board of Trustees

October 2017



Condition and Space Analysis

- Modernization began with the discussion of which University facilities upgrades will most benefit students and promote academic and scholarly excellence
- In December, 2006 the Kentucky Council on Postsecondary Education and Kentucky public institutions commissioned VFA, Inc., to assess the condition of all public university and college campuses in Kentucky
- Each building's physical condition was reviewed in general terms and a Facility Condition Index (FCI) was calculated

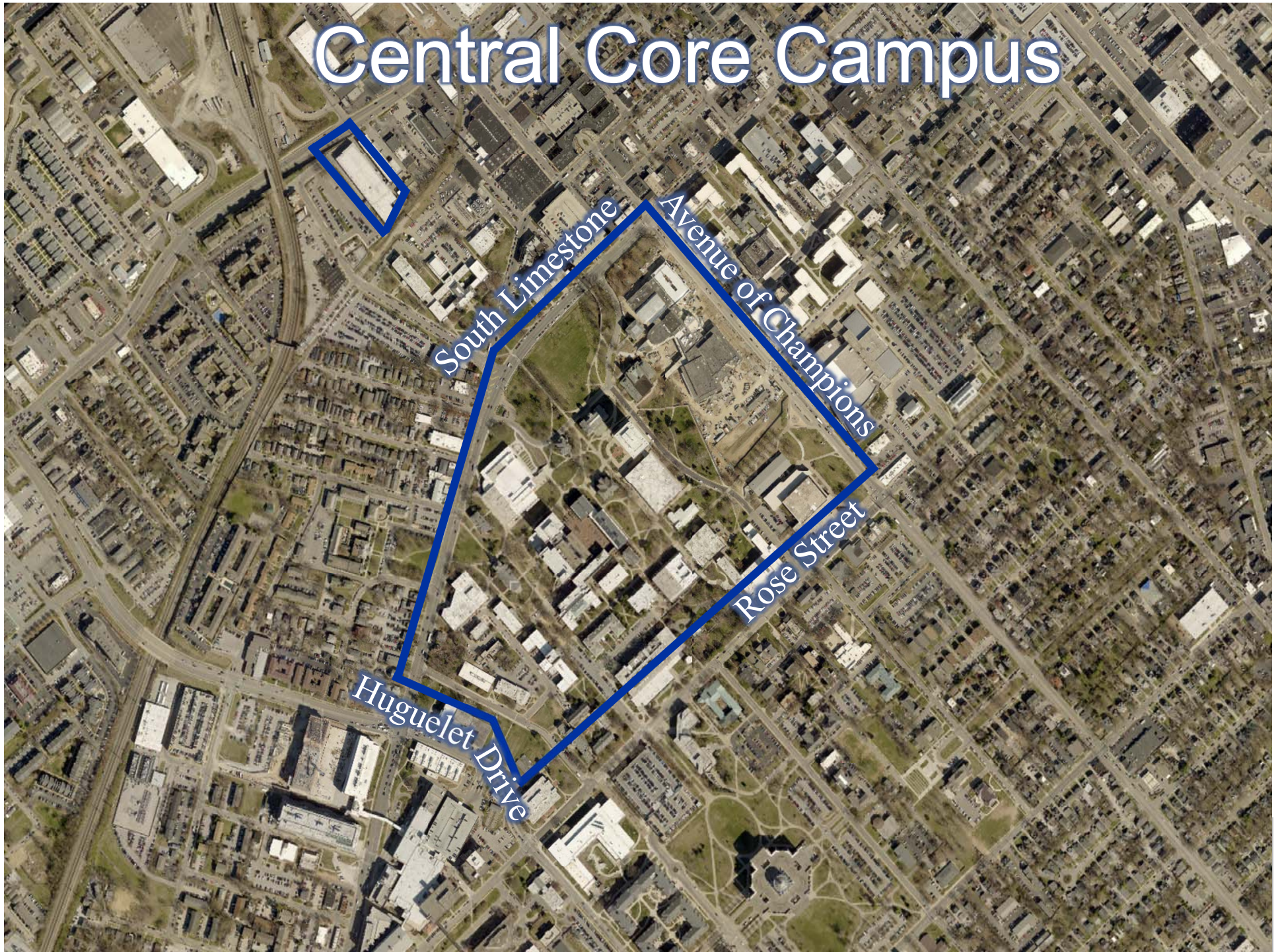


Preserve and Enhance the Core of Campus

UK's modernization initiative will rehabilitate, renovate, and modernize buildings in order to accomplish the following key objectives:

- Utilize space efficiently by allowing for greater flexibility for class needs
- Modernize the core of campus to encourage a unified sense of place to enhance student success as measured by the state's new performance funding model
- Create better space to increase synergies among departments and faculty
- Preserve several historic structures to commemorate their contribution to UK's 150-year history while addressing the student learning needs of today
- Manage escalating costs by upgrading existing infrastructure to provide improved energy efficient systems that reduce operating costs and lower future maintenance expenses

Central Core Campus



South Limestone

Avenue of Champions

Rose Street

Huguelet Drive



Criteria

Buildings may be evaluated using one or more of the following criteria:

- Buildings impacting student success
- Buildings located within physical core of campus
- Buildings with potential for consolidation of department space
- Buildings having historical or architectural significance
- Buildings having Facility Condition Index (FCI) ≥ 20
(10 and below is considered fair to good)



Preserve and Enhance the Core of Campus

Work will include the following categories:

- Exterior and interior improvements
- Life safety upgrades
- ADA (Americans with Disabilities Act)
- Energy conservation



Preserve and Enhance the Core of Campus

UK requested \$250,000,000 for the 2016-18 Biennium

- \$125,000,000 in state bonds
- \$125,000,000 in agency bonds (philanthropy, fund balances, and other funds)

The legislature approved \$60,000,000 in agency bonds



Modernization Phase I

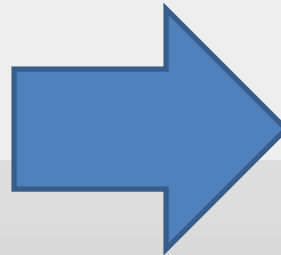
- Determine buildings in Phase-I that meet the initial criteria and select projects that can be completed within the proposed \$60,000,000 budget.



Modernization Phase-I Options

Buildings with FCI of 55% or Greater

Building	FCI %	Year Constructed	GSF
Funkhouser	83	1937	109,860
Old Engineers Residence	76	1919	3,524
Breckinridge Hall	73	1929	23,825
Slone Research	73	1957	30,536
Memorial Hall	71	1929	20,343
Reynolds I	71	1903	144,081
Terrell Civil Engineering	68	1941	10,535
McVey Hall	66	1928	51,866
Chemistry-Physics	65	1963	245,347
Erickson Hall	65	1940	39,880
Lafferty Hall	64	1939	17,719
Kinkead Hall	63	1929	18,296
Scovell Hall	62	1905	68,916
Frazer Hall	61	1907	18,155
King Library	60	1930	155,447
Bradley Hall	59	1921	24,592
White Hall Classroom	58	1970	154,642
Grehan Journalism Building	57	1951	35,090
Guignol Fine Arts	57	1949	101,181
Patterson Office Tower	57	1970	272,456
Research Facility 1	55	1969	25,678



Buildings
Chemistry-Physics
Enoch Grehan Journalism Building

- ✓ Buildings impacting student success
- ✓ Buildings located within physical core of campus
- ✓ Buildings with potential for consolidation of department space
- ✓ Buildings having historical or architectural significance
- ✓ Buildings having Facility Condition Index (FCI) > = 55



Enoch Grehan Journalism Building

- Constructed 1951
- 35,090 gross square feet
- Facilities Condition Index: 57%
- Students impacted: 817
- Construct connector building to McVey Hall to provide accessibility and synergy for these two buildings
- Allows for consolidation of programs and functions from multiple buildings
- Create modern spaces that are flexible and easily adaptable for future needs
- Provides state of the art centrally-scheduled classrooms that support all students



Chemistry/Physics Building

- Constructed 1963
- 245,347 gross square feet
- Facilities condition index: 65%
- Students impacted: 11,110
- Provides modern wet bench research labs and computational spaces
- Provides additional undergraduate research opportunities
- Upgrade heating, ventilation, and air conditioning (HVAC) in a complicated research building improving overall building safety



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