

# FCR 9

Office of the President  
March 19, 2013

Members, Board of Trustees:

## EXPAND AND RENOVATE COMMONWEALTH STADIUM AND NUTTER TRAINING CENTER

Recommendation: that the Board of Trustees approve the initiation of the Expand and Renovate Commonwealth Stadium and Nutter Training Center capital project and declare its official intent to reimburse capital expenditures from a future debt obligation for the project.

Background: The existing stadium was built in 1973 and needs upgrades and expansion to better accommodate the students, fans, and players. The Expand and Renovate Commonwealth Stadium and Nutter Training Center capital project will provide new premium seating with revenue generating opportunities, improving the overall operational effectiveness and enhancing the fan experience as well as allowing UK to attract the best student-athletes to the campus. Among the planned improvements are many spectator driven improvements (improved concessions, restrooms and security), new multi-purpose recruiting room, 16-20 private suites, new home team facilities, approximately 2,000 new club seats, new press facilities, new full service kitchen, and a new team store. The project also will include upgrades to the Nutter Training Center for the daily benefit of the University's student-athletes.

This \$110 million project, authorized by the 2013 Kentucky General Assembly, will be funded with agency bonds. The annual debt service will be paid by the UK Department of Intercollegiate Athletics with new revenues from the suites, club seating, and expanded Southeastern Conference revenues.

U.S. 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 University's Debt Committee has determined that this project would be consistent with the University's Debt Policy.

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Action taken:      Approved      Disapproved      Other \_\_\_\_\_