

# FCR 12

Office of the President  
December 9, 2014

Members, Board of Trustees:

## RENOVATE/EXPAND STUDENT CENTER CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Renovate/Expand Student Center Capital Project and declare official intent to reimburse the capital expenditures from a future debt obligation.

Background: The University's Student Center was originally constructed in 1938 and expanded in 1968 and 1982. The Student Center is heavily used by the entire University community with over 2,000,000 visitors annually. However, the approximately 260,000 square foot facility is no longer able to fully meet the needs of students, faculty, staff and other constituents in terms of quantity and quality of space.

This project will include selective demolition, expansion and renovation of the Student Center. Alumni Gym will be renovated and incorporated into the new Student Center. The project is expected to expand the University's Student Center to more than 350,000 square feet and will include an atrium, recreation area, lounges, conference facilities, entertainment venues, retail space, food service, bookstore, student organization space and administrative support offices.

The \$175,000,000 project, including design, was authorized by the 2014 Kentucky General Assembly and will be funded with \$160,000,000 agency bonds and \$15,000,000 agency and private funds.

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 the tax-exempt debt proceeds.

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

---

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

