



Capital Project Plan

2018-2020 Biennium and Beyond



Criteria and Process

- Developed the plan within the context of “Our Path Forward”
Estimated student growth and capital needs:
 - Projected five year growth is 2,500 – 3,500 students
 - Additional space needed is ~150,000 – 250,000 net square feet to accommodate the five year growth
- Evaluated the following:
 - Availability of surge space
 - Impact to students and research
 - College/program growth potential
 - Recent capital expenditures for colleges
- Conducted broad based discussions with deans, college leadership, and University leadership



Criteria and Process

- Outcome: Development of a multi-year capital plan beyond the modernization funds of \$125 million
- Goal:
 - A guiding capital “mini-master plan” that can be used for the next few years
 - Alignment with campus master plan



Modernization Goals

- Preserve and extend useful life of existing buildings
- Improve the utilization of space by providing a more flexible array of classrooms to serve our growing student population, especially in the STEM+H (science, technology, engineering, math, and health) disciplines
- Modernize the core of campus to help create 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 repair and maintenance costs
- Upgrade existing infrastructure to improved, energy efficient systems that reduce operating costs and lower future maintenance expenses



Recommended Modernization Projects

• Scovell Hall	\$42M
• Reynolds Warehouse #1	\$34M
• Phase 2 of Chemistry Physics Building	\$26M
• Phase 1 of W. P. Garrigus Building	\$10M
• Phase 1 of White Hall Classroom Building	\$ 5M
• Cooper House	\$ 4M
• Enabling Projects	\$ 4M

Total \$125M



Modernization Project Information

Project: Scovell Hall - Modernization
Description: Complete modernization of the existing building that will provide classrooms, offices, and other support space
Occupant: College of Public Health
Square Feet: 67,645 GSF/40,000 NSF
Cost: \$42M

Project: Reynolds Warehouse #1 - Modernization
Description: Will provide classrooms, offices, studios, and other support space for current and future programs in the College of Design
Returns 60,000 NSF to campus academic service
Occupant: College of Design
Square Feet: 91,500 GSF/60,000 NSF
Cost: \$34M

Project: Chemistry/Physics Building – Modernization Phase 2
Description: Includes completing the exterior facade; creating new student space; and accommodating future floor renovations
Occupant: College of Arts and Science and most undergraduate students
Cost: \$26M



*GSF = gross square feet
NSF = net square feet



Modernization Project Information



Project: W. P. Garrigus Building– Modernization Phase 1
Description: Building will undergo a systematic modernization, improving laboratory space for the Animal Science Program
Occupant: College of Agriculture, Food and Environment
Square Feet: Up to 17,000 GSF
Cost: \$10M



Project: White Hall Classroom Building – Modernization Phase 1
Description: Improve public spaces including restrooms
Primary User: Campus
Cost: \$5M



Project: Cooper House - Modernization
Description: Will provide new office and program space
Occupant: College of Agriculture, Food and Environment
Square Feet: 3,000 NSF
Cost: \$4M



Recommended Capital Projects

Education & General

• Poultry Research Facility	\$6M
• Parking Structure #5 Expansion	\$30M
• Coldstream Office Building	\$24M
• Dentistry Addition	\$8M
• Digital Village III	\$55M
• Barnhart & Still Building	\$32.5M
• Multi-Disciplinary Science Building - 5 th Floor	\$8M
• Peterson Service Building	\$14M
• Police Station	\$13.5M
• Patterson Office Tower - 18 th Floor	\$4M
• Teaching Pavilion	\$27.5M
Total	\$222.5M

• Research

• Research Building #2 Phase 2	\$40M
• Vice President for Research Designated Projects	\$30M
Research Total	\$70M

• Athletics

• Memorial Coliseum	\$35M
• Tennis	\$30M
• Baseball Expansion	\$5M
Athletics Total	\$70M

• Civil Projects (site improvements pedestrian safety, utilities)

• Library Drive Extension	
• Rose Street	
• Kirwan/Blanding	
Civil Total	\$25M



Capital Project Information



Project: Poultry Research Facility
Description: Required as a result of the recent real estate exchange with Lexington Fayette Urban County Government
Occupant: College of Agriculture, Food and Environment
Cost: \$6M



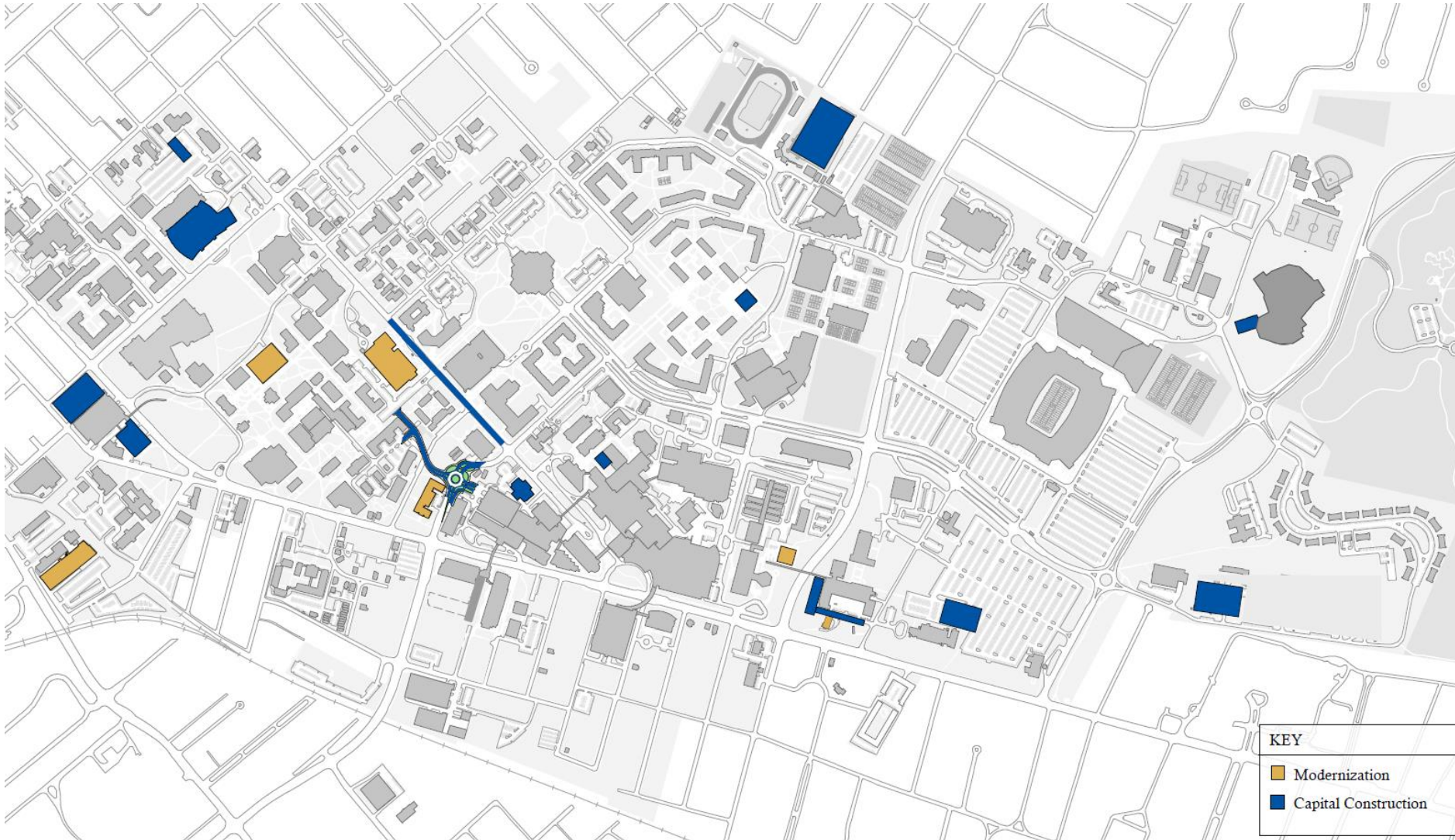
Project: Parking Structure #5 Expansion
Description: Will add 60% capacity of the existing structure (900-1000 spaces) and will include street front retail
Occupant: Campus
Cost: \$30M



Project: Kirwan and Blanding Utilities Relocation
Description: Phase 1 in the process to demolish Kirwan and Blanding Complex
Occupant: Campus
Cost: \$7.5M

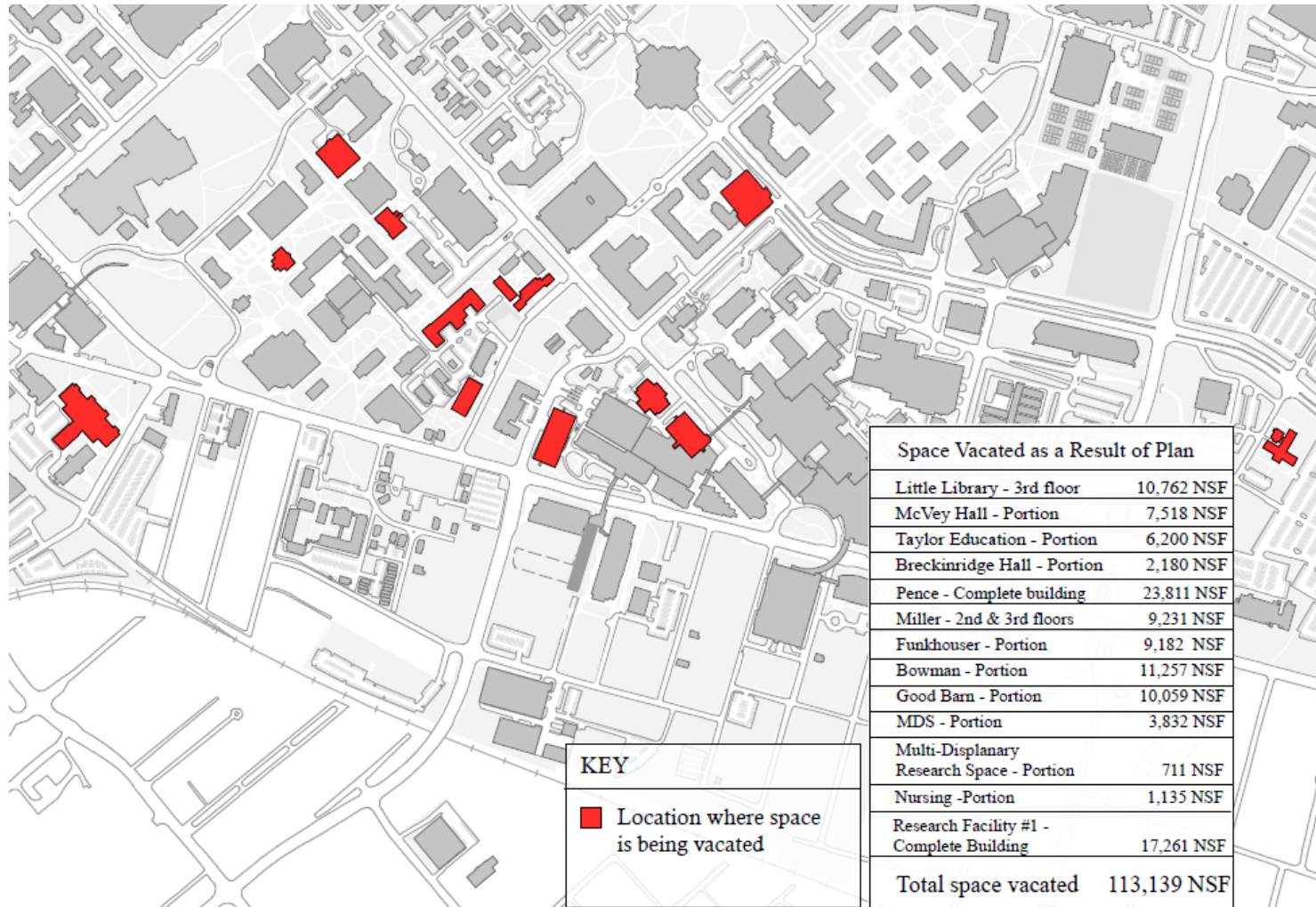


Location of Projects





Location of Vacated Space





Major Proposed Projects

Recommended Modernization Projects

- Scovell Hall
- Reynolds Warehouse #1
- Phase 2 of Chemistry Physics Building
- Phase 1 of W. P. Garrigus Building
- Phase 1 of White Hall Classroom Building
- Cooper House
- Enabling Projects

Recommended Capital Projects

- Poultry Research Facility
- Parking Structure #5 Expansion
- Coldstream Office Building
- Dentistry Addition
- Digital Village III
- Barnhart & Still Building
- Multi-Disciplinary Science Building - 5th Floor
- Peterson Service Building 3rd floor
- Police Station
- Patterson Office Tower - 18th Floor
- Teaching Pavilion
- Research
 - Research Building #2 Phase 2 and Vice President of Research Designated Projects
- Athletics
 - Memorial Coliseum, Tennis, and Baseball Expansion
- Civil Projects
 - Library Drive Extension, Rose Street, and Kirwan/Blanding



Total Project Cost Summary

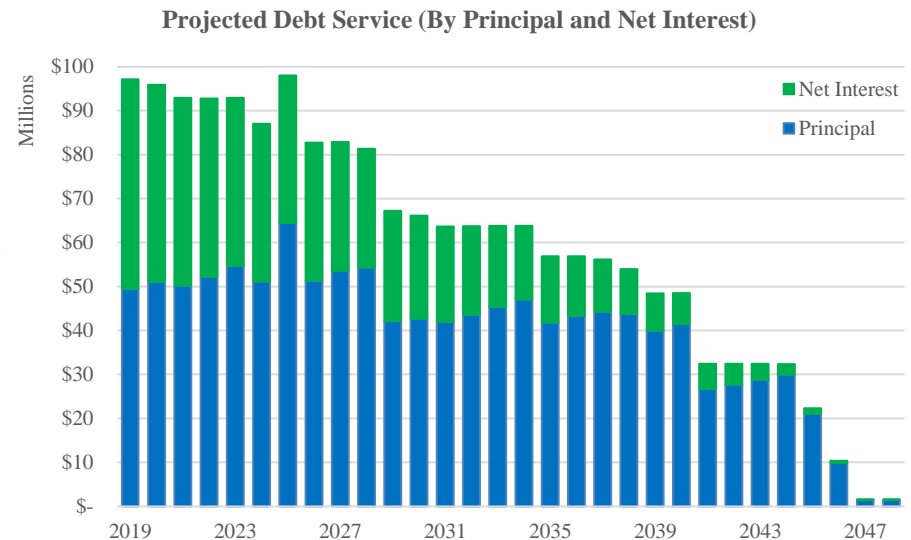
Project Type	Cost (in Millions)
Modernization	\$125
Capital Construction	\$222.5
Athletics	\$70
Research	\$40
Vice President for Research Designated	\$30
Civil	\$25
UK HealthCare*	TBD
Total	\$512.5

* UK HealthCare is carefully evaluating their new course, including a study for the six health care colleges to determine their facility needs.



Debt Capacity & Affordability

- As of June 30, 2018, UK has \$1.2 billion of debt outstanding
- The current debt structure is front-loaded with \$373 million, or 30%, amortizing over the next seven years
- As debt amortizes, additional capacity is made available
- Fiscal Year 2019 debt service as a percentage of the adjusted operating budget is 2.8%
- The Commonwealth generally limits debt to 20 years; however, exceptions have been made for recent self-supporting projects





Financial Position Assessment Observations

Based on a recent Kaufman Hall assessment, at the University's current Aa2/AA rating:

- Credit position is strengthening, supported by steady growth in enrollment and patient volumes
- Overall liquidity position has improved
- Leverage position is fairly modest
- Debt capacity appears to be a potential near term source of capital



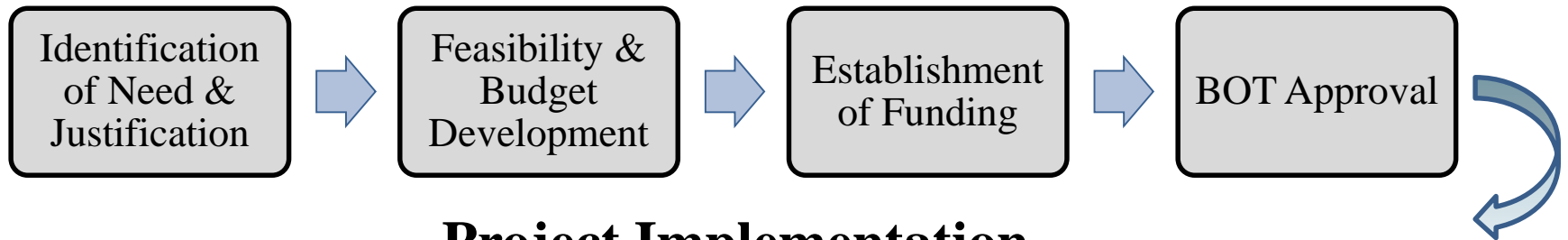
Benefits of Proposed Plan

- Creates ~150,000 – ~200,000 square feet (Goal was 150,000 – 250,000)
- Accommodates more than 2,500 additional students (Goal was 2,500 – 3,500)
- Consolidates space for colleges and programs
- Creates space for new programs
- Impact to students:
 - Student collaborative spaces
 - High tech classrooms
 - Study spaces
- Renews facilities, reduces escalating repair and maintenance costs, improves energy efficiencies, and extends useful life of buildings
- Expands research, both wet-bench and computational
- Supports historic preservation
- Improves parking and pedestrian safety
- Facilitates surge space for future phases of modernization
- Aligns with campus master plan

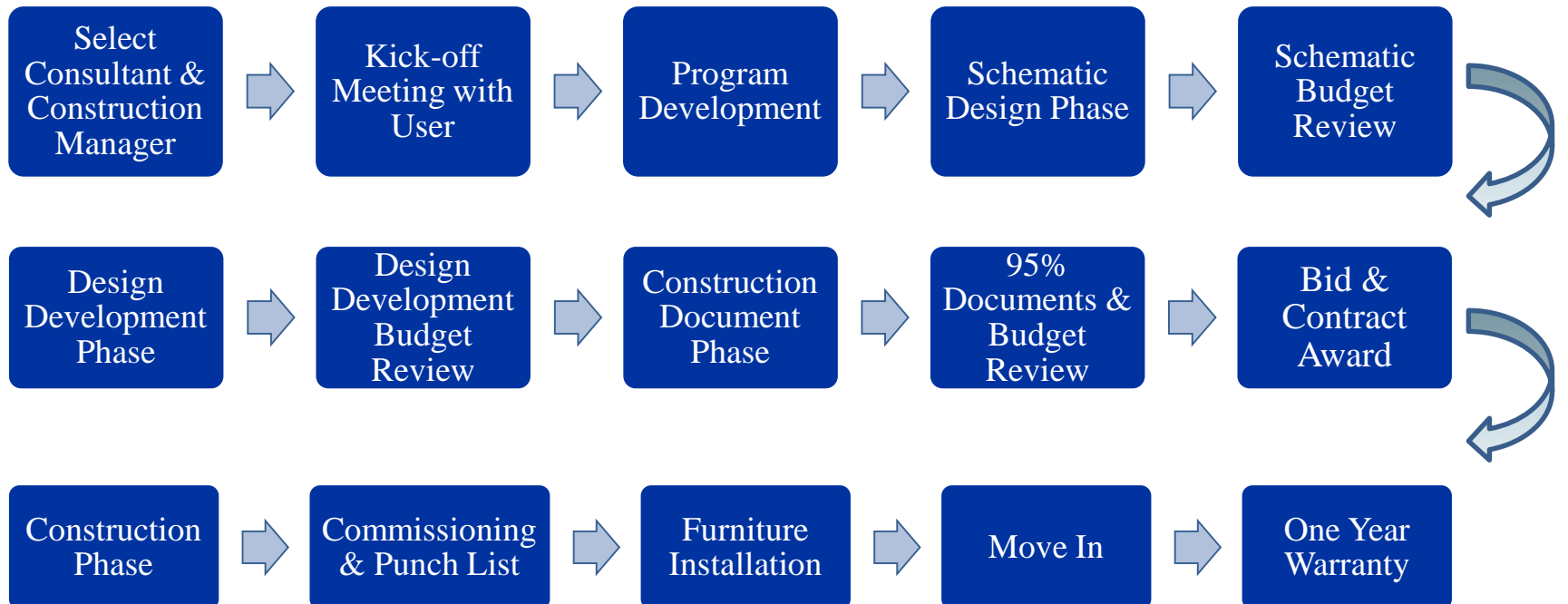


Project Life Cycle

Pre Project Planning



Project Implementation





Capital Project Plan

2018-2020 Biennium and Beyond