

FCR 4

Office of the President
February 19, 2021

Members, Board of Trustees:

CONSTRUCT/IMPROVE GREEK HOUSING (DELTA GAMMA) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct/Improve Greek Housing (Delta Gamma) Capital Project and an internal loan for an amount not to exceed \$950,000 to fund the project.

Background: The Delta Gamma fraternity organization has been a part of the University of Kentucky for 59 years. The chapter currently has 262 active members and approximately 1,700 living alumnae. This capital project will improve and expand the 13,000 square foot house located at 450 Pennsylvania Avenue. The addition will be approximately 2,500 square feet and will allow for renovated and improved bathrooms, bedrooms, common areas, kitchen, increased dining to 300 capacity, additional study areas and improved technology including wifi.

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 \$6,000,000 project, authorized by the 2020 Kentucky General Assembly, is well 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 fraternity in a structured arrangement whereby the fraternity will be responsible for the development costs to improve the facility. Pursuant to 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 an amount not to exceed \$950,000. This internal loan will be used as a backup measure only to be drawn-down in the event there is more than a 30-day delay in payments from Delta Gamma and will be repaid with interest within 30 days of drawdown.

Action taken: Approved Disapproved Other _____



Imagery Source: Pictometry (Spring 2020)
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