

FCR 11

Office of the President
December 13, 2022

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.

Background: 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.

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. At its February 19, 2021, meeting the Board of Trustees approved the renovation and expansion of the current Delta Gamma facility. However, the planning and design process revealed that such an expansion and renovation of the existing facility is cost prohibitive at over \$8,750,000 and the more economical approach is to raze the current house and construct a new one. Thus, the site preparation will include razing the current house located at 450 Pennsylvania Avenue and construction of a new 13,000 square foot house. The new facility will house members in two-to four-person suites including an ADA-accessible suite. In addition, the facility will include living and dining areas, a commercial kitchen, laundry area, study room, housemother's apartment and a sunroom. 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.

This \$7,500,000 project, authorized by the 2022 Kentucky General Assembly, is within the total legislative authorization of \$72,000,000 and will be funded with a combination of private funds and agency funds. 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 2021)
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