

FCR 18

Office of the President
February 17, 2023

Members, Board of Trustees:

RENEW/MODERNIZE FACILITIES (IMPROVE MEMORIAL COLISEUM) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Renew/Modernize Facilities (Improve Memorial Coliseum) capital project and the use of agency bonds authorized by the 2022 General Assembly to fund a portion of the project. As well as declare its official intent to reimburse capital expenditures from a future debt obligation for the 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.

In its February 2019 meeting, the Board of Trustees approved the design phase of the Improve Memorial Coliseum capital project. This project will initiate the construction phase.

This facility which opened in 1950, was built as a memorial to Kentuckians who died in World War II, and the Korean conflict. This historic facility in the heart of campus serves students from across the campus by hosting important academic events such as guest speakers and seminars, step shows, the arts, and student-led philanthropic events like DanceBlue and Greek Sing. Memorial Coliseum is also the home to the Center for Academic and Tutorial Services and competitions for four women's athletic teams: basketball, gymnastics, volleyball and STUNT. The restoration and improvements made to Memorial Coliseum will include enhancements to the memorialization of Kentuckians who lost their lives in military service, climate control improvements, modern seating and other enhancements to benefit students, student-athletes and the public attending community and athletic events in the facility. This project will include many systems-related upgrades such as life safety, security, lighting and sound. The renovation will encompass the entire building including offices and academic functions, as well as envelope and site upgrades.

At its June 2022 meeting, the Board of Trustees approved the initiation of the Renew/Modernize Capital Project, which included the Memorial Coliseum project, and the initiation of the Asset Preservation Pool Capital Project. Both these projects will be funded from future debt issuances.

This \$82,000,000 project to improve Memorial Coliseum, authorized by the Kentucky General Assembly, will be funded with Renew/Modernize Capital Project bond funds, Asset Preservation Pool Capital Project bond funds and private funds.

The United States Department of Treasury regulations related to the use of proceeds of tax-exempt bonds or notes require that borrowers 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. This recommendation includes such a Declaration of Official Intent.

Pursuant to the University of Kentucky Debt Policy, the Debt Management Committee has reviewed the financing plan and supports the proposed recommendation.

Action taken: Approved Disapproved Other _____