

# FCR 20

Office of the President  
June 13, 2025

Members, Board of Trustees:

## CONSTRUCT WEST END ZONE CLUB SPACE CAPITAL PROJECT - DESIGN AND CONSTRUCTION PHASES

Recommendation: that the Board of Trustees approve the initiation of the design and construction phases of the Construct West End Zone Club Space capital project using the most cost-effective financing methods. It is further recommended that the Board support and approve the pursuit of legislative authority from the Commonwealth of Kentucky to enter into a P3 for the construction phase of the project and authorize the President, or his designee, to negotiate and execute all documents necessary to create a viable P3.

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.

This project will design and construct a new club area at field level in the west end zone seating bowl of Kroger Field. The new club space will feature distinctive viewing opportunities for events on the field, dining spaces, lounge areas, various amenities, and utilization beyond football game dates. Additionally, the project will include installation of Wi-Fi devices to ensure connectivity throughout Kroger Field.

The project is part of the multi-year plan for capital projects designed to enable the athletics enterprise to produce the necessary revenue to ensure a strong financial trajectory. The design phase, with an estimated scope of \$8,000,000, will be funded with an internal loan to be repaid with private funds. The President will select the most cost-effective method for the construction phase, either a P3 strategy or an internal loan to be repaid with private funds. Given the University's desire to strengthen Athletics' financial position, a P3 strategy may be deemed the most cost-effective method for the construction phase by enhancing speed to market and providing first-class venue space.

The project is not expected to exceed \$50,000,000 and has been authorized, with the use of private funds, by the 2024 Session of the Kentucky General Assembly. The University will seek legislative authorization to use a P3 strategy for the construction phase from the 2026 Session of the Kentucky General Assembly. If a P3 strategy is deemed the most cost-effective financing method for the construction phase, an agreement that is in the best interest of the University will be negotiated and executed between the University and its selected P3 partner upon receipt of the necessary legislative authorization.

As part of the multi-year plan, internal loan funds related to FCR 8 may be utilized for the design and construction phases of this project. In accordance with the Internal Loan Program Policy, the Debt Management Committee has reviewed and approved this recommendation.

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



