

FCR 4

Office of the President
February 22, 2019

Members, Board of Trustees:

RENEW/MODERNIZE FACILITIES-COOPER HOUSE CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Renew/Modernize Facilities-Cooper House Capital Project and declare official intent to reimburse the capital expenditures from a future debt obligation.

Background: This project will renovate the Cooper House for the College of Agriculture, Food, and Environment. Cooper House, located on the corner of Nicholasville Road and Cooper Drive, was constructed in approximately 1880 and acquired by UK in 1940. The building is on the University's list of historical structures and was home to Dean Thomas Poe Cooper for whom the House is named. Currently the house is vacant and is in need of renovation.

The renovation and restoration of the Cooper House will include a reception area to welcome prospective students, faculty, visitors, and industry partners; meeting rooms; and, space to showcase goods and products.

Pursuant to Administrative Regulation 8:2, the Board must approve any capital project with an estimated scope of \$1,000,000 or more prior to initiation. This \$4,000,000 project, authorized by the 2018 Kentucky General Assembly, is well within the total legislative authorization of \$250,000,000 for modernization projects. The project may be financed with a combination of various institutional sources including agency bonds, agency funds, or an internal loan. Agency funds or an internal loan may be partially or fully reimbursed by University bond proceeds as deemed appropriate, with any allocation of bond proceeds or execution of internal loan approved by the Debt Management Committee in accordance with the University's debt and internal loan program policies.

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.

Action taken: Approved Disapproved Other _____