

FCR 9

Office of the President
May 3, 2016

Members, Board of Trustees:

EXPAND/RENOVATE/UPGRADE LAW BUILDING CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Expand/Renovate/Upgrade Law Building Capital Project and declare official intent to reimburse the capital expenditures from a future debt obligation.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$600,000 or more must be approved by the Board prior to initiation. The University's Law Building was originally constructed in 1965 and later expanded in 1977. While there have been modest classroom upgrades, the nearly 40 year old building structure and infrastructure are in critical need of upgrades as the approximately 101,000 square foot facility is no longer able to fully meet the needs of students, faculty, staff, and other constituents in terms of quantity and quality of space. The building is insufficient to meet the mission of the College of Law to prepare students with a fully integrated educational experience.

At its October 2015 meeting, the Board of Trustees approved the design phase of the Expand/Renovate/Upgrade Law Building Capital Project. The expanded facility will include an upgraded and improved law library, courtrooms, administration spaces, signature student spaces, classrooms, faculty offices, student organization spaces, and the law clinic.

The 2014 Kentucky General Assembly authorized a maximum scope of \$65,000,000 to be funded with \$35,000,000 in state bonds and up to \$30,000,000 in agency bonds.

U.S. Department of Treasury regulations related to the use of proceeds of tax-exempt bonds or notes require that the borrower 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 the tax-exempt debt proceeds.

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 _____



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