

MINUTES
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY

September 7, 2001

AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, a special meeting of the Board of Regents of Western Kentucky University was held via teleconference from Grise Hall Room 137; Elizabethtown Community College, Room 144A, and Southern Gas Association in Dallas, Texas. The meeting was called to order by Chair Bale at approximately 3 p.m., CDT. *The specific purpose of the meeting was to review and approve the Property Improvement Agreement with the City of Bowling Green.*

AGENDA ITEM 2 - Roll Call

From Grise Hall, Room 137

Mr. Howard E. Bailey
Ms. Kristen T. Bale
Ms. Leslie R. Bedo
Ms. Peggy W. Loafman
Mr. Cornelius A. Martin
Professor Mary Ellen Miller

From Elizabethtown, Room 144A

Ms. Lois W. Gray
Mr. Ronald Sheffer

From Southern Gas Association, Dallas, TX

Mr. Robert Earl Fischer

Absent:

Mr. James B. Tennill, Jr.
Ms. Beverly H. Wathen

Others in attendance included President Gary A. Ransdell; Ms. Liz Esters, Secretary; Dr. Barbara Burch, Provost and Vice President for Academic Affairs; Mr. Tom Hiles, Vice President for Development and Alumni Affairs; Dr. Richard Kirchmeyer, Vice President for Information Technology; Ms. Ann Mead, Chief Financial Officer; Dr. Gene Tice, Vice President for Student Affairs and Campus Services; Mr. John Osborne, Associate Vice President for Campus Services; Dr. Wood Selig, Athletics Director; and Ms. Deborah Wilkins, General Counsel.

City officials and others in attendance included Mayor Sandy Jones; Mr. Gene Harmon, Steve Catron, Attorney-at-law; and Mr. Bud Jones, President of the Hilltopper

Athletic Association.

AGENDA ITEM 3 - Review and approval of the Property Improvement Agreement with the City of Bowling Green.

Dr. Ransdell summarized the past two weeks, “The past two weeks can best be described as not only intensive but productive. The week prior to Labor Day weekend we spent considerable time with our colleagues in Frankfort represented through the Finance and Administration Cabinet, Robin McKinney to be precise, and Secretary of Finance Kevin Flanery’s office. A lot of materials were faxed back and forth between the Attorney General, the State Auditor, CPE, and all of the parties that have been in the working group for this project. Coming out of the Capital Projects and Bond Oversight Committee meeting about three weeks ago, we had everything in order except precisely how we were going to deal with an amount of money that would stay within the State guidelines for a \$400,000 project that could be initiated without State approval but which would require State approval if it was over \$400,000. Clearly this project is over \$400,000 with the provision that we would keep the building, and the Statutes are clear that we need General Assembly authorization. So, the steps to be accommodated during the last few weeks included getting the commitment from the Hilltopper Athletic Foundation to cover any up-front costs that the City might spend in any interim financing until General Assembly authorization is achieved in January.

“The HAF Board was most receptive and helpful. We appreciate what the HAF Board has done during the past two weeks to provide the insurance policy, if you will, to cover the interim financing should authorization fail to materialize in January.

“We have communicated with our local legislative delegation and others in the House and Senate and are very confident about that authorization coming to pass as soon as it can be put on to the floor at the opening of the General Assembly. Beyond that, once we had everybody in Frankfort on the same page with the Agreement that parties in Frankfort were both comfortable with and pleased about, we then turned our attention to final details with the City.

“I want to thank our colleagues both in State government and in City government who have worked tirelessly to bring this project together to a relatively straight-forward

Property Improvement Agreement between Western and the City to do this project.

Sitting to my left is Mayor Sandy Jones. I had the pleasure of sitting in on the Board of Commissioner's meeting this morning at 9 a.m. in City Hall where the Commissioners acted. I would turn the floor over to Mayor Jones to describe for you the action taken today.

Mayor Jones, "Thank you President Ransdell, thank you Board of Regents for having us up here this afternoon. We did have a special called meeting, and I'm very proud to say that our decision was unanimous among the Board of Commissioners to participate with the University in the improvement of Diddle Arena and various athletic venues. We know, as a body, the value that the University has to our community, and we look at this as an opportunity to work together to make both entities—the University and the City of Bowling Green—the best we can be; the more we improve each other, the better off we will be. We are very proud, and I bring the unanimous "yes" vote from the City."

REQUEST: Adoption of the following resolution.

Background:

On August 17, 2001, the Board of Regents authorized and empowered the President to take those actions necessary to effectuate the proposed renovation of E.A. Diddle Arena and related athletic facilities, including student parking, including execution of a property improvement agreement, on the condition that the terms and provisions of the Agreement be submitted to the Board for approval.

The Board further directed that ownership of University real property would not be transferred and further required that the debt payments required by the Agreement be restricted exclusively to Athletics Department Revenues.

Under the terms and provisions of the Memorandum of Agreement proposed, the University will retain ownership of E.A. Diddle Arena and all other athletic-related facilities and properties originally proposed for transfer to the City, with the debt service and the City's other costs to be paid from student activity fees collected by the University. In the event those fees do not generate sufficient funds to pay the debt service, any other payments will be restricted exclusively to other Athletics Department revenues.

Motion to adopt and approve the resolution listed below was made by

Ms. Loafman and seconded by Mr. Martin.

RESOLUTION

WHEREAS, the City of Bowling Green, Warren County, and the Hilltopper Athletic Foundation, Inc. (HAF) jointly participated in funding a feasibility study concerning a multipurpose athletic, recreational, and entertainment facility available to the citizens and residents of Bowling Green and Warren County; and,

WHEREAS, as a result of the feasibility study, it was determined that construction of a new multipurpose facility was not feasible, but renovating E.A. Diddle Arena as a multipurpose athletic, recreational, and entertainment facility available to the community is feasible; and,

WHEREAS, renovating E. A. Diddle Arena as a multipurpose athletic, recreational, and entertainment facility with improved access and adequate parking will promote recreational, economic, and cultural opportunities for the citizens and residents of Bowling Green and Warren County; and,

WHEREAS, certain other athletic facilities belonging to Western Kentucky University (WKU) are in need of renovation and repair in order to be used as multipurpose athletic, recreational, and entertainment facilities; and,

WHEREAS, the City of Bowling Green has agreed to assist in the financing of the renovation, improvement, and equipping of certain WKU athletic facilities, including: (1) the renovation of E.A. Diddle Arena; (2) land acquisition, parking lot preparation, and pedway design and construction for E.A. Diddle Arena; (3) replacement of natural grass with synthetic grass surface for Feix Field; and (4) costs related to curbing, sidewalks, steps, drainage, and other modifications related to these athletic facilities by issuing up to \$32,500,000 in General Obligation Bonds; and,

WHEREAS, WKU has agreed and covenanted to impose and to appropriate throughout the term of the bond issue and to transfer to the City amounts collected from its student athletic fees in amounts equal to the debt service payments and other costs incurred by the City; and,

WHEREAS, WKU will seek authorization for the project and approval for the use of the student athletic fees from the Kentucky General Assembly during its 2002 Regular Session; and,

WHEREAS, the City has also agreed to obtain interim financing for a portion of the costs of the project, up to \$3,000,000, incurred prior to the General Assembly authorization, with the interim financing to be repaid from the bond proceeds; and,

WHEREAS, HAF has agreed to reimburse the City in full for the interim financing should authorization not be granted by the General Assembly or the interim financing not be repaid from the bond proceeds; and,

WHEREAS, pursuant to the Kentucky Revised Statutes the City may seek Court approval of the issuance of the bonds and the transactions and commitments agreed to by the parties; and,

WHEREAS, the parties have set out their agreement in writing and it is in the best interests of the University to approve this Memorandum of Agreement.

NOW, THEREFORE, it is hereby resolved as follows:

- The Memorandum of Agreement among the City of Bowling Green, Western Kentucky University, and the Hilltopper Athletic Foundation, Inc., a copy of which is attached and made a part of this Resolution as if copied in full herein, is hereby approved in substantially the form as attached. (*Attachment A*)

- The President is authorized to take those actions necessary to effectuate the proposed renovation of E. A. Diddle Arena and related athletic facilities and student parking, and to execute this Memorandum of Agreement, in substantially the form attached, on behalf of the University. (*Attachment B*)

This the 7th day of September, 2001.

Elizabeth Esters, Secretary
Board of Regents

Chair Bale invited comments from the HAF representative, Mr. Bud Jones.

Mr. Jones responded, “Our Board also called a special meeting two weeks ago today. We have twenty-eight Board members, and we were able to get at least twenty-two there, and two participated by telephone. After a very short discussion, our Board also unanimously voted to sign the agreement. (Attachment C) Not only do we believe that it is in the best interest of the student athletes for this deal to go through, we also feel it is in the best interest of our membership. Our membership would like to see a renovated Diddle Arena and would also like to see the other athletic facilities updated. We are very comfortable with our involvement.”

Regent Fischer commented, “I would just like to comment that there’s been a tremendous amount of work put into this document, but behind the document is a tremendous idea to step this University forward. The University has always been proud of the fact we’re not a University with walls around it—it isn’t a holy city within a city—and I think this goes a long way to prove the relationship between the City, certainly the State, but the City and this fine University. It locks that principle in and is a show of that philosophy. I’m very proud to be a part of this document.”

Ms. Loafman’s motion for approval of the resolution carried unanimously.

Having accomplished the purpose of the special meeting, motion for adjournment was made by Mr. Fischer and seconded by Ms. Bedo. The meeting adjourned at approximately 3:20 p.m.

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein above set forth an accurate record of votes and actions taken by the Board of Regents of Western Kentucky University in a special meeting held September 7, 2001, via interactive television from Grise Hall on the campus of Western Kentucky University, the Elizabethtown Community College, and Southern Gas Association in Dallas, Texas, and further certify that the meeting was held in compliance with KRS 61.810, 61.815, 61.820, and 61.825 (enacted as Sections 2, 3, 4 and 5 of House Bill 100, 1974 Regular Session, General Assembly).

Elizabeth W. Esters
Secretary
October 26, 2001

Kristen T. Bale
Chair
October 26, 2001

Elizabeth W. Esters
Secretary
October 26, 2001