

FCR 9

Office of the President
December 12, 2006

Members, Board of Trustees:

CONSTRUCT BIOLOGICAL/PHARMACEUTICAL COMPLEX – UPDATE AND AUTHORIZATION CONSOLIDATION

Recommendation: that the Board of Trustees approve consolidation of several authorized construction, infrastructure, and design projects for the Biological/Pharmaceutical Complex which will bring the aggregate authorized project scope to \$135,292,000.

Background: At its September 20, 2005 meeting, the Board approved Phase I of the Biological/Pharmaceutical Complex Project using \$40,000,000 of state bonds authorized by the 2005 Session of the Kentucky General Assembly. At its June 13, 2006 meeting, the Board approved Phase II of the project using \$79,892,000 of state bonds authorized by the 2006 Session of the Kentucky General Assembly. The completed facility will provide a state-of-the-art teaching and research facility.

The College of Pharmacy will relocate to this new facility and vacate their existing space. The vacated space will be reassigned to provide needed expansion space for classrooms, research, and faculty offices to meet the needs of the growing student enrollment, including that of Pre-Pharmacy.

The university is well along on programming and preliminary design of the project. Programming decisions and cost estimating and budgeting have become clearer as the project has progressed. In order to maximize space and cost efficiency, the recommended facility is a 279,000 square foot five-story building which includes 1 ½ floors of shelled space. In addition to five floors, the building will also have an occupied basement and penthouse. As a result of increasing the square footage of the facility, the project will carry a full scope, which includes planning; programming; design, construction, and fit-up; and major infrastructure needs. The 1 ½ floors of shell space will provide significant and needed space to accommodate growth for expanding university research. The future cost, along with the source of funds, for fit-up of this space will be the subject of future board review and approval. The project will be funded with \$119,892,000 of state bonds, for which the Commonwealth of Kentucky will be responsible for the annual debt service, and \$15,400,000 of university funds.

Contingent upon approval by the Board of Trustees, the university will request the state Capital Projects and Bond Oversight Committee to consolidate project authorizations to meet this budget.

The project authorizations proposed to be utilized include:

<u>Biennium Authorized</u>	<u>Project</u>	<u>Scope</u>
2004-06	*Construct Biological/Pharmaceutical Complex – Phase I	\$40,000,000
2006-08	*Construct Biological/Pharmaceutical Complex – Phase II	79,892,000
2006-08	*Replace Cooling Plant Chillers	6,000,000
2006-08	*Improve Central Heating Plant	4,860,000
2006-08	Acquire Land (utilize portion of pool)	2,500,000
2006-08	*Expand Plant Capacity Infrastructure – Design	<u>2,040,000</u>
	Total	\$135,292,000

Note: Shown above with a “*” are state budget authorizations proposed to be consolidated for this project. Land acquisition expenses of \$2,500,000 will come from the budgeted pool authorization.

Action taken: Approved Disapproved Other _____