

FCR 6

Office of the President
December 9, 2008

Members, Board of Trustees:

RENOVATE/EXPAND
THE CENTER FOR APPLIED ENERGY RESEARCH

Recommendation: that the Board of Trustees approve increasing the scope of the renovation and expansion of the Center for Applied Energy Research capital project from \$2 million to \$3.71 million.

Background: During a special legislative session in August 2007, the Kentucky General Assembly appropriated \$2 million from the General Fund for the Center for Applied Energy Research (CAER). The funds were provided to renovate and expand the existing CAER facility. The Board of Trustees approved initiation of this project at its March 4, 2008 meeting, and the project is currently under way. The United States Department of Energy and the Governor's Office of Energy Policy have awarded the CAER grants totaling \$1,712,581 to conduct a Front End Engineering and Design Study for a Fischer-Tropsch refinery and to construct a shell of the facility to house the refinery.

Contingent upon approval by the Board of Trustees, the University will request similar legislative authorization to increase the project scope from the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other _____