

# FCR 8

Office of the President  
September 5, 2014

Members, Board of Trustees:

AUTHORIZATION TO NEGOTIATE, ACQUIRE AND RENOVATE  
ACADEMIC/ADMINISTRATIVE SPACE CAPITAL PROJECT  
(EMPLOYEE WELLNESS CENTER)  
1020 EXPORT STREET, LEXINGTON, KENTUCKY

Recommendations: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate, acquire and renovate the building located at 1020 Export Street, Lexington, KY at a price not to exceed \$1,525,000; and, pending acquisition, approve the initiation of the Renovate Academic/Administrative Space Capital Project (Employee Wellness Center).

Background: The University has leased the building at 1020 Export Street since 1995 to house the College of Arts and Sciences Department of Anthropology's Archeological research units and the William S. Webb Museum. The Museum curates approximately 10,000 archaeological collections, 85,000 archival items, and 2,800 ethnographic objects. The Office of State Archaeology, a research unit located in the facility, maintains records on 23,000 archaeological sites for the Commonwealth as mandated by the Kentucky Antiquities Act of 1962. The Kentucky Archaeological Survey, a collaboration of the University and the Kentucky Heritage Council, undertakes projects to document the Commonwealth's history and prehistory and partners with various organizations to provide students and the public with hands-on archaeological experiences and other forms of heritage education. The Program for Archaeological Research provides research services for public and private agencies and organizations. Collectively, the research units generate approximately \$1,300,000 in sponsored projects annually.

As the University does not own the facility, the research units are generally prohibited to submit grant applications for facility improvements. Consequently, the facility does not currently meet the minimum standards for federally owned collections. Acquisition of the building will provide the opportunity to seek external funding for facility improvements.

The Department of Anthropology occupies approximately 25,000 net square feet or 77 percent of the facility. The remaining space is currently vacant. As a result, the facility could house the University's Employee Wellness Center that is currently located in the Alumni Gym, adjacent to the Student Center. The Employee Wellness Center must be relocated to accommodate the planned expansion and renovation of the Student Center.

UK Health & Wellness operates the Employee Wellness Center at the Alumni Gym as an employee-dedicated fitness center. The Center currently occupies approximately 5,642 square feet and serves approximately 1,400 members. If the facility is acquired, the University recommends renovating approximately 7,400 square feet for the Employee Wellness Center. The expanded space would accommodate additional fitness equipment; additional group exercise classes; a walking/running track; and provide additional space for locker rooms, staff offices and storage. Also, the new location would allow for increased hours of operation and better access and parking for faculty, staff, spouses and partners and retirees.

The proposed acquisition will be funded with a combination of agency funds and an internal loan. The loan is expected to be repaid by the College of Arts and Sciences over a period not to exceed ten years. Pursuant to the University of Kentucky Debt Policy, the Debt Management Committee has reviewed the financing plan and supports the proposed internal loan. The \$2,000,000 renovation project will be funded with agency funds. The acquisition and renovation of the facility has been authorized by the 2014 General Assembly.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_





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