

FCR 9

Office of the President
June 19, 2020

Members, Board of Trustees:

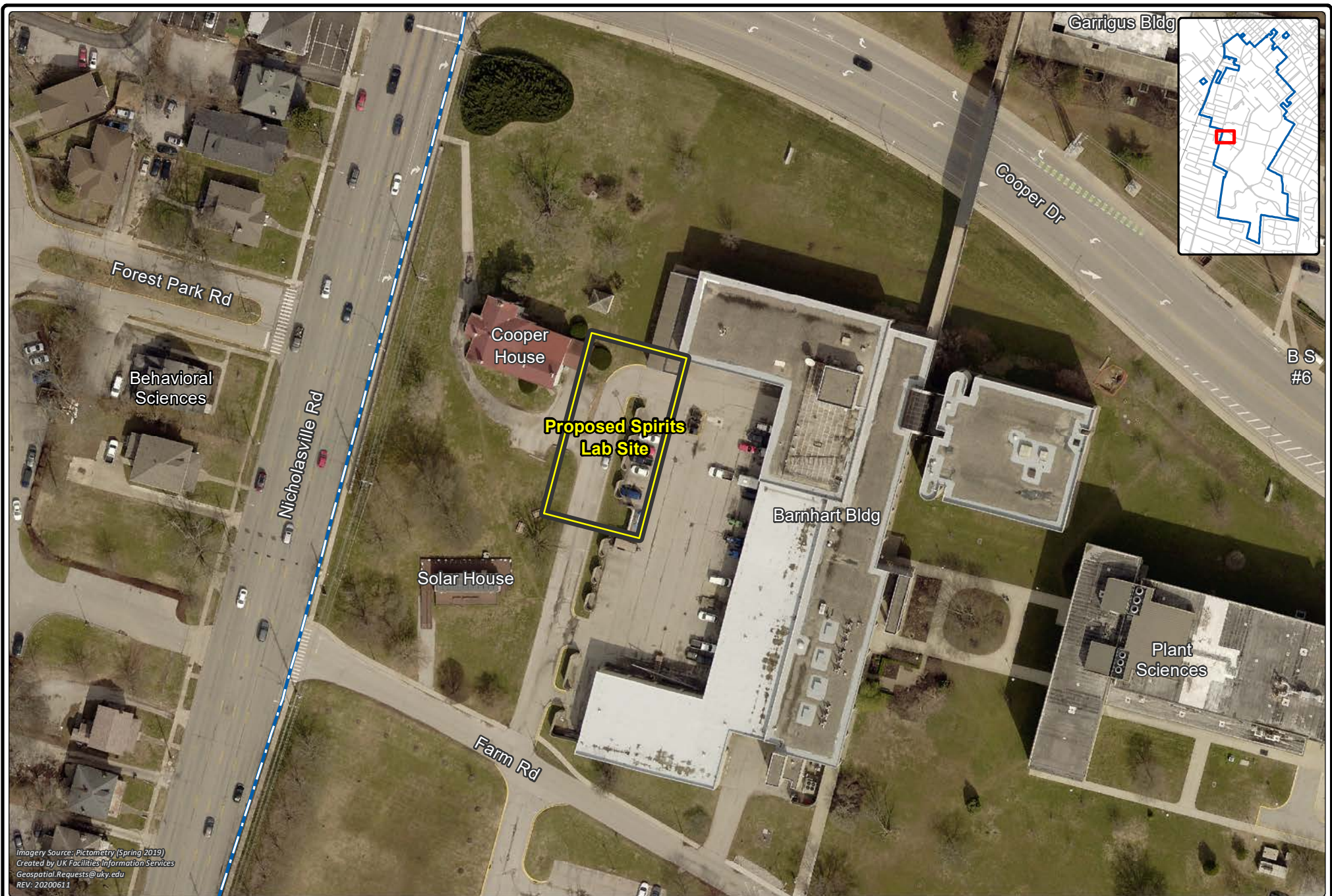
CONSTRUCT BEAM INSTITUTE I CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct Beam Institute I project and an internal loan to fund a portion of the project.

Background: This Project will construct a new facility to support the College of Agriculture, Food and Environment's (CAFÉ) Kentucky Spirits Research Institute program. The goal of the project is to merge UK's research and educational missions to support Kentucky's economy, providing opportunities for growth to our distilleries, our farmers and foresters, and our entrepreneurs and innovators. As shown in the attached map, the new facility will be in the heart of CAFÉ's district, adjacent to the Cooper House and Barnhart Building. The facility will be up to 8,500 gross square feet and will include a sprits laboratory, large conference/seminar space, classroom, offices, and a public reception space.

Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation. In addition, pursuant to the Internal Loan Program Policy, any internal loan greater than \$1,000,000 must be approved by the Board. This \$5,500,000 project, authorized by the 2020 Kentucky General Assembly, is within the total legislative authorization of \$10,000,000. The project will be funded initially with an internal loan for \$5,000,000, to be repaid over a period not to exceed four years, and \$500,000 of agency funds. A charitable grant commitment from the Jim Beam Distilleries will be used to fund \$4,000,000 of the internal loan payments. CAFÉ will pay the remaining internal loan payments with agency funds. In accordance with the University's Internal Loan Program Policy, the Debt Management Committee has reviewed the financing plan and supports the proposed internal loan.

Action taken: Approved Disapproved Other _____



Imagery Source: Pictometry (Spring 2019)
Created by UK Facilities Information Services
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REV: 20200611

