

FCR 9

Office of the President
February 19, 2016

Members, Board of Trustees:

CONSTRUCT/REPLACE/UPGRADE STUDENT HOUSING CAPITAL PROJECT
(SCOPE INCREASE FOR FIT-UP CREATIVE ARTS LIVING LEARNING PROGRAM)

Recommendation: that the Board of Trustees approve a scope increase of \$819,500 for the fit-up of space to be utilized for the Creative Arts Living Learning Program (LLP) in the Limestone Park I residence hall capital project.

Background: Pursuant to Administrative Regulation 8.2, any capital project with an estimated cost of \$600,000 or more must be approved by the Board prior to initiation. In May 2015, the Board authorized this project with a scope of \$2,200,000 to be funded with an internal loan of \$1,072,250 and fund balance. The project fits up 8,500 square feet of shelled space in Limestone Park I currently under construction. The project will provide students with music practice rooms; a multipurpose art education studio; a creative writer's laboratory; performance space with large-scale visualization capability for dance, music and theatre; and rooms with the latest technology conducive for group interaction. The Limestone Park I facility, including this project, is expected to be completed by August 2016.

In December 2015, competitive bids were received for the Creative Arts space fit-up project. Due to market conditions with building trades -- primarily the mechanical and electrical contractors -- the competitive bids exceeded the original estimated project budget. The revised project scope of \$3,019,500, representing a proposed increase in Board authority of \$819,500, is to be funded with an internal loan of \$1,672,250 and fund balance.

The colleges of Fine Arts and Arts & Sciences will repay the internal loan over a period not to exceed 10 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 revised project scope is well within the existing legislative authorization.

A summary of the existing and recommended development cost by phase follows:

Project Phase	Development Cost	Number of Beds	Board Approval	Online
Phase I	\$ 25,200,138	601	February 2012	August 2013
Phase II-A	\$138,026,392	2,381	See Below*	August 2014
Phase II-B	\$101,172,427	1,610	May 2013	August 2015
The Study/Coffee Shop	\$3,000,000	n/a	December 2013	August 2014
Phase II-C	\$83,910,979	1,141	January 2014	August 2016
Creative Arts LLP Space**	\$2,200,000	n/a	May 2015	August 2016
Phase III-A	\$74,037,607	771	June 2015	August 2017
Phase III-B	\$37,132,174	346	Recommended	August 2017
Creative Arts LLP Space**	\$819,500	n/a	Recommended	August 2017
Total	\$465,499,217	6,850		

* Phase II-A approved October 2012; Phase II-A Amendment approved May 2013

** Creative Arts LLP Space scope change from \$2,200,000 (approved in May 2015) to \$3,019,500 (recommended in February 2016).

Action taken: Approved Disapproved Other _____

