

FCR 10

Office of the President
December 11, 2018

Members, Board of Trustees:

CONSTRUCT AGRICULTURE RESEARCH FACILITY 2
CAPITAL PROJECT (POULTRY RESEARCH FACILITY RELOCATION)

Recommendation: that the Board of Trustees approve the initiation of the Construct Agriculture Research Facility 2 Capital Project (Poultry Research Facility Relocation).

Background: The project will relocate the current program on Coldstream Farm, to the C. Oran Little Research Center in Versailles, Kentucky. At completion, the new facility will double in size the area dedicated for research. The poultry industry is the number one agricultural enterprise in Kentucky based on sales (projected at \$1.2 billion for 2018). The new poultry facility is currently in the design phase and will be a state of the art research facility consistent with current best practices in the poultry industry. The new facility will utilize more space compared to the older facility which focused on cage-based production technology. The existing program facility was constructed in the late 1980's and is on University property that is included in the Real Property Exchange between the University and Lexington-Fayette Urban County Government, (Economic Development Land Swap). At its December 11, 2017, meeting the Board approved FCR 9; and the Memorandum of Understanding was approved by the City Council on July 5, 2018.

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 \$6,000,000 project, authorized by the 2018 Kentucky General Assembly, is within the total legislative authorization of \$10,000,000 and will be funded by an internal loan to be repaid 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 _____