

# FCR 10

Office of the President  
May 4, 2021

Members, Board of Trustees:

## CONSTRUCT BEAM INSTITUTE II (CONSTRUCT MATURATION BUILDING) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct Beam Institute II (Construct Maturation Building) Capital Project.

Background: 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.

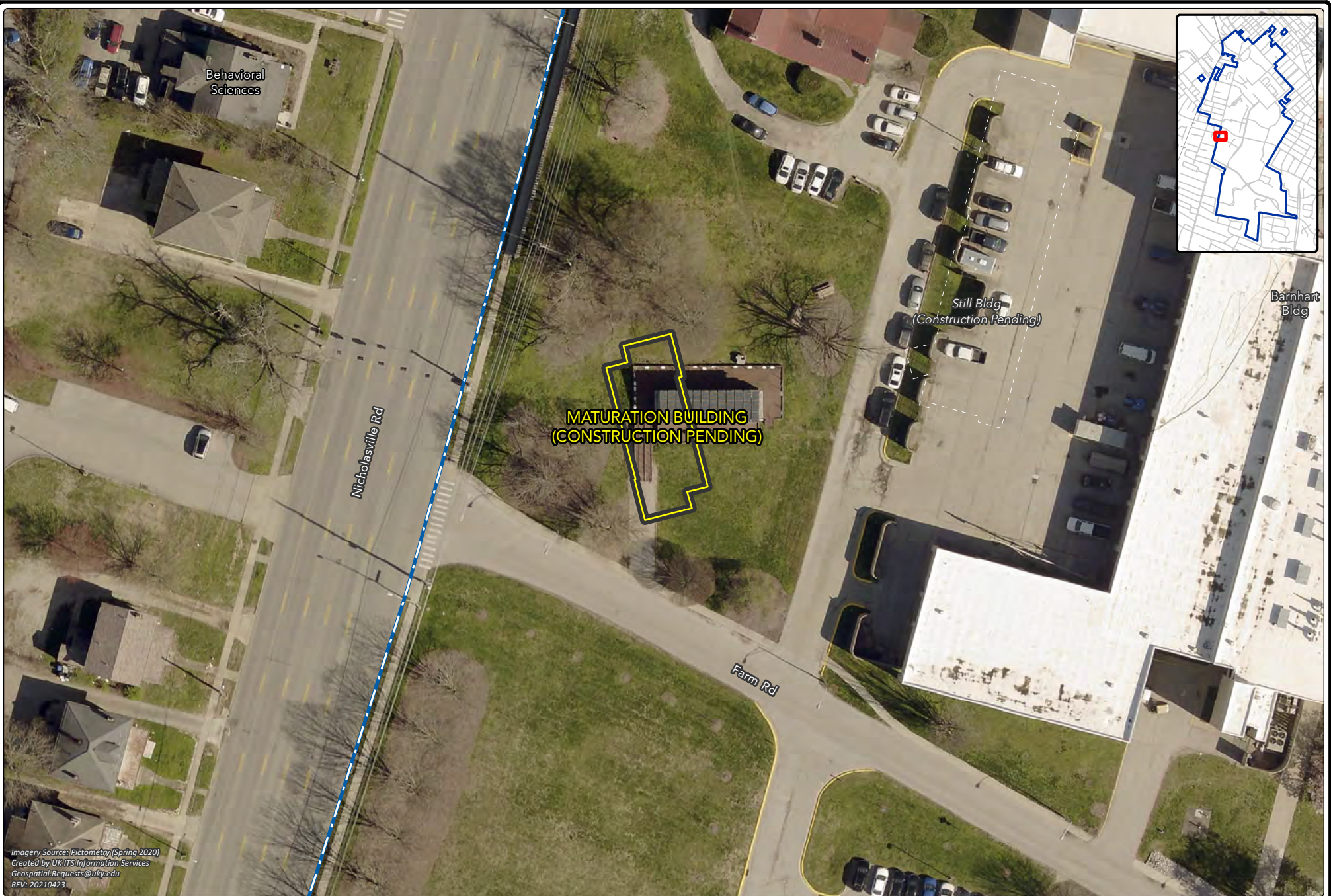
At its June 19, 2020 meeting, the Board approved the initiation of the Construct Beam Institute I Capital Project. The facility will be up to 8,500 gross square feet and will include a sprits laboratory, large conference/seminar space, classroom, offices and public reception space. The project is currently in the final phase of the design process.

At its September 11, 2020 meeting, the Board accepted a \$1,000,000 pledge, to be received over five years, from Independent Stave Company in support of the construction of a Spirits Maturation Research and Barrel Storage facility. This facility will support the College of Agriculture, Food and Environment's bourbon whiskey production research and maturation science. Additionally, Koetter Construction has gifted \$125,000 in-kind to provide a K-RAX spirits barrel storage system inside the new Maturation Building. As shown in the attached map, the Maturation Building is being constructed as part of the James B. Beam Institute for Kentucky Spirits and will be in the heart of the College of Agriculture, Food and Environment district, adjacent to the Cooper House and Barnhart Building.

This \$1,125,000 project, authorized by the 2020 Kentucky General Assembly, is within the total legislative authorization of \$10,000,000 and will be funded with agency funds, including an internal loan and private gifts (gift in kind). The debt service for the internal loan will be funded by the gift from Independent Stave Company and departmental agency funds. Pursuant to the university's Internal Loan Program Policy, the Debt Management Committee has reviewed and approved the request for up to a \$998,000 internal loan. As the internal loan is less than \$1,000,000, Board approval of the loan is not required. Contingent upon Board approval, the gift in kind of the storage system will be reported to the Capital Projects and Bond Oversight Committee as it is considered part of the project scope.

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



Imagery Source: Pictometry (Spring 2020)  
Created by UK ITS Information Services  
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