

FCR 8

Office of the President
June 16, 2023

Members, Board of Trustees:

APPROVAL OF IMPROVEMENTS TO SUBLEASED SPACE
(UK EQUINE ANALYTICAL CHEMISTRY LABORATORY)

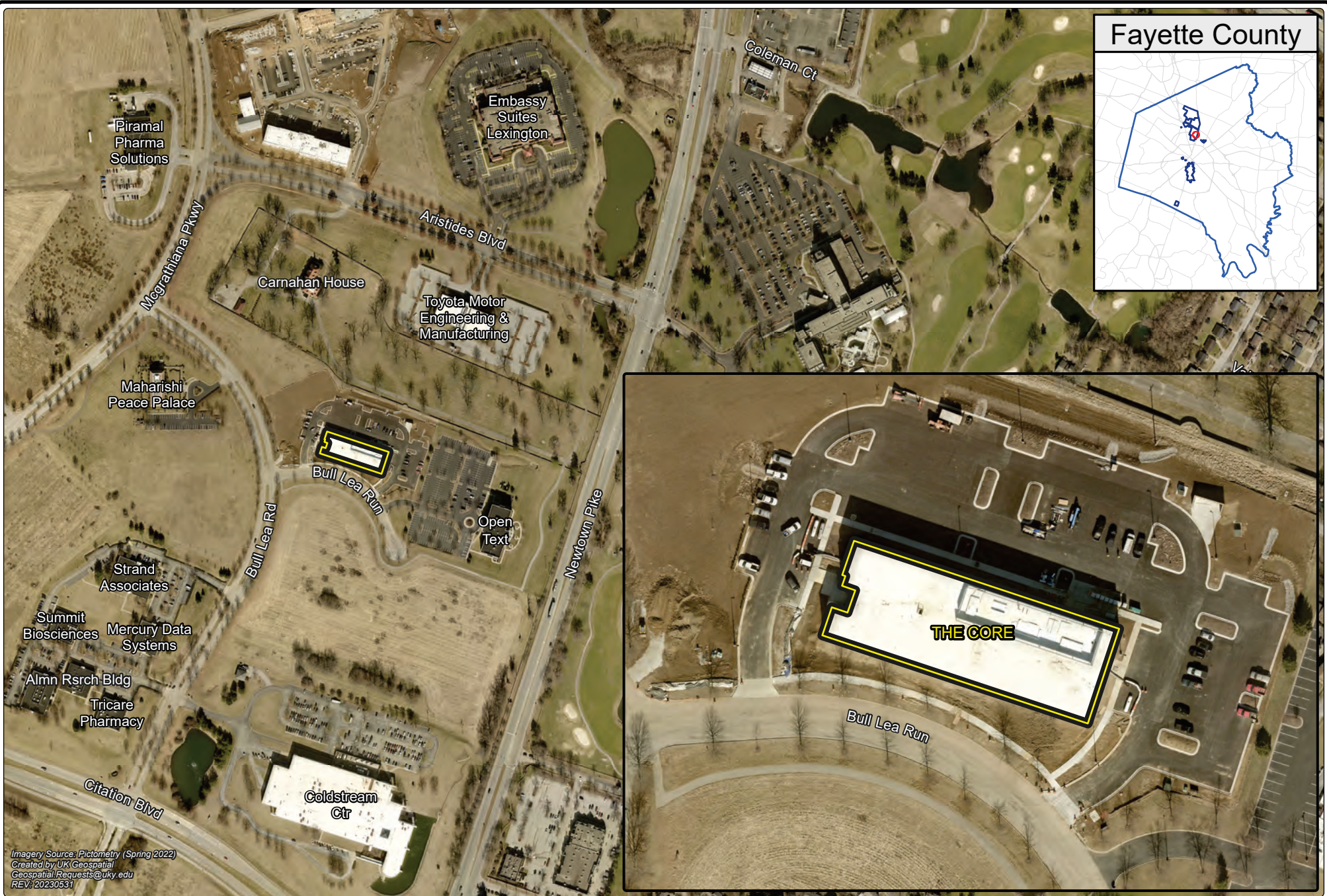
Recommendation: that the Board of Trustees approve the payment of up to \$999,900 for improvements to space to be subleased for the University of Kentucky Equine Analytical Chemistry Laboratory (EACL) located at 824 Bull Lea Run, Lexington, Kentucky.

Background: Pursuant to Kentucky Revised Statute §164A.575, a public university may pay for improvements to leased property costing in excess of \$10,000 but less than \$1,000,000.

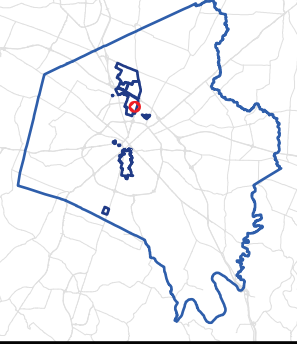
The EACL tests more than 10,000 biological samples per year from clients throughout the Commonwealth and across the country involved in the sport horse and thoroughbred horse industries. The EACL needs additional laboratory space at its current location to accommodate the high volume of testing. Upon completion of the expansion, it is anticipated that there will be an additional 8,000 samples tested per year. This location works well for the EACL as it requires off campus space close to overnight shipping vendors with quick access to the Kentucky Horse Park, Keeneland Racecourse and horse farms in central Kentucky.

The EACL is currently negotiating an amendment to its existing sublease which will require the EACL to pay for the required improvements. The scope of work includes design and construction for an expansion of the EACL laboratory space at this location. The sublessor is not willing to amortize any additional fit-up cost into this lease, so upon approval from the Board of Trustees, UK will pay these expenses with agency funds, including an internal loan not to exceed \$600,000. Pursuant to the university's Internal Loan Program Policy, the Debt Management Committee has reviewed and approved the internal loan request.

Action taken: Approved Disapproved Other _____



Fayette County



THE CORE

Imagery Source: Pictometry (Spring 2022)
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