

FCR 9

Office of the President
May 4, 2021

Members, Board of Trustees:

IMPROVE COLDSTREAM RESEARCH CAMPUS
(PUBLIC INFRASTRUCTURE) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve a scope increase for the Improve Coldstream Research Campus (Public Infrastructure) Capital Project.

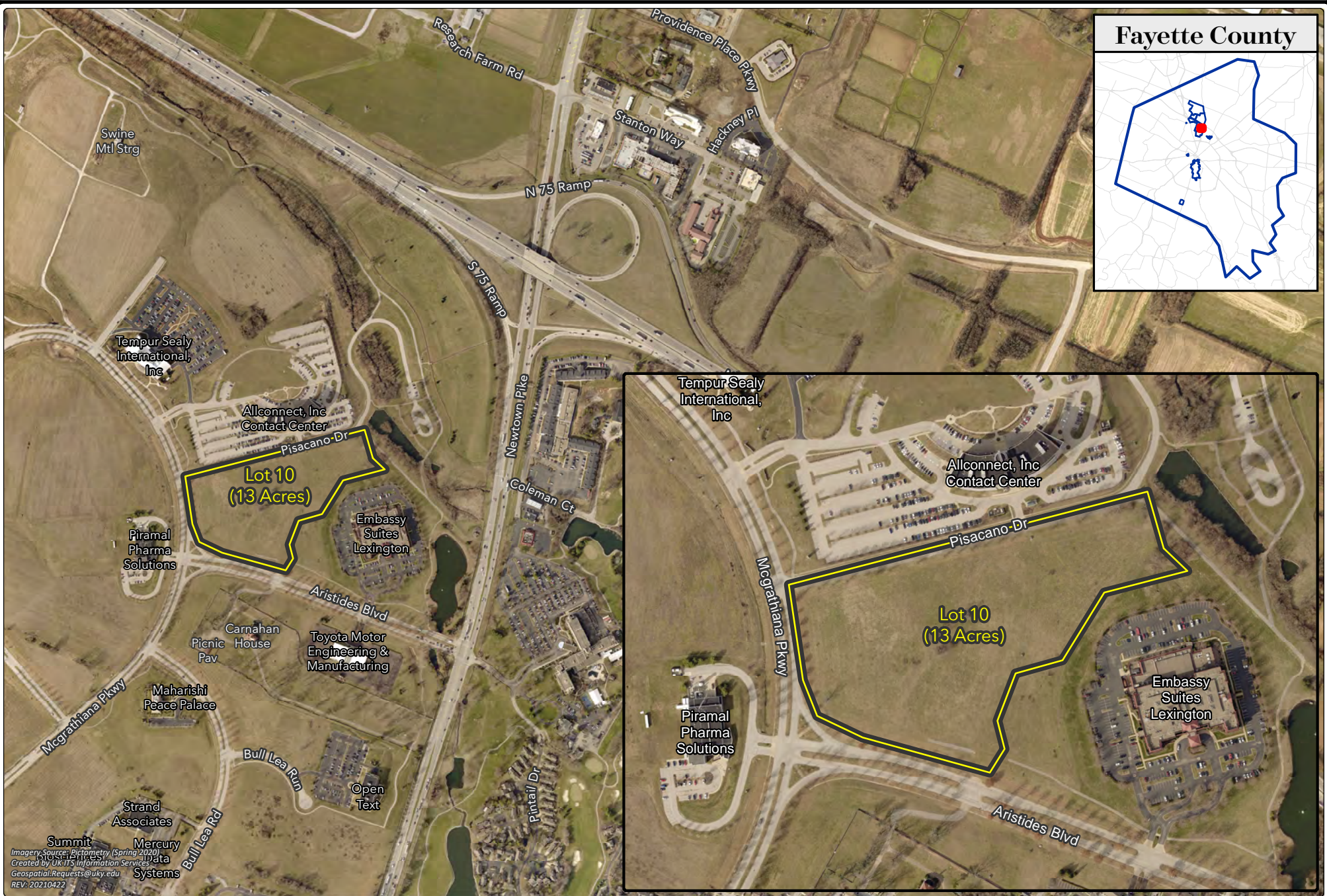
Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$1,000,000 or more must be approved by the Board prior to initiation. In addition, capital project scope increases that exceed 15 percent must also be approved by the Board.

The university plans to improve the public infrastructure of select building lots at the Coldstream Research Campus to include land preparation, sewers/storm drainage, curbs, sidewalks, promenades and pedways, roads, street lighting, provision of utilities, public spaces and parking.

On March 22, 2018, Lexington-Fayette Urban County Government (LFUCG) adopted an ordinance for the benefit of the University of Kentucky's Coldstream Research Campus (Coldstream) establishing a development area for economic development purposes. On May 30, 2019, the Kentucky Economic Development Finance Authority (KEDFA) entered into a tax incentive agreement with LFUCG again for the benefit of Coldstream. A total public infrastructure investment, not to exceed \$4,634,000, is expected to be reimbursed to Coldstream from eligible state taxes collected as well as an additional \$4,634,000 from eligible local taxes.

On May 5, 2020, the Board of Trustees approved initiating this project, with a cost not to exceed \$1,600,000 and to be funded with an internal loan. This original cost estimate was based on a simple site layout without detailed information on grading or input from the utility companies on service. The final detailed drawings were bid in January and revealed a need for increased earthwork, paving, storm sewers, water distribution lines and site electrical. The last year has also seen tremendous cost volatility in the construction industry. As a result, the project scope needs to be increased to an amount not to exceed \$2,200,000, which remains well within the total \$50,000,000 legislative authorization by the 2020 Kentucky General Assembly. The additional \$600,000 will be funded with agency funds.

Action taken: Approved Disapproved Other _____



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