

FCR 11

Office of the President
December 13, 2016

Members, Board of Trustees:

APPROVAL TO ACQUIRE/RENOVATE THE UNIVERSITY INN

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to enter into a purchase agreement to acquire and renovate the facility known as the University Inn located at 1229 South Limestone Street, Lexington, Fayette County, Kentucky.

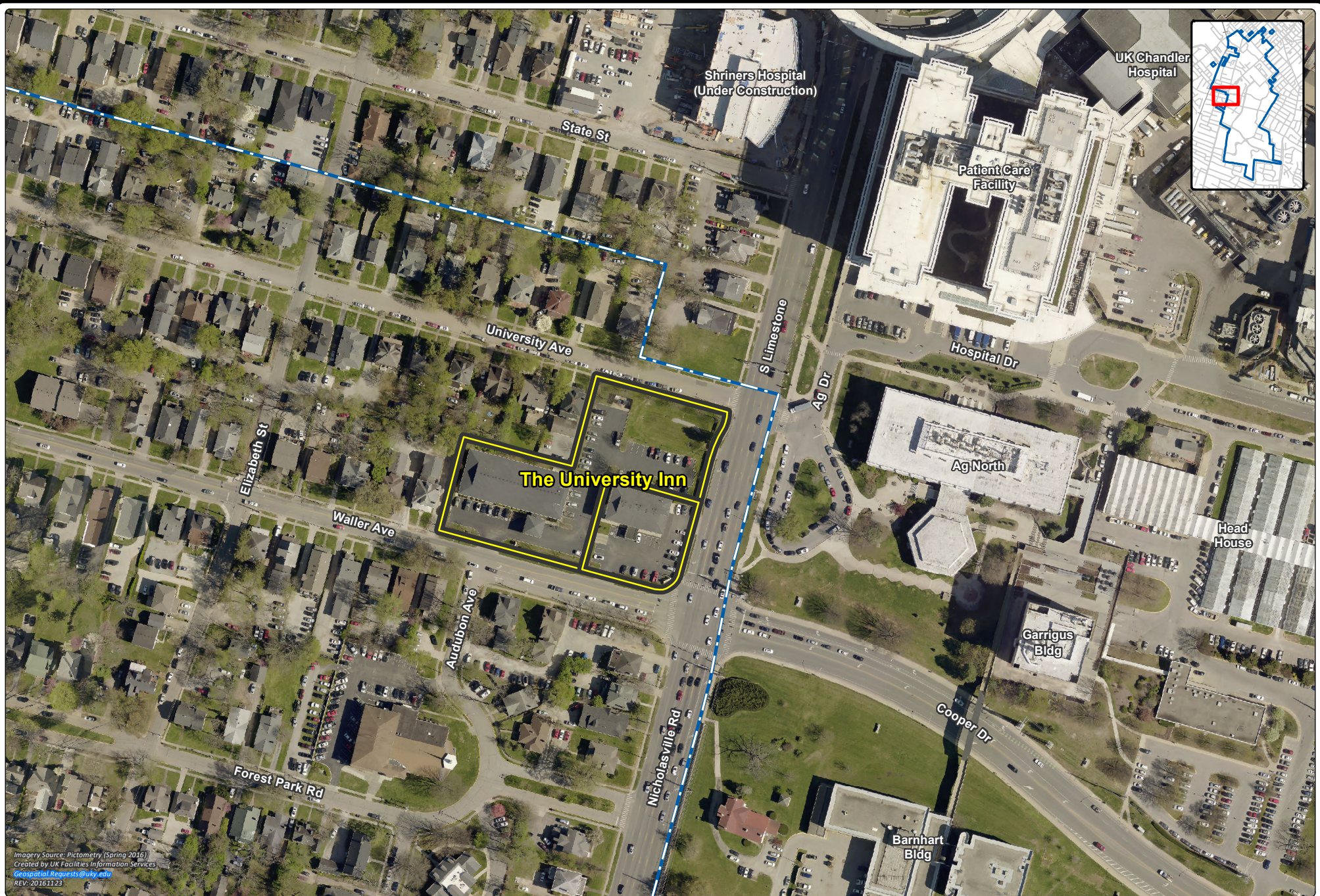
Background: The University of Kentucky and the University Inn have held intermittent discussions regarding the purchase of the property for several months. Over this time, the University conducted two separate appraisals along with a facilities conversion study to examine potential property uses.

The University Inn currently operates as an 87-room hotel on approximately 2.1 acres at the intersection of South Limestone and Waller Avenue. The South Limestone frontage adjoins other University owned properties on the State Street and University Avenue block of South Limestone. The site includes two buildings, with a total of 62,936 square feet, and 85 parking spaces.

The property will provide essential space for the growth of UK HealthCare. Internal space planning indicates a shortage of up to 80,000 square feet. This shortage is largely due to significant growth in education programs and planned expansion of clinical facilities. Due to the current competitive real estate environment as well as the limitation of other buildings and structures adjacent to the University's property, it is in the best interest of the University to acquire this property to provide needed clinical, administrative, and support space for UK HealthCare.

This acquisition and renovation is not expected to exceed \$9,000,000 and \$7,500,000, respectively. Both the acquisition and the renovation will be funded with agency funds and have been authorized by the 2016 Session of the Kentucky General Assembly as part of the Implement Land Use Plan – UKHC and Improve UK HealthCare Facilities – Chandler Hospital pool projects. Pending Board approval, the University will finalize negotiations and enter into a purchase agreement.

Action taken: Approved Disapproved Other _____



Imagery Source: Pictometry (Spring 2016)
Created by UK Facilities Information Services
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