

FCR 12

Office of the President
June 24, 2016

Members, Board of Trustees:

APPROVAL OF SUBLEASE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a sublease for administrative and support space associated with clinical services at UK HealthCare at Turfland. UK HealthCare (UKHC) will sublease space from the Kentucky Medical Services Foundation (KMSF).

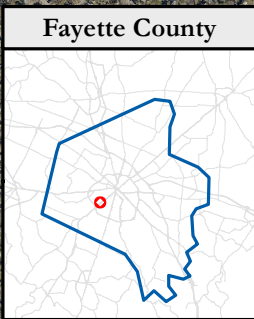
Background: At its October 2006 meeting, the Board of Trustees amended Governing Regulation II.A.6(g) requiring that all leases in excess of \$200,000 annually be approved by the Board of Trustees. The President or his designated representative is authorized to enter into leases and easements not exceeding \$200,000 in value.

Since March 2015, UKHC has located some of its primary care and specialty outpatient clinics in space leased by KMSF that is now known as UK HealthCare at Turfland. A need has been identified for administrative and support space associated with these clinical services. This space would provide faculty and program support offices, as well as meeting and training spaces. Leasing space from KMSF on the second floor of the same building allows UKHC to be flexible and reactive to the ongoing growth of services necessary to provide state of the art clinical services and programs to the people of the Commonwealth.

The annual rent for the 45,000 square feet of office and clinical space is \$1,181,250. The subleased space will be funded with agency funds.

Kentucky Revised Statute (KRS) 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The sublease has been authorized by the Kentucky General Assembly in the enacted 2016-18 Executive Budget of the Commonwealth. Contingent upon approval from the Board of Trustees, the sublease will be reported to the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other _____



Imagery: Pleiometry (Winter 2015)
Created by UK Facilities Information Services
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KGS, Ky_Fayette_County_2010

