

# FCR 5

Office of the President  
March 9, 2010

Members, Board of Trustees:

## KENTUCKY CABINET OF HEALTH AND FAMILY SERVICES LEASE

Recommendation: that the Executive Vice President for Finance and Administration, or his designee, be authorized to negotiate and execute a lease between the University of Kentucky, as Lessor, and the Kentucky Cabinet of Health and Family Services, as Lessee, for Lot 35 in the Coldstream Research Campus, Lexington, Kentucky, and to execute all appropriate final record plats as to the future dedication of roadways and rights of way to the Lexington-Fayette Urban County Government necessary to access the property. Lot 35 consists of approximately 28.85 acres. The terms of the lease will include annual rent of one dollar (\$1.00) for a period of ninety-nine (99) years.

Background: As part of an agreement between the Commonwealth of Kentucky, Kentucky Community and Technical College System (“KCTCS”), the Lexington-Fayette Urban County Government, and the University of Kentucky, the University is committed to facilitating the relocation and construction of a new Eastern State Hospital at Coldstream Research Campus.

Per House Bill 406 of the 2008 Kentucky General Assembly, \$129,005,000 was authorized for the construction of the new Hospital. Per House Bill 406:

*The Finance and Administration Cabinet and the Cabinet for Health and Family Services are authorized to execute a long-term lease with the University of Kentucky for property at the University of Kentucky's Coldstream Research Campus on Newtown Pike in Lexington, Kentucky for the sum of one dollar per year for 99 years, on which to locate a new mental health facility to replace Eastern State Hospital.*

Construction of KCTCS buildings is proposed for location at the current Eastern State Hospital site. In recognition that KCTCS will have a residual presence within the University, the University and KCTCS will collaborate to designate and reallocate KCTCS buildings on the University’s campus.

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