

# FCR 4

Office of the President  
September 13, 2019

Members, Board of Trustees:

## AUTHORIZATION OF LEASE FOR UK HEALTHCARE BLUEGRASS CARE CLINIC

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a building lease between the University of Kentucky and a lessor selected at an appropriate location in Lexington, Kentucky, to be used by UK Bluegrass Care Clinic.

Background: At its October 2006 meeting, the Board 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.

A need has been identified to provide space to support UK HealthCare's Infectious Disease Clinic, also known as the Bluegrass Care Clinic, to meet demands for growth and to provide a convenient location for patients. The Bluegrass Care Clinic has secured grant and federal income funding to add 44 new staff. The Division of Infectious Diseases currently has maximized all available space on the 5<sup>th</sup> floor of the Kentucky Clinic located at 740 South Limestone and is not able to accommodate the continued growth of the patient population, which has increased 30% over the last two years. Additionally, the current space cannot accommodate the newly funded positions that are crucial for the Division to meet the federal and state grant requirements. The lease will not exceed 29,000 square feet of administrative and outpatient space and will be at an annual cost not to exceed \$936,000. The lease will be subject to due diligence according to applicable legal requirements and execution of a memorandum of understanding with the Cabinet for Health and Family Services, which authorized the use of the funds for the lease.

Pursuant to Kentucky Revised Statute §48.111, this lease has been authorized by the 2018 Session of the Kentucky General Assembly. Contingent upon approval from the Board of Trustees, the lease will be reported to the Capital Projects and Bond Oversight Committee.

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