

# FCR 9

Office of the President  
April 30, 2019

Members, Board of Trustees:

AUTHORIZATION OF LEASE BETWEEN UNIVERSITY OF KENTUCKY  
HEALTHCARE AND KENTUCKY MEDICAL SERVICES FOUNDATION, INC. and  
APPROVAL OF IMPROVEMENTS TO THE SPACE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease between University of Kentucky HealthCare and Kentucky Medical Services Foundation, Inc., for 10,433 square feet of space located at 1221 South Broadway, Lexington, Kentucky and approve the payment of up to \$660,000 for improvements to the space.

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. Further, pursuant to Kentucky Revised Statute §164A.575, a public university may pay for improvements to leased property costing in excess of \$10,000 but less than \$1,000,000 in a lump-sum upon approval of its Board.

The University of Kentucky HealthCare's Markey Cancer Center needs additional medical oncology space to better serve its patients. The leased space will provide an opportunity to expand the breadth and depth of the clinical cancer enterprise; provide more clinical and support space for medical oncology; and better develop access points for patients closer to their homes. The lease will be for 10,433 square feet of clinical space, at an annual cost of \$321,011 to be paid with agency funds.

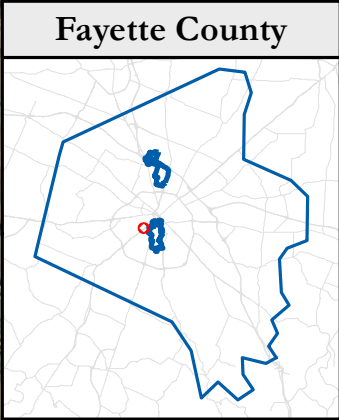
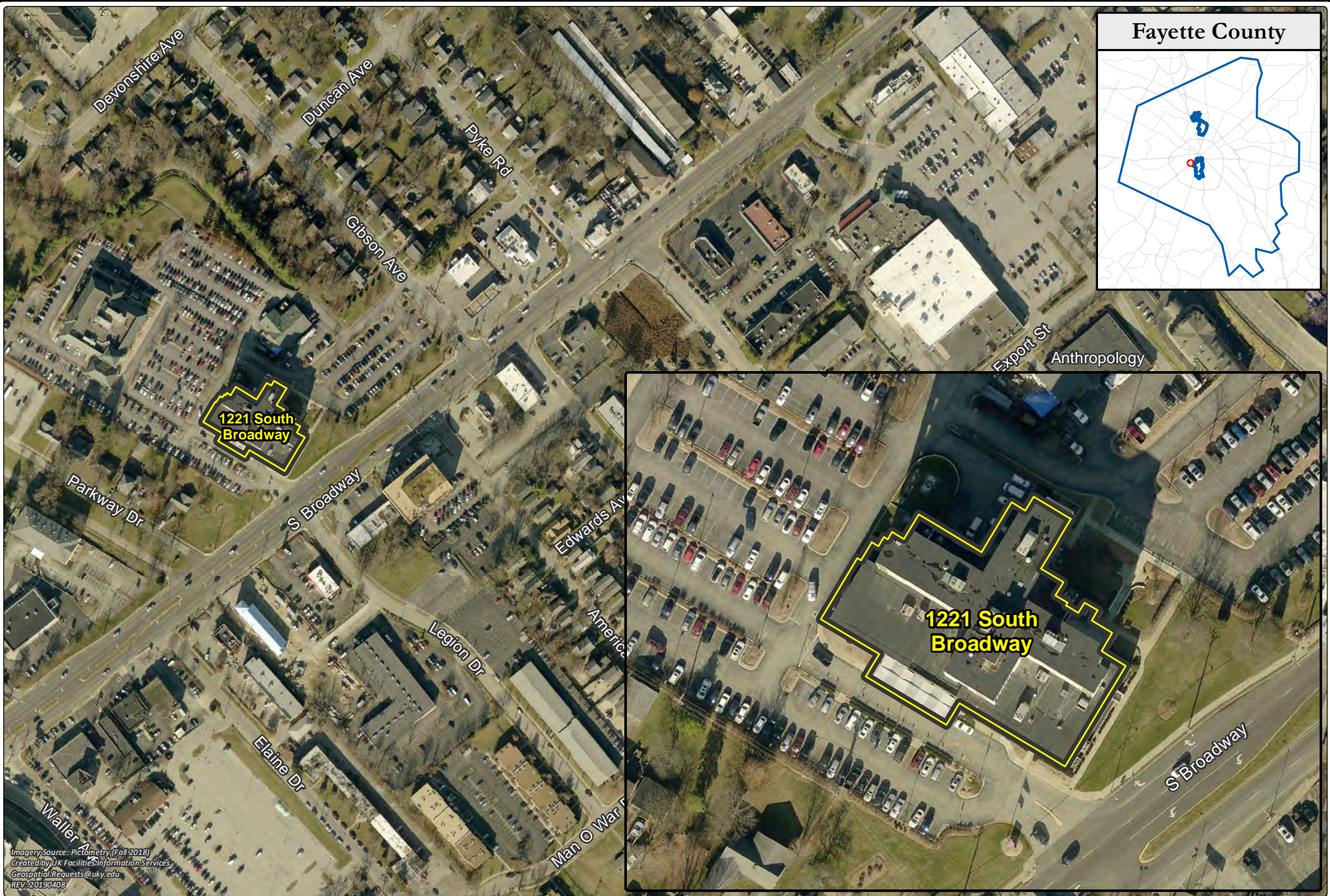
The leased space requires some enhancements including improvements to infrastructure, architectural features, and the nurse call system. The cost of these improvements are estimated to be up to \$660,000 which will be paid with agency funds.

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\_\_\_\_\_





Imagery Source: Pictometry (Fall 2018)  
Created by UK Facilities Information Services  
Geospatial.Requests@uky.edu  
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