

FCR 11

Office of the President
December 2, 2025

Members, Board of Trustees:

APPROVAL TO ACQUIRE 1279 OLD ABBOTT MOUNTAIN ROAD,
PRESTONSBURG, KENTUCKY

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to acquire a medical office building that is 15,587 square feet located at 1297 Old Abbott Mountain Road, Prestonsburg, Kentucky.

Background: Since its construction in 2012, UK King's Daughters (UKKD) has leased this location. The 15,587 square foot medical office building is situated on 3.48 acres, serves Prestonsburg and the surrounding areas, and houses a multitude of services including family and specialty care as well as imaging services.

The property has appraised for \$5,850,000. The total consideration for the property acquisition will not exceed \$5,500,000 plus customary due diligence and the costs of appraisals, land surveys, closing fees and other capitalized costs of acquisition. This acquisition, authorized by the 2024 Kentucky General Assembly as part of the Implement Land Use Plan 1 pool, will be funded with agency funds.

The potential purchase was reported at the November 2025 meeting of the Board of Governors for Royal Blue Health, LLC, at which the Board of Governors agreed to recommend approval of the purchase to the UK Board of Trustees.

Kentucky Revised Statute §164A.575 states that upon the approval of the secretary of the Finance and Administration Cabinet, the governing board may purchase or otherwise acquire all real property determined to be needed for the institution's use. Pending Board and Cabinet approval, the University will finalize negotiations and enter into all agreements necessary to complete property acquisition.

Action taken: ☒ Approved ☐ Disapproved ☐ Other _____

