

# FCR 2

Office of the President  
June 22, 2018

Members, Board of Trustees:

## APPROVAL OF LEASE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease of office space for the University of Kentucky Center for Trauma and Children (CTAC). CTAC will lease space from Switzer Family Blazer, LLC located at 3470 Blazer Parkway, Lexington, KY.

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.

The leased space will comprise 11,199 square feet with an annual rent of \$207,181.50 which will be funded with agency funds. CTAC conducts trauma therapy with children and performs foster care and parental assessments on behalf of the Commonwealth of Kentucky. They have occupied space in this building since 2000. During lease renewal negotiations, the landlord requested a rent increase and responded during the request for proposal process with a proposed increase of \$5,823.50 per year. After careful review and consideration of all responses to the University's request for proposal, the University determined this response to be the most cost-effective alternative, and in the best interests of the University.

Kentucky Revised Statute §48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the Kentucky General Assembly in the enacted 2018-20 Executive Budget of the Commonwealth. Contingent upon approval by 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 \_\_\_\_\_