

FCR 16

Office of the President
April 28, 2023

Members, Board of Trustees:

APPROVAL OF LEASE

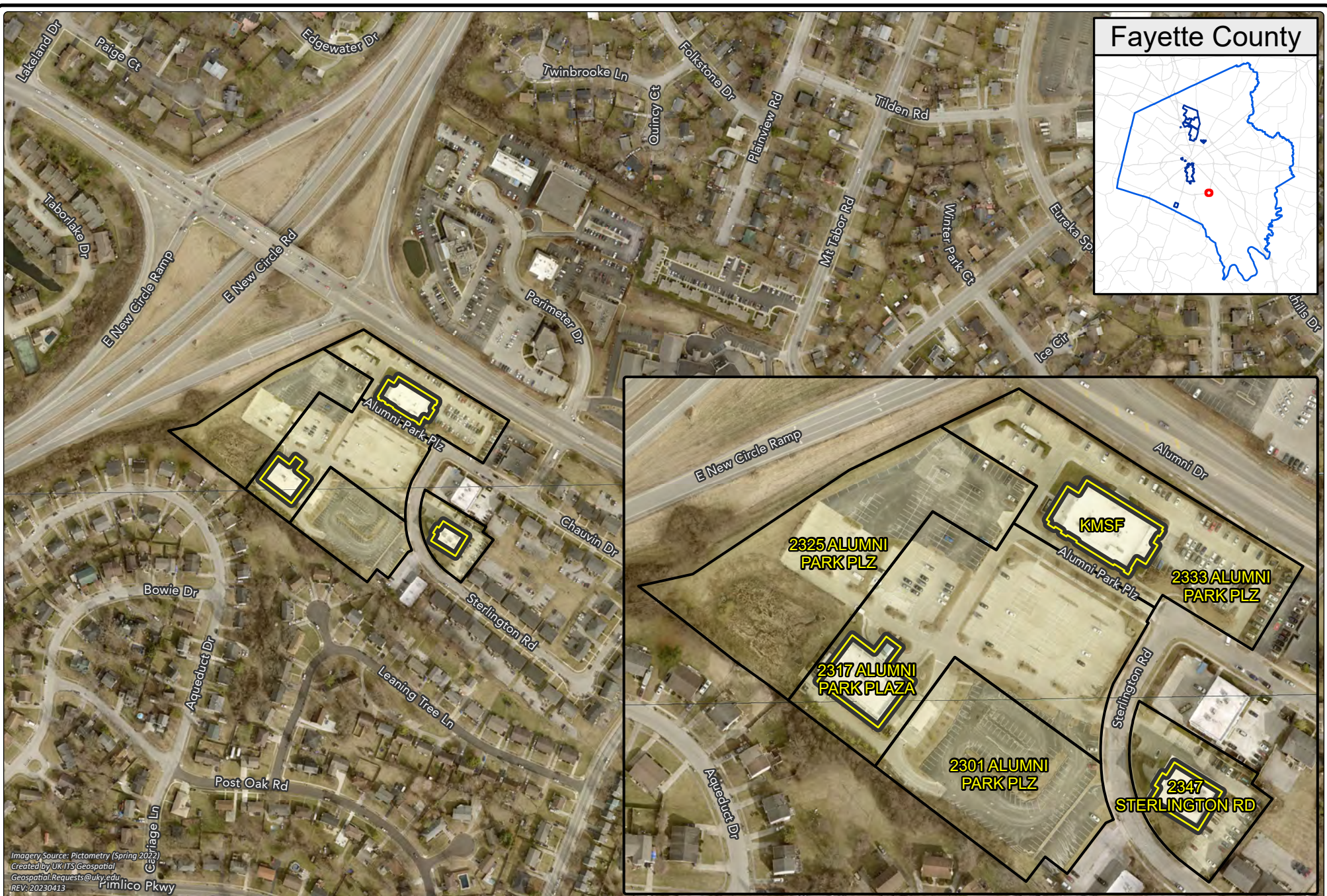
Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease for office space for UK HealthCare (UKHC). UKHC will lease space from the Kentucky Medical Services Foundation (KMSF) located at 2301, 2317, 2325 and 2333 Alumni Park Drive, and 2347 Sterlington Road, Lexington, Kentucky.

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.

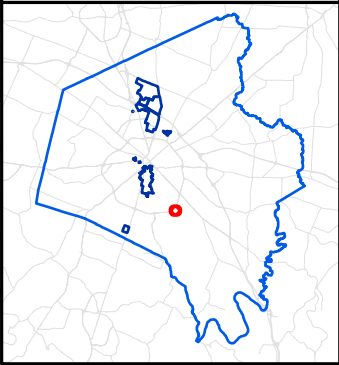
The leased space will comprise 101,264 square feet in three adjacent buildings with an annual rent not to exceed \$2,744,254.40 per year to be funded with agency funds. This location is located close to an interchange for New Circle Road, and it provides easy access (parking, entryway and accessibility) and close proximity to the Chandler campus. KMSF has been UKHC's landlord in these buildings since 2008 and UKHC houses administrative and support functions here. The base rent per square foot will remain unchanged at \$16.10 per square foot. However, additional rent to cover operating expenses including utilities and common area maintenance will increase to \$11.00 per square foot. The university has determined that this off-campus location services UKHC and their employees well and thus renewing this lease is 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 2022-2024 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.

Action taken: Approved Disapproved Other _____



Fayette County



Imagery Source: Pictometry (Spring 2022)
 Created by UK ITS Geospatial
 Geospatial.Requests@uky.edu
 REV: 20230413

