

FCR 17

Office of the President
February 17, 2023

Members, Board of Trustees:

APPROVAL TO ACQUIRE - MEADOWCREST

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to enter into a revised purchase agreement and acquire land located at 2550 Winchester Road, Lexington, Kentucky.

Background: UK HealthCare (UKHC) identified a location to expand its ambulatory and hospital facilities. An initial location totaling 26.74 acres for purchase was approved at the June 2022 Board of Trustees meeting. Upon due diligence review, additional acreage in the amount of approximately 14.43 acres is necessary for the university's needs. This brings the total land purchase to approximately 41.17 net acres. An amendment to the initial purchase agreement is under contract contingent on approvals by the UK Board of Trustees, and the secretary of Finance for the Commonwealth of Kentucky.

This property is located in an area that is beneficial to the patients served by UKHC. It has interstate access for patients from outside the Lexington area and is in a high-population location accessible to many current and potential UKHC patients.

The total consideration including the additional acreage is not to exceed \$39,000,000 plus customary due diligence and closing costs and has been authorized by the 2022 Session of the Kentucky General Assembly as part of the Implement Land Use Plan – UKHC (Land Acquisition Pool). Pending Board approval, the university will finalize negotiations and enter into a purchase agreement and acquire the land. The property will be purchased at fair market value with agency funds.

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 the acquisition.

Action taken: Approved Disapproved Other _____