

FCR 5

Office of the President
May 4, 2021

Members, Board of Trustees:

APPROVAL OF LEASE (HAND CENTER)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease for clinical space for the Hand Center. University of Kentucky HealthCare (UKHC) will lease space located at 2195 Harrodsburg Road, Lexington, Kentucky from the Kentucky Medical Services Foundation.

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.

The Hand Center requires suburban clinical and administrative space off campus to accommodate their high patient volume, easy access (parking, entryway, check-in), and proximity to lab, pharmacy, and radiological services in the same building.

The leased space will comprise 8,121 square feet with an annual rent of \$257,517.00 and will be funded with agency funds. The university has several other leases in the same building at the same cost per square foot. For that reason, a request for proposal was not required and after careful review and consideration, the university determined this space to be in the best interest of the Center's patients and the university.

This lease was authorized by the 2020 Kentucky General Assembly pursuant to Kentucky Revised Statute § 48.111 which requires legislative authorization of all leases with an annual cost of \$200,000 or more. Contingent upon approval by the Board, the lease will be reported to the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other _____