

FCR 6

Office of the President
September 16, 2022

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 the University of Kentucky for space located at 1900 Richmond Road, Lexington, Kentucky with the Easter Seals Society.

Background: All leases in excess of \$200,000 annually are approved by the Board of Trustees pursuant to Governing Regulation II.E.2 (d)(4)(f). The president or his designated representative is authorized to enter into leases and easements not exceeding \$200,000 in value.

A need has been identified to provide space that supports UK HealthCare's (UKHC) Pediatrics outpatient programs including a complex care clinic, developmental pediatrics and the Neonatal Intensive Care Unit (NICU) graduate clinic. UKHC is partnering with Easter Seals on a new comprehensive model of multidisciplinary care for children with special health care needs. Currently, families struggle with the logistics of caring for their children as there isn't a model in Kentucky where these services are provided in one location. Families must go to multiple sites to obtain the appropriate care for their children. The children who will be served have multiple medical and social needs and bringing these services together will ease the burden on families. This partnership will increase patient access to these services and will create programmatic synergy to better serve the children. This co-location will also create opportunities for community partners to work together to pool resources.

The leased space will comprise 25,017 square feet with an annual base rent of \$550,374 plus amortized rent of \$438,555 as repayment of fit up costs to be funded with agency funds and Children's Miracle Network donations.

KRS §48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. This lease was authorized by the 2022 Session of the Kentucky General Assembly. Contingent upon the of Trustees' approval, the lease will be reported to the Kentucky Capital Projects and Bond Oversight Committee pursuant to KRS §56.823.

Action taken: Approved Disapproved Other _____