



University of Kentucky  
Facilities Management  
*Office of the Vice President*

225 Frank D. Peterson Service Bldg.  
Lexington, KY 40506-0005  
P: 859-257-5929  
www.uky.edu

May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §45.760(6), the University of Kentucky (UK) is reporting the transfer of \$125,000 from Restricted Funds to Private Funds for the budgeted project, Construct Beam Institute II.

The University is in the final phase of the design process for the construction of the \$5,500,000 facility to house the James B. Beam Institute for Kentucky Spirits (Construct Beam Institute I). This 8,500 square foot facility will support the College of Agriculture, Food and Environment's Kentucky Spirits Research Institute program.

Additionally, a Spirits Maturation Research and Barrel Storage Facility (Maturation Facility) will be constructed. This \$1,125,000 project is being constructed as part of the Beam Institute. The Institute will be in the heart of the College of Agriculture, Food and Environment district, adjacent to the Cooper House and Barnhart Building.

The Maturation Facility, authorized by the 2020 Kentucky General Assembly, will be funded with \$1,000,000 in restricted funds and \$125,000 in-kind gifted from Koetter Construction to provide a K-RAX spirits barrel storage system inside the new Maturation Facility. This project was approved for initiation by the University's Board of Trustees at its May 4, 2021 meeting.

Should you or members of the Committee have questions; the University will be pleased to respond at your next scheduled meeting.

Sincerely,

Mary S. Vosevich  
Vice President for Facilities Management  
Chief Facilities Officer

MV/eb

c: Katherine Halloren    Angie Martin    Elizabeth Baker    Kevin Locke

see blue.

# FCR 10

Office of the President  
May 4, 2021

Members, Board of Trustees:

## CONSTRUCT BEAM INSTITUTE II (CONSTRUCT MATURATION BUILDING) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct Beam Institute II (Construct Maturation Building) Capital Project.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation. In addition, pursuant to the Internal Loan Program Policy, any internal loan greater than \$1,000,000 must be approved by the Board.

At its June 19, 2020 meeting, the Board approved the initiation of the Construct Beam Institute I Capital Project. The facility will be up to 8,500 gross square feet and will include a sprits laboratory, large conference/seminar space, classroom, offices and public reception space. The project is currently in the final phase of the design process.

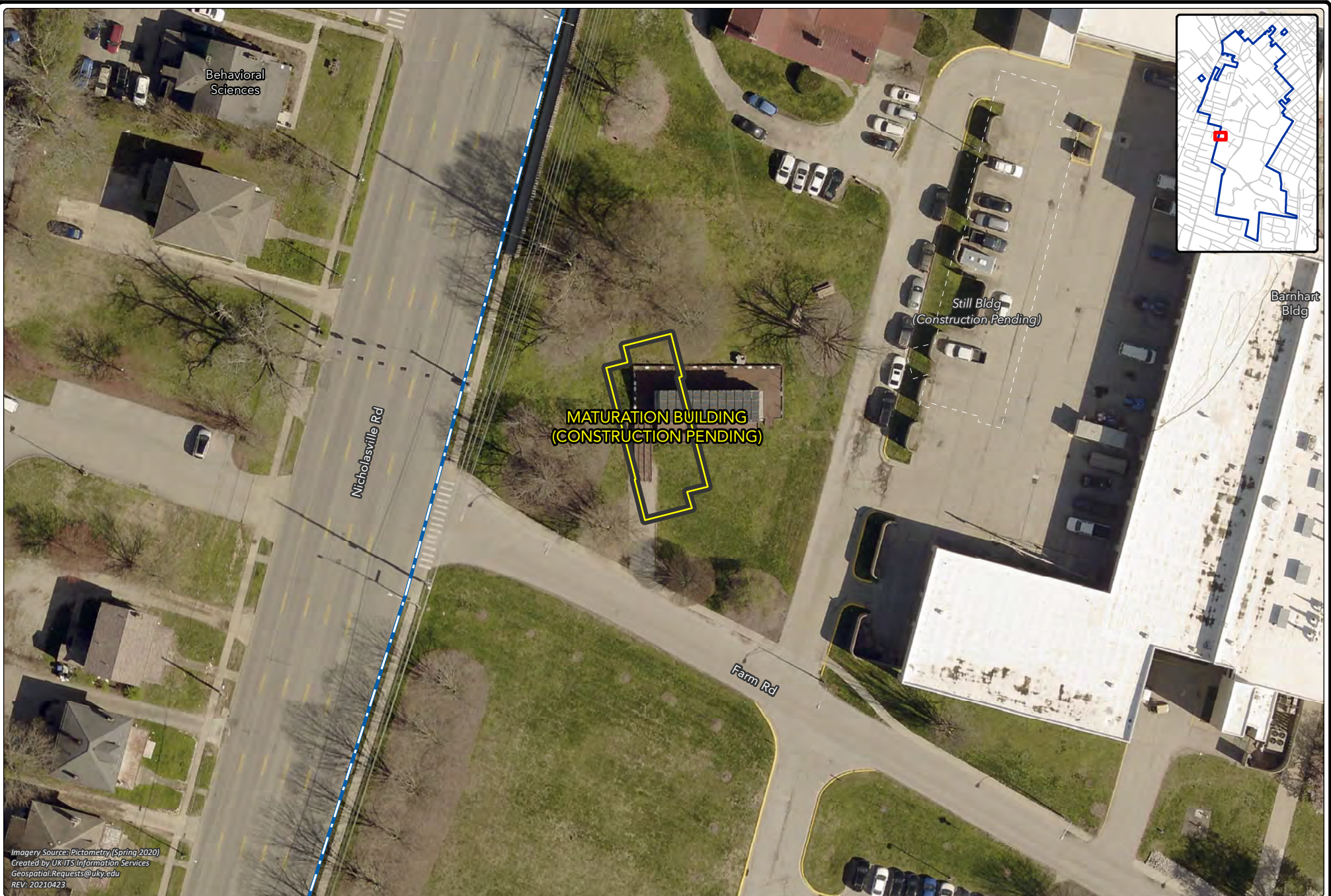
At its September 11, 2020 meeting, the Board accepted a \$1,000,000 pledge, to be received over five years, from Independent Stave Company in support of the construction of a Spirits Maturation Research and Barrel Storage facility. This facility will support the College of Agriculture, Food and Environment's bourbon whiskey production research and maturation science. Additionally, Koetter Construction has gifted \$125,000 in-kind to provide a K-RAX spirits barrel storage system inside the new Maturation Building. As shown in the attached map, the Maturation Building is being constructed as part of the James B. Beam Institute for Kentucky Spirits and will be in the heart of the College of Agriculture, Food and Environment district, adjacent to the Cooper House and Barnhart Building.

This \$1,125,000 project, authorized by the 2020 Kentucky General Assembly, is within the total legislative authorization of \$10,000,000 and will be funded with agency funds, including an internal loan and private gifts (gift in kind). The debt service for the internal loan will be funded by the gift from Independent Stave Company and departmental agency funds. Pursuant to the university's Internal Loan Program Policy, the Debt Management Committee has reviewed and approved the request for up to a \$998,000 internal loan. As the internal loan is less than \$1,000,000, Board approval of the loan is not required. Contingent upon Board approval, the gift in kind of the storage system will be reported to the Capital Projects and Bond Oversight Committee as it is considered part of the project scope.

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Action taken:  Approved     Disapproved     Other \_\_\_\_\_





Imagery Source: Pictometry (Spring 2020)  
Created by UK ITS Information Services  
Geospatial.Requests@uky.edu  
REV: 20210423



## FCR 10 - CONSTRUCT BEAM INSTITUTE II (CONSTRUCT MATURATION BUILDING) CAPITAL PROJECT







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May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §45.760(6), the University of Kentucky (UK) is reporting the transfer of \$3,800,000 from Restricted Funds to Private Funds for the budgeted project, Construct/Expand/Renovate Ambulatory Care – UK HealthCare (Pavilion HA Forensics/Pediatric Sleep Study).

This project will renovate and improve approximately 7,000 square feet of space on the ground level of Pavilion HA to provide three sleep study rooms, three forensic exam rooms, consult spaces as required for each practice, and staff spaces. This project is needed to provide a “pediatric friendly” sleep study space to better serve the needs of our pediatric patients.

This \$4,400,000 project, authorized by the 2020 Kentucky General Assembly, will be funded with \$3,800,000 in private gift funds and \$600,000 in restricted funds. This project was approved for initiation by the University’s Board of Trustees at its May 4, 2021 meeting.

Should you or members of the Committee have questions; the University will be pleased to respond at your next scheduled meeting.

Sincerely,

A handwritten signature in cursive script that reads 'Mary S. Vosevich'.

Mary S. Vosevich  
Vice President for Facilities Management  
Chief Facilities Officer

MV/eb

c: Katherine Halloren    Angie Martin    Elizabeth Baker    Kevin Locke

seeblue.

An Equal Opportunity University



# FCR 11

Office of the President  
May 4, 2021

Members, Board of Trustees:

CONSTRUCT/EXPAND/RENOVATE AMBULATORY CARE - UK HEALTHCARE  
(PAVILLION HA FORENSICS / PEDIATRIC SLEEP STUDY) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct/Expand/ Renovate Ambulatory Care - UK HealthCare (Pavilion HA Forensics/ Pediatric Sleep Study) Capital Project.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

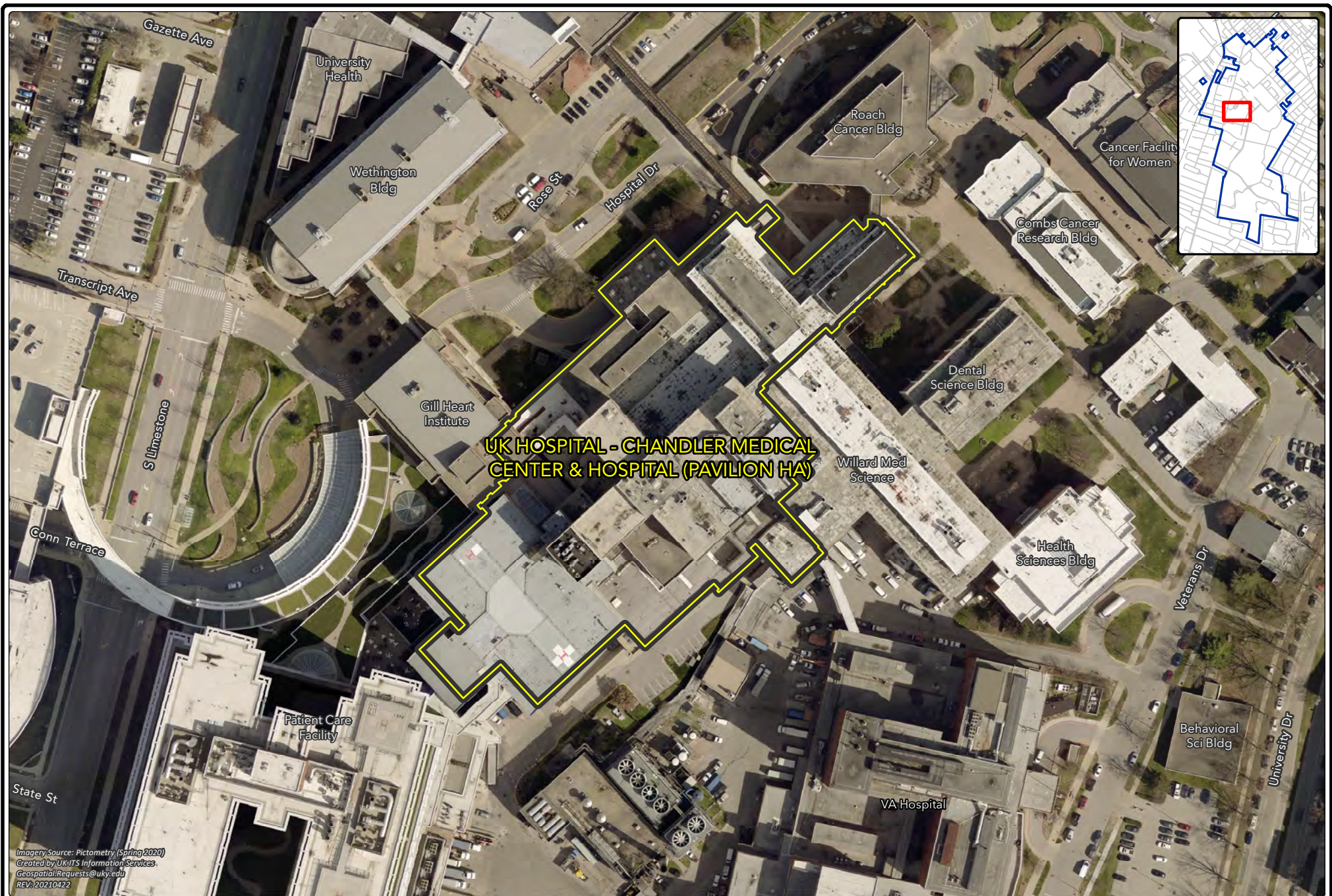
This capital project will renovate and improve approximately 7,000 square feet of space on the ground level of Pavilion HA to provide three sleep study rooms, three forensic exam rooms, consult spaces as required for each practice, and staff spaces. The goal is to provide a “pediatric friendly” sleep study space to better serve the needs of our pediatric patients.

This \$4,400,000 project, authorized by the 2020 Kentucky General Assembly, is within the total legislative authorization of \$20,000,000 and will be funded with \$3,800,000 in private funds and \$600,000 in agency funds. Contingent upon Board approval, the expenditure of private funds will be reported to the Capital Projects and Bond Oversight Committee.

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Action taken:  Approved     Disapproved     Other \_\_\_\_\_







May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report a new lease for the University of Kentucky that will exceed \$200,000 annually and is authorized in the Executive Branch Budget Bill, House Bill 352.

This is a lease between UK HealthCare and Kentucky Medical Services Foundation for 8,121 square feet of clinical space at 2195 Harrodsburg Road in Lexington. The cost of this lease is \$31.71 per square foot, with an annual cost of \$257,516.91, including utilities. The effective date of the lease will be June 1, 2021, with an expiration date of June 30, 2028.

This lease is for the Hand Center which has been located as a specialty service within orthopedics in the Kentucky Clinic. The Hand Center's medical experts address a variety of hand, wrist, or forearm conditions, caused by traumatic, inflammatory or congenital issues, in patients of all ages. The current space can no longer accommodate the Hand Center given the significant growth in their patient volume. The Center requires suburban space off campus to accommodate their high patient volume, easy access (parking, entryway, check-in), and proximity to lab, pharmacy, and radiology in the same building. This space best fits the needs of the Hand Center and allows it to better serve its patients. This space, which is in fairly close proximity to the University, will provide room for current needs and is an ideal location close to the New Circle Road interchange. After careful review and consideration, the University determined the space is the most cost-effective alternative and in the best interests of the University and the Commonwealth. The University's Board of Trustees approved this lease at its May 4, 2021 meeting.

If you should have additional questions regarding the lease, please contact me at 859.221.4122 or Elizabeth Baker at 859.257.6315.

Sincerely,

A handwritten signature in blue ink that reads "G Ward".

George Ward  
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



Real Estate Services Division

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000  
(to be reported after lessor selection, but before lease execution)

**Lease number:** PR 8473                      **County:** Fayette

**Lessee:** University of Kentucky – UKHC Hand Center

**Lessor:** Kentucky Medical Services Foundation, 2333 Alumni Park Plaza, Suite 400, Lexington, KY

**Property location:** 2195 Harrodsburg Road, Second Floor, Hallways I and J, Lexington, Fayette County, KY

**Check one:**    new lease     renewal     addendum

**Type of space:** Clinical

**Total square feet being leased:** 8,121

**Cost per square foot:** \$31.71    **Annual cost:** \$257,516.91

**Average square foot cost of state leased cost in county:** \$31.00

**Includes utilities:**    yes     no

**Cancellation clause:**    yes     no

*If yes, explain terms:* 30 Days

*if no, explain why not:* Click or tap here to enter text.

**Effective date:** June 1, 2021                      **Expiration date:** June 30, 2028

**Justification for lease:** The Hand Center has been a small specialty service within Orthopedics in the Kentucky Clinic. However, the recent growth necessitates more space and easier access to better accommodate patients, particularly for those who require only hand treatment services.

**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) The University is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** N/A – As the University already leases space in the same building at the same rental rate and terms, no RFP was issued.



# 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.

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Action taken:  Approved     Disapproved     Other \_\_\_\_\_

May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report a lease for the University of Kentucky that will exceed \$100,000 annually. The University, after careful consideration, determined that this lease is in the best interests of the University and the Commonwealth of Kentucky.

This is a lease between UK HealthCare – Kentucky Neurology Institute (KNI) Child Neurology and Kentucky Medical Services Foundation for 4,327 square feet of clinical space at 2195 Harrodsburg Road, Second Floor, Hallway K in Lexington. The cost of this lease is \$31.71 per square foot, with an annual cost of \$168,919.17, including utilities. The effective date of the lease will be June 1, 2021 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

KNI Child Neurology is a specialty practice currently located within the larger KNI clinic location at Kentucky Clinic which has experienced significant growth. To better serve its patients, this specialty pediatrics focused practice will be moved to co-locate with the University's other pediatric services offered at the Turfland location at 2195 Harrodsburg Road in Lexington.

If you should have additional questions regarding the lease, please contact me at 859.231.8324 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward  
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



Real Estate Services Division

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000  
(to be reported after lessor selection, but before lease execution)

Lease number: PR 8474 County: Fayette

Lessee: University of Kentucky – Kentucky Neurology Institute (KNI) Child Neurology

Lessor: Kentucky Medical Services Foundation, 2333 Alumni Park Plaza, Suite 400, Lexington, KY 40517

Property location: 2195 Harrodsburg Road, Second Floor Hallway K, Lexington, Fayette County, KY

Check one: new lease  renewal  addendum

Type of space: Clinical

Total square feet being leased: 5,327

Cost per square foot: \$31.71 Annual cost: \$168,919.17

Average square foot cost of state leased cost in county: \$31.00

Includes utilities: yes  no

Cancellation clause: yes  no

*If yes, explain terms:* 30 Days

*if no, explain why not:* Click or tap here to enter text.

Effective date: June 1, 2021 Expiration date: June 30, 2028

Justification for lease: KNI Child Neurology has been a small specialty service within the KNI clinic at Kentucky Clinic. However, it has experienced significant growth requiring more space. To better serve our

patients this pediatric-focused service will be co-located with the other pediatric services offered at the Pediatrics Clinic's Turfland location.

**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) The University is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** N/A – As the University already leases space in the same building at the same rental rate and terms, no RFP was issued.

May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report two new leases for the University of Kentucky that will exceed \$200,000 annually and are authorized in the Executive Branch Budget Bill, House Bill 352.

These leases are between UK HealthCare, UK Physical Medicine and Rehabilitation and Encompass Health Rehabilitation Hospital of Cardinal Hill, LLC, (Cardinal Hill). UK Physical Medicine and Rehabilitation provides care for patients who have severe neurological or musculoskeletal impairments. Utilizing a multidisciplinary team approach in all aspects of care, the goal is to restore each patient to their highest possible level of medical, psychological, social and vocational function. The University has provided these services for Cardinal Hill patients for several years. In November, the University expanded its services offered at Cardinal Hill. The University is further expanding the scope of its collaboration with Cardinal Hill to provide more services and these leased spaces are best suited and necessary for the expansion of the University's services to patients of Cardinal Hill and the University. These spaces, which are in fairly close proximity to the University, will provide for current needs as well as room for growth. After careful review, the University determined that these leases are in the best interest of the University and the Commonwealth of Kentucky. The University's Board of Trustees approved these leases at its May 4, 2021 meeting.

The first lease is for Outpatient Therapy services and will include 19,457 square feet at a cost of \$21.51 per square foot, with an annual cost not to exceed \$450,000. The effective date of the lease will be July 1, 2021 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

The second lease is for clinical space and will include 13,835 square feet at a cost of \$21.51 per square foot, with an annual cost not to exceed \$325,000. The effective date of the lease will be July 1, 2021 (contingent

upon the Committee's approval), with an expiration date of June 30, 2028.

If you should have additional questions regarding the lease, please contact me at 859.231.8324 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward  
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



Real Estate Services Division

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000  
(to be reported after lessor selection, but before lease execution)

Lease number: PR 8477County: FayetteLessee: University of Kentucky - UK Physical Medicine Rehabilitation (UK PMR) ClinicLessor: Encompass Health Rehabilitation Hospital of Cardinal Hill, LLCProperty location: 2050 Versailles Road, Lexington, Fayette County, KYCheck one: new lease  renewal  addendum Type of space: ClinicTotal square feet being leased: 13,835Cost per square foot: \$ 21.51 Annual cost: \$297,590.85 plus excess renovation rent, not to exceed \$325,000Average square foot cost of state leased cost in county: \$31.00Includes utilities: yes  no Cancellation clause: yes  no *If yes, explain terms:* 30 Days*if no, explain why not:* Click or tap here to enter text.Effective date: 07/01/2021 Expiration date: 6/30/2028The UK PMR has collaborated with Cardinal Hill for the past 20 years and operates out of a smaller leased space at this location. In collaboration with Cardinal Hill the University is further

expanding its services and will be providing more services at this location for Cardinal Hill and thus, requires more space to accommodate faculty, support staff, residents, and students. This lease adds to the UK PMR clinic space in the same building.

**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) The University is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** An RFP was issued to which there was only one response. A smaller space has been leased by the University at this location for the past twenty years. The University and Cardinal Hill are further expanding the scope of their collaboration which is in the best interests of the Commonwealth and the University of Kentucky.

May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report two new leases for the University of Kentucky that will exceed \$200,000 annually and are authorized in the Executive Branch Budget Bill, House Bill 352.

These leases are between UK HealthCare, UK Physical Medicine and Rehabilitation and Encompass Health Rehabilitation Hospital of Cardinal Hill, LLC, (Cardinal Hill). UK Physical Medicine and Rehabilitation provides care for patients who have severe neurological or musculoskeletal impairments. Utilizing a multidisciplinary team approach in all aspects of care, the goal is to restore each patient to their highest possible level of medical, psychological, social and vocational function. The University has provided these services for Cardinal Hill patients for several years. In November, the University expanded its services offered at Cardinal Hill. The University is further expanding the scope of its collaboration with Cardinal Hill to provide more services and these leased spaces are best suited and necessary for the expansion of the University's services to patients of Cardinal Hill and the University. These spaces, which are in fairly close proximity to the University, will provide for current needs as well as room for growth. After careful review, the University determined that these leases are in the best interest of the University and the Commonwealth of Kentucky. The University's Board of Trustees approved these leases at its May 4, 2021 meeting.

The first lease is for Outpatient Therapy services and will include 19,457 square feet at a cost of \$21.51 per square foot, with an annual cost not to exceed \$450,000. The effective date of the lease will be July 1, 2021 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

The second lease is for clinical space and will include 13,835 square feet at a cost of \$21.51 per square foot, with an annual cost not to exceed \$325,000. The effective date of the lease will be July 1, 2021 (contingent

upon the Committee's approval), with an expiration date of June 30, 2028.

If you should have additional questions regarding the lease, please contact me at 859.231.8324 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward  
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



# FCR 6

Office of the President  
May 4, 2021

Members, Board of Trustees:

APPROVAL OF LEASE  
(PHYSICAL MEDICINE AND REHABILITATION)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a building lease between the University of Kentucky (UK) and Encompass Health Rehabilitation Hospital of Cardinal Hill, Inc., LLC (Cardinal Hill) to be used by UK Physical Medicine and Rehabilitation (PM&R).

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 university desires to expand and relocate the Good Samaritan outpatient PM&R Clinic and consolidate it with outpatient therapy currently offered at Cardinal Hill. This consolidation will create a seamless care system at Cardinal Hill and expand the footprint to allow increased volume and continued growth. The consolidation of services will also create efficiencies by locating faculty near the therapist for program development and outpatient growth opportunities.

Areas of expertise for PM&R include neuro-rehab, post-concussive, musculoskeletal/orthopedic, and spine therapy. This lease will create a “one-stop shop” for UK patients once they are transferred from UK to Cardinal Hill inpatient. Patients will be able to see their UK doctors for follow-up care and receive their ongoing therapy at Cardinal Hill. The space will be divided into two leases: PM&R Clinic, 13,835 square feet at an annual cost not to exceed \$325,000, and Outpatient Therapy, 19,457 square feet at an annual cost not to exceed \$450,000.

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.

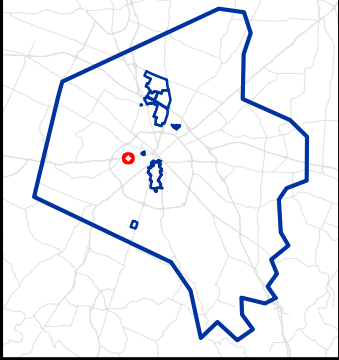
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Action taken:     Approved     Disapproved     Other \_\_\_\_\_





Fayette County



CARDINAL HILL HOSPITAL

CARDINAL HILL HOSPITAL

Imagery Source: Pictometry (Spring 2020)  
Created by UK ITS Information Services  
Geospatial.Requests@uky.edu  
REV: 20210422



# FCR 6 - APPROVAL OF LEASE PHYSICAL MEDICINE AND REHABILITATION AT CARDINAL HILL HOSPITAL





Real Estate Services Division

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000  
(to be reported after lessor selection, but before lease execution)

Lease number: PR 8478

County: Fayette

Lessee: University of Kentucky - UK Physical Medicine Rehabilitation (UK PMR) Clinic

Lessor: Encompass Health Rehabilitation Hospital of Cardinal Hill, LLC

Property location: 2050 Versailles Road, Lexington, Fayette County, KY

Check one: new lease  renewal  addendum

Type of space: Clinical - Outpatient Therapy

Total square feet being leased: 19,457

Cost per square foot: \$21.51 Annual cost: \$418,520.07, plus excess renovation rent, not to exceed \$450,000.00

Average square foot cost of state leased cost in county: \$31.00

Includes utilities: yes  no

Cancellation clause: yes  no

*If yes, explain terms:* 30 Days

*if no, explain why not:* Click or tap here to enter text.

Effective date: July 1, 2021 Expiration date: June 30, 2028

Justification for lease: The University has partnered with Cardinal Hill to provide medical oversight of rehabilitation services at the Cardinal Hill campus for twenty years. The University is expanding

this collaboration to add Outpatient Therapy services through the UK PMR Clinic. This lease is for the space needed for the UK PMR Clinic - Outpatient Therapy at the Cardinal Hill campus.

**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) The University is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** An RFP was issued to which there was only one response. A smaller space has been leased by the University at this location for the past twenty years. The University and Cardinal Hill are further expanding the scope of their collaboration which is in the best interests of the Commonwealth and the University of Kentucky.

# FCR 6

Office of the President  
May 4, 2021

Members, Board of Trustees:

APPROVAL OF LEASE  
(PHYSICAL MEDICINE AND REHABILITATION)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a building lease between the University of Kentucky (UK) and Encompass Health Rehabilitation Hospital of Cardinal Hill, Inc., LLC (Cardinal Hill) to be used by UK Physical Medicine and Rehabilitation (PM&R).

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 university desires to expand and relocate the Good Samaritan outpatient PM&R Clinic and consolidate it with outpatient therapy currently offered at Cardinal Hill. This consolidation will create a seamless care system at Cardinal Hill and expand the footprint to allow increased volume and continued growth. The consolidation of services will also create efficiencies by locating faculty near the therapist for program development and outpatient growth opportunities.

Areas of expertise for PM&R include neuro-rehab, post-concussive, musculoskeletal/orthopedic, and spine therapy. This lease will create a “one-stop shop” for UK patients once they are transferred from UK to Cardinal Hill inpatient. Patients will be able to see their UK doctors for follow-up care and receive their ongoing therapy at Cardinal Hill. The space will be divided into two leases: PM&R Clinic, 13,835 square feet at an annual cost not to exceed \$325,000, and Outpatient Therapy, 19,457 square feet at an annual cost not to exceed \$450,000.

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.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_





Imagery Source: Pictometry (Spring 2020)  
Created by UK ITS Information Services  
Geospatial.Requests@uky.edu  
REV: 20210422



# FCR 6 - APPROVAL OF LEASE PHYSICAL MEDICINE AND REHABILITATION AT CARDINAL HILL HOSPITAL





May 6, 2021

Senator Rick Girdler, Co-Chair,  
Representative Chris Freeland, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building – Room 34  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report a new lease for the University of Kentucky that will exceed \$200,000 annually and is authorized in the Executive Branch Budget Bill, House Bill 352.

This is a lease between UK HealthCare and Switzer Family Blazer, LLC for 11,199 square feet of clinical space at 3470 Blazer Parkway, Suite 100 in Lexington. The cost of this lease is \$18.50 per square foot, with an annual cost of \$207,181.50, including utilities. The effective date of the lease will be July 1, 2021 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

The Center on Trauma and Children is dedicated to the enhancement of the health and well-being of children and their families through research, practice, policy and the dissemination and implementation of evidence-based approaches to address child abuse and trauma. The Center requires space off campus to accommodate its clients with easy access (parking, entryway, check-in). They have been at this location for several years and this location works well for their clients and the unit. After careful review the University determined this lease to be in the best interests of the University and the Commonwealth of Kentucky. This lease was approved by the University's Board of Trustees at its May 4, 2021 meeting.

If you should have additional questions regarding the lease, please contact me at 859.221.4122 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward  
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker

Real Estate Services Division

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000  
(to be reported after lessor selection, but before lease execution)

**Lease number:** PR 8311      **County:** Fayette

**Lessee:** University of Kentucky – Center on Trauma and Children

**Lessor:** Switzer Family Blazer, LLC, 811 Corporate Drive, Suite 303, Lexington, KY

**Property location:** 3470 Blazer Parkway, Lexington, Fayette County, KY

**Check one:**   new lease    renewal    addendum

**Type of space:** Clinical and Office

**Total square feet being leased:** 11,199

**Cost per square foot:** \$18.50   **Annual cost:** \$207,181.50

**Average square foot cost of state leased cost in county:** \$22.00

**Includes utilities:**   yes    no

**Cancellation clause:**   yes    no

*If yes, explain terms:* 30 Days

*if no, explain why not:* Click or tap here to enter text.

**Effective date:** 07/01/2021   **Expiration date:** 6/30/2022

**Justification for lease:** The Department requires suburban space off campus to accommodate its clients, easy access (parking, entryway, check-in). The Department has been at this location since 2002 and the location is very well suited to the needs of their clients.



**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) The University is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** Pursuant to KRS 164A.575 the lease was renegotiated at the same terms and an RFP was not issued as it was determined to be in the best interests of the University and the Commonwealth of Kentucky.

# FCR 7

Office of the President  
May 4, 2021

Members, Board of Trustees:

APPROVAL OF LEASE  
(CENTER FOR CHILDREN AND TRAUMA)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to renegotiate and execute a lease renewal between the University of Kentucky and Blazer Parkway Venture, Lexington, Kentucky, for space located at 3470 Blazer Parkway, Lexington, Kentucky.

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 Center for Children and Trauma, in the College of Social Work, has occupied the space at this location since 2002. The Center conducts research and provides counseling services to traumatized children.

Kentucky Revised Statute (KRS) 164A.575 (7) (a) states that "... the governing board may renegotiate the cost of a lease after the expiration of the lease term and any renewal terms provided in the lease prior to any renewal not provided for in the terms of the lease."

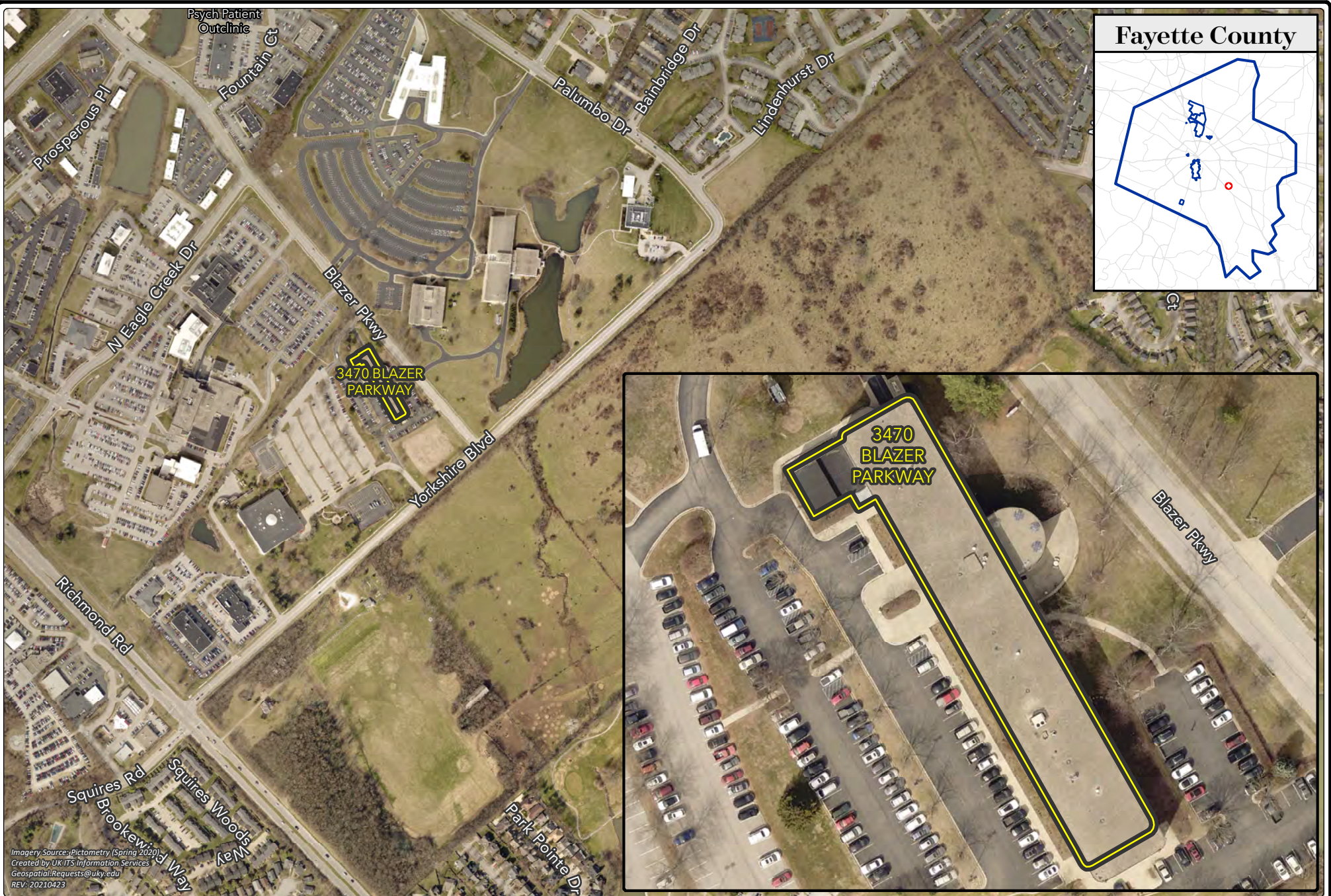
The lease of 11,199 square feet will be renewed effective July 1, 2021, at the current annual rent of \$207,181.50.

This lease was authorized by the 2020 Kentucky General Assembly pursuant to KRS § 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.

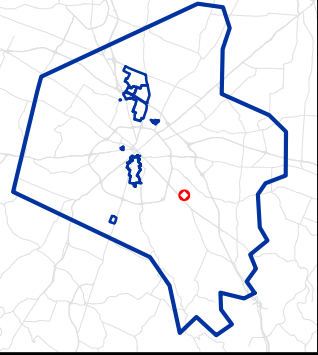
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Action taken:     Approved     Disapproved     Other \_\_\_\_\_





Fayette County



3470 BLAZER PARKWAY

3470 BLAZER PARKWAY

Imagery Source: Pictometry (Spring 2020)  
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REV: 20210423



FCR 7 - APPROVAL OF LEASE  
(3470 BLAZER PARKWAY)

