

June 3, 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 lease is between the University and WG Holdings for 10,203 square feet of administrative space at 1648 McGranthiana Road in Lexington. The cost of this lease is \$19.25 per square foot, with an annual cost of \$196,407.75, 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 University requires space for its office of Internal Audit as the landlord has not renewed the lease in their current location. Internal Audit requires space off campus to accommodate its clients, easy access (parking, entryway, check-in). This location on the Coldstream Campus also provides convenient access to main campus.

If you should have additional questions regarding the leases, 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 8482 **County:** Fayette

Lessee: UK Finance and Administration, Internal Audit

Lessor: WG Holdings, 120 South Gay Street, #702, Knoxville TN 37902,

Property location: 1648 McGrathiana Road, Lexington, Fayette County, Kentucky

Check one: new lease renewal addendum

Type of space: Office/Administrative

Total square feet being leased: 10,203

Cost per square foot: \$19.25 **Annual cost:** \$196,407.75

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

Justification for lease: The current lease expired and the landlord chose not to renew and thus, the department needs a new location.

Statements as to whether the University of Kentucky complied with statutory requirements: RFP not necessary. There is a University lease in place in the building.(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