

October 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 lease is between the University and WG Holdings for 5,441 square feet of administrative space at 1648 McGrathiana Parkway in Lexington. The cost of this lease is \$19.25 per square foot, with an annual cost of \$104,739.25, including utilities. The effective date of the lease will be November 1, 2021 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

The University requires space for the University of Kentucky's Police Department which is collaborating with the FBI and Secret Service on cyber security and other security issues. This is an ideal location as both federal entities have offices in this facility on the same floor and the facility will be a regional threat analysis and information sharing center to protect against threats against businesses, governments and the university. This location also provides easy access (parking, entryway, check-in) and convenient access to main campus.

If you should have additional questions regarding the leases, 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

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 8487 **County:** Fayette

Lessee: UK Police Department

Lessor: WG Holdings, 120 South Gay Street, Knoxville, Tennessee

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

Check one: new lease renewal addendum

Type of space: Office/Administrative

Total square feet being leased: 5,441

Cost per square foot: \$ 19.25 **Annual cost:** \$104,739.25

Average square foot cost of state leased cost in county: \$21.00

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

Justification for lease: The UK Police Department requires extra space as it is collaborating with the FBI and Secret Service on cyber security and other security issues. The facility will be a regional threat analysis and information sharing center to protect against threats against businesses, governments and the University. This is an ideal location as both other law enforcement entities already have offices in this facility on the same floor.

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: The University has several other leases in place at this property and the communications and WIFI are easily extended to this part of the building. Further, this location is the best fit to further the successful collaboration of the UKPD with the Secret Service and the FBI. Consequently, this location was determined to be in the best interests of the University and the Commonwealth.