

November 4, 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, the University of Kentucky is reporting a proposed lease addendum for the UK HealthCare Specialty Pharmacy which will exceed \$100,000 annually for 4,200 additional square foot space located at 531 Wellington Way, Lexington, Fayette County, Kentucky.

Specialty Pharmacy is a state-licensed pharmacy that provides medications for people with serious health conditions requiring complex therapies and has been located at this space since 2019. The additional space will be for an expansion of patient support services to improve the focus on patient centered care which will simplify the appointment process and medicine delivery for patients; better manage medicines and courses of treatments; track insurance eligibility; and simplify the insurance and co-pay process.

The additional annual cost for the addendum is \$122,388 and the effective date will be upon the receipt of the Certificate of Occupancy with an expiration of June 30, 2026.

If you should have additional questions regarding the lease addendum, 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

Lease number: PR 8419**County:** Fayette**Lessee:** University of Kentucky – UK HealthCare Specialty Pharmacy**Lessor:** Wellington Properties III, LLC 523 Wellington Way, Lexington, Kentucky**Property location:** 531 Wellington Way, Lexington, Fayette County, Kentucky**Check one:** new lease renewal addendum **Type of space:** Administrative**Total square feet being leased:** 4,200 square feet being added to the existing lease**Cost per square foot:** \$15.00 base rent + \$14.14 in amortized fit up cost = \$29.14/sf**Annual cost:** \$122,388.00 Additional/Addendum (Original lease + Addendum = \$1,189,270.52 Total Cost)**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:** Upon receipt of the Certificate of Occupancy**Expiration date:** 6/30/2026**Justification for lease:** Additional space is required to accommodate the growth of the program and expansion of patient support services associated with the Specialty Pharmacy.**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:** This is a lease addendum. UK Specialty Pharmacy needs additional space to accommodate the expansion of its patient support services within the same building where the Special Pharmacy is currently located.