

June 7, 2022

Senator Rick Girdler
Representative Chris Freeland
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capital Annex Room 34
Frankfort, KY 40601

RE: Lease – Cardinal Station, LLC

Dear Senator Girdler and Representative Freeland:

In accordance with provisions of KRS 56.823, I am writing to report a proposed new lease. The lease is with Cardinal Station, LLC for office space to accommodate the University of Louisville Human Resources Office, Risk Management Office and the Get Healthy Now program. Attached is a copy of the lease.

The lease will provide 4,720 square feet of office space. The lease will begin on May 1, 2022 and expire on April 20, 2027 unless terminated sooner. Annual base rent for the first year is \$118,881.89 with an increase for the next 4 years. The departments involved are moving from a rental space to the new rental space.

Please contact Kim Noltemeyer at 852-5699, if you have any questions regarding the lease. Thank you for your continued support.

Sincerely,

Mark Watkins
Chief Operating Officer
University of Louisville

cc: Dan Durbin, CFO
Shaun McKiernan (CPE)
Carla Wright (OSBD)

UNIVERSITY OF LOUISVILLE
Office Lease
Report to the Capital Projects and Bond Oversight Committee

KRS 56.823(2)

(a) The name of the agency that will occupy the premises.
Human Resources, Get Healthy Now, Risk Management

(b) The name of the lessor
Cardinal Station, LLC

(c) The terms of the lease
Initial Term – five years
Option to Extend – two extension options for three years
Annual Rent: \$118,881.89 – includes renovations
Total Square Footage Leased: 4,720

(d) The reason for the lease
The space use is for office space

(e) The copy of the writing required by KRS 56.803(17)
The previous space was requested by another tenant, so the Human Resources Department & Get Healthy Now has agreed to move to the new location, along with Risk Management. Square footage and rent decreased.
Combined Square Footage: From 19,504 sf to 4,720 sf
Combined Rent: From \$167,977.08/year to \$118,881.89/year

(f) A statement as to whether the University of Louisville complied with the requirement established in KRS 56.800 to 56.823 and KRS 43.050, 48.111, and 48.190. If the university has not complied with any requirement, the university shall explain why.

As mentioned above, another tenant wanted to expand their space and requested the Human Resources space, so a decision was made to move Human Resources, Get Healthy Now, and Risk Management to the new location.

(g) An explanation of why the University of Louisville chose his lessor over his competition
This lessor is the same lessor on the previous rental property. The space provided the necessary square footage and location to accommodate the needs of the departments.

(h) A cost comparison between the cost per square foot of the leased space and the average cost per square foot of comparable space the state leases in the same country. If there are factors which make the comparison misleading, the cabinet shall inform the committee of these factors.

Office space rates are typically \$15-\$22/sf in that area. The rates for office spaces located in this area do not include monthly CAM charges.