

July 7, 2022

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 (UK) 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 UK and Kentucky Medical Services Foundation, Inc., for 3,979 square feet of clinical and administrative space at 2400 Greatstone Point in Lexington. The cost of this lease is \$29.80 per square foot, with an annual cost of \$118,574.20, including utilities. The effective date of the lease will be July 22, 2022 (contingent upon the Committee's approval), with an expiration date of June 30, 2030.

The University requires space for UK's Team Blue Primary Care Clinic which is a primary care option exclusively for members of the UK health plans. Team Blue Clinic provides diagnosis, treatment, and management of patients of all ages with one of the UK health plans. Team Blue Clinic specialize in primary care, wellness and prevention, and the care of patients with chronic medical conditions. When needed, Team Blue Clinic will coordinate treatment of patients with specialties and subspecialties. Team Blue Clinic provides same day appointments for employees and dependents.

This location is an excellent location as there are other UK users in the same building and it provides easy access (parking, entryway, check-in) and close proximity 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



Real Estate Services Division

Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000

Lease number: 8505 County: Fayette

Using agency: University of Kentucky - Team Blue Primary Care Clinic

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

Property location: 2400 Greatstone Point, Fayette County, Lexington, Kentucky

Check one: new lease renewal addendum

Type of space: Clinical and Administrative

Total square feet being leased: 3,979

Cost per square foot: \$29.80 Annual cost: \$118,574.20

Average square foot cost of state leased cost in county: \$32.00

Includes utilities: yes no

Cancellation clause: yes no

If yes, explain terms: 30 Day cancellation clause, as required by statute.

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

Effective date: 07/22/2022 Expiration date: 6/30/2030

Justification for lease: Team Blue Primary Care Clinic is the primary care clinic that is exclusively for members of the UK Health Plans and requires a space that is in close proximity to campus with easy access for patients.

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

Explanation of why the University of Kentucky chose this lessor over the competition: There are other UK lessees in the space. This off-campus location services the clinic and their patients well and is in the best interests of the University and the Commonwealth of Kentucky.