

October 12, 2022

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

RE: Lease – 515 Building, LLC

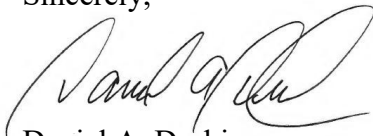
Dear Senator Howell and Representative Freeland:

In accordance with provisions of KRS 56.823, I am writing to report a proposed new lease. The lease is with 515 Building, LLC to accommodate the University of Louisville Executive Vice President of Research and Innovation (EVPRI) department. I am providing the required information in the attached lease agreement.

The lease will provide 16,000 square feet on the 5th floor. The lease will begin on August 1, 2022 and expire on June 30, 2027 unless terminated sooner. Base rent for the first five years is \$112,000 annually.

Please contact Bobbi Carlton at 502-852-0205, if you have any questions regarding the lease. Thank you for your continued support.

Sincerely,



Daniel A. Durbin
Executive Vice President for Finance
Chief Financial Officer

cc: Keith Sherman
Shaun McKiernan
Carla Wright

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.

Executive Vice President of Research and Innovation (EVPRI) Department

(b) The name of the lessor

515 Building, LLC

(c) The terms of the lease

Term: Initial 5 year term, with two (5) year extension options

(d) The reason for the lease

The hub's focus will be on groundbreaking research, talent development, entrepreneurship and innovation, with a deliberate focus on health equity, social determinants of health and digital health and analytics.

(e) The copy of the writing required by KRS 56.803(17)

This is a new lease, where the rent \$112,000 annually for 16,000 square feet of space on the 5th floor.

(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.

It was determined at the time of the lease that the University has complied with all requirements.

(g) An explanation of why the University of Louisville chose this lessor over his competition

Humana donated the nine-story office building at 515 W. Market Street to University of Louisville Real Estate Foundation (ULREF).

(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 typical price in the area is from \$15-\$21/square foot. The rate is below market.