

June 8, 2023

Senator Rick Girdler, Co-Chair,  
Representative Deanna Frazier Gordon, 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, Representative Frazier Gordon and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report two lease addendums. Both are addendums to current leases that exceed \$200,000 annually and are authorized in the Executive Branch Budget Bill, House Bill 1. The University, after careful consideration, determined that these leases are in the best interests of UK and the Commonwealth of Kentucky.

The first addendum to an existing lease is for the University's Equine Analytical Laboratory (EACL) which has added testing for more than 10,000 biological samples per year from clients throughout the Commonwealth and across the country involved in the sport horse and thoroughbred horse industries. The substantial growth experienced by EACL over the past two years requires additional laboratory space to meet the high volume of testing. The additional space will be in currently unused space which is adjacent to their lab located at 824 Bull Lea Run on the Coldstream Campus in Lexington. This addendum will add 5,013 square feet bringing the total to 12,992 square feet. The addendum adds \$170,442 to the rent bringing the total annual cost to \$433,540. The effective date of the lease addendum will be upon attainment of beneficial occupancy of the expansion space (contingent upon the Committee's approval) with an expiration date of June 30, 2028.

The second lease addendum is for the University's College of Medicine's Bluegrass Care Clinic (also known as the Infectious Disease Clinic) which continues to experience substantial growth in its patient population and requires additional space to meet the needs of its patients. The additional space will be in the same location at 3101 Beaumont Center Circle in Lexington. This addendum will add 3,496 square feet bringing the total to 29,714 square feet. The addendum adds \$78,660 to the rent bringing the total annual cost to \$716,282. The effective date of the addendum will be August 1, 2023 (contingent upon the Committee's approval) with an expiration date of June 30, 2028.

If you should have additional questions regarding the lease, please contact me at 859.221.4122 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward  
Associate Vice President

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June 8, 2023

CPBOC Letter from UK

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Economic Development and Real Estate

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 8488**County:** Fayette**Lessee:** UK, College of Agriculture, Food and Environment, Equine Analytical Laboratory (EACL)**Lessor:** Kentucky Technology, Inc., 824 Bull Lea Run, Suite 210, Lexington, Kentucky 40511**Property location:** 824 Bull Lea Run, Suite 105, Lexington, Fayette County, KY**Check one:** new lease  renewal  addendum **Type of space:** Laboratory**Total square feet being leased:** This addendum adds 5,013 square feet bringing the total to 12,992 square feet.**Cost per square foot:** \$34 for the additional Laboratory Space**Annual cost:** \$170,442 added to current lease bringing the total annual rent to \$433,540.**Average square foot cost of state leased cost in county:** \$31 Clinical/Laboratory**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 beneficial occupancy of the expansion space.**Expiration date:** June 30, 2028**Justification for lease:** The EACL has outgrown its current space and requires expanded laboratory space. This expansion is into previously unused space that is adjacent to EACL's current space.**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:** An RFP was not required as the rental terms and conditions of the expansion are the same as the current lease.

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000

**Lease number:** PR 8428

**County:** Fayette

**Lessee:** UK College of Medicine, Bluegrass Care Clinic (Infectious Disease)

**Lessor:** Showprop Monrovia, LLC., c/o The Coleman Group, 710 East Main Street, Lexington, KY 40502

**Property location:** 3101 Beaumont Center Drive, Lexington, KY

**Check one:** new lease  renewal  addendum

**Type of space:** Office, Clinical

**Total square feet being leased:** This addendum adds 3,496 square feet bringing the total to 29,714 square feet.

**Cost per square foot:** \$22.50

**Annual cost:** \$78,660 added to current lease bringing the total annual rent to \$716,282.

**Average square foot cost of state leased cost in county:** \$29.50 (clinical space)

**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:** 08/01/2023

**Expiration date:** 6/30/2028

**Justification for lease:** The Bluegrass Care Clinic has leased at this location since November 15, 2020. The patient population has expanded significantly, and additional space is critical to accommodate the current and continued growth. The current location has sufficient space on the second floor to allow for an expansion.

**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: An RFP was not required as the rental terms and conditions of the expansion are the same as the current lease.**