

December 5, 2024

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 three leases which exceed \$200,000 annually and are authorized in the Executive Branch Budget Bill, House Bill 6 and were approved by the University's Board of Trustees at their December 3, 2024, meeting. The University, after careful consideration, determined that these leases are in the best interests of UK and the Commonwealth of Kentucky.

The first lease is for 135,220 square feet of office/administrative space located at 2301, 2317, 2325, 2333 Alumni Park Plaza and 2347 Sterlington Road, Lexington, Fayette County, Kentucky. This space is needed for UK HealthCare's administrative office staff and meeting space. The cost of the lease will not exceed \$3,921,380 annually. The effective date of the lease will be January 1, 2025 (contingent upon the Committee's approval), with an expiration date of June 30, 2032.

The second lease is for 8,441 square feet of clinical space located at 245 Fountain Court, Lexington, Fayette County, Kentucky. This space is needed for a UK HealthCare Primary Care Clinic. The cost of the lease will not exceed \$270,123 annually. The effective date of the lease will be January 1, 2025 (contingent upon the Committee's approval), with an expiration date of June 30, 2027.

The third lease is for 10,177 square feet of office/administrative space located at 110 Conn Terrace, Lexington, Fayette County, Kentucky. This space is needed for the UK HealthCare Department of Ophthalmology and Visual Science. The cost of the lease will not exceed \$417,257.04 annually. The effective date of the lease will be January 1, 2025 (contingent upon the Committee's approval), with an expiration date of June 30, 2026.

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

Sincerely,

A handwritten signature in blue ink that reads "G Ward".

George Ward  
Associate Vice President  
Economic Development and Real Estate

c: Angie Martin Katherine Halloran Lindsay Simpson Elizabeth Baker

## Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000

**Lease number:** PR 8576

**County:** Fayette

**Lessee:** UK HealthCare Enterprise

**Lessor:** Kentucky Medical Services Foundation, Inc, 2333 Alumni Park Plaza, Suite 400, Lexington, Fayette County, Kentucky

**Property location:** 2301, 2317, 2325, 2333 Alumni Park Plaza and 2347 Sterlington Rd, Lexington, Fayette County, Kentucky

**Check one:** new lease  renewal  addendum

**Type of space:** Office/Administrative

**Total square feet being leased:** 135,220

**Cost per square foot:** \$29 (\$18 base rent & \$11 operating expenses)

**Annual cost:** \$3,921,380

**Average square foot cost of state leased cost in county:** \$ 26 Office/Administrative

**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:** January 1, 2025

**Expiration date:** June 30, 2032

**Justification for lease:** Different units of the UK HealthCare Enterprise have occupied this space since 2008. UKHC plans that this location will serve as a consolidated location for UKHC central financial and administrative services' office space This space is ideally located within close proximity to Chandler Campus with easy access and parking.

**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 issued with only one responsive to the RFP requirements. After careful review and consideration, this space was determined to be in the best interests of the University and the Commonwealth.

824 Bull Lea Run Ste 210  
Lexington, KY 40511 | P: 859-257-8649 | [www.uky.edu](http://www.uky.edu)

# FCR 16

Office of the President  
December 3, 2024

Members, Board of Trustees:

## APPROVAL OF LEASE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease for University of Kentucky Healthcare (UKHC) at 2301, 2317, 2325, 2333 Alumni Park Plaza and 2347 Sterlington Road, Lexington, Kentucky from the Kentucky Medical Services Foundation, Inc. (KMSF).

Background: Pursuant to Governing Regulation II.G.3, the Finance Committee reviews and recommends to the Board of Trustees leases exceeding \$200,000 per year. The President or his designated representative is authorized to execute leases and easements not exceeding \$200,000 in value.

The leased space will include 135,220 square feet at an annual rent of \$3,921,380 and will be funded with agency funds. UKHC has leased space in these buildings since 2008. This lease expands the square footage and will house various administrative functions.

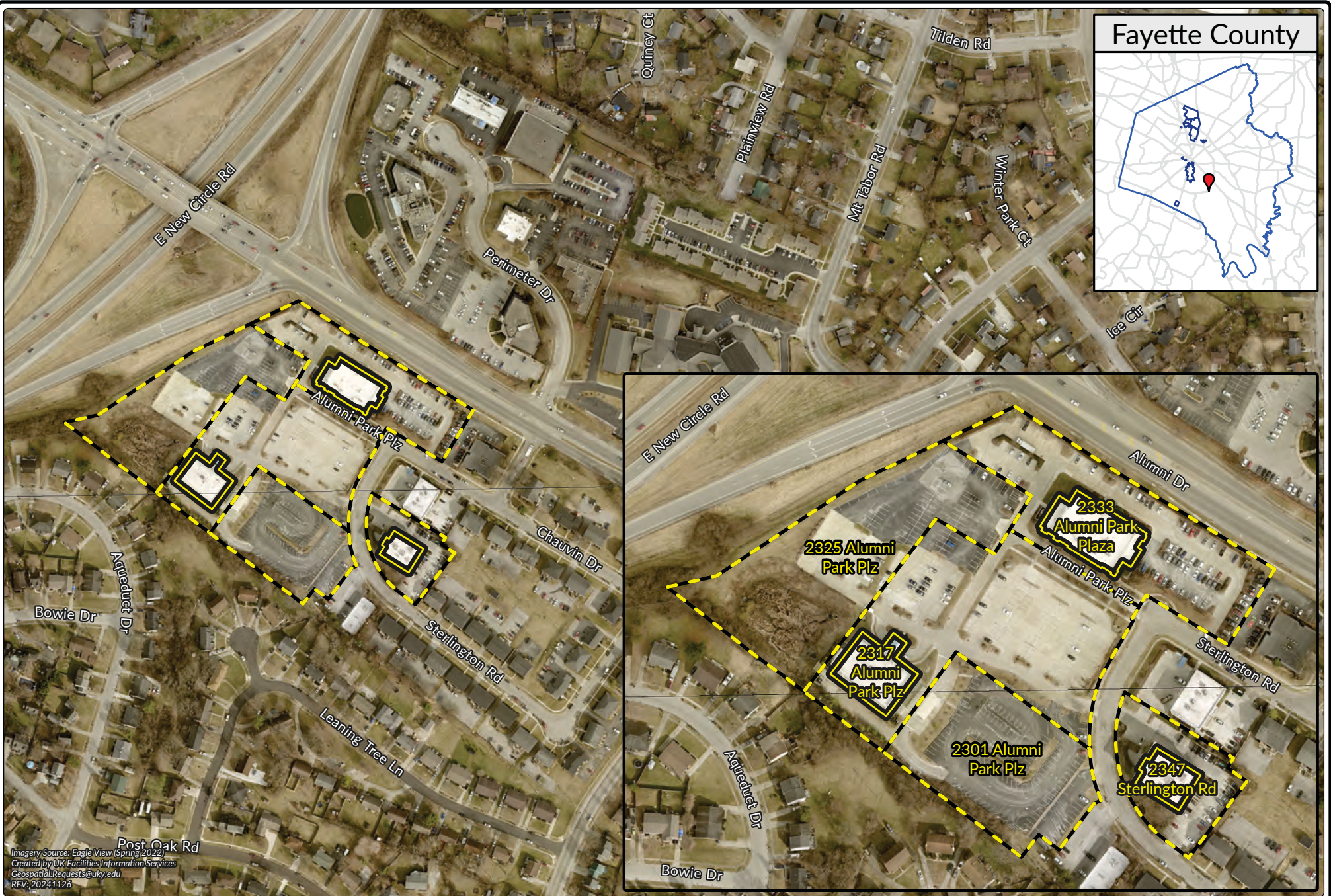
Kentucky Revised Statute § 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the Kentucky General Assembly in the enacted 2024-2026 Executive Budget of the Commonwealth. Contingent upon approval from the Board of Trustees, the lease will be reported to the Kentucky Capital Projects and Bond Oversight Committee.

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Action taken:  Approved  Disapproved  Other \_\_\_\_\_



# Fayette County



Imagery Source: Eagle View (Spring 2022)  
Created by UK Facilities Information Services  
Geospatial.Requests@uky.edu  
REV: 20241126





## Report to Capital Projects and Bond Oversight Committee

**Lease number:** PR 8573

**County:** Fayette

**Lessee:** University of Kentucky, UK HealthCare (UKHC) Primary Care Clinic

**Lessor:** Kentucky Medical Services Foundation, 2333 Alumni Park Plaza, Suite 400, Lexington, Fayette County, Kentucky

**Property location:** 245 Fountain Court, Lexington, Fayette County, Kentucky 40509

**Check one:** new lease  renewal  addendum

**Type of space:** Clinical

**Total square feet being leased:** 8,441

**Cost per square foot:** \$32.00

**Annual cost:** \$270,123.00

**Average square foot cost of state leased cost in county:** \$39.00 (clinical space)

**Includes utilities:** yes  no

**Cancellation clause:** yes  no

*If yes, explain terms:* 30 Days

*if no, explain why not:* N/A

**Effective date:** January 1, 2025

**Expiration date:** June 30, 2027

**Justification for lease:** Space is needed for UKHC Primary Care to support offsite activities to provide patient care services in the Bluegrass area in more convenient locations for patients closer to their homes. This space is located near Man-O-War Boulevard in southeast Lexington to better serve its patient population in this area.

**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 issued with only one responsive to the RFP requirements. After careful review and consideration, this space was determined to be in the best interests of the University and the Commonwealth of Kentucky.







Fayette County



Imagery Source: Eagle View (Spring 2022)  
Created by UK Facilities Information Services  
Geospatial.Requests@uky.edu  
REV: 2024.1126



# FCR 15 - APPROVAL OF SUBLEASE





## Report to Capital Projects and Bond Oversight Committee

**Lease number:** PR 8396

**County:** Fayette

**Lessee:** University of Kentucky, UK HealthCare (UKHC) Department of Ophthalmology and Visual Science

**Lessor:** Kentucky Medical Services Foundation, 2333 Alumni Park Plaza, Suite 400, Lexington, Fayette County, Kentucky

**Property location:** 110 Conn Terrace, Fayette County, Lexington, Kentucky 40508

**Check one:** new lease  renewal  addendum

**Type of space:** Office, Meeting & Training Space **Total square feet being leased:** 10,177

**Cost per square foot:** \$41.00 (\$27.00/sf Base Rent + \$14.00/sf Operating Expenses)

**Annual cost:** \$417,257.04

**Average square foot cost of state leased cost in county:** \$26.00 (office)

**Includes utilities:** yes  no

**Cancellation clause:** yes  no

*If yes, explain terms:* 30 Days

*If no, explain why not:* N/A

**Effective date:** January 1, 2025

**Expiration date:** June 30, 2026

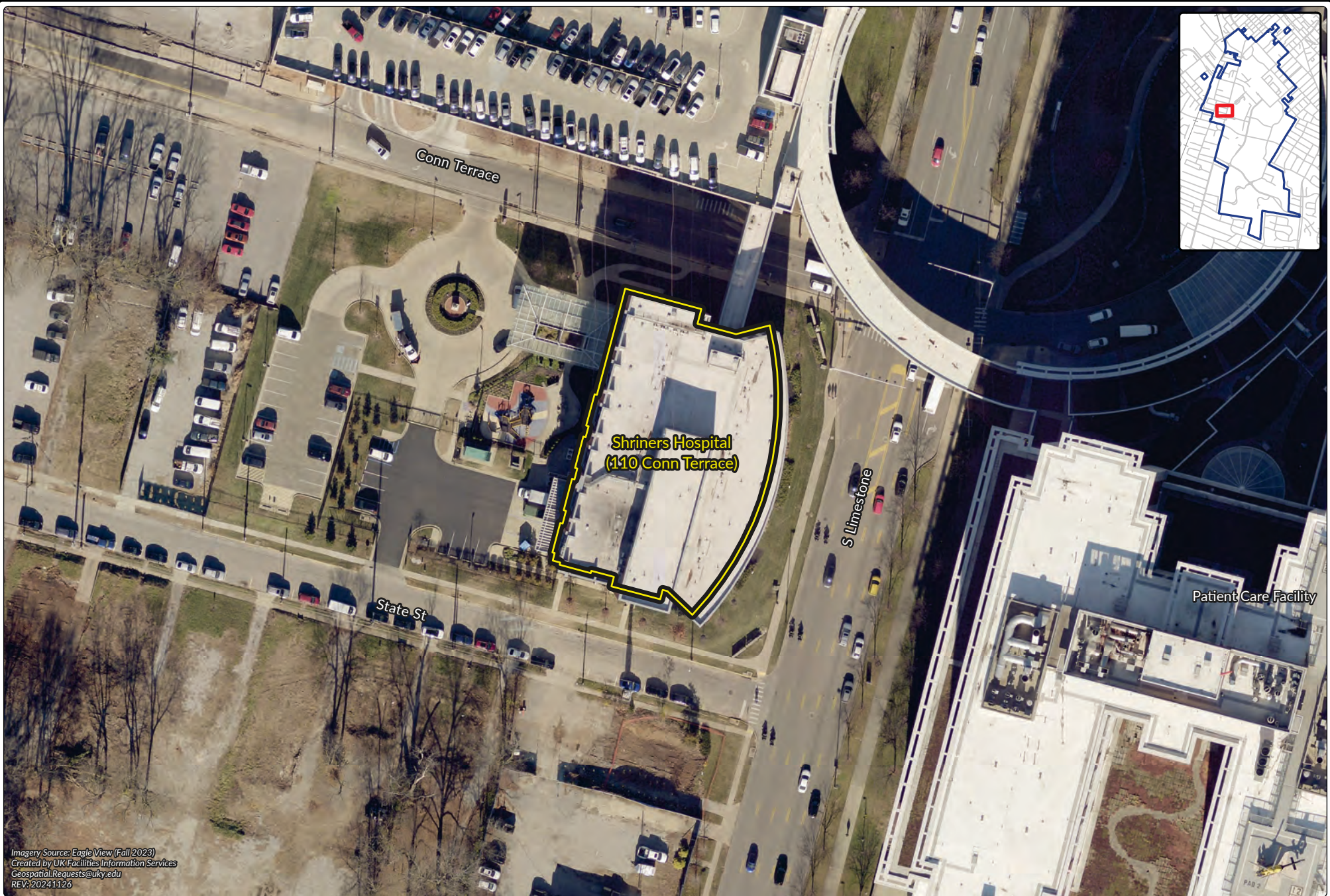
**Justification for lease:** The location has served the Department since 2017 as office, meeting and training spaces. This location is in close proximity to Chandler medical campus and the Ophthalmology Clinic with convenient access for medical staff and their service of patients.

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

**Explanation of why the University of Kentucky chose this lessor over the competition:** Pursuant to KRS §164A.575 (7)(a) the University renegotiated the lease.







Imagery Source: EagleView (Fall 2023)  
Created by UK Facilities Information Services  
Geospatial.Requests@uky.edu  
REV: 20241126

