

June 5, 2026

Senator Shelley Funke Frommeyer, Co-Chair,  
Representative Shawn McPherson, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building - Room 136  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Funke Frommeyer, Representative McPherson 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 Bill500. The University, after careful consideration, determined that these renegotiated leases are in the best interests of UK and the Commonwealth of Kentucky.

The first lease is for 38,209 square feet of clinical, administrative and storage space located at 531 Wellington Way, Lexington, Fayette County, Kentucky. This space is needed for UK HealthCare's Specialty Pharmacy and Infusion Services. The cost of the lease will not exceed \$876,463.50 annually. The effective date of the renegotiated lease will be July 1, 2026 (contingent upon the Committee's approval), with an expiration date of June 30, 2033.

The second 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 \$406,062.30 annually. The effective date of the lease will be July 1, 2026 (contingent upon the Committee's approval), with an expiration date of June 30, 2030.

The third lease is for 32,550 square feet of office/administrative space located at 1648 McGranathiana Parkway, Suite 400, Lexington, Fayette County, Kentucky. This space is needed for the UK's College of Social Work. The cost of the lease will not exceed \$696,570 annually. The effective date of the lease will be July 1, 2026 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

May 10, 2023

CPBOC Letter from UK

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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". The signature is cursive and fluid.

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 8419**County:** Fayette**Lessee:** UK Healthcare, Specialty Pharmacy and Infusion Services**Lessor:** Wellington Properties III, LLC, 531 Wellington Way, Lexington, Fayette County, Kentucky**Property location:** 531 Wellington Way, Lexington, Fayette County, Kentucky 40503**Check one:** new lease  renewal  addendum  renegotiated  lease-purchase **Type of space:** Clinical, Administrative and Storage Space**Total square feet being leased:** 38,209**Cost per square foot:** \$24.50 Pharmacy Space/ \$20 Office Space/ \$15 Unfinished Storage Space**Annual cost:** \$876,463.50**Average square foot cost of state leased cost in county:** \$36 laboratory / \$26 office**Includes utilities:** yes  no **Cancellation clause:** yes  no *If yes, explain terms:* 30 Days*if no, explain why not:* N/A**Effective date:** July 1, 2026**Expiration date:** June 30, 2033

**Justification for lease:** UKHC Specialty Pharmacy and Infusion Services serves patients who require specialty medication and additional support for any medication therapy as well as non-oncology infusion services. Additionally, the department is available to counsel and answer questions via telephone 24/7. This location is close to a New Circle Road interchange and easily accessible for patients with ample, convenient 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:** Pursuant to KRS §164A.575 (7)(a) the University renegotiated the lease as remaining in this space is in the best interest of the University and the Commonwealth.

## 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 40517

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

**Check one:** new lease  renewal  addendum  renegotiated  lease-purchase

**Type of space:** Office, Meeting & Training Space

**Total square feet being leased:** 10,177

**Cost per square foot:** \$39.90 (\$27.00/sf Base Rent + \$12.90/sf Operating Expenses)

**Annual cost:** \$406,062.30

**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:** July 1, 2026

**Expiration date:** June 30, 2030

**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 department's 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 and after careful consideration determined it to be in the best interests of the University and the Commonwealth.

**Report to Capital Projects and Bond Oversight Committee**

Lease with Annual Rental Exceeding \$100,000

Lease number: PR 8426County: FayetteLessee: UK College of Social WorkLessor: WG Holdings TN, LLC, 120 South Gay Street, Knoxville, TennesseeProperty location: 1648 McGrathiana Parkway, Suite 400, Lexington, Fayette, Kentucky 40511Check one: new lease  renewal  addendum  renegotiated  lease-purchase Type of space: Office SpaceTotal square feet being leased: 32,550Cost per square foot: \$21.40Annual cost: \$696,570.00Average square foot cost of state leased cost in county: \$26.00Includes utilities: yes  no Cancellation clause: yes  no *If yes, explain terms:* 30 Days*if no, explain why not:* N/AEffective date: July 1, 2026Expiration date: June 30, 2028

**Justification for lease:** This office was moved off campus in 2017 to free up space on campus for academic programs. Since then the College has grown significantly in both in-person and online offerings with some classroom space now located in this location. The staff at this location administer several programs including an array of child welfare, foster care and continuing education programs (examples include: certification training for kinship and adoptive parent navigators programs; training for kinship peer supporters; ethics and pediatric head trauma training which is a state mandated training for clinical social workers and nurses; and training for approving foster parents caring for medically complex children in the state foster care system)

**Statements as to whether the University of Kentucky complied with statutory requirements:** (if not in compliance, explain why) Pursuant to KRS §164A.575 (7)(a) the University renegotiated the lease and is in compliance with statutory requirements.

**Explanation of why the University of Kentucky chose this lessor over the competition:** After careful review and consideration it was determined that this space is in the best interest of the University and the Commonwealth.