

October 1, 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 34
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, the University of Kentucky is reporting a new lease in Chesapeake, Lawrence County, Ohio. The University, after careful consideration, determined that this lease is in the best interests of UK and the Commonwealth of Kentucky.

The new lease is for 1,938 square feet of clinical space located at 10183 County Road 1, Chesapeake, Laurence County, Ohio. This space is needed for UK Healthcare King's Daughters Family Care Clinic. The cost of the lease will not exceed \$29,070 annually. The effective date of the lease will be November 1, 2026, (contingent upon the Committee's approval), with an expiration date of June 30, 2032.

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
Economic Development and Real Estate

c: Roxie Allison Katherine Halloran Lindsay Simpson Elizabeth Baker



Real Estate Services Division

Report to Capital Projects and Bond Oversight Committee

Lease number: 356759

County: Lawrence County, Ohio

Lessee: University of Kentucky, Royal Blue Health LLC for its Ashland Hospital Corporation d/b/a UK King's Daughters Medical Center

Lessor: Chesapeake Union Exempted Village School District, 10183 County Road 1, Chesapeake, Ohio 45619

Property location: 10183 County Road 1, Chesapeake, Ohio 45619

Check one: new lease ☒ renewal ☐ addendum ☐

Type of space: Clinical

Total square feet being leased: 1,938

Cost per square foot: \$15

Annual cost: \$29,070

Average square foot cost of state leased cost in county: \$24

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: November 1, 2026

Expiration date: June 30, 2032

Justification for lease: This space will house a new family practice clinic which is needed to better serve the patient population in this area. Currently, UK King's Daughters (UKKD) has both a patient and team member population in this market that are traveling a further distance for care. This location will allow primary and preventative care closer to home in a rural market as well as adding a school-based



clinic for the Chesapeake schools. There is a UKKD hospital less than 15 miles from this location to provide support and ancillary services for the patients

Statements as to whether the University of Kentucky complied with statutory requirements: (if not in compliance, explain why) UKKD will be 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 was determined to be in the best interests of the University and the Commonwealth.