

May 8, 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 this is to report a lease renewal which exceeds \$200,000 annually. The University, after careful consideration, determined that this lease is in the best interests of UK and the Commonwealth of Kentucky.

The lease renewal is for 24,000 square feet of space that includes classroom, clinical, administrative and support space. The space is needed for the University's College of Medicine location in Bowling Green. The cost is \$38 per rentable square foot with an annual rental cost of \$912,000. This lease was approved by the UK Board of Trustees at their April 21, 2026, meeting. The effective date of lease renewal will be July 1, 2026 (contingent upon the Committee's approval) with an expiration date of June 30, 2034.

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: 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 8399**County:** Warren**Lessee:** University of Kentucky, College of Medicine**Lessor:** Bowling Green-Warren County Community Hospital Corporation dba The Medical Center, 1101 College Street, Bowling Green, Kentucky 42102**Property location:** 399 US31W ByPass, Bowling Green, Warren County, Kentucky**Check one:** new lease renewal addendum renegotiated lease-purchase **Type of space:** Classroom, Educational, Clinical, Administrative and Support Space**Total square feet being leased:** 24,000**Cost per square foot:** \$38**Annual cost:** \$912,000**Average square foot cost of state leased cost in county:** This is fair market value for space in the Bowling Green Medical Center as calculated by Gary R. Murphy, MAI Murphy, Napier Appraisal Company.**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, 2034

Justification for lease: The University partnered with the Bowling Green–Warren County Community Hospital in 2017 to expand the University’s College of Medicine medical education and training operations to include programs in rural areas of the Commonwealth. Since inception of this partnership, a total of 233 medical students have been served to date. Including those that will graduate on May 9, 2026, 143 have graduated and moved on to further training in their residency programs. In Fall 2026, there will be an incoming class of 32 students at this location. UK plans to continue expansion of the program by 10 new students each year over the next four years from the current 120 students to 160. This benefits the Commonwealth and helps to fill physician shortages in the region. The leased space includes both administrative and academic space.

classrooms, multi-purpose rooms, a patient exam room suite with observation room, simulation lab that includes an observation room, and lounge/locker room 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: Remaining in this space is in the best interests of the University given its location on the campus of the Bowling Green-Warren County Community Hospital and the specialty facilities are already in place. This is in the best interests of the Commonwealth as it helps to address physician shortages in the region.

FCR 10

Office of the President
April 23, 2026

Members, Board of Trustees:

APPROVAL OF LEASE
(COLLEGE OF MEDICINE-BOWLING GREEN CAMPUS)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a renewal lease between the University of Kentucky, (UK), and Bowling Green Warren County Community Hospital Corporation, (dba The Medical Center), for space located at 399 US31W ByPass, Bowling Green, Kentucky.

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.

At its May 2, 2017 meeting, the Board of Trustees approved a lease between UK and The Medical Center to house the UK College of Medicine's western Kentucky campus. Since opening the Bowling Green campus, 112 UK medical students have graduated with 33 more expected to graduate in May. Additionally, the total enrollment at this location will be increased from 120 (30 per year) to 160 (40 per year) over the next four years. This furthers the university's mission to benefit the Commonwealth and helps to fill physician shortages in this region of Kentucky.

The leased space supports the UK College of Medicine - Bowling Green Campus initiative and the delivery of didactic education components and primary clinical training activities. The 24,000 square feet leased space provides both administrative and academic space, classrooms, multi-purpose rooms, a patient exam room suite with observation room, simulation lab that includes an observation room and a lounge/locker room area. The annual rent, not to exceed \$912,000, will be paid with agency funds.

KRS § 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the 2026 Kentucky General Assembly. Contingent upon approval from the Board of Trustees, the lease will be reported to the Kentucky Capital Projects and Bond Oversight Committee in accordance with KRS § 56.823.

Action taken: Approved Disapproved Other _____



**FCR 10 - APPROVAL OF LEASE
(COLLEGE OF MEDICINE-BOWLING GREEN CAMPUS)**



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