

# FCR 18

Office of the President  
January 11, 2005

Members, Board of Trustees:

## APPROVAL OF LEASE OF COLDSTREAM RESEARCH CAMPUS LOTS

Recommendation: that the Executive Vice President for Finance and Administration be authorized to negotiate and execute the following:

Two leases between the University of Kentucky and Kentucky Technology, Inc. (KTI) for Lot 21, 5.58 acres, and Lot 22, 9.69 acres, in the Coldstream Research Campus.

Background: In 1998, KTI was granted leasing authority on Lots 17 and 18 to develop the Kentucky Technology Center (KTC). This development is a multiple building site plan, providing offices and laboratory space to second stage start-up companies. Two of the current tenant companies originated in ASTeCC.

KTC is a joint effort with a private developer in Lexington, SRG Properties. Six of the planned seven buildings for Lots 17 and 18 have been constructed. SRG Properties is expected to begin construction of the remaining building this spring.

Lots 21 and 22 will provide an expansion of KTC, providing for the growth of at least one of the current tenants, as well as providing an inventory of needed space for companies not able to justify occupying a stand-alone building. It is anticipated that SRG Properties will be the joint developer for Lots 21 and 22. The term of the lease for each lot will expire October 2098, coinciding with the term of the leases for Lots 17 and 18.

Lots 21 and 22 will be sub-divided and on each sub-divided lot a single or multi-tenant building will be constructed. Total build-out for the combined lots is approximately 146,000 square feet. Ground rent payments will begin upon completion of the construction of each building. Once all buildings are constructed, the estimated annual lease income for the 15.27 acres is \$144,300.

Any building to be constructed at the Coldstream Research Campus must be approved by the University's Design and Review Committee. In addition, tenants must comply with the Guidelines for Permitted Uses of the University of Kentucky Coldstream Research Campus which is included as part of the land lease contract.

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