

FCR 5

Office of the President
June 8, 2010

Members, Board of Trustees:

APPROVAL OF LEASE FOR DEPARTMENT OF PSYCHIATRY

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease between the University of Kentucky (Department of Psychiatry) and Blazer Parkway Venture, 1591 Winchester Road, Suite 107, Lexington, Kentucky, for space located at 3470 Blazer Parkway, Lexington, Kentucky. The lease is for 26,020 square feet of clinical and administrative space and will be effective July 1, 2010, to June 30, 2014. The rental rate is \$18.25 per square foot for 25,474 square feet of clinical and administrative space and \$17.75 per square foot for 546 square feet of support space, which includes a conference room. The total annual rate is \$474,592 and will be funded from clinical revenues.

Background: At its October 10, 2006 meeting, the Board of Trustees amended Governing Regulation II.A.6(g), requiring that all leases in excess of \$200,000 be approved by the Board of Trustees. The President or his designated representative is authorized to enter into leases and easements not exceeding \$200,000 in value.

Kentucky Revised Statute §48.111 requires legislative authorization of all leases with annual costs of \$200,000 or more. The University has requested authorization of this lease in its 2010-12 biennial budget request. The Board of Trustees' approval is contingent upon inclusion of this lease authorization in the enacted 2010-12 Executive Budget.

The Department of Psychiatry has occupied this space since 1999, using it to offer psychiatric services. The University advertised this lease and received no bids other than from Blazer Parkway Venture.

Action taken: Approved Disapproved Other _____