

# FCR 25

Office of the President  
February 23, 2024

Members, Board of Trustees:

CONSTRUCT/IMPROVE MEDICAL/ADMINISTRATIVE FACILITY 1  
UK HEALTHCARE (MEDICAL OFFICE BUILDING)  
CAPITAL PROJECT

Recommendation: that the Board of Trustees support and approve the pursuit of legislative authority from the Commonwealth of Kentucky for the Construct/Improve Medical/Administrative Facility 1 UKHC capital project and authorize the President, or his designee, to negotiate and execute all documents necessary to create a viable Public-Private Partnership (P3).

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$1,000,000 or more must be approved by the Board prior to initiation.

UK HealthCare (UKHC) identified a location in the Hamburg area of Lexington, Kentucky, to expand its facilities. The Board approved the acquisition of the total acreage needed for the facilities at its June 17, 2022, and February 17, 2023, meetings. At its April 28, 2023, meeting, the Board approved the initiation of the design phase of a Medical Office Building capital project.

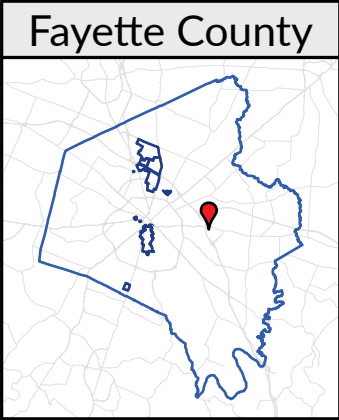
The scope of work for this project will include the construction of a 200,000 square feet or greater medical office building and necessary infrastructure improvements. This capital project will be the first phase of a potential multi-phased development at this new campus.

The recommended P3 strategy is appropriate given the university's desire to continue to expand its healthcare enterprise, including speed to market and providing first class clinic space. Following Board approval and obtaining legislative authorization, agreements between the university and its selected P3 developer are expected to be negotiated and executed.

The current projected scope of this project is \$275,000,000 which is within the legislative authorization requested from the 2024 Kentucky General Assembly. Pursuant to the university's Debt Policy, the Debt Management Committee supports the proposed recommendation.

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



Imagery Source: Eagle View (Spring 2022)  
Created by UK Facilities Information Services  
Geospatial.Requests@uky.edu  
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