

# FCR 6

Office of the President  
June 16, 2017

Members, Board of Trustees:

APPROVAL OF LEASE  
(GF VAUGHAN TOBACCO COMPANY WAREHOUSE AND STORAGE SPACE)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a building lease between the University of Kentucky, as Lessee, and GF Vaughan Tobacco Company, as Lessor, for warehouse and storage space located at 1247 Versailles Road / 554-558 South Forbes Road, Lexington, Kentucky.

Background: At its October 2006 meeting, the Board of Trustees amended Governing Regulation II.A.6(g) requiring that all leases in excess of \$200,000 annually 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.

The proposed leased space is over 465,000 total square feet of warehouse, storage, and office space located approximately two miles from the University's main campus. The annual rent of \$430,000 will include an exclusive right for the University to purchase the property during the first two years of the lease. Additional warehouse and storage space would free up core space for critical use on the University's main campus. The proposed lease will be funded with agency funds.

Kentucky Revised Statute §48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the Kentucky General Assembly in the enacted 2016-18 Executive Budget of the Commonwealth. Contingent upon approval from the Board of Trustees, the lease will be reported to the Capital Projects and Bond Oversight Committee.

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



Imagery Source: Pictometry (Spring 2016)  
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REV: 20170608



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