

FCR 9

Office of the President
February 17, 2017

Members, Board of Trustees:

APPROVAL OF SUBLEASE
(110 CONN TERRACE, LEXINGTON, KY 40508)

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a building sublease between the University of Kentucky, as Sublessee, and Kentucky Medical Services Foundation, Inc. Lexington, KY as Sublessor, for office space located at 110 Conn Terrace, Lexington, KY 40508.

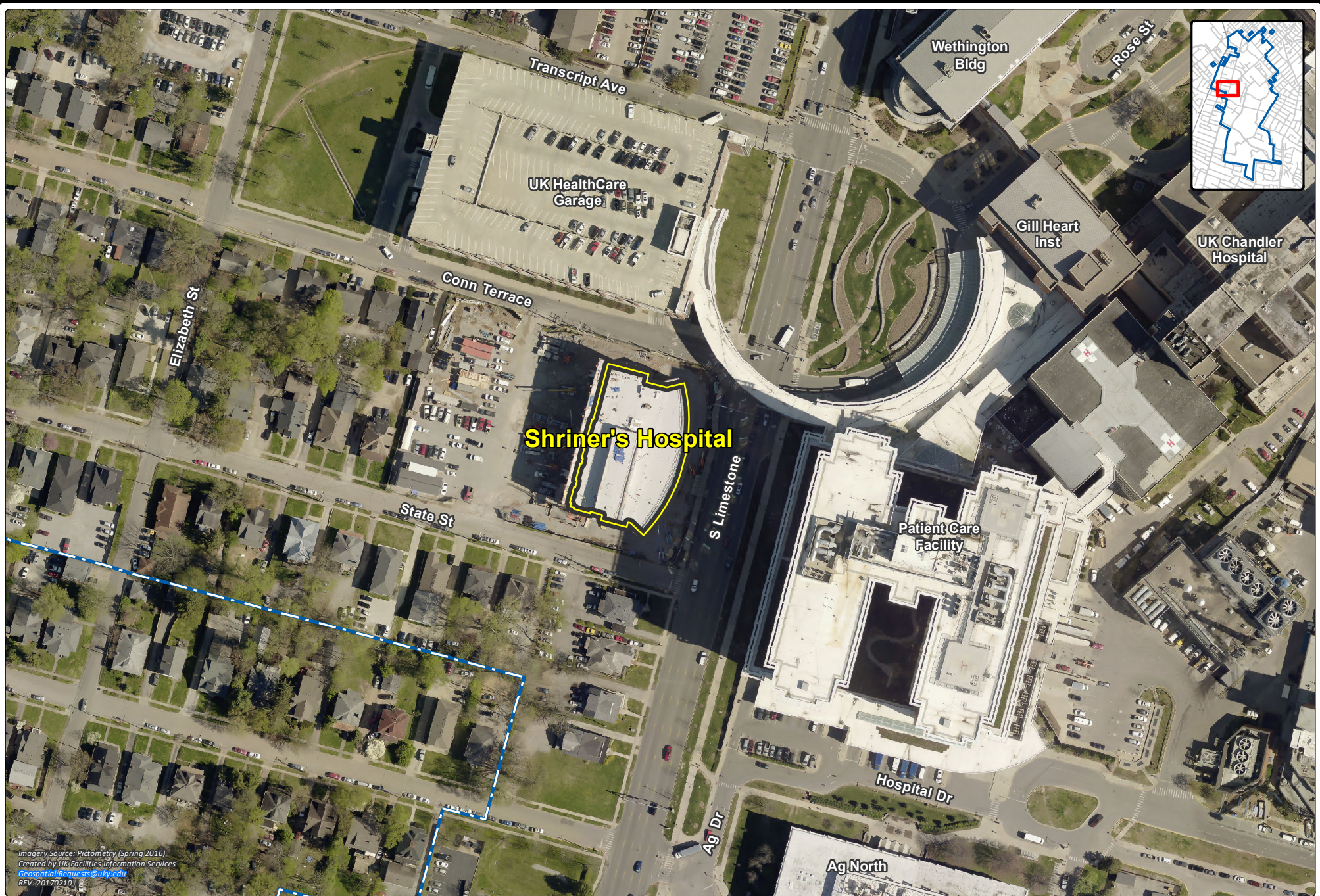
Background: At its October 2006 meeting, the Board amended Governing Regulation II.A.6(g) requiring that all leases in excess of \$200,000 annually be approved by the Board of Trustees. The President or his designated representative is authorized to enter into leases and easements not exceeding \$200,000 in value. At its September 2012 meeting, the Board approved a proposal under which Shriners Hospitals for Children (SHC) would relocate its Lexington Hospital to the University campus. Subsequently, at its September 2013 meeting, the Board approved a ground lease for the purpose of the construction of the SHC facility.

A need has been identified for office space associated with the University of Kentucky Department of Ophthalmology and Visual Science. This space would provide faculty and program support offices, as well as meeting and training spaces. Subleasing space from Kentucky Medical Services Foundation, Inc. allows UK HealthCare to be flexible and reactive to the ongoing growth of services necessary to provide state-of-the-art clinical services and programs to the Commonwealth.

The subleased space is 10,177 square feet of office space. The \$388,252.55 of annual rent will be funded with agency funds.

Kentucky Revised Statute (KRS) 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The sublease 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 sublease will be reported to the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other _____



Imagery Source: Pictometry (Spring 2016)
Created by UK Facilities Information Services
Geospatial.Requests@uky.edu
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