Fayette County Public Schools

Fayette County Board of Education Meeting
Executive Summary Agenda Item

MEETING: **Regular** **DATE: November 9, 2026**

TOPIC: **Approval of a Revised BG-1 for the Lease of Classrooms and Common Areas of Edythe J. Hayes Middle School to Central Kentucky Japanese School (260 Richardson Place) BG# 26-250**

PREPARED BY: **Myron Thompson, Chief Operating Officer**

Recommended Action on: **1/23/26**
Consent Item

Superintendent Prior Approval: **Yes**

Recommendation/Motion: A motion is in order to approve a revised BG-1 Application in the amount of $1,272,460.00 (One Million, Two Hundred Seventy-two Thousand, Four Hundred Sixty Dollars) reflecting the lease amount per the revised Lease Agreement, subject to approval of the Kentucky Department of Education.

Background/Rationale: 702 KAR 4:090(6) states disposition by lease requires review by the Kentucky Department of Education of an initial BG1, along with a declaration assuring that the disposal shall not affect the integrity or usefulness of property crucial to the educational needs of the district. In 2006, the Central Kentucky Japanese School constructed and donated to the Board certain improvements (known as the CKJS Building) to Edythe J. Hayes Middle School, a portion of which building will be used by the Board during the week. The proposed new lease agreement is for a total of 20 years. The rent for the first 10 years will be paid in a lump sum total of $1,272,460.00 ($127,246.00 per year.) For the second ten-year period, the rent shall be readjusted as set out in paragraph B of the Lease Agreement. Fair market value (rental) was determined by following the Board's regulations as to the fees for the use of school facilities, waiving the rental portion of the fee (per Board regulations) since CKJS is a nonprofit corporation providing a benefit to FCPS and/or the community as a whole and applying a discount for the long-term nature of the lease and upfront payment for the first 10 years.

Currently, the Board's approval of an initial BG-1 in the amount of $1,272,465.60 is requested to allow for KDE's approval.

	Initial BG-1 Project Application Budget	Revised BG-1 Project Application Budget
Disposition (Lease) Revenue (10 years):	$1,272,465.60	$1,272,460.00
Total Estimated Lease Revenue:	**$1,272,465.60**	**$1,272,460.00**

Strategic Priority:
☐ Student Achievement ☐ Unity, Belonging & Student Efficacy
☐ Highly Effective & Culturally Responsive Workforce
☐ Outreach & Engagement ☒ Organizational Health & Efficiency

Data Considerations: District Facility Plan

Policy: **702 KAR 4:090**

Fiscal Impact: N/A

Attachment(s): Revised BG-1 FACPAC Form