

FCR 13

Office of the President
December 13, 2005

Members, Board of Trustees:

AUTHORIZATION TO ACQUIRE PROPERTY FOR
BIO-MEDICAL RESEARCH BUILDING SITE

Recommendation: that the Board of Trustees, acting pursuant to its statutory authority as stated in Section 164.260 of the Kentucky Revised Statutes and the Eminent Domain Act of Kentucky, authorize and direct the acquisition through condemnation proceedings of the parking lot (for the Royal Lexington Apartments) at 128-136 Virginia Avenue, Lexington, Kentucky.

Background: This property is essential to the future construction of the Bio-Medical Research Building (otherwise known as the BBSRB #2 project). The Council on Postsecondary Education requested \$7.6 million of state General Funds for the design of the facility as part of its 2006-08 Capital Request to the Governor and the 2006 General Assembly. University officials have attempted in good faith to acquire this property from the owner.

In addition, the university has obtained at least two appraisals of the property and indicated to the owner that the university could not pay more than the appraised fair market value. Despite the fact that the university has made a good faith offer to the owner, the university has been unsuccessful in contracting for a voluntary sale. The statute [KRS 164A.575(6)] provides that "The amount paid shall not exceed the appraised value as determined by a qualified appraiser or the value set by the eminent domain procedure."

The owner was told that if the university could not contract for the property by November 15, 2005, the Board would be requested to authorize condemnation. Accordingly, in view of the fact that this property is crucial to this project and the proposed schedule for construction, the university administration feels the need to proceed with condemnation.

Action taken: Approved Disapproved Other _____