

FCR 12

Office of the President
October 10, 2006

Members, Board of Trustees:

AUTHORIZATION TO CONVEY 1.7 ACRES
TO THE CENTER FOR RURAL DEVELOPMENT, INC.

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to convey, at no cost, 1.7 acres of University of Kentucky property to the Center for Rural Development, Inc. in Somerset, Kentucky.

Background: On January 12, 1994, the city of Somerset, Kentucky conveyed, at no cost, a total of 16.59 acres to the university to be used as the site for the construction of the Center for Rural Development. The city of Somerset and the university agreed to cooperate in the construction of the center on this site for the use and benefit of the university, the city of Somerset, Pulaski County, Somerset Community College, and the Commonwealth's Fifth District. This property was condemned and paid for by the city of Somerset for this purpose. The university constructed the center on the site with funds provided by the Commonwealth, federal, and local governments.

The center has recently distributed a Request for Proposals to build an upscale hotel adjacent to the center on a site which includes the 1.7 acres mentioned above (currently used, in part, for parking). The hotel is intended to attract meetings and events that will compliment and enhance the non-profit mission of the center, to wit, increase economic opportunity, improve infrastructure, elevate the quality of life, and attract tourism to the area.

On February 20, 1996, the university leased the facility to the center for \$1.00 per year in accordance with its stated objectives. On January 15, 2003, the university and the center amended the lease to detail their respective obligations and responsibilities of maintenance and operations of the facility.

This transfer of 1.7 acres has been requested by the center to assist it in furtherance of its mission.

Action taken: Approved Disapproved Other _____