

FCR 2

Office of the President
January 29, 2013

Members, Board of Trustees:

AUTHORIZATION TO ACQUIRE PROPERTIES FOR CONSTRUCTION OF
ADMINISTRATIVE BUILDING FOR THE DEPARTMENT OF OPHTHALMOLOGY AND
SHRINERS HOSPITAL FOR CHILDREN

Recommendation: that the Board of Trustees, acting pursuant to its statutory authority under Section 164.260 of the Kentucky Revised Statutes and the Eminent Domain Act of Kentucky, authorize and direct the acquisition through condemnation proceedings of a final property located at 1037 Limestone, Lexington, KY. This parcel is essential to the construction of an administrative building for the Department of Ophthalmology and Shriners Hospital for Children.

Background: University officials have, over a period of several months, attempted in good faith to acquire this property from the owner. This is the final parcel needed to proceed with the project. University officials have met with the property owner and discussed in detail the need for this final property. 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 university obtained appraisals on the property and offered to purchase the property based on the highest appraised value. These offers were rejected. Upon precedent set in 2005 with the Hospital Parking Garage Project, permission was obtained from Secretary Lori H. Flannery, Finance and Administrative Cabinet, to offer 10% above the highest of the appraisals. University officials subsequently offered to purchase the final property at the 10% premium. The property owner also rejected this offer.

The owner has been informed that if the University could not contract for the final property, the Board of Trustees would be requested to authorize condemnation. Accordingly, in view of the fact that this final property is crucial to this project and the proposed schedule for construction, the University administration recommends that the Board of Trustees authorize condemnation. Additional efforts will be made with the property owner to purchase the property prior to filing the formal condemnation proceedings.

Action taken: Approved Disapproved Other _____