

FCR 13

Office of the President
May 14, 2013

Members, Board of Trustees:

AUTHORIZATION TO ACQUIRE THE LEXINGTON THEOLOGICAL SEMINARY

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to enter into a purchase agreement to acquire the Lexington Theological Seminary located at 631 South Limestone, Lexington, Kentucky, for the price of \$13,500,000. The proposed purchase price is “turnkey” and includes all of the Seminary’s fixtures and furnishings except items of historical or religious significance and certain administrative office equipment.

Background: The University and the Lexington Theological Seminary have held intermittent discussions regarding the purchase of the property for several years. Over this time, the University conducted four separate appraisals. The property is viewed as essential to the University’s future growth.

The Lexington Theological Seminary sits on approximately 7.1 acres and the campus includes 131,589 gross square feet of building space including four institutional buildings, forty-four apartments, sixteen townhomes, a maintenance building and a shell building. The property has been developed in stages beginning in 1949. Additionally, the property includes a .08 acre parking lot. The Seminary currently operates as a post-secondary educational institution to prepare students for ordination as clergy.

The University needs the property to provide essential “surge” space for classrooms and offices as it begins interior campus renovations. The first use of the property will likely be surge space for the renovation and expansion of the Carol Martin Gatton Business and Economics Building.

The Lexington Theological Seminary will continue to occupy the property through December 2013 to meet fall semester educational commitments. The Seminary will remain an active educational institution in a different facility and location.

The proposed acquisition will be financed with non-recurring General Funds. Pending Board of Trustees approval, the University will finalize negotiations and enter into a purchase agreement.

Action taken: Approved Disapproved Other _____