

FCR 5

Office of the President
September 9, 2008

Member, Board of Trustees:

ACQUISITION OF LEXINGTON PUBLIC LIBRARY NORTHSIDE BRANCH
LOCATED AT 1737 RUSSELL CAVE ROAD, LEXINGTON, KENTUCKY

Recommendation: that the Board of Trustees approve the acquisition of the real property and improvements located at 1737 Russell Cave Road, Lexington, Kentucky, commonly known as the Lexington Public Library Northside Branch, for \$1,200,000; further, that the Executive Vice President for Finance and Administration be authorized to execute any and all documents required for such purchase.

Background: The University of Kentucky Research Foundation owns approximately 55 acres of land on Russell Cave Road, referred to as McCullough Farm. The Lexington Public Library (the "Library") owns a 5-acre lot adjacent to McCullough Farm, on which the Library's former Northside Branch is located (the "Property"). The Property also includes the 11,056 square foot library building and a 2,920 square foot maintenance building.

The Library constructed a new Northside Branch facility and needed to dispose of the old facility. The university's Department of Biology has an urban research facility on McCullough Farm and believes it is in the university's best interest to integrate the Property with the research facility.

The Library conducted an auction of the Property on July 30, 2008, but the university's high bid did not meet the reserve. The University subsequently negotiated the purchase for less than the appraised value.

Because the University was unable to convene the Executive Committee in a timely manner to authorize the purchase, upon the advice of General Counsel, Mr. Frank A. Butler, Executive Vice President for Finance and Administration, sought and was granted approval by the President and Chair of the Board, Ms. Mira Ball, after she consulted with the two voting members of the Executive Committee, Mr. James Hardyman and Mr. Steve Branscum. It was agreed by all parties the purchase was appropriate and final approval would be sought from the Finance Committee and the full Board at its next meeting on September 9, 2008.

Action taken: Approved Disapproved Other _____