

Minutes of the Special Called Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, Tuesday, November 7, 1989.

The Executive Committee of the Board of Trustees of the University of Kentucky met in a Special Called Meeting in the Old Board Room of the Administration Building on the Lexington Campus at 1 p.m. Lexington time on Tuesday, November 7, 1989. The call for the Special Meeting had been issued by the Chairman, Mr. Foster Ockerman.

A. Meeting Opened

Mr. Foster Ockerman, Chairman, called the meeting to order at 1 p.m., and Mrs. Edythe Hayes called the roll.

B. Roll Call

The following members of the Executive Committee answered the call of the roll: Mr. Foster Ockerman, Mr. William E. Burnett, Jr., Mr. James L. Rose, and Mr. Lawrence E. Forgy. Absent from the meeting was Mr. Tracy Farmer. The University administration was represented by President David Roselle; Chancellor Charles T. Wethington; Vice President Edward A. Carter; Mr. John C. Darsie, General Counsel; and Mr. Joseph Burch, Deputy General Counsel.

Members of the news media were also in attendance. Mrs. Hayes reported a quorum present, and Mr. Ockerman declared the meeting officially open for the conduct of business at 1:01 p.m.

C. Coldstream Farm-Comprehensive Plan Change (PR 1)

President Roselle stated that in 1987 the Board made the decision not to sell Coldstream Farm but to investigate the development of the area. The University had employed consultants of various kinds, and PR 1 is an ongoing piece of the development of the property. The recommendation in PR 1 suggests development for the first time on the property now used for the Agricultural Experiment Station. President Roselle suggested that the Board should be considering the agricultural needs for land, and said that the administration is developing a plan for replacement of the Coldstream Farm. As the need becomes more apparent by intrusions on the Farm, the administration will be back in touch with the members regarding the best way to accommodate the needs of the College of Agriculture and the Agricultural Experiment Station.

President Roselle stated that PR 1 is a recommendation that the University's administration be authorized to file an application with the Lexington-Fayette Urban County Planning Commission for a Small Area Change in the comprehensive plan for the land use of a portion of Coldstream Farm. He reviewed the background information and stated that this action will permit the University administration to proceed toward the implementation of the Coldstream Research Campus portion of MPC & Associates, Inc. overall development plan for the Farm.

Mr. Burch stated that he had been working with MPC & Associates to develop a plan. There had been a great deal of discussions throughout the community, and the next logical step is to seek the approval of the Small Area Change in the process. Until a Small Area Change is approved, the administration cannot be in a position to respond favorably to any request to locate on the research campus. He stated that the plan continues to have as its centerpiece the continuing education center, and he reviewed the map for development. He stated that Mr. Richard Doyle of the law firm of Gess, Mattingly and Atchinson had been hired as the attorney to represent the University before the Planning Commission in this matter, and various engineers have been hired to conduct traffic and hydrology studies on the property. He pointed out that all of this is needed to proceed before the Planning Commission.

Mr. Ockerman commented that the community went through the total comprehensive plan process for approximately a year and a half ending early last year. Coldstream Farm was a part of that comprehensive plan process. At the latter stages, however, it was requested that Coldstream Farm be withdrawn from the process with the understanding that the University would make an application for an amendment to the comprehensive plan through the Small Area Plan process at a later date. PR 1, if it meets with the approval of the Executive Committee, would authorize the filing of the application to amend the comprehensive plan as explained by President Roselle and Mr. Burch.

Mr. Forgy said that he must vote against the proposal and asked to explain his reasons for voting in that way. He said that when the Finance Committee first began to consider the Coldstream development, it had a shopping center in mind as an integral part of the plan. The money from the shopping center, would have given the University an income of \$50,000,000 to \$60,000,000 over a 10-12 year period, assuming the construction of a Georgetown Road interchange. He recalled that the documents as negotiated with Homart Development and Crown American Corporation would have provided a huge income from the shopping center. He then noted that the University has failed to get cooperation regarding the interchange despite earlier promises of assistance.

Mr. Forgy continued by stating that the money from the shopping center was to be used first to deal with the relocation of the Animal Sciences Center. He pointed out that the state's agriculture community is very concerned about the University's efforts in the animal sciences area. The money from the shopping center would have given the University the funds needed to relocate and upgrade the Animal Sciences Center and to provide for the infrastructure of the development.

Mr. Forgy then reminded the Committee that throughout the earlier discussions, it had been emphasized that Coldstream needed to be developed in a first-class manner. The farm is too important to the ambiance of Lexington to be developed in a second or third-class way. He reiterated his concern that without the shopping center there would be insufficient funds to provide for a quality development.

The second major concern voiced by Mr. Forgy related to the loss of a massive financial windfall which would have come from having a shopping center in the growth corridor between Georgetown and Lexington. That financial windfall would have inured to the children of the state.

The money from the shopping center would not only have provided for the relocation of the agriculture facilities but would have provided as many as 2,000 to 5,000 annual scholarships for young Kentuckians.

Mr. Forgy stated that if the Trustees assumed there can never be a shopping center at Coldstream because of the lack of a Georgetown Road interchange, they will pass up a golden opportunity to help the kinds from various counties get an education. To go to the Planning Commission without facing the shopping center issue will do a disservice to the children of the state.

Mr. Forgy said that he believes the Board should confront the question of whether it is going to try to get a \$60,000,000 stream of income over the next several years to use for agriculture and young people, or say to the people of the state that the Board cannot confront it. He stated that one of the things the Board, not the Executive Committee, is going to have to decide is "if we can't get an interchange on Georgetown Street, whether we are going to make the hard decision and say that this University is strapped financially to the point that it must maximize the assets that it has for educational purposes and for agriculture resource purposes. And, go in and confront the hard question of whether we are going to move over to the other corner, build a shopping center over there and use that revenue for the young kids." He stated that the whole issue today begs the big question, is the Board going to take advantage of this or not? He stated that somebody is going to have a very major financial windfall and that is why he would vote against PR 1. He said, "we are about to launch out where we change this zone and anybody that wants to can then come through and say you should put this or that building out there, and we will wind up with a hodge-podge out there with no roads and no infrastructure. It is going to be worse than the hodge-podge that we ended up with at the football stadium." He remarked that the Board owes the community and the state more than that.

Mr. Forgy said, "if we need a research site on a short-term basis, go out around Spindletop and do whatever we need to do at the Council of State Government." If the University is not going to have the benefit or the income to do it right, then don't do it. He stated that he would rather see it left in its present form because the land is not going to go down in value.

Mr. Rose said that he did not necessarily disagree with Mr. Forgy's comments in regard to the history of the entire project. He expressed concern about PR 1 and the agricultural programs in the state. He stated that he would like to see a plan for animal science and the agricultural programs before making any changes or just building another building. Since it is going to have such an impact upon the University, the citizens of the state, and Lexington-Fayette County, he expressed concern that PR 1 should be a full Board matter. He noted that the state needs to keep all of its farm jobs and industry, and the University needs to expand its agricultural programs.

Mr. Rose stated that he supported doing something with the property; however, he would like to see the matters concerning the future of agricultural science and animal sciences addressed. He said that he was concerned about the timing and the plan for agriculture. He stated that if the members could come up with a plan for these programs, then he supports doing something with the property 100%. He expressed concern about taking the property away from agriculture without having solved the plan for agriculture.

Mr. Burnett stated that the research campus is very important to the University. He believes the University can bring industry to the Commonwealth of Kentucky that will benefit all of the citizens of the Commonwealth, the children and all walks of life. Without a research campus, he stated that the University will take a back seat to its competition and the rest of the country. This can move the University forward, the way it should be moving forward. He stated that the University has a golden opportunity to develop the research campus and the research campus is the most important thing that the members have to talk about. It is his belief that this is an opportunity for the University to benefit not only dollar wise but also educational wise from the standpoint of bringing high tech into the community. He, therefore, recommended that the Executive Committee adopt PR 1.

President Roselle pointed out that the University does not have a cash flow to replace the agriculture land and that was in fact to be the benefit of the shopping center. The University does not have an immediate need for replacement land; however, it is clearly starting down a road that will create the need for replacement land. As part of this change, there is not a correspondent cash flow that would automatically allow the agricultural land to be replaced.

Mr. Ockerman added that if the members authorize the filing of this application, it would begin the process of a public hearing. This would be a process which the University would be doing in cooperation with the local government under the authority of the statutes to amend a comprehensive plan and fill the void that was left in the adoption of the last community comprehensive plan.

Mr. Ockerman stated that he agreed with Mr. Burnett wholeheartedly that the research park which is the main element of the portion of the Small Area Plan is of great importance to not only Lexington and the State of Kentucky but also to the University. It affords the University opportunities which it does not now have, and it can also provide a stream of income. He explained that by authorizing the filing of this Small Area Plan application, it would begin the process of a public hearing to determine what ultimately would be done with the land. He asked the members to look at the second item on the agenda. He stated that PR 2 had stimulated the Small Area Change process at this particular time.

D. Coldstream Farm-Zone Change Application (PR 2)

President Roselle stated that PR 2 is a recommendation that the administration be authorized to file an application with the Lexington-Fayette Urban County Planning Commission for a zone change applicable to approximately fifteen acres of Coldstream Farm. He

reviewed the background information. He stated that a firm has expressed an interest in building a moderate size facility, and the firm envisions employing approximately 200 employees.

Mr. Forgy stated that he has seen enough unplanned development in his lifetime, and he does not want to see Coldstream Farm become this kind of development. He stated that if the University does not have the money to do the project right, it should back off and leave it to the next generation. He proposed the following: (1) get help on the road or (2) move the shopping center so it will provide the money to do the project right. He emphasized that he would vote against PR 1 and stated that he hoped the rest of the committee would do the same. He remarked that these items should not be decided upon by an Executive Committee but should go to the full Board for action.

President Roselle stated that the client is aware of the existence of Spindletop Farm. The client is entertaining the possibility of additional land in Lexington, Kentucky, but has expressed a desire to locate on Coldstream Farm.

Mr. Forgy asked if the committee could vote against PR 1 and for PR 2.

President Roselle responded that the members could.

Mr. Rose asked about the location of the 15 acres and the timetable for the planning and zoning commission?

Mr. Ockerman stated that the application had to be filed the week of November 6 or a month of the process would be lost. He further explained that action needed to be taken today in order to meet the timetable of the corporation that is interested in locating on the 15 acres. The corporation would like to build and have possession of the building by the end of 1990.

Mr. Ockerman remarked that in pursuing the small area plan process he felt the 15 acres will certainly fall into the application as envisioned for the Small Area Plan process. He stressed that the University wants to cooperate with the Lexington-Fayette County Government in pursuing the Small Area Plan process at the same time that the 15 acres are considered.

Mr. Burch located various points in question on the map and gave an overview of the Coldstream property. He pointed out that this is the area where the state lab was going to be constructed. It did not become an "either or" issue, but the client is much more interested in this property. He noted that proceeding with the request would be consistent with the MPC plan, and stated that if the right type of corporation located on the property, it would help promote the plan. It is conceived that any research corporation that came to Lexington would probably have a combination of offices and some light manufacturing and assembly as well as research. Other than a state lab or a federal facility, assuming its totally committed to research, corporations generally have the research facility located in addition to the product they are producing.

The high tech facilities tend to do their research, and it would be the zoning designation that the planning staff is thinking of for the whole office and research park area. That is not yet in the ordinances and is being planned coincidentally with this plan. It would allow light manufacturing as well as offices and other related facilities as long as the facilities meet certain covenants and certain standards which would be part of the research campus plan. The administration would draw in for any tenant covenants that they would have to agree to in terms of size, standards for attractiveness of the facility, the construction of the building, etc.

Mr. Forgy emphasized that he did not want his vote to be construed as opposing something that President Roselle supported and that the two of them have been pretty much on the same wave length with regard to how this began over a long period of time. He does feel, however, that the University needs to take advantage of the opportunities out there. It may be that the majority of the Board would not support moving the shopping center over to the other section where the roads are available. He stated that the administration went out of its way to try to put the shopping center in an area where it would be environmentally sound and better for the community. He felt the mayor and others in the city have thought that Lexington needs a strong development corridor coming down Georgetown Street to take some of the load off Newtown Pike. He noted that the University is in the worst financial shape that he has seen in the 26 years he has been dealing with the budget. He stressed that the University has an opportunity, and the members should try to maximize the opportunity for the benefit of the institution. The members should take a hard look at the options, and PR 1 forecloses one of the options.

President Roselle recapitulated Mr. Forgy's statement. Mr. Forgy is saying that by not asking for a Small Area Plan change now, he is reserving the opportunity of building a shopping center in a different location or area than was originally planned. He continued that the case was that he did not have any apparent cash flow sufficient to pay for the relocation of the agriculture facility now located at Coldstream or to build the infrastructure. He said that he did not have a personal stake in this action and that everyone was trying to achieve the same thing.

Mr. Forgy again stressed that he did not want there to be a public perception that he and President Roselle did not agree on a major issue. He emphasized that he did not believe this recommendation would be the right direction for the University and that he felt the Executive Committee should turn down PR 1. PR 2, however, could be approved.

Mr. Rose asked about the Viley Road extension.

Mr. Ockerman indicated that the Viley Road extension was on the comprehensive plan and had been adopted. It was adopted in 1988 as one of the major arteries for that end of town. The extension will go around Leestown Road and through Coldstream.

Mr. Rose asked if Mr. Ockerman could say with some certainty that the road would be built at some time and if there was any kind of a timetable.

Mr. Ockerman said it is addressed in the comprehensive plan, and it will depend on how the area develops. If nothing happens to Coldstream, it is not going to be developed. Coldstream could be the beginning of that arterial. He said that if PR 1 is adopted, the members will not be finalizing anything. It is only starting the process and for that reason he favors PR 1. He noted that it is a long-term process in terms of months and could take anywhere from six months to a year. He then cited cases.

Mr. Burnett stated that he thinks the members would be sending a very bad message to the proposed client by not adopting PR 1 and he again moved that PR 1 be adopted.

The motion was not seconded and Mr. Ockerman asked Mr. Darsie if the chairman of the committee had the authority to second the motion. Mr. Darsie stated that he was not aware of any Bylaws for the Executive Committee. Mr. Ockerman, therefore, seconded the motion and asked for any other comments.

Mr. Rose confirmed that PR 1 was authorization to put the process in place and Mr. Ockerman agreed that it is to start a process.

Mr. Rose asked if the full Board would ratify the actions.

Mr. Ockerman said it can come up before the full Board and should come up before the full Board at its next meeting.

Mr. Rose clarified that the motion on the floor was to approve PR 1 and the full Board would ratify it.

Mr. Darsie stated that the full Board can disapprove or ratify any action by the Executive Committee except for the expenditure of funds.

Mr. Ockerman said that he would ask that it be put on the docket for the full Board.

Mr. Rose said that he could vote in favor of PR 1 if it is taken to the full Board. He stated that he understood the importance of the action and the need to get on with the project. He expressed that he could support PR 1 100% to get on with the project but that he wanted his fellow Board members to have the opportunity to voice their opinion. He emphasized that with this being the understanding of the Committee, he would vote for approving PR 1.

Mr. Ockerman assured Mr. Rose that it would be put on the docket at the next Board meeting.

Mr. Rose said, "We have had too much delay and we should have already gotten on with it. We have an option to get someone here to build and this could be the seed on the property out there to get this project going. You've got to start with one some place." He then reiterated that he wanted assurance that his fellow Board members would have an opportunity to express their opinions, even if they wanted to withdraw it.

Mr. Forgy directed a question to Mr. Rose, "Do you realize that if the Board does approve this as a research park, we are essentially foreclosing a \$50,000,000 or \$60,000,000 income for the institution?"

Mr. Rose stated that if that is the desire of the full Board they should have the option to do it.

Mr. Forgy said, "What the chairman has is a recommendation that this be deferred to the full Board."

Mr. Ockerman stated that he did not think that was the motion. He repeated that the motion is to approve PR 1 and again assured the Executive Committee that the matter will be on the docket of the next Board meeting.

Mr. Forgy stated that this is merely a recommendation to the full Board.

Mr. Ockerman stated that this is an action of the Executive Committee; however, if it is adopted, it will be on the docket for the next Board meeting for whatever action the Board desires. He asked Mrs. Hayes to call the roll.

Mrs. Hayes commented that she hoped the group understood that she is not a participant except for roll call. The vote was as follows:

	<u>Ayes</u>	<u>Nays</u>
Foster Ockerman	X	
William Burnett	X	
James L. Rose	X	
Lawrence E. Forgy		X

PR 1 was adopted.

Mr. Ockerman proceeded to PR 2 and asked if the Committee desired any further discussion or explanation. Mr. Rose made a motion that PR 2 be approved. Mr. Ockerman seconded the motion and it passed unanimously.

Mr. Rose emphasized that he voted in support of PR 1 with the understanding that his fellow Board members would have an opportunity to voice their opinion publicly. He said, "It ought to be a decision of the full Board because it is such an important matter for the University and its future."

Mr. Ockerman commented that this action was no effort to try to shut anybody off. A time schedule had to be met and it is important that the University tell the community that it wants to cooperate with the Lexington Fayette Urban County Government in its zoning process. Therefore, the two items should go together.

President Roselle underlined Mr. Forgy's point about the plan for the agricultural experiment station. He expressed concern about commitments and the absence of the cash flow needed for the whole process.

Mr. Carter stated that the administration is in the process of developing a plan which will include agriculture, and the plan will be submitted to the subcommittee for Coldstream property and the Finance Committee. He indicated that he was unsure of the time frame for the plan.

There being no further business to come before the Executive Committee, the Chairman adjourned the meeting at 1:45 p.m.

Respectfully submitted,

Edythe Jones Hayes
Secretary
Board of Trustees

(PR's 1 and 2 which follow are official parts of the Minutes of the meeting.)

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Office of the President
November 7, 1989

PR 1

Members, Board of Trustees Executive Committee:

COLDSTREAM FARM-COMPREHENSIVE PLAN CHANGE

Recommendation: that the University's Administration be authorized to file an application with the Lexington-Fayette Urban County Planning Commission for a Small Area Change in the Comprehensive Plan for the land use of a portion of Coldstream Farm.

Background: On June 21, 1988 the University of Kentucky Board of Trustees received a report entitled "Coldstream Farm Alternative Uses Study." The Board approved the concept of the use of a portion of Coldstream Farm to develop a Coldstream Research Campus as proposed by the consulting firm of MPC & Associates in the report.

For the development of the Research Campus at Coldstream Farm to proceed, the Urban County Comprehensive Plan must be amended through the Small Area Change Process, with approval granted by the Urban County Planning Commission.

This action will permit the University's Administration to proceed toward the implementation of the Coldstream Research Campus portion of MPC's overall development plan for Coldstream Farm.

Action taken: Approved _____ Disapproved _____ Other _____

Date: November 7, 1989

Office of the President
November 7, 1989

PR 2

Members, Board of Trustees Executive Committee:

COLDSTREAM FARM-ZONE CHANGE APPLICATION

Recommendation: that the University's Administration be authorized to file an application with the Lexington-Fayette Urban County Planning Commission for a zone change applicable to approximately fifteen acres of Coldstream Farm.

Background: This action is proposed at this time at the request of a major US corporation that plans to locate in Kentucky a facility of approximately one hundred thousand square feet to house research and development, offices and some light manufacturing of high technology products. Because of this corporation's development schedule, the University has been asked to proceed with the zone change request at the earliest possible date.

The facility proposed by this action conforms to the concept envisioned by the Coldstream Research Campus plan and can be incorporated into the zoning which is expected to eventually be approved.

At the point when the Small Area Change process is finalized, the zone designation for this parcel will if possible be changed to conform to that of the entire Research Campus development.

Action taken: Approved _____ Disapproved _____ Other _____

Date: November 7, 1989