



Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor

Sally Hamilton
CAO

**TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL**

**FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS**

DATE: AUGUST 21, 2013

**SUBJECT: COUNCIL AUTHORIZATION TO APPROVE CHANGE IN USE OF A
PORTION OF THE PROPERTY LOCATED AT 1050 DELAWARE
AVENUE, TO DECLARE THE PROPERTY AS SURPLUS, AND
AUTHORIZE SALE AT CURRENT FAIR MARKET VALUE.-
REQUIRES PUBLIC HEARING SCHEDULED FOR
SEPTEMBER 12, 2013**

On September 7, 1994, Lexington-Fayette Urban County Government used Community Development Block Grant funds, from the U.S. Department of Housing and Urban Development in the amount of \$158,500, to purchase property at 1050 Delaware Avenue for construction of a regional stormwater detention basin to alleviate flooding in the Liberty Heights neighborhood. The Division of Water Quality has completed the construction of the detention basin and in consultation with the Department of General Services and the Division of Grants and Special Programs has determined that a portion of this property is surplus, and should be made available for sale to a private entity for a private use. See accompanying memo requesting declaration of surplus property and map.

The regulation at 24 CFR 570.505 requires that the government provide affected citizens with reasonable notice of, and opportunity to comment on any proposed change in use of real property acquired or improved in whole or in part using CDBG funds in excess of \$25,000. If the changed use of the property does not qualify as meeting a national objective under 24 CFR 570.208 (low income benefit, urgent need, and prevention/elimination of slums or blight), the CDBG program must be reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

The proposed use is as an area for fill from an adjacent, vacant industrial lot. The property would be equipped with drainage, filled, re-graded, and re-used as industrial property. In addition to paying current fair market value, purchaser would be responsible for all costs of surveying, platting, appraisal, closing costs, and recording fees.

Council authorization to approve the change in use of a portion of the property at 1050 Delaware Avenue from public infrastructure to industrial/commercial use consistent with current zoning, to declare the property as surplus, and authorize sale at current fair market value.


Irene Gooding, Director

XC: Geoffrey Reed, Commissioner of General Services