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Sixth St. landowner gets \$243K from UA First offer totaled \$57K; home will be razed, dorms put in

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The University of Arizona has agreed to pay William A. Kennedy \$243,000 to buy out his life estate at 835-837 E. Sixth St. That is \$176,000 more than UA originally offered.

The property, on the southwest corner of UA campus, has been in the Kennedy family since 1919, when William Kennedy's father built it as a homestead.

In 1996, the Arizona Board of Regents bought the house from Kennedy for \$57,000, but granted him a "life estate," which allowed him to live in the house until his death.

Last summer, needing the land to construct new student housing, UA approached Kennedy with the hopes of buying out the life estate for \$67,000, but that offer was rejected.

Kennedy's son, Steven, told regents at their Jan. 24 meeting that "contentious" discussions with UA resulted in a higher offer of \$100,000.

However, Steven Kennedy said at the time, \$100,000 doesn't buy much "unless you live where you have to dodge bullets."

The regents instructed UA to go back to the negotiating table with the Kennedys at that meeting as a caveat to approving the dorms.

"It was a delicate situation," said G. Lawrence Schubart, an eminent domain lawyer who handled the case for the Kennedys. "A promise was made and the university is now in the predicament where there is a need to breach that promise. They didn't anticipate they would need the property this soon in time."

Schubart said the final buyout price was arrived at "after a lot of hard work," between the Kennedys and UA lawyers, with input from regents.

Regent Fred DuVal said he was "delighted" with the solution.

"The university demonstrated a renewed interest in appreciating the unique commitment (the regents) had made with the Kennedys and in turn, the Kennedys behaved responsibly with open minds and open hearts," DuVal said.

The agreed-upon payment will allow the Kennedy to find other housing and cover moving expenses. The transaction is scheduled to close by May 1, according to Paul Allvin, UA associate vice president for university communications.

William Kennedy was not available for comment, but his wife, Barbara Kennedy, said the university was "very fair, very honest" in the discussions leading to the agreement.

Faced with climbing enrollments and lack of student housing, a plan to increase on-campus housing was approved by the regents as part of the university's Capital Development Plan in October.

That plan included building three new dorms, including one on Sixth Street and Euclid Avenue where the Kennedy property sits.

A second dorm will be on the corner of Sixth Street and Highland Avenue, and a third will replace the 60-year-old Hopi Lodge on Fourth Street between Cherry and Highland avenues.

Construction on the dorms is set to start in the fall, with the first phase completed by August 2010 and the second by the spring semester of 2011.

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