

University of Kansas requests to exchange land with the University of Kansas Endowment Association

Good morning Chairman Humphries and members of the committee. I am Mark Reiske, the University Architect at the University of Kansas, and I am pleased to speak with you in support of HB 2599.

House Bill 2599 would allow the University to exchange 3 properties for a single property with the KU Endowment Association. The three properties that would be exchanged are the Wesley Building property, the SE corner of Bob Billings and Crestline Drive and the NW corner of 21st and Iowa Street. In exchange the University would receive approximately 28.3 acres of Endowment owned property on west campus that surrounds several State properties.

The reasons to exchange the 3 properties are all unique.

- Wesley Building property - .50 acres – Appraised value = \$965,000
 - o Acquired by the University of Kansas in 1977 at a cost of \$150,000 with Federal Revenue Sharing funds.
 - o Evans Scholars will acquire the property from KU Endowment with property reverting back to KU Endowment if Evans Scholars forfeits the property.
 - o Evans Scholars plans on totally renovating the facility.
 - o Will provide housing for 50+ scholarship recipients.
- City of Lawrence transit hub site at the South East corner of Bob Billings and Crestline Drive - 3.082 acres – Appraised value = \$525,000.
 - o Originally acquired from the University of Kansas Endowment Association.
 - o City of Lawrence will enter a long term low cost lease with KU Endowment. The property will revert back to KU Endowment at the end of the lease.
 - o City of Lawrence will spend an estimated \$7,130,000 on the facility.
 - o The new facility will use the structure of the west portion of the existing building for its facility.
 - o This facility benefits Lawrence residents and the KU community in a stronger transportation system.
- NW corner of 21st and Iowa Street – .918 acres – Appraised value = \$360,000
 - o Originally acquired from the University of Kansas Endowment Association.
 - o Will aide in the development of the KU Innovation Park and the Crossing at Innovation Park development that the Endowment Association is undertaking on the corner of 21st and Iowa Street to increase the marketability of the Innovation Park.
 - o The land will allow road realignment and infrastructure improvements that will benefit both the Innovation Park and Endowment development.

The property being exchanged for would make the land around our Warehouse and Shops buildings into state property. Currently, only the buildings themselves are state property.

- Westbrooke Street Property – 28.355 acres + – Appraised value = \$1,852,500.
 - o This would allow us to stitch the properties together as a cohesive site.
 - o Allow for future University development of this area.
 - o Create clear ownership of the area surrounding the buildings.

Other effects would be:

- Reduction of campus building footprint (19,804 GSF)
- Reduction of deferred maintenance costs (\$1,746,333)
- Reduction of annual operating costs (\$71,908)
- Removal of fiscal liability in maintaining the properties
- Reduction of square footage that our custodial and maintenance workers need to maintain.

Thank you for your consideration. I am happy to answer any questions.