

**B. Fiscal Affairs & Audit****1. Authorize Lease Agreement with KSU Foundation for Property Referred to as Roger's Land – KSU**      **Greg Hoffman,  
Director of Facilities**

Kansas State University requests approval to enter into a three-year lease-purchase agreement with the KSU Foundation for property referred to as Roger's Land. The property is a 24-acre tract of vacant land in Riley County, Kansas, adjacent to the university's horse unit. The KSU Foundation purchased the land at the request of the College of Agriculture to be utilized by the Department of Animal Sciences and Industry's horse unit. An appraisal was completed with the market value estimated at \$325,000 which was the purchase price of the property. In addition, an environmental assessment was completed. The total lease cost of \$325,000 will be paid from balances within the Animal Science and Industry Restricted Fees Fund according to the following schedule: \$100,000 in FY 2016 and FY 2017, \$125,000 in FY 2018 and the balance of any unreimbursed expenses in FY 2019. It is the intention of the KSU Foundation to gift the property to the University when the Foundation has been fully reimbursed for all acquisition and holding costs.

**2. Authorize Lease Agreement with KSU Foundation for Property Located at 2323 Anderson Avenue – KSU**

Kansas State University requests approval to enter into a five-year lease-purchase agreement with the KSU Foundation for property located at 2323 Anderson Avenue, Manhattan, KS 66502. The property is an office building originally owned by the Kansas Farm Bureau Mutual Insurance Co., Inc. In January 1991, the property was deeded from Kansas Farm Bureau to the KSU Foundation. In July 1991, the KSU Foundation transferred the property to Kansas State University except for floors two through six of the tower addition which was retained for office use by the KSU Foundation.

The KSU Foundation is completing construction on a new building and intends to vacate the tower by the end of November 2015. The university currently owns the first two floors of the former Farm Bureau building and requests to purchase the five floors in the tower portion of the building which totals 46,170 square feet of office space through the five-year lease. Two appraisals have been completed with the largest market value estimated at \$2.5 million. An environmental assessment was also completed. In Spring 2015, campus departments had the opportunity to request use of the space during a space migration process. Based on the outcome of that process, the University proposes that Engineering Extension, Information Technology Services and sections of Financial Services be relocated to the tower facility. The annual lease cost is \$500,000 plus interest, fees and property insurance to be paid from University fund balances. It is the intention of the KSU Foundation to gift the property to the University when the Foundation has been fully reimbursed for all acquisition and holding costs.

### 3. Authorize Land Exchange – KSU

Kansas State University requests approval to complete a land exchange due to a discrepancy between the legal description and the fence lines of property located at 2850 West 32<sup>nd</sup> Avenue, Manhattan, KS 66502, known as Ashland Bottoms. Westar discovered the discrepancy while working to lay electrical line on the property in conjunction with an easement provided by Kansas State University. An appraisal of the two tracts of unimproved land was conducted. Tract #1 is owned by the State of Kansas, contains 1,660 square feet and is valued at \$232. Tract #2 is owned by Raleigh and Miriam Eggers, contains 13,732 square feet and is valued at \$1,375. A land exchange has been worked out with the adjacent property owners to resolve the problem. The State of Kansas will exchange Tract #1 with 1,660 square feet for Tract #2 with 13,732 square feet. An appraisal has been completed along with an environmental assessment.

The legal description of the property is: *Tract of land in W½ 1-11-7, Riley County, Kansas*