

Authorizing the Department of Administration to Sell Landon, Eisenhower, Curtis and Van Buren State Office Buildings; SB 423

SB 423 grants the Department of Administration the authority to sell the Landon State Office Building, the Eisenhower State Office Building, the Curtis State Office Building and parking facility, and the Van Buren Project. The sale is subject to approval by the Joint Committee on State Building Construction and the State Finance Council.

The Van Buren Project and the Curtis State Office Building currently are not owned by the State; however, the Department for Children and Families (DCF) and the Department of Administration leases include an option to purchase agreement. The bill grants the Secretary of Administration the authority to exercise that option to purchase on the behalf of DCF and to further convey the property according to the same restrictions and authorizations established on the Landon and Eisenhower State Office Buildings.

The bill directs 80.0 percent of the proceeds from the sale of the properties to the Kansas Public Employee Retirement System Trust Fund for the purpose of reducing the unfunded liability after any outstanding obligations on the properties are satisfied, including any outstanding bonds, closing costs, and costs and expenses associated with exercising an option to purchase. The remaining 20.0 percent of the proceeds from the sale would be deposited in a special revenue fund within the Department of Administration for the Landon, Eisenhower and Curtis Buildings, and DCF for the Van Buren Project.

The bill further bars any affiliated person from bidding on or holding an interest in a company purchasing the property described above. "Affiliated person" is defined to include any state or local official or family member of a state or local official within five years of the official holding office. The bill also bars state or local officials from soliciting services or discounts from any person or business bidding on the property and bars those state or local officials from attempting to influence the bidding process. The bill makes violation of any provision described here a class A misdemeanor.

The bill exempts the sale from the provisions relating to the sale of surplus real estate by a state agency (KSA 2013 Supp. 75-6609), including listing at public auction *via* a sealed bid procedure, listing with a licensed real estate broker or agent, appraisal of the property, and other provisions not relevant to the sale of the buildings described within the bill. The Department of Administration may engage in any of the procedures described above but is not statutorily compelled to do so.

The bill designates the first \$15.0 million from the sale of the Landon or Eisenhower Buildings, or both, be deposited in a special revenue fund within the Department of Administration to fund the demolition of the Docking State Office Building. Legislative approval of the demolition of the Docking State Office Building is not contained within this bill but would be dependent on separate legislation.