Historical Resources Commission
Design Review Submittal
for
Redevelopment of 1043 Indiana Street

18 October 2010

paulwerner ARCHITECTS

123 W. 8th Street, Suite B2 Lawrence, KS 66047
ph.785.832.0804 fax.785.832.0890

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EXECUTIVE SUMMARY

FROM : Paul Werner
TO : Lynne Zollner
RE : 1043 Indiana Street
DATE : 18 October, 2010

Detailed Description of Proposed Project:

On behalf of our client we are proposing to remove a dated residential structure and gravel parking lot and replace it with a new multi-family dwelling complex that will include clubhouse, fitness center, pool deck, below grade parking and landscaped grounds. The overall concept is to maximize the usage on the site with better quality of life close to campus. This will be a modern, more energy efficient structure that will incorporate typical features of homes in the area. The below grade parking will not only remove the visual of cars on the site but will allow for enhanced landscape.

Reason for the Request:

Our client, the owner of the house, purchased the house at public auction. KU had decided to sell the property at the request of the surrounding neighborhood and after mounting repair costs made the building cost-prohibitive to rehabilitate. It has been sitting vacant for 3 years, and has not been completely occupied for at least 15 years. The Previous tenant KU Housekeeping only kept offices on the 3rd floor. There has been no work done on the house in the past 15 years and Housekeeping made no changes when they moved in. The patchwork of modifications over the past 60 years have significantly taken their toll. Sitting vacant without any maintenance has not helped either. A restoration would be a costly and extensive undertaking for a structure of this size, 6655 sf. A new structure, one that better serves the community would provide a better alternative.

Over the last sixty years, a parade of small academic departments, classrooms, overflow student housing in the early 60s, storage and administrative offices have kept 1043 occupied. These have included the University's Child Research Lab, the Departments of Continuing Education and Special Education, and the Center for Biomedical Research, which for a time in the 1990s operated a dental health lab out of the home's third floor.

The current structures most recent use has been for a housekeeping facility and offices for the Campus wide recycling. A recent site visit showed us the sound booths' still in the basement, left over from its time as a radio station. The bedrooms had been renovated as office space. The Bathrooms had been renovated as public restrooms with plywood partitions. The second means of egress was through a office, out a window, across a roof, and down a rusted out fire escape. If restored it could be a boarding house, but with 5 to 6 bedrooms to each bathroom, the rent is going to have to be fairly minimal. Of course with minimal rent, the desire to completely renovate the structure becomes that much more difficult. With the age of the house you would

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have to replace all the plumbing lines and new electrical you would end up demolishing the entirety of the interior. It also looks as though the foundation is settling so there would need to be an investigation to see the extent of the damage and the cost of repair.

This also does not address other issues as they relate to the building code. The structure does not meet any accessibility standards or the current the building code, as well as numerous other deficiencies when comparing the safety of the tenants between the existing structure and the proposed new multi-family complex. There is a sign warning of asbestos. The extent is not known, but this is something we would have to investigate and clean up prior to any renovation or demolition.

It should also be noted that there were only 2 active bidders at the public auction. Prior to going up for auction there was no interest in restoring or renovating the structure. In April of 2008 the property was identified as blight by the Oread Neighborhood Association for not being maintained properly. This is when the Oread Neighborhood Association was notified the house was going to be sold at public auction. One year later at the time of the auction there was no one interested in restoring or renovating the structure as a boarding house or for any other commercial use.

Since this is not a listed structure, is on the very edge of the environs and includes 4 lots of gravel parking, making it unique due to the size and location of the property. There isn't any historic structures within a line of sight due to the existing topography of the area. There is a small apartment house to the north, a large apartment complex, across alley to the west, a small apartment house across 11th street to the south, and a open parking structure across Indiana to the east. The immediate environs have been compromised to a point where there isn't enough justification for a renovation.

In conclusion, there seems to be a greater benefit to the Oread Neighborhood and the Community in general by the construction of a new project.

CONTENTS

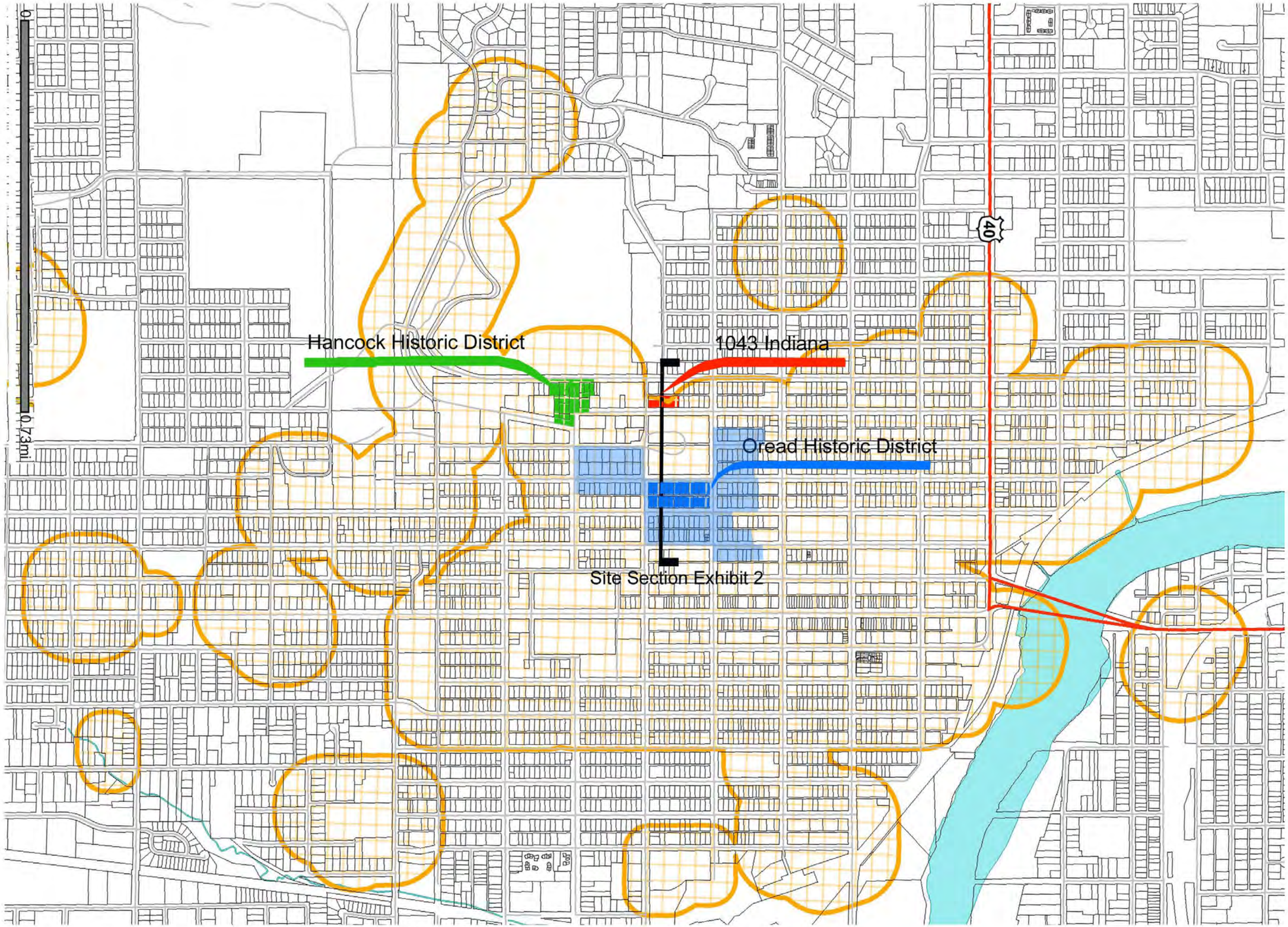

Exhibit 1: Lawrence Historic Environs

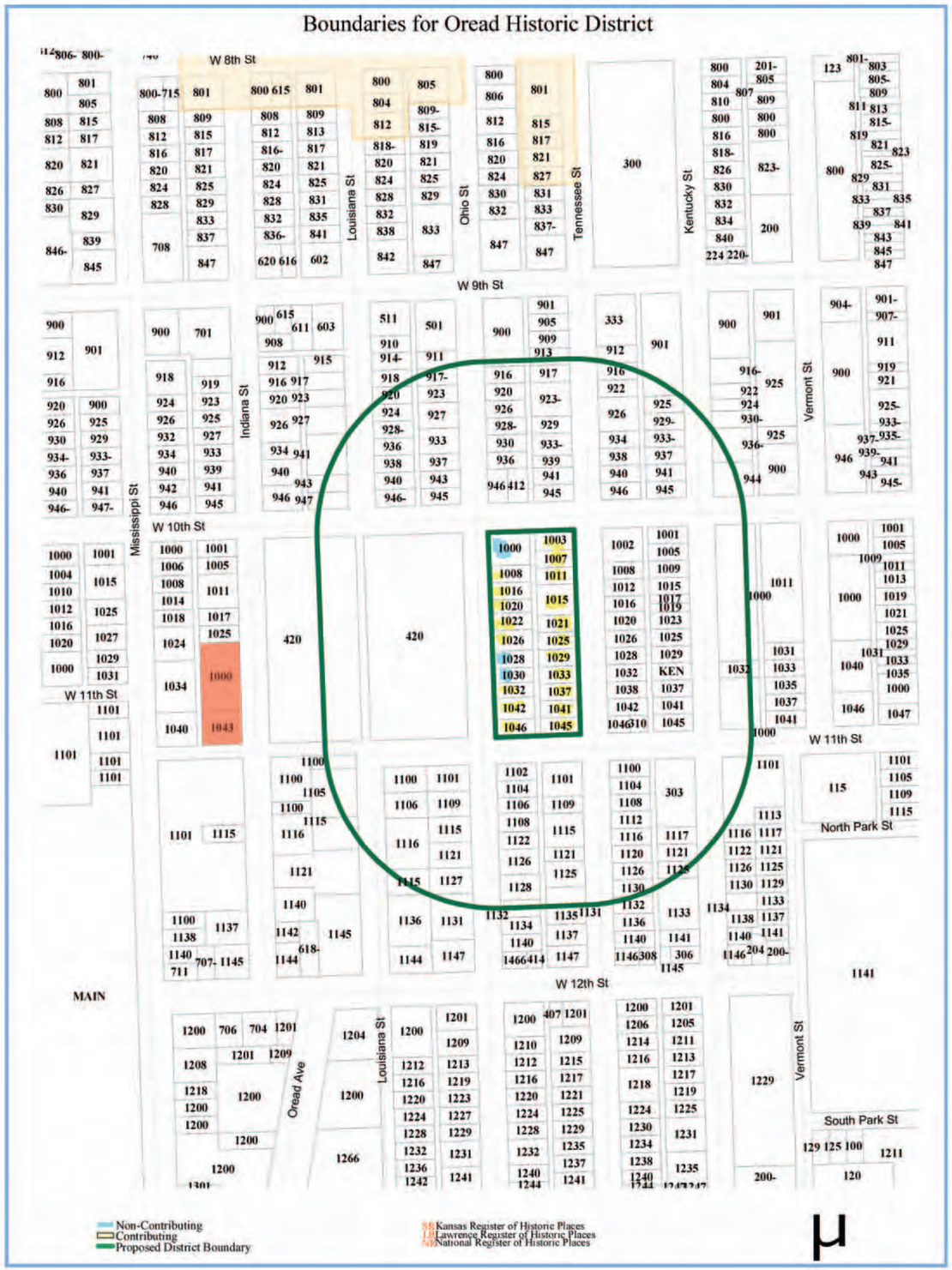

Exhibit 1a: Oread Historic District

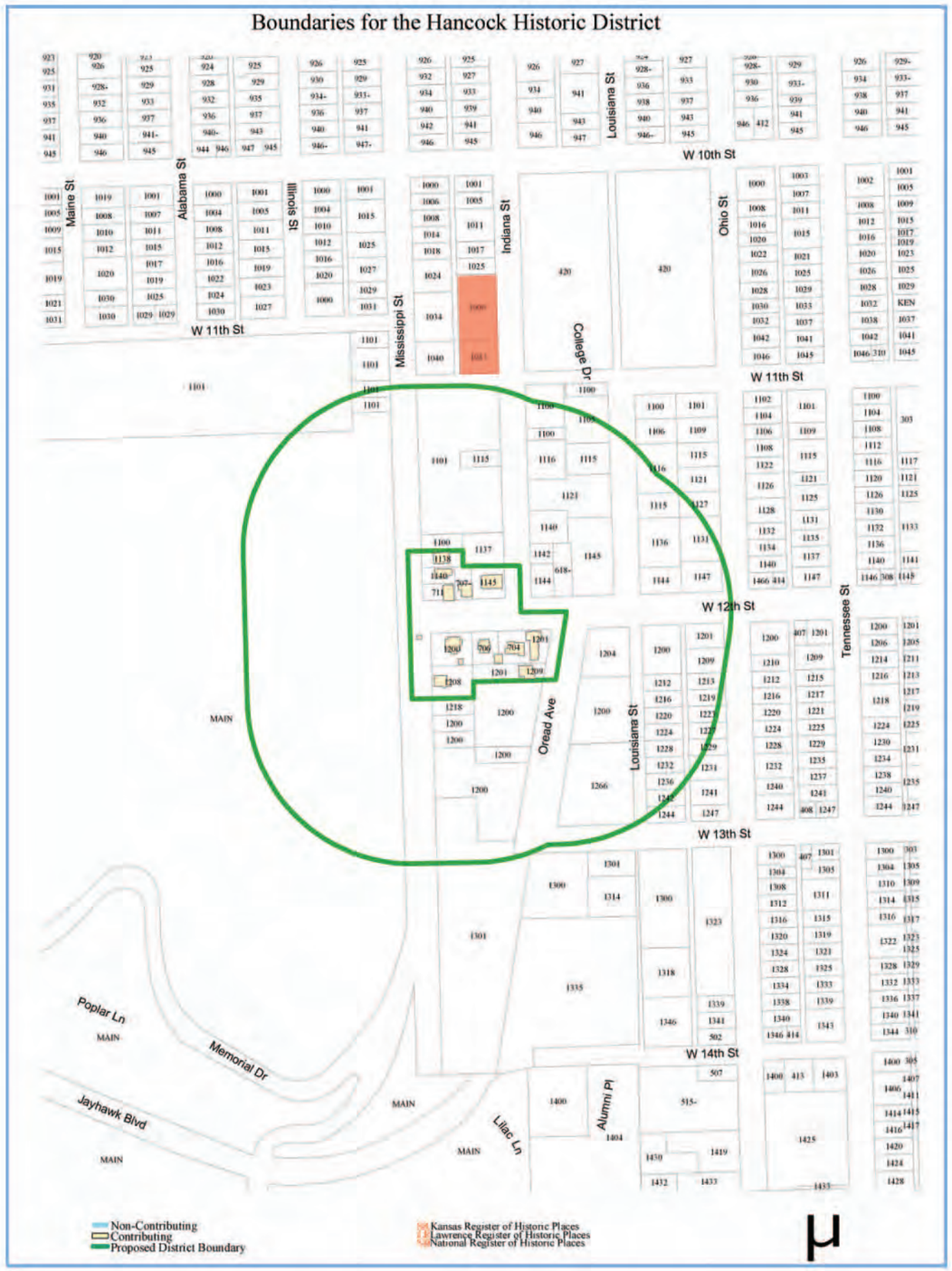

Exhibit 1b: Hancock Historic District

Oread Historic District; Lawrence, Douglas County, KS

Exhibit 1c: Oread Historic District

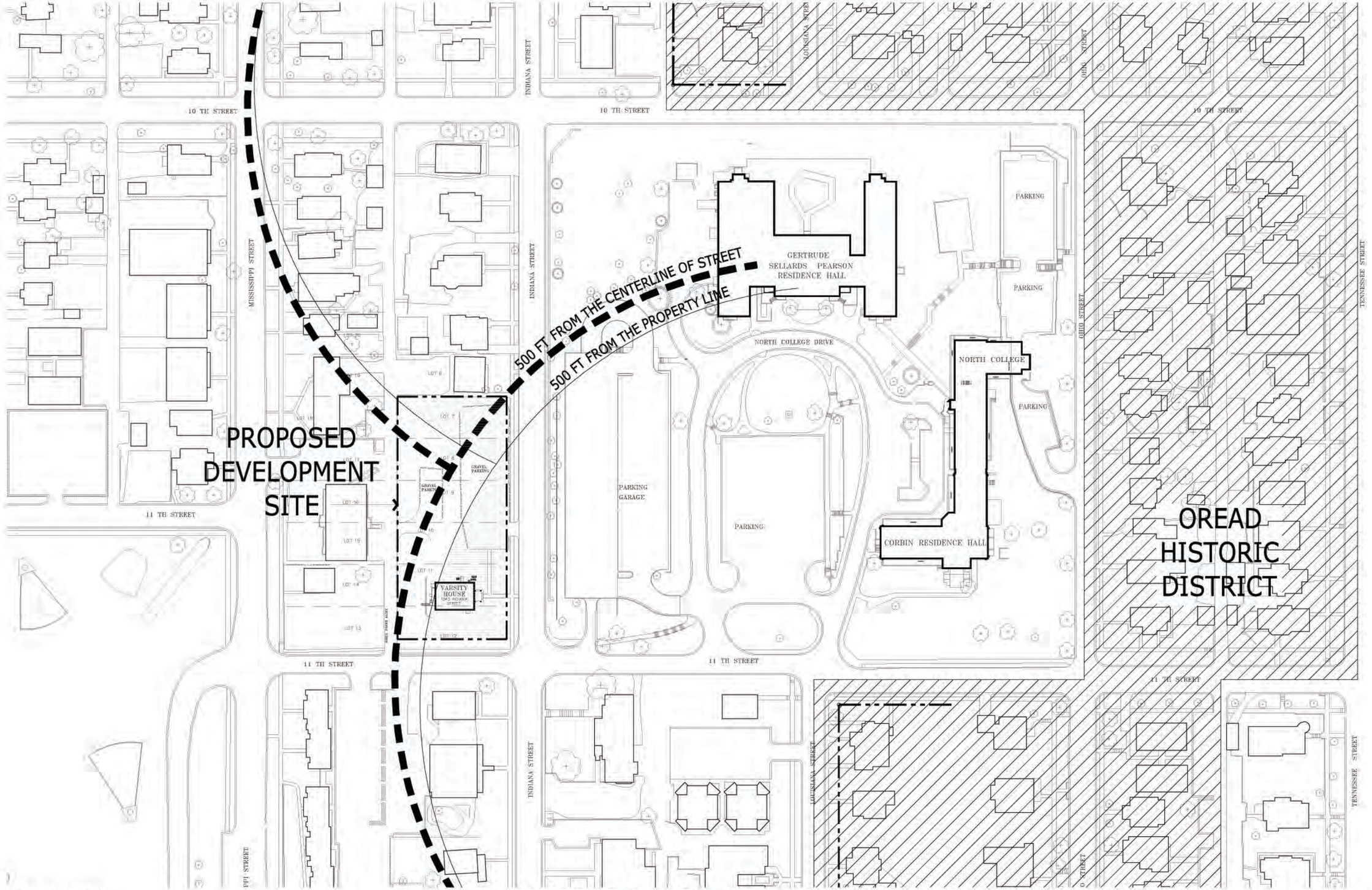

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EXHIBIT 1d: Environs Extent Detail

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NORTH

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EXHIBIT 2a: Photos: Immediate Environs

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MISSISSIPPI

MISSISSIPPI

INDIANA

INDIANA

W. 12TH ST.

LOUISIANA

W. 11TH

Hancock District

Demolished since 1927

1043 Indiana Street

Existing Remaining from 1927 Sanborn Map

UNIVERSITY PARK

12 July 2010

Exhibit 2b: Immediate Environs 1927 Sanborn

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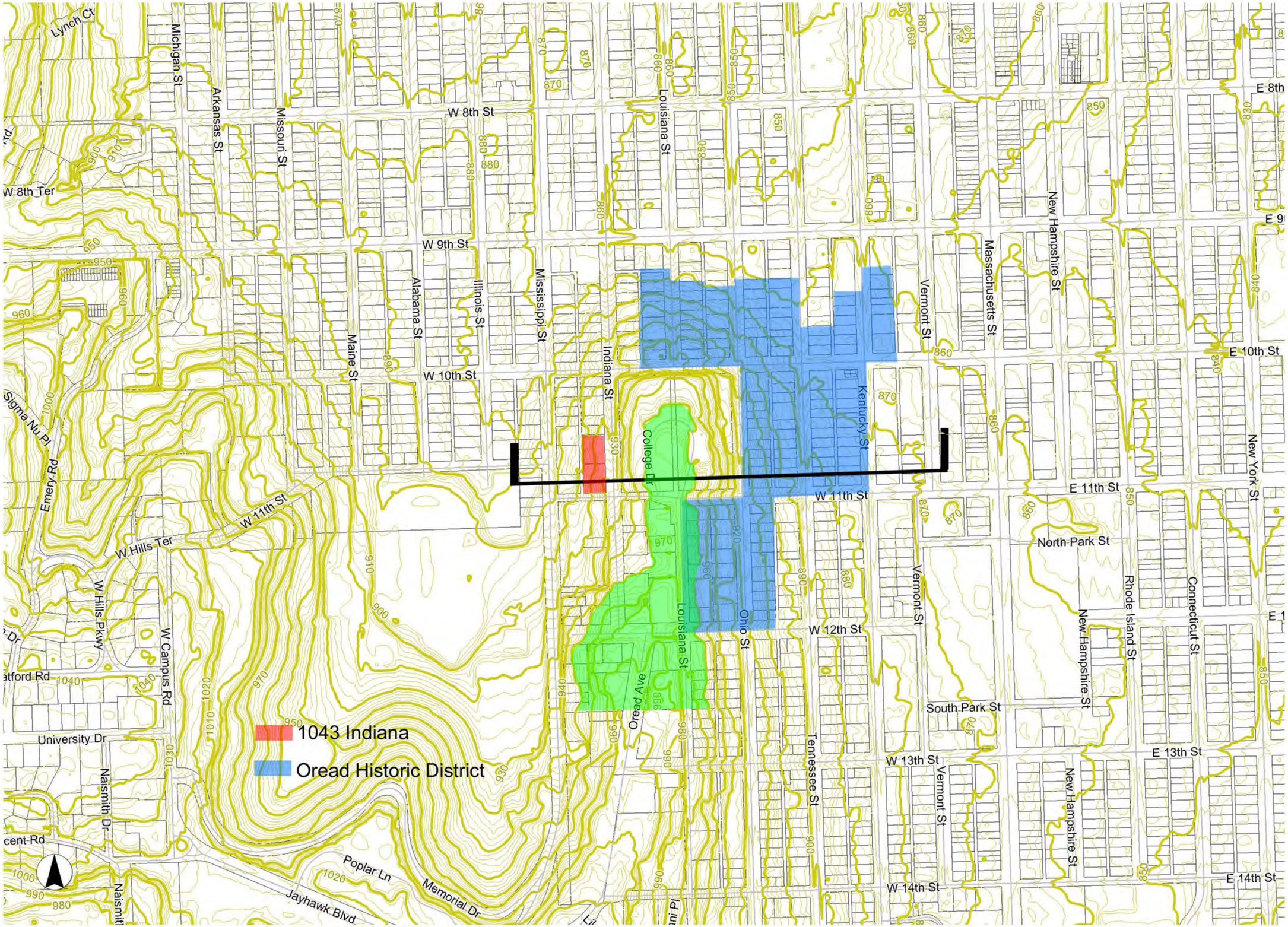

Exhibit 3: Natural Topography Separation

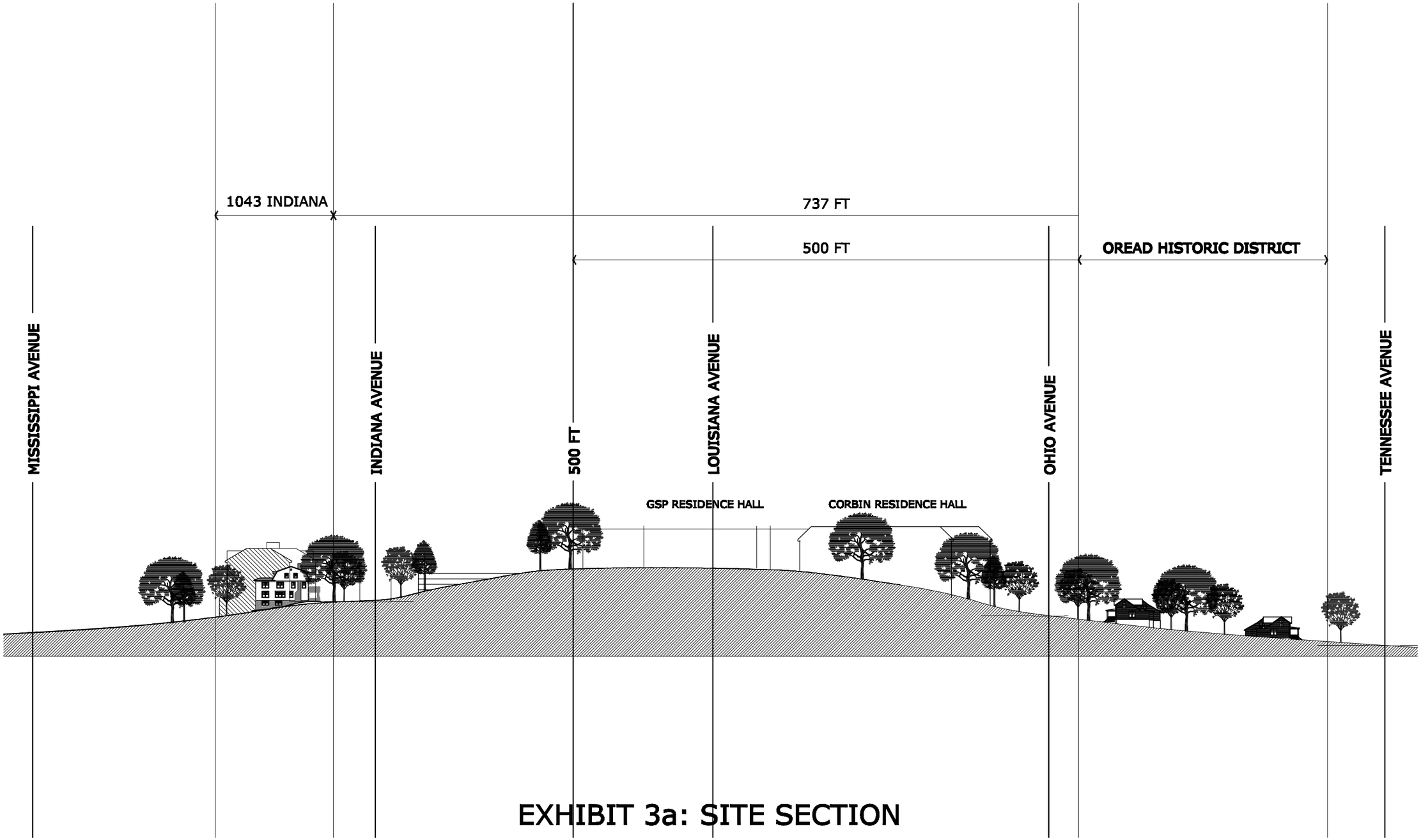

EXHIBIT 3a: SITE SECTION

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0 100 400 800 1200

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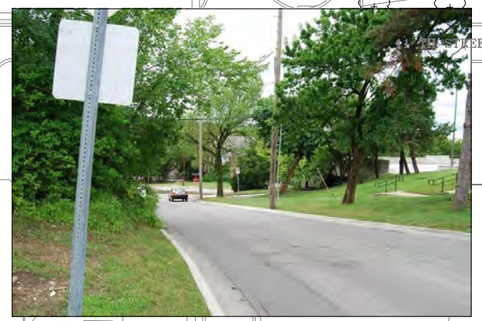

1043 INDIANA

OREAD HISTORIC DISTRICT

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EXHIBIT 3b: Photos: 11th & Louisiana

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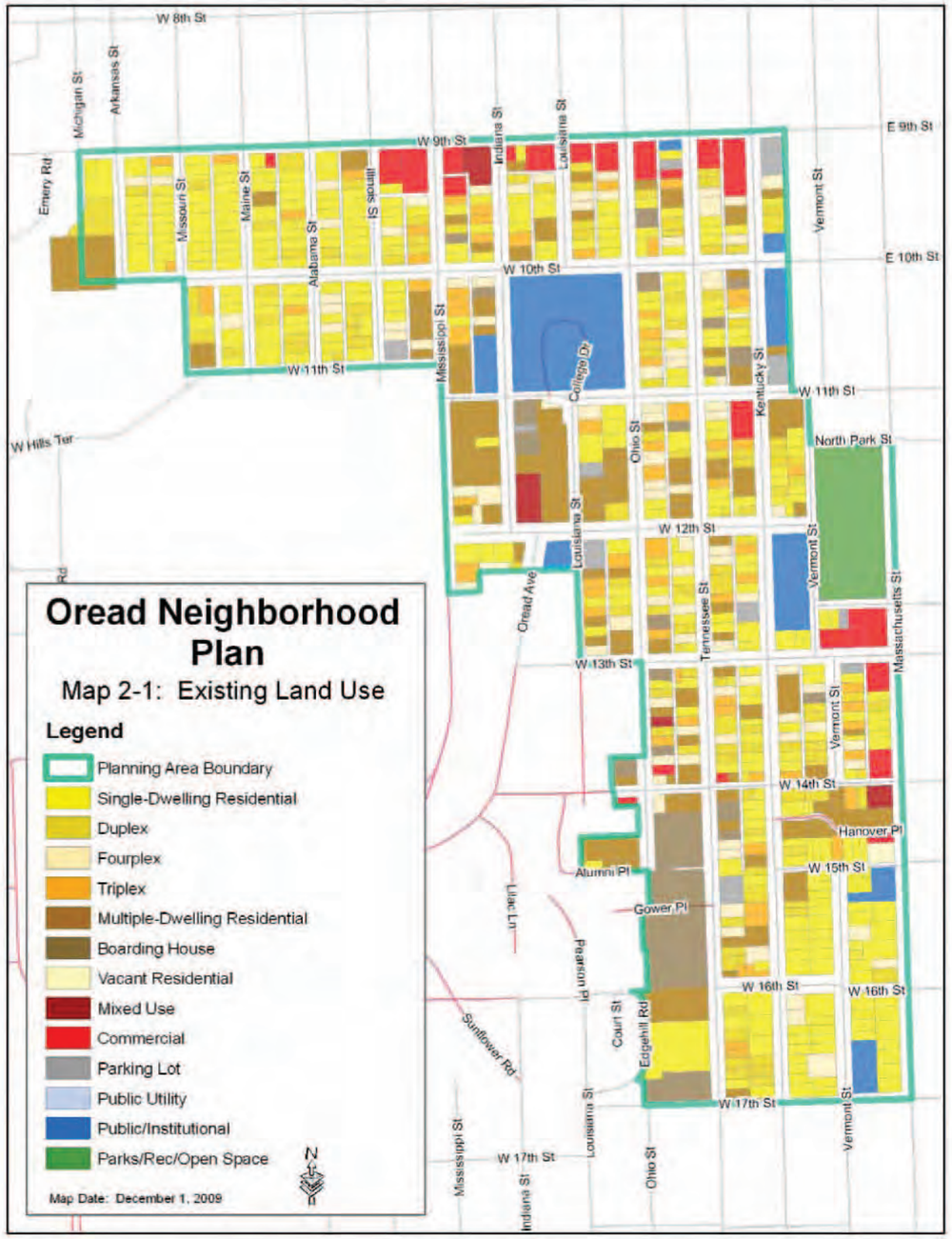


Exhibit 4: Existing Land Use

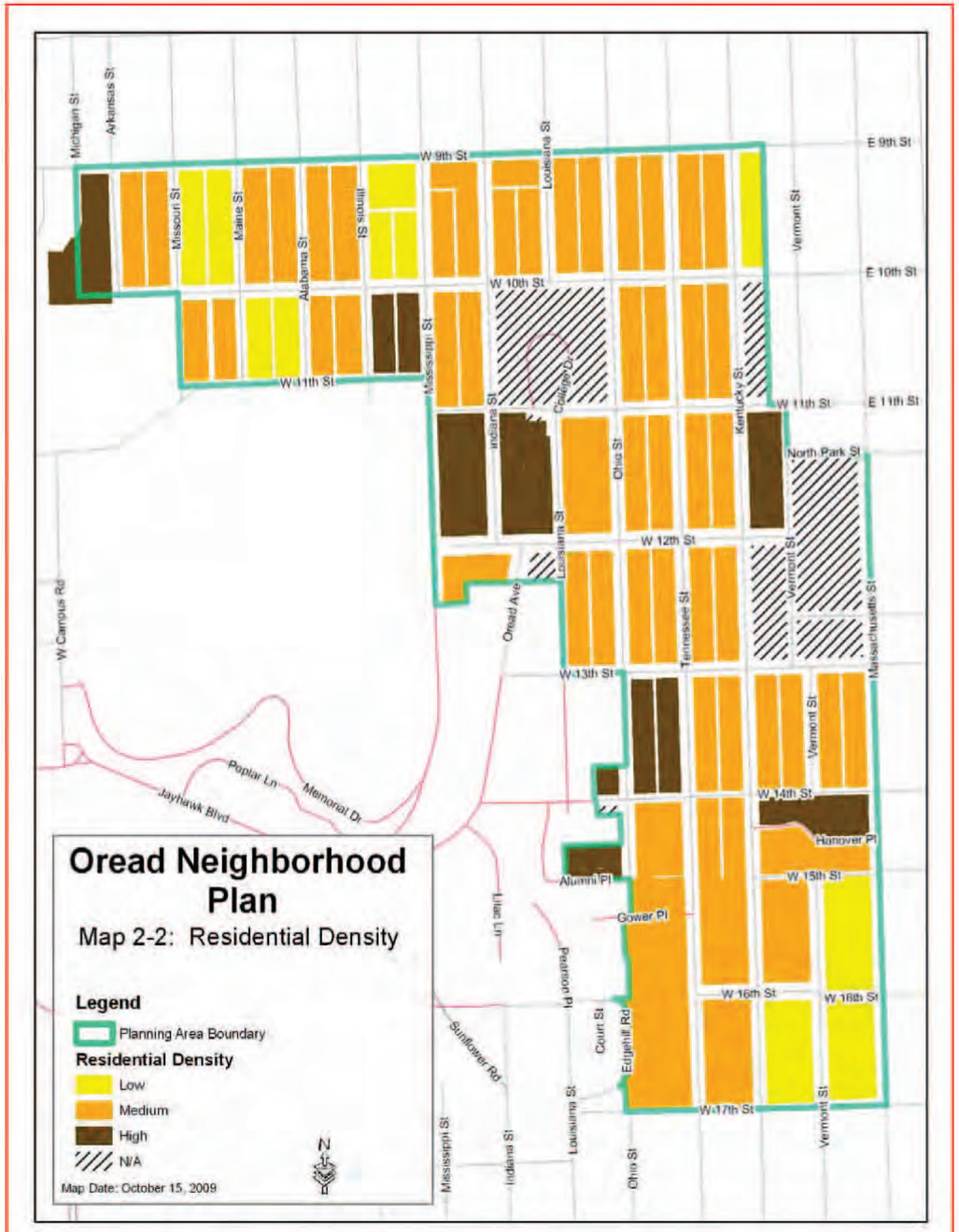


Exhibit 4a: Existing Residential Density

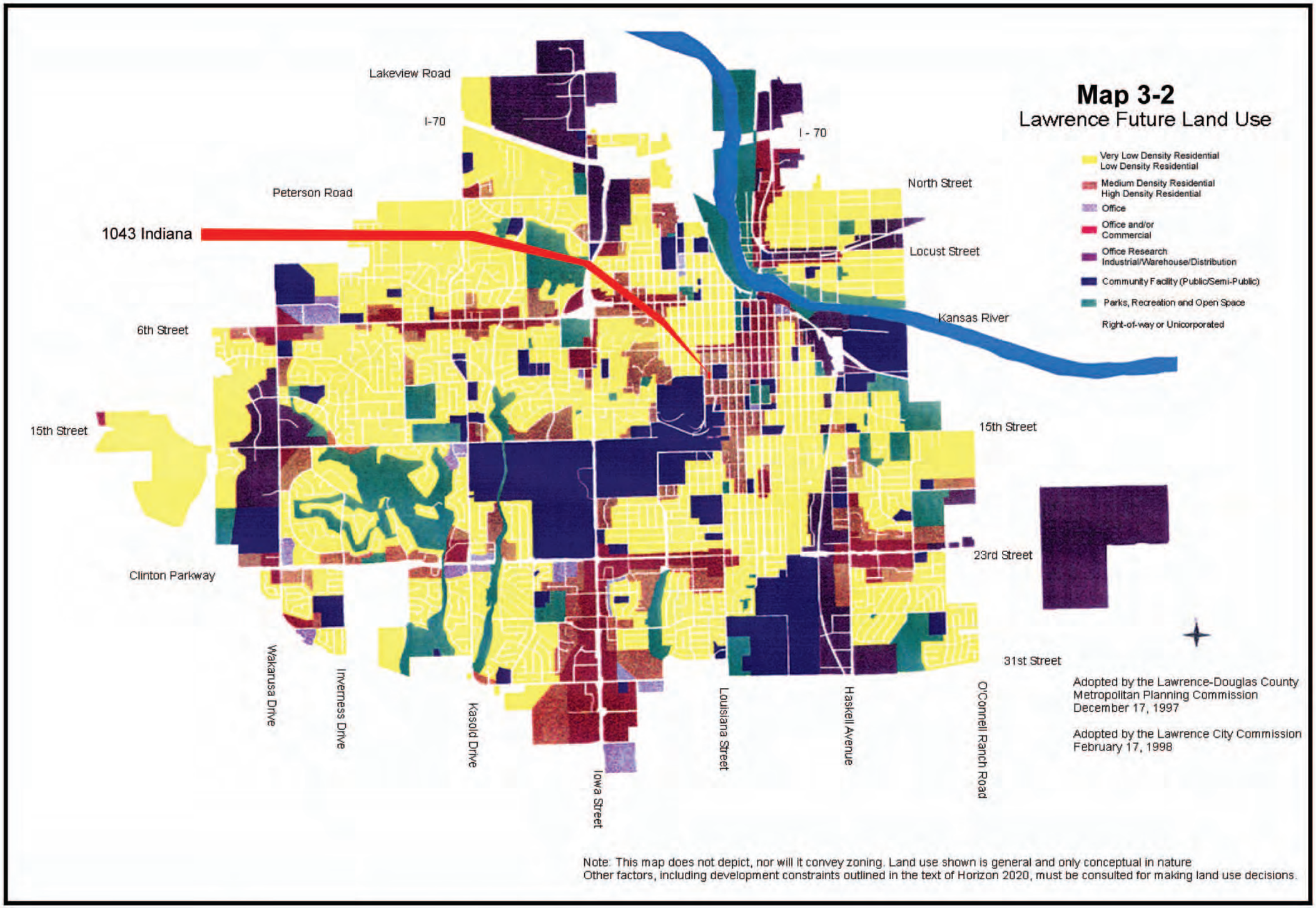


Exhibit 5: Horizon 2020 Future Land Use

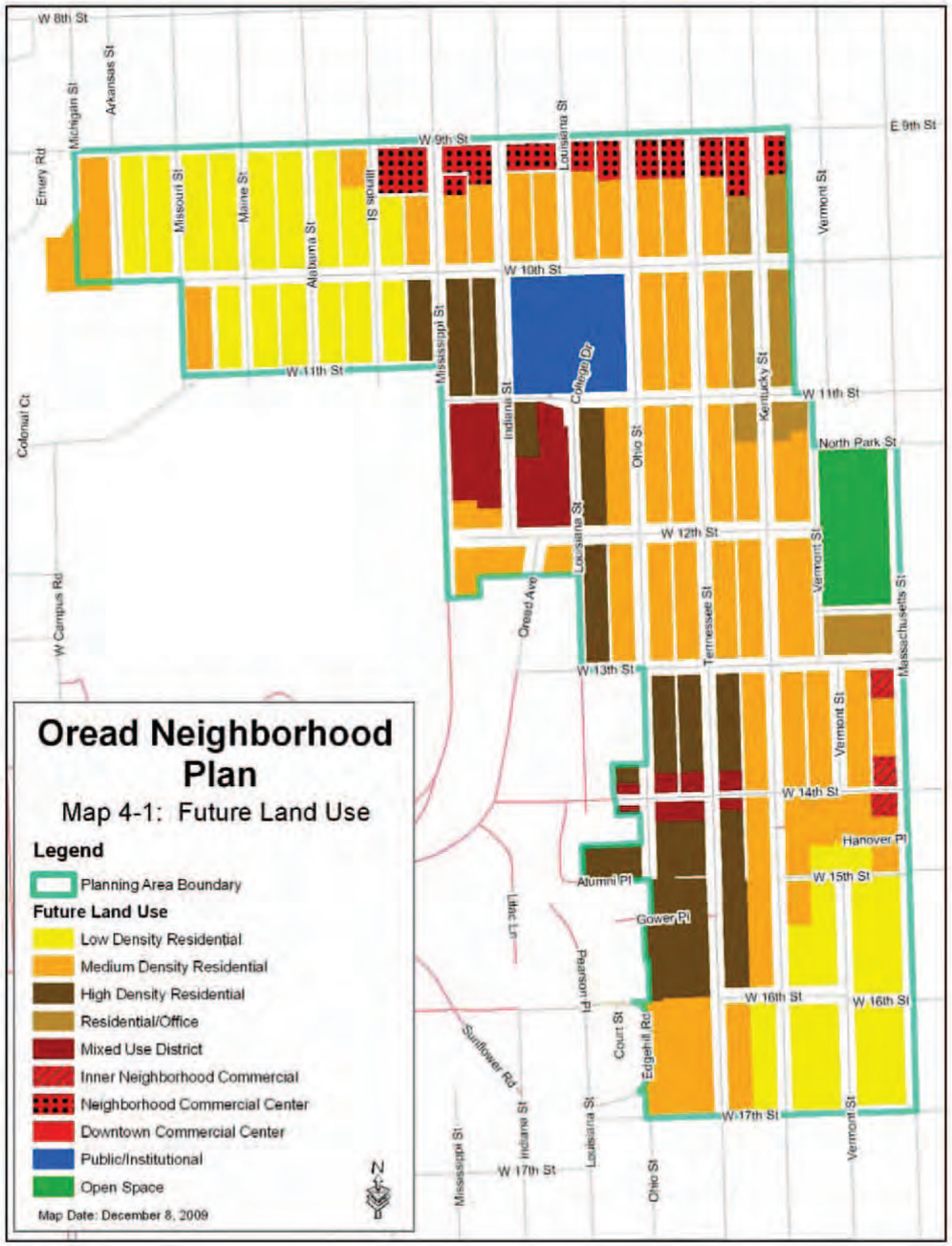


Exhibit 5b: Future Land Use

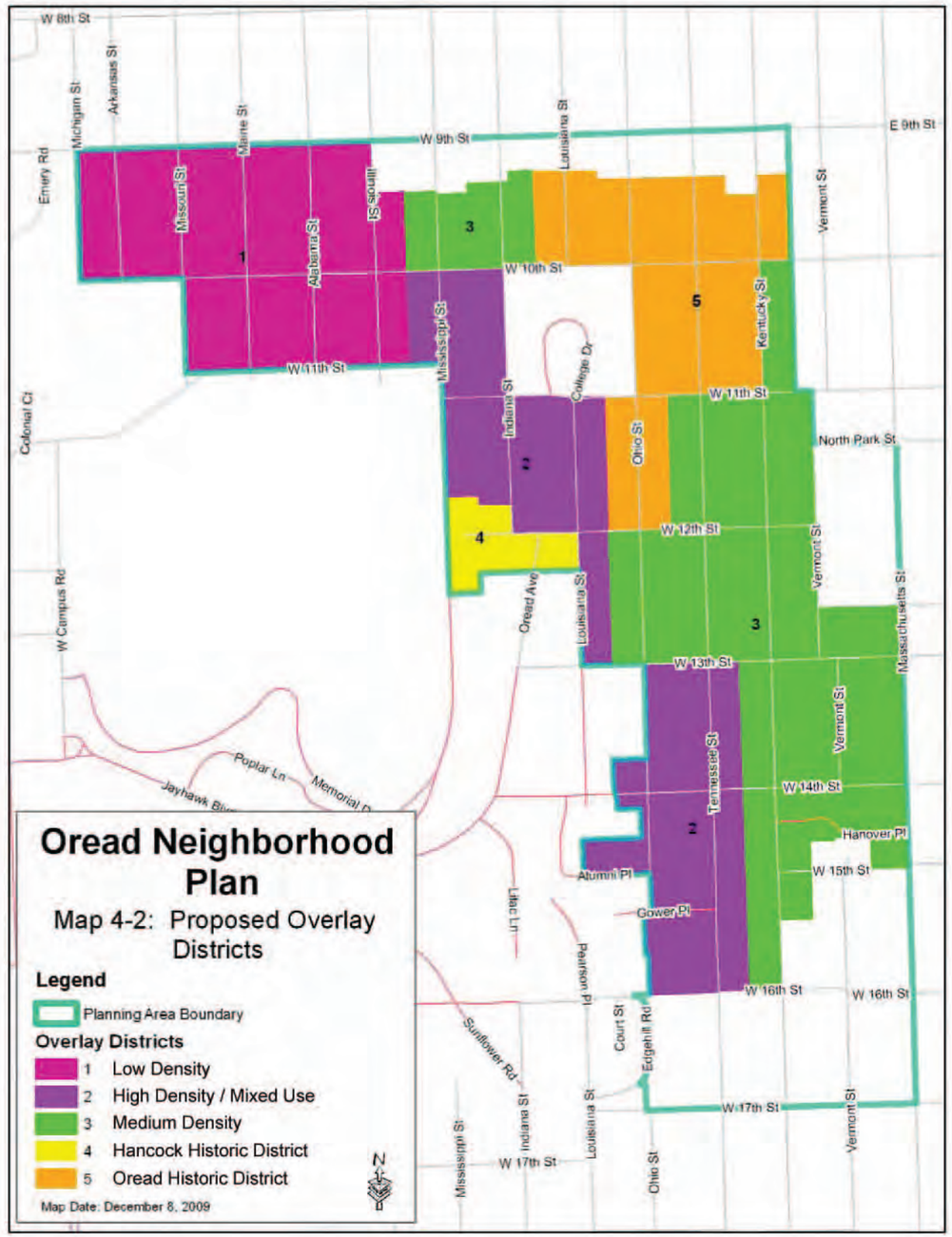


Exhibit 5c: Overlay Districts

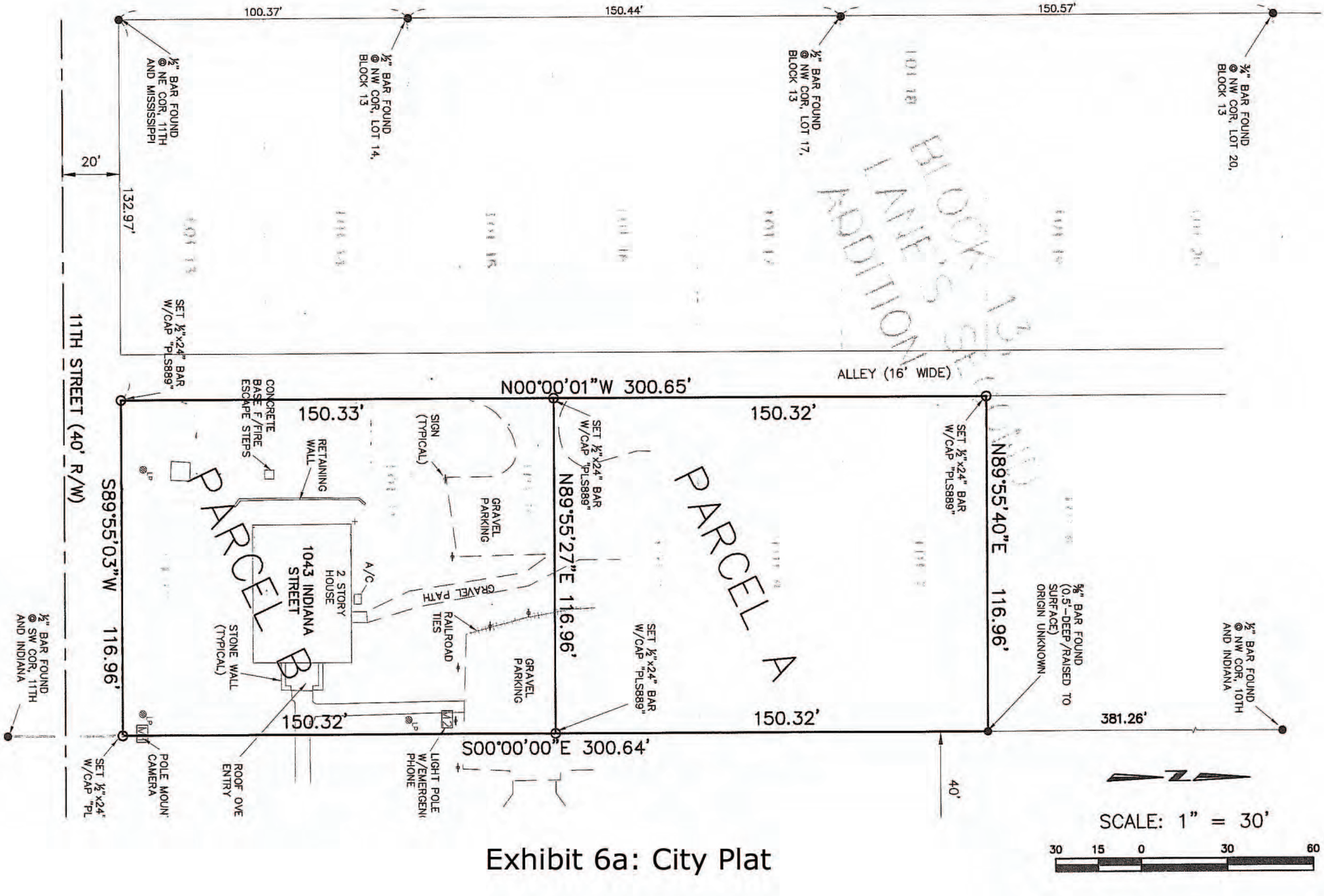


Exhibit 6a: City Plat

LOTS 7, 8, 9, 10, 11 AND 12, BLOCK 13
LANE'S SECOND ADDITION
A SUBDIVISION IN LAWRENCE, DOUGLAS COUNTY, KANSAS

FOR:
NSPJ ARCHITECTS

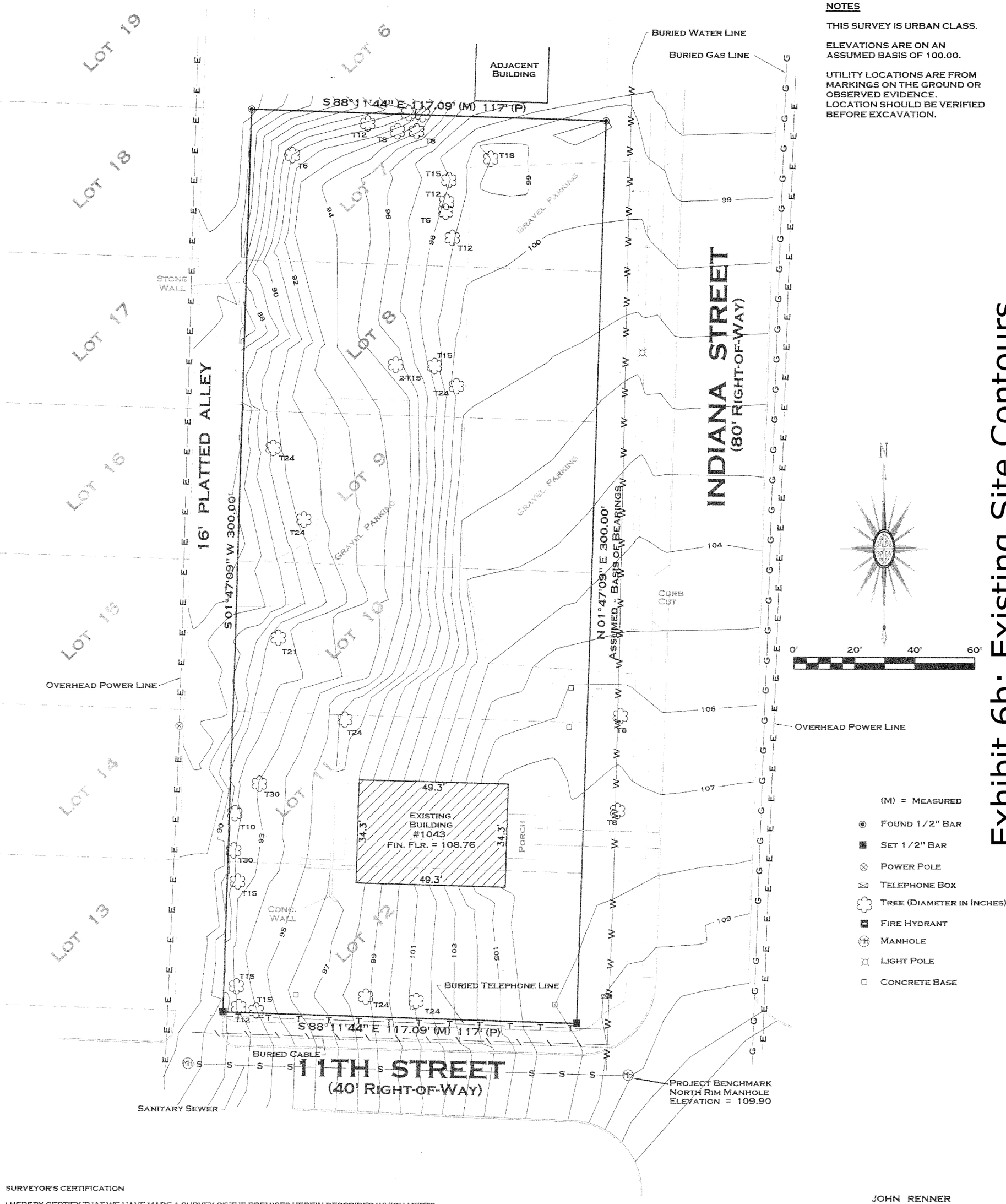
NOTES

THIS SURVEY IS URBAN CLASS.

ELEVATIONS ARE ON AN ASSUMED BASIS OF 100.00.

UTILITY LOCATIONS ARE FROM MARKINGS ON THE GROUND OR OBSERVED EVIDENCE. LOCATION SHOULD BE VERIFIED BEFORE EXCAVATION.

Exhibit 6b: Existing Site Contours



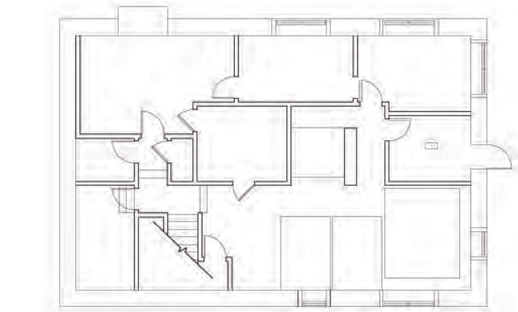
SURVEYOR'S CERTIFICATION

I HEREBY CERTIFY THAT WE HAVE MADE A SURVEY OF THE PREMISES HEREIN DESCRIBED WHICH MEETS OR EXCEEDS THE CURRENT MINIMUM STANDARDS FOR PROPERTY BOUNDARY SURVEYS AS ESTABLISHED BY THE KANSAS STATE BOARD FOR TECHNICAL PROFESSIONS, AND THAT THE RESULTS OF SAID SURVEY ARE REPRESENTED ON THIS DRAWING TO THE BEST OF MY PROFESSIONAL KNOWLEDGE AND BELIEF.

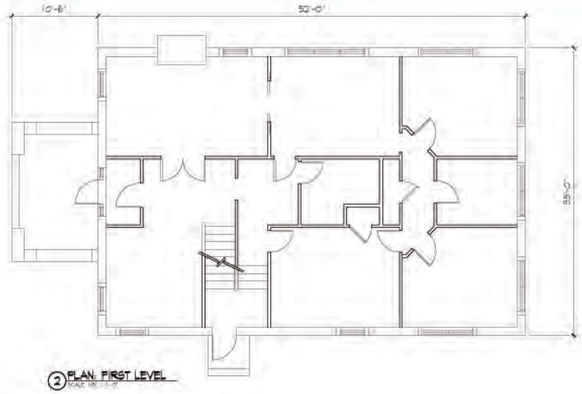
JOHN W. RENNER LS-872 DATE

JOHN RENNER
LAND SURVEYOR
205 W. 65TH STREET
SUITE 201
KANSAS CITY, MO 64113
816-333-8841

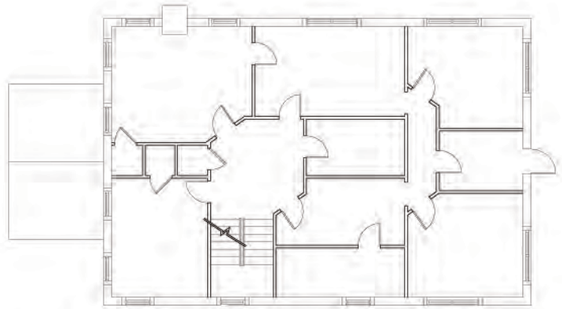
URBAN CLASS SURVEY
JOB NO. 10-09-060
FIELD WORK 11-10-2009



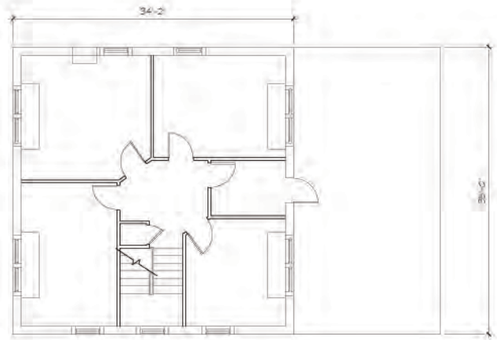
1 PLAN: LOWER LEVEL



2 PLAN: FIRST LEVEL



3 PLAN: SECOND LEVEL



4 PLAN: THIRD LEVEL

A ELEVATION: SOUTH
SCALE: 1/8" = 1'-0"

B ELEVATION: EAST
SCALE: 1/8" = 1'-0"

C ELEVATION: WEST
SCALE: 1/8" = 1'-0"

D ELEVATION: NORTH
SCALE: 1/8" = 1'-0"

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123 W. 8th STREET
SUITE 88
LAWRENCE, KS 66049

OFFICE: 785.832.0804
FAX: 785.832.0880

EXISTING STRUCTURE
1043 INDIANA
LAWRENCE, KS

PROJECT # 28600
JUNE 2010

RELEASE: I.D.
DATE: 7/27/10

Exhibit 5

Exhibit 6c: Plans and Elevations

Exhibit 6d:
Existing Conditions

Ronald Hutchens and Chris Harlow of Paul Werner Architects visited 1043 Indiana on June 22, 2010 to access the status of the structure. We walked around the site and reviewed the existing condition of the Building (Ref exhibit 5a-5c and the accompanying CD). The structure is showing signs of settling and rotting wood. Some of the windows have been boarded up. The Shake shingle siding is rotting in areas, along with areas of the soffit. The existing window air conditioning units looks as though they could fall out. The Screens on the windows are rusting. I saw only one broken window on the south side. The north side entry has wooden steps and they are rotting and falling apart. There is cracking in the stone foundation walls which are signs of the foundation shifting or settling.

The rear of the house has some windows boarded up and there is a section that has been cut out and replaced with concrete block. The steel fire escape that appears to have been tacked on is rusted. The fire escape has pulled away from the structure, and appears to be a safety hazard.

We entered through the rear door into the basement, only to be welcomed by a dead rat. It was early afternoon so there was ample light to view the interior. The ceilings had applied acoustic tile to the ceiling with surface mounted fluorescent lighting fixtures. The floor had a mixture of Vinyl composite tile and carpet that had been pulled up in places. The VCT had worn through to the concrete below. The plaster walls have numerous cracks and the trim was pulling away from the wall in areas. A lot of the walls had been covered with a similar acoustic tile as the ceiling. There was chalk boards on the walls so some of the rooms may have been classrooms. There was exposed conduit throughout for electrical service. There appears to be water damage in areas around the air conditioning units. We found a sign that was warning of asbestos near the old central heating unit. The Central Heating was surrounded on two sides with a stone foundation wall. The old sound booths could pass for walk in refridgerators from the way they were constructed. The sound booths look as though the house was built after they were installed which makes me think that there was an addition on the West side. The Exposed stone walls in the center of the basement would support that. They could just foundation walls in the core of the house.

The First Floor. Going up a narrow stairway to a landing at the north side door and continuing up to the first floor, or the ground floor. It is immediately apparent that this was used for office's at one time. More old carpet, acoustic ceiling and walls, fluorescent light fixtures, exposed conduit, and cracked plaster. There was no sign of a kitchen, although there was a small room that may have been a kitchen at one time. The bathroom was converted to a restroom with a drinking fountain outside in the hallway and a plywood partition screening the toilet. Any bathtub that may have been there has long since been removed.

On a positive note, the front two rooms had been maintained to some degree and the wood trim and cabinetry looked pretty good, although the space was chopped up by a vestibule that was added on the interior. There is a pair of sliding doors that may have opened into a dining room at one time, but was converted to an office like the rest of the house. One of the windows was converted to a half height doorway complete with panic hardware. I don't know the purpose as it would not meet any building code. There is existing hardwood floors on this level but it has all been covered with carpet, one of the rooms had it exposed where they had pulled up the carpet.

Upstairs, The wood banister looked fairly good, considering, but the finish was scratched and beat ups and had years of dirt buildup. As soon as you were beyond any visibility from the front rooms you were back to the horrible office renovation that was done. The Hallway was old carpet with a drinking fountain. The restroom converted from a second floor bath. You pass through a room to get to a second hall in the rear of the house with three more rooms, this adds more support to the theory that the rear of the house was an addition. The History of the house is very spotty during that time.

The third floor appears a little cleaner than the lower levels maybe there was offices up there more recently. The finish on the hardwood floors has worn away, the converted bathroom has been done in the same way. There is a converted window with a half door and panic hardware in the bathroom, and a paper sign on the bathroom door saying emergency exit through restroom.

The following exhibits 5a-5c, are but a few of the pictures that were taken on our visit. Please review the CD for the full extent of the photographs.

EXHIBIT 6e: Photos: 1043 INDIANA

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18 OCTOBER 2010

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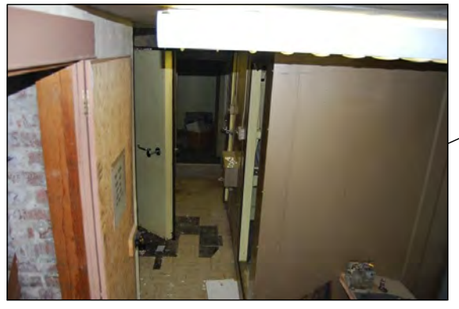

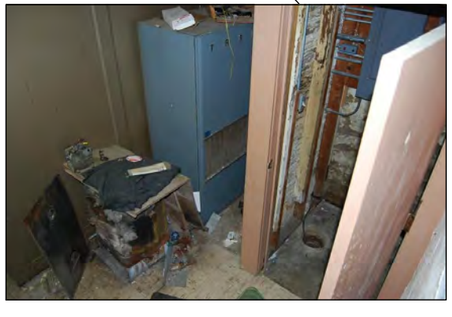

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EXHIBIT 6f: Photos: 1043 INDIANA - Basement

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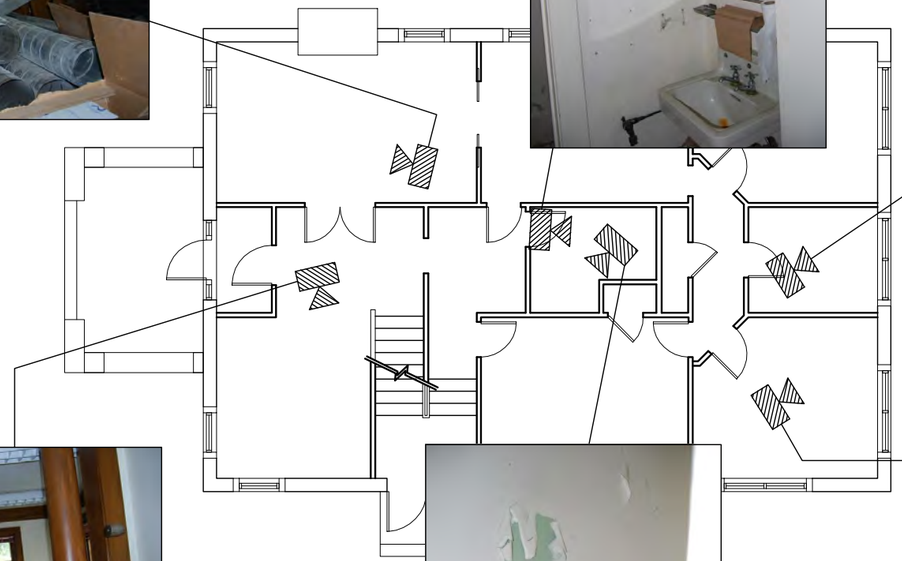

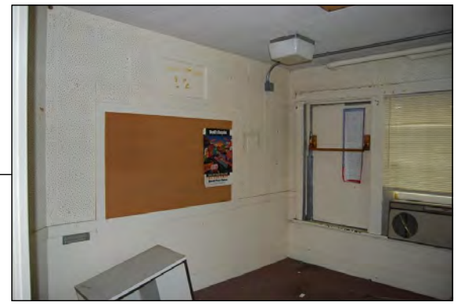

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18 OCTOBER 2010

EXHIBIT 6g: Photos: 1043 INDIANA - First Floor

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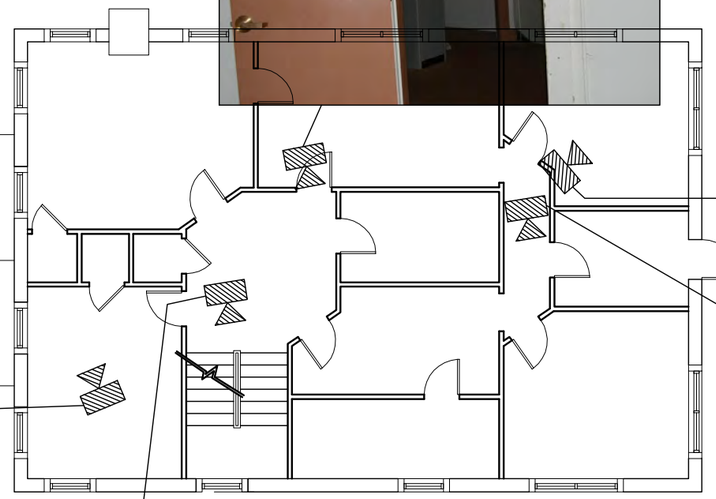

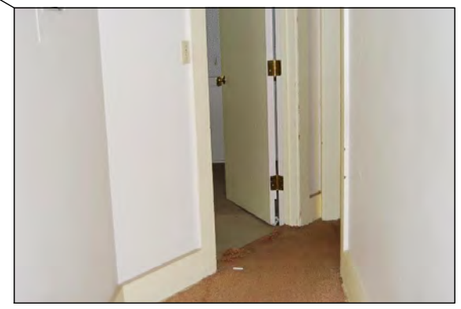

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18 OCTOBER 2010

EXHIBIT 6h: Photos: 1043 INDIANA - Second Floor

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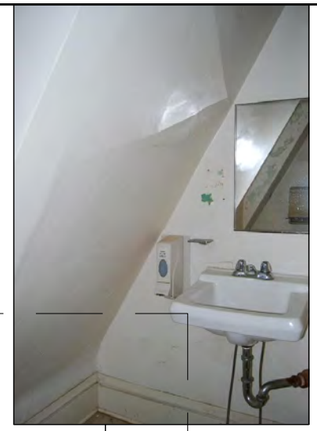

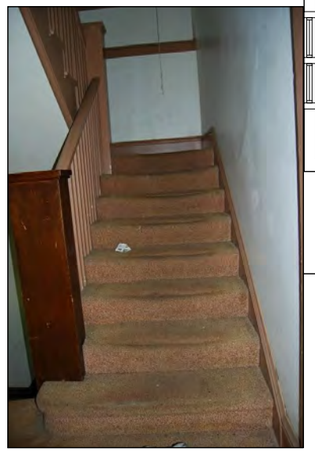

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EXHIBIT 6i: Photos: 1043 INDIANA - Third Floor

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APEX
ENGINEERS, INC.

August 5, 2010

Paul Werner Architects
123 W 8th, Suite B2
Lawrence, KS 66044

Re: Structural Assessment
1043 Indiana Street
Lawrence, KS 66044

Apex Engineers, Inc. observed the structure located at 1043 Indiana Street, Lawrence, KS 66044. The site was visited on July 30, 2010. For the purpose of this report the structure will be referred to as facing east. The structure is wood framed construction over a stone foundation. The following is based on a visual, non-destructive observation of the structure only. No attempt was made to check structural components that were not readily visible or accessible. It should be noted that certain assumptions and or conclusions must be drawn in a report of this nature, and that, it may be the case that additional structural issues could arise as further evidence were revealed through more intrusive investigation. This report is intended to provide an overview of the existing conditions only, and, no warranties or guarantees shall be implied. Our firm has been asked to provide a structural assessment of the existing structure and opinion report as to the restoration plausibility for this house. Finish materials, unless specifically addressed herein, were not evaluated.

Observations

- Rotting and/or damaged wood, siding, and trim was noted extensively at the perimeter of the house. These items, although architectural in nature, if left unchecked and un-repaired could lead to structural damage in the future, if they have not already.
- Damage and gaping holes noted at several locations in the soffits. This damage either has and/or will allow moisture penetration and possible subsequent structural damage.
- Significant movement and/or failure of structural members as noted by sheetrock cracking throughout the house, around windows, at headers, and along the ceiling lines.
- Vegetation was noted as protruding in and through the tops and corners of windows.
- Moisture and water damage was noted on the floor throughout the lower level. Moisture damage was also noted in multiple locations throughout the ceilings of the 1st, 2nd, & 3rd floors.
- Brick chimney at south side has been strapped/repaired at some previous date.
- Diagonal sheetrock/plaster cracks were noted throughout the house at almost every room, indicative of lateral movement and/or shifting of the framing. These cracks were exacerbated at and around corners of openings such as windows and doors where a stress concentration point is provided.
- Compression cracking was noted above most doors and windows likely indicative of failure of the header behind, the support structure at either end, and/or lateral shifting.
- Several door headers were noted as out-of-level.
- Floors throughout the house were noted as sloping in multiple directions. The floors at the west end of the house showed the most significant signs of movement.
- Significant foundation cracks were noted between the main foundation and what appears to be a past addition at the west side of the house. The cracks are larger at the top than bottom leading one to believe the west portion of the foundation has settled and/or begun to pull away from the main foundation. This movement was also noted along the west

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Merriam, KS 66202
www.apex-engineers.com
phone 913.432.3222
fax 913.432.4965

APEX
ENGINEERS, INC.

wall of the house, primarily at the northwest corner, where the movement appears to have caused the house (sill plate) to shift several inches off of its foundation. This movement was also noted in the access opening along the north foundation wall.

Conclusions & Recommendations

The structure appears to have been left in disrepair for a significant period of time. Because of this, many of the structural components of the house have or may have been compromised. In addition, it is the opinion of this firm, that without significant structural repairs, additional movement and damage can be expected. As a minimum, our firm recommends the following repairs:

1) The existing foundation shall either be replaced
OR
The foundation (including all load-bearing elements: foundation walls, interior pier pads, grade beams, etc) shall be stabilized and leveled with a properly placed steel helical or push pier (or equivalent) system. Generally piers shall be required at all corners and along straight wall lengths at a maximum of 6'-0" on-center; however, this will vary as a function of the approach and type of repair system used (verify with foundation repair company). All work shall be completed by a licensed contractor and qualified foundation repair expert specializing in this field.
2) It should be noted that the foundation repair process will likely cause additional structural and architectural damage at least initially that will need to be addressed at that time. This may include items such as foundation tuck-pointing, nail pops, additional sheetrock cracking, trim popping, etc.
3) The west (addition) portion of the house should be re-framed upon completion of the foundation repair work to restore it to a level and plumb condition as well as properly re-securing it over and to the foundation wall below.
4) The sloping floor systems throughout the house will need to be leveled. This repair may require the addition of new support beams and/or bearing walls in the basement. Actual repair measures are unable to be determined at this time as the majority of the house is finished.
5) It is recommended that the sheetrock be removed at multiple locations (actual locations to be determined) throughout the house to allow for a representative sampling or 'spot' checking of the existing structural members at the perimeter of the house. Additional demolition may be required at that time dependent upon the discoveries of structural damage in the walls from moisture or otherwise.
6) All architectural items noted in the above *observations* section of this report shall be repaired, replaced, and/or restored to protect against potential additional structural damage. This would include, but is not limited to; soffits, siding, trim, windows, roof covering and materials, and any other damaged and/or rotting wood.
7) A structural engineer should be retained throughout the construction process to provide close monitoring. Additional repair measures and/or recommendations may be required as additional evidence is revealed during the demolition and re-construction process.

Due to the extent of the structural damage observed it is likely that demolition and replacement are the most economically feasible and viable solution for this project. It is probable that restoration costs would far exceed replacement costs. However, Apex Engineers, Inc. does not provide construction cost estimates. It is recommended that a general contractor be consulted for

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this service. Should restoration be chosen, Apex Engineers, Inc. again recommends that a structural engineer be retained throughout the construction process for close monitoring.

LIMITATIONS

The scope of our services includes only those items specifically addressed herein. All other items are outside the scope of this inspection; including but not limited to, any environmental assessment (such as, but not limited to mold, mildew, presence of hazardous or toxic materials in the soil, surface water, ground water, etc.).

Apex Engineers, Inc. has performed our services in a manner consistent with the standard of care and skill ordinarily exercised by firms of our type practicing under similar conditions at this time and locality. This report is intended for the confidential and exclusive use of Apex Engineers, Inc.'s client. No other person or company is authorized to use this report for any purpose without Apex Engineers, Inc.'s client permission. Without exception, this report will expire 180 days from the date of issuance. Please call if Apex Engineers, Inc. can be of further assistance.

Best Regards,
Apex Engineers, Inc.

BRYCE D. CRADY
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18799
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1043 INDIANA RENOVATION COSTS

Based on previous five renovations, the cost of reconstruction is estimated to be:

(A) Renovation of entire house and associated parking lot: $ 233.44/square foot (6655 sq ft x 233.44 + 335,000 = $ 1,888,549)

(B) Renovation of east portion – Remove western addition and associated parking: $ 159.14/square foot (4780 sq ft x 159.14 + 335,000 = $ 1,095,671)

FINANCING ANALYSIS BASED ON ESTIMATED CONSTRUCTION COSTS

OPTION A: 12 BEDROOMS

Money available to construct project:

Cost of complete renovation: $ 1,888,549

Loan: 80% LTV, 6% @ 20 yr:
(Big assumption) Cash required = 377,710

Financed: $ 1,510,839 payment = 16,733 /mo

12 bedrooms… would require rent of $ 1,394 / room / month.

OPTION B: 8 BEDROOMS

Money available to construct project:

Cost of complete renovation: $ 1,095,671

Loan: 80% LTV, 6% @ 20 yr:
(Big assumption) Cash required = 219,134

Financed: $ 876,536 payment = 9,731 /mo

8 bedrooms… would require rent of $ 1,216 / room / month.

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1043 INDIANA EST. APPRAISALS

OPTION A: 12 BEDROOMS : EST. COST OF CONSTRUCTION =$ 1,888,549

Total Income…. 12 @ 550/ month = 6,600 / month.
* 12 months = 79,200 / yr

5% vacancy….. = (3,960)
10% repairs/ maintenance = (7,920)

Income to service debt….. 67,320 / yr

Expenses….. Insurance 3200/ yr
Taxes 4400/ yr

67,320 - 7,600 = 59,720 / yr = 4,977 /month to service loan.

@ 6%, 20yr loan, = 697,485 /.8 (20% down = 174,371)…break even project cost = $871,856

NOI…. 59,720 / yr: cap rate of 7% = 853,143 est. appraised value

OPTION B: 8 BEDROOMS: EST. COST OF CONSTRUCTION $ 1,095,671

Total Income…. 8 @ 550/ month = 4,400 / month.
* 12 months = 52,800 / yr

5% vacancy….. = (2,640)
10% repairs/ maintenance = (5,280)

Income to service debt….. 44,880 / yr

Expenses….. Insurance 2,682/ yr
Taxes 4,240/ yr

44,880 - 6,922 = 37,958 / yr = 3,163 /month to service loan.

@ 6%, 20yr loan, = 441,494 /.8 (20% down = 110,374)… break even project cost = $551,868

NOI…. 37,958 / yr: cap rate of 7% = 542,257 est. appraised value

Exhibit 6k: Cost Analysis

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CONSTRUCTION FUNDS AVAILABLE BASED ON CASH FLOW

OPTION A: 12 BEDROOMS

Money available to construct project:

Cost of property:	335,000	
Soft costs	25,000	
Parking.. 12 @ 12K =	included in construction costs.	
Total…..	360,000	
Balance to build project to break even……		$511,856 = 76.92 / sq ft
Balance to build project based on appraisal……		$493,143 = 74.10 / sq ft

OPTION B: 8 BEDROOMS

Money available to construct project:

Cost of property:	335,000	
Soft costs	20,000	
Parking.. 8 @ 10K =	included in construction costs.	
Total…..	360,000	
Balance to build project to break even……		$191,868 = 40.14 / sq ft
Balance to build project based on appraisal……		$182,257 = 38.13 / sq ft

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AGGRESSIVE PROFORMA

OPTION A: 12 BEDROOMS

Total Income…. 12 @ 650/ month = 7,800 / month.
* 12 months = 93,600 / yr

5% vacancy….. = (0)
10% repairs/ maintenance = (0)

Income to service debt….. 93,600 / yr

Expenses….. Insurance 3200/ yr
Taxes 4400/ yr

93,600 - 7,600 = 86,000 / yr = 7,166 /month to service loan.

@ 6%, 20yr loan, = 1,000,375 /.8 (20% down = 250,093)…break even project cost = $1,250,468

NOI…. 86,000 / yr: cap rate of 7% = 1,228,571 est. appraised value - very aggressive.

Note: even with this very aggressive rent rate, and excellent financing terms the available funds to renovate the structure fall short by about 600K. Our construction estimate would have to be cut by almost 40% to make this scenario work.

While it may be possible to trim the costs of construction and increase the income and obtain favorable financing, in today climate there is no feasible way that all three of these items would be possible.

In addition I think these exercises show that the cost of the property really isn't even relevant. The structure simply requires too much work and cannot generate enough income in order to make the project viable.

Exhibit 6k: Cost Analysis

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1043 RENOVATION

There are several issues with renovating the structure @ 1043 Indiana. This analysis is done without any regard to cost or feasibility, it is done to determine what would be left of the original structure IF the building was renovated.

In order to convert the structure to a usable product, a boarding house seems to be the appropriate use, the entire structure would have to be gutted. There are no usable services or utilities in the house as it sits today. There are no bathrooms, kitchens, mechanical equipment which could be used in a renovated structure. All of the utilities and components from mechanical , electrical and plumbing need to be installed from scratch., this would require essentially removing all wall surfaces to the studs. Some wall surfaces could remain, however from the pictures you can tell that most of the walls are covered in 12 x 12 tiles, so they need to be removed regardless. In addition to the need for MEP work ,m the entire structure will need to have sprinkler system installed – this will add to the need of removing all surfaces to the studs.

The structure will need to be insulated. This may be accomplished from the outside since we anticipate the removal of all of the shake shingles – and the need to replace all of the sheathing on the skin of the structure.

The addition on the west will need to be either removed or at least jacked up and rebuilt with a new foundation.

Based on these criteria we anticipate the only useful component remaining to be the foundation on the east and the wood frame of the structure. Some of the woodwork in the front 2 rooms may be saved, but other than that the entire house will need to be reconstructed. This also includes replacement of all the windows and doors currently service the structure.

Based on a typical schedule of values for residential construction – we have placed a % of construction for various items which will establish an estimate of original components to remain:

Foundation:	3.6%
Framing:	5.3%
Roofing :	1.3%
Front 2 room finishes:	2.7 %
Total % of existing components to remain:	12.9%

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Cost of renovation vs. new units:

A recently bid apartment project came in at $ 91.54 / sq ft.

This includes all site work and utility improvements in addition to the hard costs for construction of the project. using this number and adding 16K per parking space for underground parking will be compared to the costs for renovating the existing structure.

Assuming a mixture of 1 and 2 bedroom units – and providing 1 space for each bedroom.

A one bedroom of 800 sq ft + 1 space = $ 89,232
A two bedroom of 1100 sq ft + 2 spaces = $ 132,694

The scenario 'A' of a12 bedroom boarding house was estimated to cost: $ 1,553,549

The scenario 'B' of an 8 bedroom boarding house was estimated to cost: $ 760,671

Cost of the property is not considered.

Equivalent number of units:

Scenario	# of 1 bed units	# of 2 bedroom units	# of 1 & 2 bd units
A	17.4	11.7	[14] – 7 each.
B	8.5	5.7	[7] 4-1's, 3-2's

Exhibit 6I: Feasibility

Exhibit 7:

Proposed Multi-family Development at 1043 Indiana Street

A review of the Standards and Guidelines for Evaluating the Effect of Projects on Environs.

The house at 1043 Indiana, known as the Varsity House because of its use as a men's dormitory from 1950 to 1959, has had several occupants over the years but has been sitting vacant for the past 3 years, and has not been fully occupied for at least 15 years. No work was done on the house it that amount of time and Housekeeping who had offices until 2007 only occupied the 3rd floor. It was sold by the University of Kansas to our client in 2009 at a public auction. During the years it sat vacant no interest was shown in renovating or restoring the 6,655 SF structure. (Ref. exhibits 6 -6k)

We are proposing a multi-family development to replace the existing Dutch colonial house at 1043 Indiana and the adjacent gravel parking lot which are located at the Northwest corner of 11th Street and Indiana Street. The existing structure is located on the very edge of the Oread Historic District Environs. (Ref exhibit 1). We are outside of the environs of the Hancock Historic District and the Original Oread Historic District. (Ref exhibit 1a and 1b). The site has a natural topographic boundary of the hill with GSP and Corbin Residence Halls separating itself from the Oread Historic District. (Ref. exhibit 3, 3a, and 3b).

The environs on the west side of the resident halls and the environs on the east side of the resident halls have had significantly different development directions and therefore have a different character. The environs directly surrounding our property are a small apartment house to the north, a small apartment complex across 11th street to the south, a larger Apartment complex across the alley to the west, and GSP and Corbin Residence Halls' open Parking structure directly across Indiana to the east. All of these were built in the last half of the 20th century, leaving very little of the original environs. (Ref. Exhibit 2a-2b) There is currently no precedent to expand the Historic district west of GSP Corbin which is clearly planned for high density and mixed use. (Ref Exhibit 5,5b and 5c)

The Oread Neighborhood Association and Lawrence Kansas Horizon 2020 both show long term goals for this property as High Density. (Ref. Exhibit 5, 5b and 5c) The existing residential density is medium density with high density on 3 sides. (Ref Exhibit 4a-4b)

The current zoning of the property is KU. However we intend to rezone the property back to RM-32 which coincides with all of the adjacent property. The existing setbacks for the 1000 block of Indiana vary between 14 and 21 ft. Based on the Lawrence Land Development code 20-602 9(e) and the Standards and Guidelines for Evaluating the Effect of Projects on the Environs. The calculated average setback is 16.54', and we used 18.00 ft. (ref. exhibit 7a). Due to the topography of the site, and our desire to create more usable spaces we have stepped the building. We are really using the setbacks to break up and separate the public and private outdoor spaces. The outcome creates more usable and better proportioned outdoor spaces (Ref Site Plan Exhibit 8)

Parking will all be below grade. This allows us a large landscaped lawn off Indiana and a large pool deck in the rear. The entry to the parking will be split between the level B1 entering off Indiana and level B2 entering off the alley. This will divide up traffic coming to and from the site. There will be sufficient parking for all tenants and their guests out of sight and protected from the weather.

Unfortunately, the majority of the existing trees will be removed. We will however try to save the trees that line Indiana and 11th Street if it is possible. If not those trees will be replaced. The existing alley will remain as it will access our lower level of parking and the existing retaining walls will be removed and replaced.

The North end of the project will align with the adjacent property using the setback average. The south will step back and allow for a more natural open space with lawn on the south end towards the 11th street intersection similar to the existing structure. Although this will be a modern structure, we will be taking design clues from the surrounding architecture. The upper most floor will have dormers to break down scale and take advantage of the unused attic space. The elevations will incorporate natural or manmade stone similar to the existing structure. We intend to be energy star rated. We will be using as much glass as reasonable, to allow daylight into the units and the public spaces and to break up and separate some of the mass of the building. (Ref Exhibit 8a-8d)

An opportunity for a development of this size does not come about in this area of Lawrence very often. The existing structure and its adjacent gravel parking lot add up to 6 lots near the university. All long term goals for this area of the Oread Neighborhood aims at higher density and mixed use projects. Part of The Oread Neighborhood Association goals of implementation is to create overlay districts that would give latitude for high density projects to be developed near the university.

You can always make an argument for a building to be saved, but the question is, is that argument for the highest and best use of the property, and will it be what is best for the community and its long term planning goals? Allowing our Client to tear down the structure at 1043 Indiana and proceed with this project is a step towards these goals.

1043 Indiana-- - Front Yard Averaging Information:

Lot #	Setback 10'< or <40' Yes / No	Lot Width	% of Lot Frontage considered	Width of Structure (in feet)	Setback (in feet)	Width * Setback (a)
1001	Y	50	50	32	18	576
1005	Y	50	50	26	17	442
1011	Y	100	100	26	20	520
1017	Y	50	50	36	12	432
1025	Y	50	50	26	14	364
1000 blk	**N**	200		Parking Lot for KU - Lot not Considered		
1043	Y	100	100	18	21	378

Total Lot width=	600		
Total Lot frontages considered =	400		
% varying by less than 15'=	67%		
Total width of all structures considered =		164	
Total of (width* setback) for structures considered =		2712	
Average setback: (width * setback)/ total Width =		16.54	Feet

Note: If 1043 is removed removed from the calculation of average. The remaining setback average is 15.99 ft.

Exhibit 7a: Front Yard Averaging

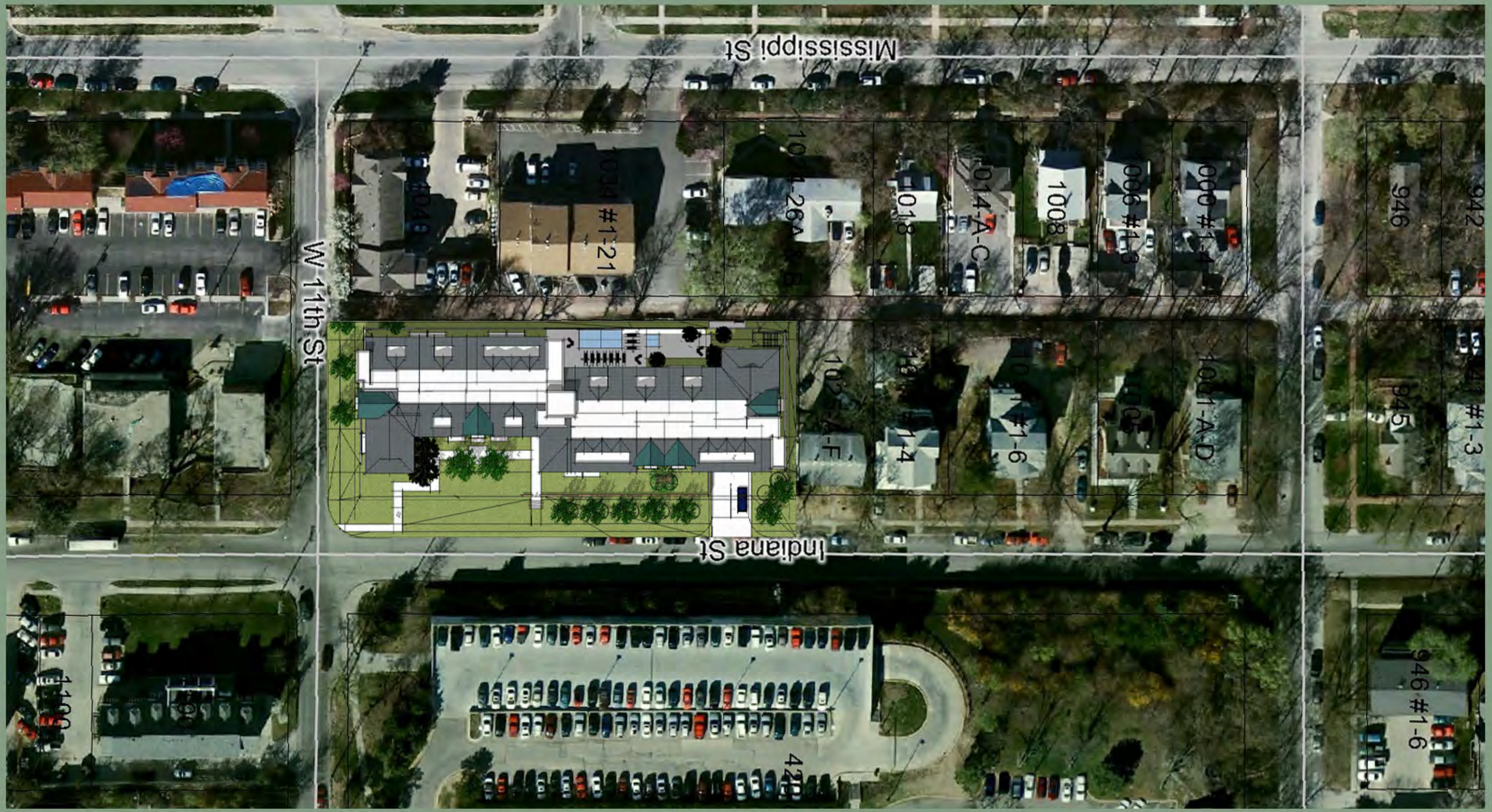

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Exhibit 8: Site Plan

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Exhibit 8a: View from South East

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Exhibit 8b: View from South West

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Exhibit 8c: View from Intersection at 11th and Indiana

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Exhibit 8d: Pool Deck

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