

#2 Chancellor E. H. Lindley
December 10, 1936

We also have houses and lots adjoining the stadium grounds which were purchased at an approximate cost of \$18,250.00. These were also purchased to prevent speculators from buying this land and holding it at an unreasonable price, knowing that eventually, the University would want to acquire it. Perhaps, through some legislative cooperation, the State might be allowed to purchase this land, giving us the much needed revenue with which we could operate for the balance of this year.

3. Another solution is the sale of the Gowans tract, and a long time loan on our other real estate. As pointed out previously, we have invested in the Gowans tract \$12,000.00 which, if it were sold outright to someone other than the State, should bring an amount close to that which we have invested. We could then borrow on the other real estate an amount sufficient to take care of our deficit for this year. Personally, I am not in favor of offering the land for sale to persons who might be buying it for the development of a residential district or for speculative purposes; but if there is no other alternative, I feel that we are obligated to our bondholders to protect them even though it is necessary to dispose of our real estate holdings. We have always taken care of our interest promptly and have never defaulted on a bond payment. Our bondholders are still confident of our ability to pay. This is reflected in the fact that our bonds are selling at 101. I am sure it is to our best interests to keep this confidence.

4. Possible increased income for athletics to meet present deficit:

(1) By the University allowing a rental sum to the University of Kansas Physical Education Corporation for the use of the stadium for Baccalaureate Services, Commencement Exercises, Freshman Initiation, etc.

(2) The University paying for gas, water, and electricity consumed at the stadium.

(3) A possible greater income from the student activity ticket. Under the present plan of allotting the student activity fee, we are losing approximately \$5,000.00 per year. By referring to sheet #2, you will see that our income from the student fee is considerably less than it was during the years when we had the optional activity fee, except the one year, 1932, which was the worst of the so-called "depression" years.

As a comparison of the amount we receive with that of other schools of the Conference, please refer to