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Dennis R. Taylor, Secretary  
Mark J. McGivern, Director

Sam Brownback, Governor

JCSBC Testimony  
Department of Revenue  
Dodge City  
November 7, 2013

Good morning, my name is Linda Thomas. I am representing the Department of Administration, Office of Facilities & Procurement Management to present the proposed lease for the Kansas Department of Revenue in Dodge City. The agency has been at its current location since 1997. The current lease expires June 30, 2014.

The Agency negotiated a new, five year lease, for the same rate as the most recent lease. However, this lease includes the landlord paying for the utilities, which will save Revenue approximately \$3,000 annually. Additionally, new carpet and paint will be provided for this new lease period.

The proposed lease begins July 1, 2014 for a term of five years. The lease rate is \$7.75 a sq. ft. and is below the average cost for state leased office space in Dodge City.

Due to the government shut down and not being able to perform an energy audit, the audit is delayed but pending.

Department of Administration is supportive of this lease.

I am available to answer your questions as is a representative from the Kansas Department of Revenue.

Thank You.

**Lease Comparison Sheet**  
**Kansas Department of Revenue**

November, 2013

A		B	C	D	E
		CURRENT LEASE	PROPOSED LEASE	Other State Leases	
<b>GENERAL INFORMATION</b>					
1	State Agency	Department of Revenue	Department of Revenue	Kansas Dept. of Corrections	Kansas Corporation Commission
2	Address	2601 Central	2601 Central	701 Commanche	210 E Frontview
3	City Location (market)	Dodge City	Dodge City	Dodge City	Dodge City
4	Office Function	DLEX Office	DLEX Office	Parole Office	Oil Field Regulatory Office
5	Lessor Name	DCM Limited, L.L.C.	DCM Limited, L.L.C.	Burdick Investments	S-V Investments, L.L.C.
6	Lease Space (sq. ft.)	Office Sq. Ft. 1,950	1,950	800	1,890
7		Storage Sq. Ft. 0	0	0	0
8		Total Sq. Ft. 1,950	1,950	800	1.89
9		Parking Stalls 40	40	n/a	13
10	Energy Audit	No Record	Pending	No Record	No Record
11	Full Time Equivalency (FTE) employees/workstations	3	3	1	10
12	Lease Begin Date	7/1/2007	7/1/2014	12/1/2012	12/1/2012
13	Lease End Date	6/30/2014	6/30/2019	11/30/2014	11/30/2014
14	Years of Lease	7	5	2	2
15	Space Standards Check (sq. ft. per FTE/workstation)	650	650	800	189
<b>LEASE COSTS</b>					
16	Base Lease Office Cost (annual per sq. ft.) (average)	\$7.75	\$7.75	\$10.88	\$10.77
17	Storage (per square foot)	\$0.00	\$0.00	\$0.00	\$0.00
18	Parking	\$0.00	\$0.00	\$0.00	\$0.00
19	Additional Services				
<b>AGENCY FUNDED OCCUPANCY COSTS</b>					
20	Real Estate Taxes	inc. in lease	inc. in lease	inc. in lease	inc. in lease
21	Insurance	inc. in lease	inc. in lease	inc. in lease	inc. in lease
22	Major Maintenance	inc. in lease	inc. in lease	inc. in lease	inc. in lease
23	Utilities				
24	Electricity	\$1.54	inc. in lease	inc. in lease	\$1.08
25	Gas	\$0.00	inc. in lease	inc. in lease	\$0.29
26	Water/Sewer/etc.	inc. in lease	inc. in lease	inc. in lease	\$0.01
27	Trash Pickup/Removal	inc. in lease	inc. in lease	inc. in lease	\$0.00
28	Custodial/Janitorial	not included	not included	not included	\$1.63
29	Pest Control	inc. in lease	inc. in lease	inc. in lease	\$0.00
30	Grounds Maintenance (inc. snow removal)	inc. in lease	inc. in lease	inc. in lease	\$0.00
31	Parking	inc. in lease	inc. in lease	inc. in lease	\$0.00
32	Total Other Bldg Optg Costs (not included in lease)	\$1.54	\$0.00	\$0.00	\$3.01
<b>IMPROVEMENTS</b>					
33	Improvements				
34	Subtotal - Improvements	\$0.00	\$0.00	\$0.00	\$0.00
35	Annual Cost per Sq. Ft. (estimated)	\$9.29	\$7.75	\$10.88	\$13.78
36	Annual Cost (estimated)	\$18,116	\$15,113		
37	Total Cost of Lease (estimated)	\$109,500	\$75,563		

JCSBC TESTIMONY  
Health Care Stabilization Fund  
November, 2013

My second presentation is the proposed lease for Health Care Stabilization Fund.

The Agency has been at this location since 1994.

The Agency was presented with a proposed lease term for five years at \$14.50 per sq. ft. which reflects no increase since 2001. The landlord will pay all taxes, insurance, major maintenance, utilities and services, with no rent increase during the term of the lease.

Due to the government shut down and not being able to perform an energy audit, the audit is delayed but pending.

The Department of Administration is supportive of this lease.

I am available to answer your questions as is a representative from Health Care Stabilization Fund.

Thank You.

**Lease Comparison Sheet**  
**Health Care Stabilization Fund**

November, 2013

A		B	C	D	E
GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	LEASE COMPARABLES	
1	State Agency	Health Care Stabilization Fund	Health Care Stabilization Fund	Kansas Real Estate Commission	Kansas Judicial Branch
2	Address	300 SW 8th Ave.	300 SW 8th Ave.	120 SE 6th Ave.	701 SW Jackson
3	City Location (market)	Topeka	Topeka	Topeka	Topeka
4	Office Function	Statutory Duties & Responsibilities	Statutory Duties & Responsibilities	General Office	General Office
5	Lessor Name	League of Kansas Municipalities	League of Kansas Municipalities	Securities National Properties Funding II, L.L.C.	H.T. Paul, Inc.
6	Lease Space (sq. ft.)	Office Sq. Ft. 4,941	4,941	4,763	5,000
7		Storage Sq. Ft. 0	0	0	655
8		Common Space Sq. Ft. 0	0	0	0
9		Total Sq. Ft. 4,941	4,941	4,763	5,655
10		Parking Stalls 10	10	n/a	10
11	Energy Audit	No Record	Pending	No Record	No Record
12	Full Time Equivalency (FTE) employees/workstations	18	18	15	11
13	Lease Begin Date	3/1/2009	3/1/2014	9/1/2007	7/1/2007
14	Lease End Date	2/28/2014	2/28/2019	8/30/2017	6/30/2015
15	Years of Lease	5	5	10	8
16	Space Standards Check (sq. ft. per FTE/workstation)	275	275	318	455
<b>LEASE COSTS</b>					
17	Base Lease Office Cost (annual per sq. ft.)	\$14.50	\$14.50	\$12.00	\$14.45
18	Storage (per square foot)	\$0.00	\$0.00	\$0.00	\$0.00
19	Common Area	\$0.00	\$0.00	\$0.00	\$0.00
20	Additional Services	\$0.00	\$0.00	\$0.00	\$0.00
<b>AGENCY FUNDED OCCUPANCY COSTS</b>					
21	Real Estate Taxes	inc. in lease	inc. in lease	inc. in lease	inc. in lease
22	Insurance	inc. in lease	inc. in lease	inc. in lease	inc. in lease
23	Major Maintenance	inc. in lease	inc. in lease	inc. in lease	inc. in lease
24	Utilities				
	Electricity	inc. in lease	inc. in lease	inc. in lease	inc. in lease
	Gas	inc. in lease	inc. in lease	inc. in lease	inc. in lease
	Water/Sewer/etc.	inc. in lease	inc. in lease	inc. in lease	inc. in lease
27	Trash Pickup/Removal	inc. in lease	inc. in lease	inc. in lease	inc. in lease
28	Custodial/Janitorial	inc. in lease	inc. in lease	inc. in lease	inc. in lease
29	Pest Control	inc. in lease	inc. in lease	inc. in lease	inc. in lease
30	Grounds Maintenance (inc. snow removal)	inc. in lease	inc. in lease	inc. in lease	inc. in lease
31	Parking	\$0.10	\$0.10	inc. in lease	inc. in lease
32	Other Miscellaneous Expenses	\$0.00	\$0.00	\$0.00	0
33	Total Other Bldg Optg Costs (not included in lease)	\$0.10	\$0.10	\$0.00	\$14.45
<b>IMPROVEMENTS</b>					
34	Improvements	\$0.00	\$0.00	\$0.00	\$0.00
35	Subtotal - Improvements	\$0.00	\$0.00	\$0.00	\$0.00
36	Annual Cost per Sq. Ft. (estimated)	\$14.60	\$14.60	\$12.00	\$14.45
37	Annual Cost (estimated)	\$72,139	\$72,139		
38	Total Cost of Lease (estimated)	\$360,693	\$360,693		