

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

August 19, 2009
Room 143-N—Statehouse

Members Present

Representative Jo Ann Pottorff, Chairperson
Senator Dwayne Umbarger, Vice-Chairperson
Senator Pat Apple
Senator Jay Emler
Senator Marci Francisco
Senator Laura Kelly
Representative Steve Brunk
Representative Bill Feuerborn
Representative Bob Grant

Members Absent

Representative Mitch Holmes

Staff

Audrey Dunkel, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Mike Corrigan, Office of the Revisor of Statutes
Matt Sterling, Office of the Revisor of Statutes
Gary Deeter, Committee Secretary

Conferees

Richard Gaito, Deputy Director, Division of Facilities Management, Kansas
Department of Administration
Colonel Cliff Silsby, Director of Facilities Engineering, Kansas Adjutant General
Catherine Patrick, Director, Division of Operations, Kansas Department of
Transportation
Peter Carter, Assistant Bureau Chief, Bureau of Construction and Maintenance,
Kansas Department of Transportation
Jennie Chinn, Executive Director, Kansas Historical Society
Terry Marmet, Division Director of Historic Sites, Kansas Historical Society

Dennis Okruhlik, Building Services Manager, Kansas Department of Commerce
Eric King, Director of Facilities, Kansas Board of Regents
Gary Micheel, Facilities Project Manager, Kansas Bioscience Authority
Michael Schaadt, PGAV Architects
Dave Hutchings, Special Agent, Kansas Bureau of Investigation
Dwain Worley, Forensic Scientist, Kansas Bureau of Investigation
Robert Blecha, Director, Kansas Bureau of Investigation
Chuck Simmons, Deputy Secretary of Facility Management, Kansas Department of Corrections
Mike Hayden, Secretary, Kansas Department of Wildlife and Parks
Major Alan Stoecklein, Kansas Highway Patrol
Sheryl Weller, Chief Fiscal Officer, Kansas Highway Patrol
Ethan Erickson, Budget Officer, Kansas Department of Transportation

Others Attending

See attached list.

Wednesday, August 19 Morning Session

The Chairperson called the meeting to order at 9:05 a.m.

Mike Corrigan, Office of the Revisor of Statutes, introduced new staff member Matt Sterling; then reviewed the powers, duties, and functions of the Committee (Attachment 1). He stated that the Committee may meet anywhere in Kansas and may introduce legislation; its duties include reviewing and making recommendations on all agency capital improvement budget estimates and five-year capital improvement plans, advising and consulting with certain agencies, and receiving reports from various agencies. He noted that the 2008 and 2009 Legislative Sessions added certain duties for the Committee, and the 2009 Omnibus Bill included provisos associated with the expenditure of funds. Answering a question, Mr. Corrigan said the statutes were amended in 2008 to exempt unified school districts from sending annual reports to the Committee. He replied that he will contact the Kansas Department of Transportation (KDOT) regarding the requirements of KSA 75-3516 (an inventory of all real property owned by KDOT). Regarding the Construction Defect Recovery Fund, Marilyn Jacobson, Director, Division of Finances and Facilities Management, Kansas Department of Administration, replied that the fund was set up as a pass-through fund and carries no balance.

Richard Gaito, Deputy Director, Division of Facilities Management, Kansas Department of Administration, reviewed proposed leases and change orders (Attachment 2).

Regarding the Overland Park office for the Kansas Bureau of Investigation (KBI), Mr. Gaito said that, of the six bids received, the proposed five-year full-service lease with the current landlord has the lowest total cost (\$10 psf), a reduction from the previous lease. Energy savings include new windows, added insulation, and a new air-conditioning unit. The lease was approved. (*Motion, Senator Kelly; second, Representative Feuerborn*)

Mr. Gaito said a proposed lease in Hays co-locates the Kansas Department of Health and Environment (KDHE) and the Kansas Corporation Commission; out of three bidders, the current

landlord offered the lowest total cost for a five-year lease at \$8.25 psf. Responding to a question, Mr. Gaito said that if utilities are included, the cost exceeds the previous lease, but noted that the other two bids were \$20-\$25 psf. *By motion of Representative Grant and second by Senator Kelly, the lease was approved. Senator Emler was recorded as voting no.*

Regarding the Kansas Department of Social and Rehabilitative Services (SRS) office in Leavenworth, Mr. Gaito said the proposed lease is a second choice after an attempt to co-locate with the Kansas Department of Revenue was deemed not viable. The lease maintains the same cost (\$9.81 psf); the landlord will install a new heating, ventilation, and air-conditioning system. Members expressed a need for more energy-savings information. Ms. Jacobson replied that the new reporting forms will include energy comparisons to assist members in evaluating utility usage. *The lease was approved by motion of Senator Umbarger and second by Senator Emler.*

Since the tornado in Greensburg, Mr. Gaito said the SRS office has been housed in a trailer with a month-to-month lease; the proposed five-year lease will move the office into a new building. Of the four bidders, the proposed lease has the lowest total cost at \$10.38 psf. He noted that the lease exceeds the space standards because the agency needs space for a conference room. Answering a question, Bobby Kofmala, Facilities Director, SRS, replied that all five employees are in the office most of the time. *The lease was approved. (Motion by Senator Umbarger, seconded by Representative Grant)*

Mr. Gaito presented a proposed lease for KDHE in Lawrence, saying that the agency is consolidating from two buildings to one and previously sub-leased space to the Kansas Department on Aging. The proposed five-year full-service lease (\$11.50 psf) may escalate to \$12.10 psf if utility costs rise. The landlord has installed set-back thermostats to conserve energy. Answering a question, Bill Mondy, Public Service Executive/Lead Fiscal Analyst, KDHE, replied that the five employees include environmental staff, health staff, and child- and foster-care staff. *The lease was approved. (Motion by Senator Francisco, second by Representative Feuerborn) Senators Emler and Kelly were recorded as voting against the motion.*

Presenting the proposed lease for the Kansas Department on Aging in Lawrence, Mr. Gaito said the agency's move to a new location resulted from KDHE's consolidating to one building. He said the three-year full-service lease of \$12.00 psf includes energy-saving set-back thermostats and a market review in the third year of the lease. Members discussed the wisdom and expense of satellite offices so close to the home offices in Topeka, noted the potential savings of co-location, and suggested a review of satellite office placement. A member recommended a review of travel expenses as a possible offset to any proposed savings if a satellite office were to be shut down. *By motion of Representative Grant and second by Representative Feuerborn the lease was approved. Senators Emler and Kelly were recorded as voting against the motion.*

The proposed lease for the Kansas Juvenile Justice Authority office in downtown Topeka is a five-year full-service lease by the current landlord; Mr. Gaito said it represents the lowest total cost from four bidders. It reduces the cost from \$11.29 psf to \$10.94 psf and provides additional parking. Responding to a question, Mr. Gaito said the December 2010 beginning date for the lease takes advantage of current low rates for leased space. *The lease was approved. (Motion, Representative Brunk; second, Representative Feuerborn)*

Colonel Cliff Silsby, Director of Facilities Engineering, Kansas Adjutant General, presented the agency's five-year capital improvements plan ([Attachment 3](#)). He said the only major change from previous years was adding the Great Plains Regional Training Center at Salina and the four supporting training centers in the four quadrants of the state. Regarding the Salina Center, he noted the difficulty of obtaining buffered land to minimize noise. Responding to a question, he said the

Crisis City development in Salina is going well; the design-build project, originally estimated at \$5 million, is being recosted to include taxes, and the project will be completed by November 1, 2009.

Catherine Patrick, Director, Division of Operations, KDOT, outlined the agency's five-year capital improvements plan, noting that economic considerations caused the agency to scale back its 2011 projections (Attachments 4 and 5). She said of the 932 buildings under the aegis of KDOT, 206 are "people buildings" and the remaining 726 are support buildings with a total of 2.7 million square feet. She reviewed the rehabilitation and repair of the buildings, the subarea extensions required to accommodate the larger trucks, and other projected improvements totaling \$18.5 million. Responding to a question, Peter Carter, Assistant Bureau Chief, Bureau of Construction and Maintenance, KDOT, said commercial wash facilities are often shut down in the winter, requiring KDOT to provide its own facilities. To another question, he explained that remote sand/salt locations are strategically placed to minimize dead-head trips for reloading.

Presenting the agency's five-year capital improvements plan, Jennie Chinn, Executive Director, Kansas Historical Society (KHS), noted that the budget cuts have created challenges for the agency in maintaining the 50-plus buildings under its purview, especially when the emergency repair fund was cut by \$28,000 (Attachment 6). To meet the challenges, the agency has developed partnerships with local units of government, obtained some grants, cut staff, and closed some facilities. Responding to a question regarding the fire hazard in lighting fixtures at the Topeka headquarters, Terry Marmet, Division Director of Historic Sites, KHS, said the 15-year-old indirect-lighting fixtures require high voltage and have been indiscriminately catching fire. Answering a question, Ms. Chinn said attendance has increased 5-10 percent during the past year.

Dennis Okruhlik, Building Services Manager, Kansas Department of Commerce, provided a summary of the agency's five-year capital improvements plan; he noted that future projections may include the sale of three or four buildings (Attachment 7).

Eric King, Director of Facilities, Kansas Board of Regents, presented the Regents' five-year capital improvements plan and the final quarter's report for FY 2009, the latter's expenses totaling \$37.3 million (Attachments 8 and 9). He requested approval from the Committee to release approximately \$13.7 million in the FY 2010 budget allocated for maintenance that currently is being held in the Educational Building Fund. *A motion was made, seconded, and passed to release the funds. (Motion, Senator Francisco; second, Senator Kelly)*

Mr. King reviewed the five-year deferred maintenance initiative enacted by the Legislature in 2007, noting the funding components: direct State General Fund payments, university interest earnings, \$20 million per year bonding authority for the community and technical colleges, and state tax credits for contributions made to Regents institutions.

Audrey Dunkel, Kansas Legislative Research Department, outlined the travel plans for the September JCSBC meeting and noted the new date for the October meeting—October 21.

Afternoon Session

Gary Micheel, Facilities Project Manager, Kansas Bioscience Authority (KBA), outlined plans for the Kansas Bioscience Park Venture Accelerator, a building containing laboratory and office space to nurture bioscience start-up initiatives (Attachment 10). Noting the gift of 92 acres from the city of Olathe, he said the two-acre building site will provide laboratory space; the project's completion date is scheduled for February 2011.

Michael Schaadt, PGAV Architects, provided slides to illustrate the unique qualities of the Venture Accelerator building—research modules adjacent to office support, natural lighting, heating utilizing the nearby pond, demand-based ventilation, adaptable structures and systems—all of which will create a model for other state buildings. Noting the \$15.7 million estimated cost, a member asked about investment returns; Mr. Schaadt said more than 25 sub-contractors will be working on the project, significantly affecting the local economy. Mr. Micheel replied to another question that the agency will charge market rates for laboratory space. Janice Katterhenry, Chief Financial Officer, KBA, said funding may be provided by venture capital, federal grants, or private grants. Commenting on the square-foot expense, Mr. Schaadt said the \$360 psf is not unusual for laboratory-based buildings. Noting his work with the Stowers Institute, Mr. Schaadt said the bioscience venture will provide a good return on investment. Mr. Micheel replied that other initiatives on the property may be private- or state-ownership, but, according to the Kansas Economic Growth Act, all projects must be bioscience-related.

Dave Hutchings, Special Agent in Charge, KBI, updated the Committee on the KBI's forensic laboratory building project ([Attachment 11](#)). He said the present phase of property acquisition is on hold, since the funds allocated for that purpose were redirected as a part of the budget-reduction process. He noted that two owners are willing to sell their properties, but the KBI cannot make good-faith offers until funding becomes available. He estimated that \$326,000 is needed to complete land acquisition. Reviewing the current crowded forensic conditions, he said the agency's effectiveness is increasingly hampered as more responsibilities are required of the laboratory.

Dwain Worley, Forensic Scientist, KBI, reiterated Mr. Hutchings' comments about the added workload; he noted an increase of 217 percent in staff and a 331 percent increase in reports since the laboratory was established in 1985.

David Emig, an architect from Emporia and the team leader for the KBI forensic lab project, said that an experienced consultant, McClaren, Wilson, and Laurie, provided the expertise for the needs assessment and site master plan. Members discussed the issues surrounding purchase of the remaining properties: security, possible use of eminent domain, costs, and funding.

Doug Bassett, Prudential Real Estate, responded to member questions:

- Four properties with houses remain to be purchased;
- The present down economy will minimally affect the prices of these houses;
- Two owners' prices are reasonable; two others are asking excessive amounts;
- and
- Other locations may offer more security, but with the Committee's approval the KBI chose to follow this alternative.

Robert Blecha, Director, KBI, commented that co-locating with KDHE or Washburn University is still a consideration. The site on the former State Hospital is no longer available. The present project on the headquarters site will be adequate for at least 20 years.

Chuck Simmons, Deputy Secretary of Facility Management, Kansas Department of Corrections, presented plans to build a Heartbeat Detector building for the El Dorado Correctional Facility ([Attachment 12](#)). He said the present facility is exposed to wind and creates false-positives when an exiting vehicle is scanned for hidden inmates. Responding to questions, he said that Lansing and Hutchinson already have detectors and appropriate buildings large enough to accommodate semi-trailer trucks.

Mr. Blecha returned to present the KBI's five-year capital budget plan (Attachment 13). Acknowledging the need for the forensic laboratory, he also commented on the need to expand the Kansas City laboratory, since the work load there has increased by 300 percent. He noted that other planned projects are repair and maintenance of the Topeka headquarters and the Great Bend facility.

Mike Hayden, Secretary, Kansas Department of Wildlife and Parks, reviewed the agency's capital improvement requests for FY 2011, requests that total \$7.8 million, of which \$1.5 million will come from the State General Fund (Attachment 14). He highlighted the success of the 73 public-use cabins built by prison inmates and the new building for the Kansas City District Office; he noted that the agency is leasing the building until the Kansas Development Finance Authority bonds are issued. Answering a question, he said that Greenbush (Southeast Kansas Education Service Center) data show that recidivism is dramatically reduced for inmates working on the cabin projects.

Sheryl Weller, Chief Fiscal Officer, Kansas Highway Patrol (KHP), highlighted areas in the agency's five-year capital improvement plan, saying that funding debt service, replacing the roof and boiler at the Training Academy in Salina, scale replacement, and a new facility for Troop F in Sedgwick County are agency priorities (Attachment 15). Major Alan Stoecklein, KHP, reinforced the need for another building for Troop F; he noted that the Valley Center building is overcrowded and has aged beyond its useful life as an adequate facility for the KHP. He stated that another location is available, but funding has not been forthcoming. Members acknowledged the problem and discussed possible sources for adjunct funding. Ethan Erickson, Budget Officer, KDOT, said a new building on the new site would cost about \$4 million; however, if ancillary costs are included, the price rises to \$6.9 million. Financing costs would add another \$2.9 million.

Three written reports were provided to the Committee:

- Emporia State University's Indoor Batting Practice Facility (Attachment 16);
- Change orders; and
- Status reports from the Kansas Department of Administration (Attachments 17 and 18).

The meeting was adjourned at 3:40 p.m. The next meeting is scheduled for 10:00 a.m. on Wednesday, September 16, 2009, in Hutchinson and on Thursday, September 17, 2009, in Wichita.

Prepared by Gary Deeter
Edited by Audrey Dunkel

Approved by Committee on:

October 21, 2009
(Date)