

Approved: March 23, 2009

Date

MINUTES OF THE JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

The meeting was called to order by Chairperson JoAnn Pottorff at 12:15 p.m. on March 18, 2009, in Room 143-N of the Capitol.

All members were present except Representative Grant and Senator Francisco, both of whom were excused.

Committee staff present:

Audrey Dunkel, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Mike Steiner, Kansas Legislative Research Department
Mike Corrigan, Office of the Revisor of Statutes
Gary Deeter, Committee Assistant

Conferees appearing before the Committee:

Richard Gaito, Deputy Director, Division of Facilities Management, Kansas Department of Administration

Others attending:

See attached list.

The Chair welcomed Richard Gaito, Deputy Director, Division of Facilities Management, Kansas Department of Administration, who reviewed proposed agency leases (Attachment 1). Regarding the proposed five-year lease (\$10.99 per square foot) for the Kansas State Fire Marshal, he said the increase of four FTEs (Full-Time Equivalent) resulted from adding four dedicated office spaces for some of the 28 field staff who must spend time in Topeka. He commented that energy improvements had been done and an energy audit was underway. A motion was made by Representative Feuerborn, seconded by Senator Emler, to recommend adoption of the lease. The motion passed.

A proposed lease by the Kansas Department of Labor for its Workers Comp office was reviewed by Mr. Gaito. He said that, out of four bids, the proposed lease is the lowest if the cost of moving (\$300,000) is factored into the total. The full-service, five-year lease includes three one-year renewals and parking; the reduction in square feet is a result of transferring some FTEs to another location. Energy-reduction measures include a new boiler, motion-activated lights, and replacing incandescent lights. The proposed lease was approved by motion of Representative Feuerborn, seconded by Representative Holmes, and vote of the Committee.

Mr. Gaito, reviewing a lease for the Kansas Department of Agriculture, said that the new laboratory lease at Forbes Field in Topeka combines two leases into one and is being proposed as a ten-year lease with two two-

CONTINUATION SHEET

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year renewals. It is a full-service lease (insurance, utilities, maintenance, and taxes included) costing \$15.61 per square foot, with two-year incremental increases to a ceiling of \$17.94 per square foot. He stated that the new lease includes a garage for the mobile lab and increased space for lab testing procedures. A motion was made by Representative Brunk, seconded by Senator Kelly, to recommend approval of the lease. The motion passed.

Mr. Gaito noted that three agencies in Liberal—the Kansas Department of Revenue (KDOR), Kansas Department of Social and Rehabilitation Services (SRS), and the State Board of Indigent’s Defense Services—are co-locating under tripartite leases, utilizing the entire building under the current landlord. Noting the advantage of co-location, he said a 15-year lease seemed acceptable. He explained that KDOR needed extra space for driver’s license exams, that energy-efficient lights were being installed by the landlord, and that a new heating, ventilation, and air conditioning system (HVAC) would be installed later. Answering a question, he said that originally SRS had sub-leased to the other agencies, but under the present arrangement, with the exception of a single contract for utilities and janitorial services, each agency will have a separate lease. The Committee recommended adoption of the lease. (Motion by Senator Kelly, seconded by Representative Feuerborn)

Mr. Gaito, in explaining the SRS lease in Fort Scott, said the agency is combining two offices in one new location. He said the agency received six proposals and five bids with a range from \$12.54 to \$22.00 per square foot; the agency chose a 15-year lease for \$12.75 per square foot, incrementally increasing to \$14.98 per square foot. He explained that the extended negotiations enabled the agency to obtain a first-floor office (rather than the original second-floor office) with a fixed-cost rate that included taxes, insurance, maintenance, and utilities. He noted that the increase in FTEs will enable some of the 40 travel staff to have office space, and he commented that the landlord will install a new HVAC system and a new roof.

Answering questions, Bobby Kosmala, Senior Operations Manager, SRS, replied that the Kansas Department of Aging and the Drug and Alcohol Counseling sometimes use the offices and compensate SRS with in-kind services or monetary payments. Mr. Gaito said that a one-time cost for moving the agency from the second to the first floor is shown in the lease as a \$0.27 per-square-foot surcharge. Mr. Kosmala said presently the agency has 34 vacancies and may fill one of them with a second receptionist. Mr. Gaito further explained the \$0.27 figure, saying that the moving cost may come from federal funds, but that the agency wanted to show the moving cost as a separate item. A motion was made by Representative Feuerborn, seconded by Senator Umbarger, to recommend adoption of the lease. The motion passed.

The meeting was adjourned at 1:12 p.m. The next meeting is scheduled for April 29, 2009, the time and place to be announced later.