

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

January 15, 2008
Room 123-S—Statehouse

Members Present

Representative Joe Humerickhouse, Chairperson
Senator Pat Apple
Senator Greta Goodwin
Senator Stephen Morris
Senator Dwayne Umbarger
Representative Steven Brunk
Representative Bill Feuerborn
Representative Bob Grant
Representative Jo Ann Pottorff

Member Absent

Senator Laura Kelly - excused

Staff Present

Audrey Dunkel, Kansas Legislative Research Department
Kimbra Caywood McCarthy, Kansas Legislative Research Department
Mike Corrigan, Office of the Revisor of Statutes
Helen Abramson, Committee Assistant

Conferees

Richard Gaito, Department of Administration
Chris Rieger, Department of Corrections

Others Attending

See attached list.

The meeting was called to order by Chairperson Joe Humerickhouse at 12:10 p.m. on January 15, 2008 in Room 123-S of the Capitol Building.

The Chairperson recognized Richard Gaito who presented a 10-year lease for the Kansas Department of Corrections - Salina, KS ([Attachment 1](#)).

Richard Gaito, Deputy Director, Division of Facilities Management, Department of Administration (DOA) in Salina, stated that the Department of Corrections (DOC) has been in its current location since 1997. The current location is a three-story house in which the DOC initially occupied the first two floors. Due to an increase in demand for additional space, the DOC investigated expanding to the third floor of the house. However, code compliance issues would not permit the expansion. The DOC published an advertisement in the *Salina Journal* for a three-day period in July for leasing of a facility. The agency received four proposals. The proposal being presented today was determined to be the best proposal. The other proposals were either rejected due to locations of excess size, or the build-out cost was too high for the location of the proposed facility. The proposed lease is a full-service lease; utilities, taxes, maintenance, and other costs are included in the base rate amount of \$12.61 for the first year. However, the lease does include expense stops for utilities, refuse, and taxes in the event these item costs exceed the contracted amount.

The base rate amount increases from \$12.61 the first year to \$15.26 in the tenth year. This increase averages less than 2 percent annually for the 10-year lease. The lease does contain a special provision for renovation of the proposed space. The total cost of renovation is not to exceed \$60,000, of which the landlord is to pay the first \$25,000, and the remaining \$35,000 will be prorated over the life of the lease and is included in the \$12.61 cost. This same space previously was leased by the Department of Labor until 2004. The total cost of occupancy during the last year of its lease was \$13.08 per square foot.

The proposed lease is for 4,100 square feet that includes 12 full-time employees (FTE). This averages 342 square feet per FTE. This amount exceeds the space standards amount of 250 square feet per FTE. The DOC indicated that the additional space is required for dealing with offenders in group settings, workforce development classes, and education and other offender exchange programs requiring a group setting. The additional space also is required for special restrooms that will be used for urine analysis checks.

The lease rate is favorable to the State of Kansas and the DOC appears to have adhered to all the established leasing procedures. The Department of Administration is supportive of the lease.

Committee discussion followed concerning:

- The basis for the average yearly lease increase of 2 percent;
- Types of occupancy of comparable leases;
- Procuring a stand alone building;
- Housing more than one type of occupant;
- Number of vacant spaces;
- Whether the recent space is not configured well for office space; and
- The increase of 300 square feet in new lease.

Chris Rieger, Parole Manager, DOC, explained that other sites investigated were not satisfactory, as some were warehouse-type facilities located near the railroad track, and another was located at an airport. Each site needed renovation, and the cost of any of the renovation was very high. Mr. Rieger also noted that the proposed lease came in much higher, but the landlord came

down significantly in price. The cost of the proposed lease will be funded by the State General Fund.

Representative Feuerborn acknowledged that he has some concerns about going from a lease cost of \$3.48 to \$12.61, but recognized that an old building is not suitable for the DOC's programs. *Representative Feuerborn moved that the Committee review favorably the 10-year lease for the Department of Corrections - Salina. Representative Grant seconded. Motion carried.*

Chairperson Humerickhouse stated that motions were in order for the nomination of Chairperson of the Joint Committee on State Building Construction for 2008. *Representative Grant moved that Senator Umbarger be nominated as the Chairperson of the Joint Committee for the coming year. Representative Pottorff seconded. There being no other nominees, the nominations ceased. Motion carried.*

Chairperson Umbarger stated that motions were in order for the nomination of the Vice-Chairperson of the Joint Committee on State Building Construction for 2008. *Representative Brunk moved that Representative Humerickhouse be nominated as the Vice-Chairperson of the Joint Committee on State Building Construction for 2008. Representative Feuerborn seconded. There being no other nominees, the nominations ceased. Motion carried.*

Chairperson Umbarger adjourned the meeting at 12:30 p.m.

Prepared by Helen Abramson
Edited by Kimbra Caywood McCarthy

Approved by Committee on:

July 10, 2008

(Date)

