

JCSBC TESTIMONY
Kansas Department of Credit Unions
Topeka, Kansas
July 9, 2015

My presentation is for the proposed lease for the Kansas Department of Credit Unions (KDCU) in Topeka, Kansas. The agency has been at their current location since 2010.

The Department of Administration and Credit Unions were not able to negotiate with the current landlord to remain in their space due to the proposed rates of \$13.00-\$14.50 per square feet. In addition, the building was recently measured according to BOMA (Building Owners and Managers) International standards, thus the square footage in the lease would have increased from 2,350 to 3,289; an expense the agency just could not afford.

The new lease is for 2,688 square feet for a term of ten years. The initial base rate of \$11.79 per square foot is set for the first five years and for years 6-10 is set at \$11.99 per square foot. One five-year renewal option is available, at the discretion of the agency. The proposed lease rate is well within the market range of properties within the Capital Complex area.

The lease being presented is a full service lease and includes new carpet, paint, and office renovations to suit the functionality and needs of Credit Unions. The landlord is also providing the first month of rent free to offset agency relocation costs.

An Energy Audit has been performed and the facility received an above average rating.

The Department of Administration is supportive of this lease.

I am available to answer your questions.

Thank You.

Lease Comparison Sheet

Kansas Department of Credit Unions

July 9, 2015

A		B	C	D	E
GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	Other State Leases	
		Credit Unions	Credit Unions	Veteran's Affairs	KS Board of Pharmacy
1	State Agency	Credit Unions	Credit Unions	Veteran's Affairs	KS Board of Pharmacy
2	Address	109 SW 9th St	700 SW Jackson	700 SW Jackson	800 SW Jackson
3	City Location (market)	Topeka	Topeka	Topeka	Topeka
4	Building Name or Location (Landlord)	Mills Bldg	Jayhawk Tower	Jayhawk Tower	800 SW Jackson
5	Lease Space (sq. ft.)	Office Sq. Ft.	2,350	2,428	2,000
6		Storage Sq. Ft.	0	0	0
7		Total Sq. Ft.	2,350	2,428	2,000
8	Energy Audit	Better than Average	Better than Average	Better than Average	Better than Average
9	Full Time Equivalency (FTE) employees/workstations	9	7	11	8
10	Lease Begin Date	7/1/2010	10/1/2015	3/1/2012	7/1/2010
11	Lease End Date	6/30/2015	9/30/2025	2/28/2017	7/31/2016
12	Years of Lease	5	10	5	6
13	Space Standards Check (sq. ft. per FTE/workstation)	261	384	221	250
LEASE COSTS - provided by 1st Party Landlord within the lease					
14	Base Lease Cost (annual per sq. ft.)	\$9.50	\$11.89	\$12.27	\$13.75
15	Storage				
16	Real Estate Taxes	inc. in base	in base w/stop	in base w/stop	inc. in base
17	Insurance	inc. in base	in base w/stop	in base w/stop	inc. in base
18	Major Maintenance	inc. in base	in base w/stop	in base w/stop	inc. in base
19	Utilities - total				
20		Electricity	inc. in base	in base w/stop	inc. in base
21		Gas	inc. in base	in base w/stop	inc. in base
22		Water/Sewer/etc.	inc. in base	in base w/stop	inc. in base
23	Trash Pickup/Removal	inc. in base	in base w/stop	in base w/stop	inc. in base
24	Custodial/Janitorial	inc. in base	in base w/stop	in base w/stop	inc. in base
25	Pest Control	inc. in base	in base w/stop	in base w/stop	inc. in base
26	Grounds Maintenance (inc. snow removal)	inc. in base	in base w/stop	in base w/stop	inc. in base
27	Common Area	inc. in base	in base w/stop	in base w/stop	inc. in base
28	Other Services - Bldg Operating Expense Stops	n/a	\$0.00	\$0.19	n/a
29	Parking	inc. in base	in base w/stop	in base w/stop	inc. in base
30	No. of Parking Spaces included	7	7	1	8
31	SUBTOTAL - Lease Costs w/o Additional Services	\$9.50	\$11.89	\$12.46	\$13.75
32	Additional Services				
33	SUBTOTAL - Additional Services	\$0.00	\$0.00	\$0.00	\$0.00
OTHER BUILDING OCCUPANCY COSTS - funded by State Agency separate from the lease					
34	Building Operating Cost (not included in base rent)				
35	Utilities - total (estimated)				
36		Electricity			
37		Gas			
38		Water/Sewer/etc.			
39	Trash Pickup/Removal				
40	Custodial/Janitorial				
41	Pest Control				
42	Grounds Maintenance (inc. snow removal)				
43	Parking				
44	No. of Parking Spaces included				
45	Other Services				
46	Total Other Bldg Optg Costs (not included in lease)	\$0.00	\$0.00	\$0.00	\$0.00
IMPROVEMENTS					
47	Improvements	\$0.92			
48	Subtotal - Improvements	\$0.92	\$0.00	\$0.00	\$0.00
49	Annual Cost per Sq. Ft. (estimated)	\$10.42	\$11.89	\$12.46	\$13.75
50	Annual Cost (estimated)	\$24,487	\$31,960	\$30,253	\$27,500
51	Total Cost of Lease (estimated)	\$122,435	\$319,603	\$151,264	\$165,000