

Lease Comparison Sheet

KDHE

August 20, 2015

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GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	LEASE COMPARABLE
1	State Agency	KDHE	KDHE	Office of the State Bank Commissioner
2	Address	1500 W. 7th St.	14th & Steuben	702 W. State St.
3	City Location (market)	Chanute	Chanute	Erie-Neosho County
4	Office Function	Office Space	Office Space	Office Space
5	Lease Space (sq. ft.)	Office Sq. Ft. 4,144	5,547	793
6		Storage Sq. Ft. 0	0	0
7		Common Space Sq. Ft. 0	0	0
8		Total Sq. Ft. 4,144	5,547	793
9		Parking Stalls 15	42	6
10	Energy Audit	Better than Average	Better than Average	Better than Average
11	Full Time Equivalency (FTE) employees/workstations	15	15	5
12	Lease Begin Date	7/1/2013	1/1/2016	12/1/2008
13	Lease End Date	6/30/2018	12/31/2026	11/30/2018
14	Years of Lease	5	10	10
15	Space Standards Check (sq. ft. per FTE/workstation)	276	370	159
LEASE COSTS				
16	Base Lease Office Cost (annual per sq. ft.)	\$8.50	\$12.18	\$12.50
17	Storage (per square foot)	\$0.00	\$0.00	\$0.00
18	Common Area	\$0.00	\$0.00	\$0.00
19	Additional Services	\$0.00	\$0.00	\$0.00
AGENCY FUNDED OCCUPANCY COSTS				
20	Real Estate Taxes	N/A	inc. in lease	inc. in lease
21	Insurance	inc. in lease	inc. in lease	inc. in lease
22	Major Maintenance	inc. in lease	inc. in lease	inc. in lease
23	Utilities			
	Electricity	inc. in lease	inc. in lease	\$0.44
24	Gas	inc. in lease	inc. in lease	inc. in lease
25	Water/Sewer/etc.	inc. in lease	inc. in lease	inc. in lease
26	Trash Pickup/Removal	inc. in lease	inc. in lease	inc. in lease
27	Custodial/Janitorial	inc. in lease	inc. in lease	inc. in lease
28	Pest Control	inc. in lease	inc. in lease	inc. in lease
29	Grounds Maintenance (inc. snow removal)	inc. in lease	inc. in lease	inc. in lease
30	Parking	inc. in lease	inc. in lease	inc. in lease
31	Other Miscellaneous Expenses	\$0.00	\$0.00	\$0.00
32	Total Other Bldg Optg Costs (not included in lease)	\$0.00	\$0.00	\$0.44
IMPROVEMENTS				
33	Improvements	\$0.00	\$0.00	\$0.00
34	Subtotal - Improvements	\$0.00	\$0.00	\$0.00
35	Annual Cost per Sq. Ft. (estimated)	\$8.50	\$12.18	\$12.94
36	Annual Cost (estimated)	\$35,224	\$67,562.46	
37	Total Cost of Lease (estimated)	\$176,120	\$675,625	

JCSBC TESTIMONY
Department of Health & Environment
Chanute, Kansas
August 20, 2015

My next presentation is the proposed lease for the Department of Health & Environment in Chanute, Kansas. The agency has been at their current location since 1986.

Per Senate Bill 112, the Department of Children and Families were granted permission during FY16 to sell the building and land which currently houses KDHE to Neosho Memorial Regional Medical Center.

A space search was conducted by DofA and KDHE and the following terms were negotiated from the landlord's proposal. The new lease is for 5,547 square feet for a term of ten years. The initial base rate of \$12.00 per square foot is set for the first five years and for years 6-10 is set at \$12.36 per square foot. Two five-year renewal options are available, at the discretion of the agency.

The lease being presented is a full service lease and includes extensive facility upgrades to suit the needs of KDHE, including carpet, paint, kitchen area upgrades, extending the current parking lot, exterior lighting, and the build-out of a new secure server (IT) room. If the renewal term is exercised by KDHE in the beginning of year eleven the landlord will also replace the carpet and paint.

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.