

JCSBC TESTIMONY
Department for Children and Families
Chanute, Kansas
October 20, 2015

My presentation is for the proposed lease for the Department for Children and Families in Chanute, Kansas. The agency has been at their current location in the old Tuberculosis Hospital since approximately 1976.

Once again, per Senate Bill 112, the Department of Children and Families was granted permission during FY16 to sell the building and land to Neosho Memorial Regional Medical Center.

An RFP was released by DCF and the following terms were negotiated from the landlord's proposal. The new lease is for 16,915 square feet for a term of 15 years. The initial base rate of \$13.35 per square foot is set for the first ten years and for years 10-15 is set at \$14.02 per square foot. Two five-year renewal options are available, at the discretion of the agency.

The lease being presented is new construction and will be built to suit the unique needs of DCF. The building will include safety features to protect employees and clients such as secure interview rooms, panic buttons, and a video surveillance system.

An Energy Audit will be performed after twelve (12) months of energy usage has been established.

The Department of Administration is supportive of this lease.

I am available to answer your questions as is a representative from the Department for Children and Families.

Thank You.

Attachment 6
JCSBC 10-20-15

Lease Comparison Sheet

DCF

October 20, 2015

A		B	C	D
GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	LEASE COMPARABLE
1	State Agency	DCF	DCF	KDHE
2	Address	1500 W. 7th St.	Vacant Lot-21st St.	14th & Steuben
3	City Location (market)	Chanute	Chanute	Chanute
4	Office Function	Office Space	Office Space	Office Space
5	Lease Space (sq. ft.)	23,562	16,915	5,547
6	Office Sq. Ft.	23,562	16,915	5,547
7	Storage Sq. Ft.	3,500	0	0
8	Common Space Sq. Ft.	0	0	0
9	Total Sq. Ft.	27,062	16,915	5,547
10	Parking Stalls	100	88	42
11	Energy Audit	N/A	N/A	Better than Average
12	Full Time Equivalency (FTE) employees/workstations	45	45	15
13	Lease Begin Date	1/1/1976	9/1/2016	1/1/2016
14	Lease End Date	N/A	8/31/2031	12/31/2025
15	Years of Lease	40	15	10
16	Space Standards Check (sq. ft. per FTE/workstation)	601	376	370
LEASE COSTS				
17	Base Lease Office Cost (annual per sq. ft.)	\$0.00	\$13.57	\$12.18
18	Storage (per square foot)	\$0.00	\$0.00	\$0.00
19	Common Area	\$0.00	\$0.00	\$0.00
20	Additional Services	\$0.00	\$0.00	\$0.00
AGENCY FUNDED OCCUPANCY COSTS				
21	Real Estate Taxes	\$0.00	in base w/stop	inc. in lease
22	Insurance	\$0.01	in base w/stop	inc. in lease
23	Major Maintenance	\$0.26	inc. in lease	inc. in lease
24	Utilities			
25	Electricity	\$0.95	\$1.00	inc. in lease
26	Gas	\$0.25	\$0.15	inc. in lease
27	Water/Sewer/etc.	\$0.15	\$0.12	inc. in lease
28	Trash Pickup/Removal	\$0.10	\$0.25	inc. in lease
29	Custodial/Janitorial	\$0.62	\$1.00	inc. in lease
30	Pest Control	\$0.00	\$0.20	inc. in lease
31	Grounds Maintenance (inc. snow removal)	\$0.05	inc. in lease	inc. in lease
32	Parking	N/A	inc. in lease	inc. in lease
33	Other Miscellaneous Expenses	\$0.05	\$0.00	\$0.00
34	Total Other Bldg Optg Costs (not included in lease)	\$2.44	\$2.72	\$0.00
IMPROVEMENTS				
35	Improvements	\$0.00	\$0.00	\$0.00
36	Subtotal - Improvements	\$0.00	\$0.00	\$0.00
37	Annual Cost per Sq. Ft. (estimated)	\$2.44	\$16.29	\$12.18
38	Annual Cost (estimated)	\$66,110	\$275,585.38	\$67,562.46
39	Total Cost of Lease (estimated)	\$2,644,381	\$4,133,781	\$675,625