

Joint Committee on State Building Construction

July 19, 2016

Chanute RFP Leases

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Office of Facilities & Property Management**

At the request of the committee, a second Request For Proposal (RFP) was issued earlier this year to locate suitable leased space in Chanute, Kansas for the remaining tenants in the DCF Chanute Service Center (Old Tuberculosis Hospital). These tenants included the Department for Children and Families (DCF), the Kansas Corporation Commission (KCC), the Kansas Department of Aging & Disability Services (KDADS), and the Kansas Department of Wildlife, Parks, and Tourism (KDWPT).

As previously discussed, this was driven by Senate Bill 112, which granted permission to the Department for Children and Families (DCF) to sell the building and land which currently houses these agencies to the Neosho Memorial Regional Medical Center.

The RFP requested various square footages of office space for the agencies and 154 parking spaces for staff, visitors, and state vehicle parking. The proposals could be for new construction or remodeled/renovated space; they must also be ADA compliant and energy efficient based on the EPA Energy Star guidelines. Furthermore, it was requested that where possible, efficient space utilization and facility design be implemented for such items as shared reception areas, restrooms, break rooms, etc.; which will be accomplished with the approval of these leases.

The following terms were negotiated from the perspective landlord's proposal. The new DCF lease will be for 16,915 square feet at a rate of \$13.59 per square foot for a term of 15 years. This includes a five year renewal term at the same rate, which is at the discretion of the agency. In an adjacent building consisting of 11,151 square feet, KCC, KDADS, and KDWPT will have similar terms; \$13.59 per square foot for a term of 15 years, with five year renewal terms at the same rate at the discretion of the agencies.

The leases being presented are for new construction and will be built to suit the unique needs of agencies involved. The buildings will include safety features to protect employees and clients such as secure interview rooms, electronic access management systems, and storm shelters, as well as panic buttons and a video surveillance system for DCF.

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

The Department of Administration is supportive of these leases.

I am available to answer your questions as are representatives from the agencies.

Thank You

Lease Comparison Sheet

Chanute RFP

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C

D

GENERAL INFORMATION		PROPOSED LEASE	PROPOSED LEASE	LEASE COMPARABLE
1 State Agency		DCF	KCC/KDADS/KDWPT	KDHE
2 Address		Vacant Lot-21st & Santa Fe	Vacant Lot-21st & Santa Fe	14th & Steuben
3 City Location (market)		Chanute	Chanute	Chanute
4 Office Function		Office Space	Office Space	Office Space
5 Lease Space (sq. ft.)	Office Sq. Ft.	16,915	11,151	5,547
6	Storage Sq. Ft.	0	0	0
7	Common Space Sq. Ft.	0	0	0
8	Total Sq. Ft.	16,915	11,151	5,547
9	Parking Stalls	85	68	42
10 Energy Audit		N/A	N/A	Better than Average
11 Full Time Equivalency (FTE) employees/workstations		54	41	15
12 Lease Begin Date		7/1/2017	8/1/2017	1/1/2016
13 Lease End Date		6/30/2032	7/31/2032	12/31/2025
14 Years of Lease		15	15	10
15 Space Standards Check (sq. ft. per FTE/workstation)		313	272	370
LEASE COSTS				
16 Base Lease Office Cost (annual per sq. ft.)		\$13.59	\$13.59	\$12.18
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		in base w/stop	in base w/stop	inc. in lease
21 Insurance		in base w/stop	in base w/stop	inc. in lease
22 Major Maintenance		inc. in lease	inc. in lease	inc. in lease
Utilities (Combined)				
23	Electricity	\$0.68	\$0.68	inc. in lease
24	Gas	\$0.09	\$0.09	inc. in lease
25	Water/Sewer/etc.	\$0.03	\$0.03	inc. in lease
26 Trash Pickup/Removal		\$0.08	\$0.08	inc. in lease
27 Custodial/Janitorial		\$0.54	\$0.54	inc. in lease
28 Pest Control		\$0.05	\$0.05	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)		\$1.47	\$1.47	\$0.00
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)		\$15.06	\$15.06	\$12.18
36 Annual Cost (estimated)		\$254,739.90	\$167,934.06	\$67,562.46

37	Total Cost of Lease (estimated)	\$3,821,099	\$2,519,011	\$675,625
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