

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

April 28, 2010
Room 144-S—Statehouse

Members Present

Senator Dwayne Umbarger, Chairperson
Representative Jo Ann Pottorff, Vice-chairperson
Senator Pat Apple
Senator Marci Francisco
Senator Laura Kelly
Representative Steve Brunk
Representative Bill Feuerborn
Representative Bob Grant
Representative Mitch Holmes

Member Absent

Senator Jay Emler

Staff

Audrey Dunkel, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Matt Sterling, Office of the Revisor of Statutes
Gary Deeter, Committee Secretary

Conferee

Richard Gaito, Deputy Secretary, Division of Facilities Management, Kansas Department of Administration

Others Attending

See attached sheet.

The Chairperson called the meeting to order at 12:16 p.m. and thanked John Federico (Federico Consulting) and Cindy Luxem (Kansas Health Care Association) for providing lunch.

Representative Bob Grant made a motion to approve the Committee minutes for December 16, 2009; January 20; February 3, 4, 10, 11, 15, 17, 24, 25; and March 2 and 17, 2010. The motion was seconded by Representative Feuerborn and passed unanimously.

The Chairperson welcomed Richard Gaito, Deputy Secretary, Division of Facilities Management, Kansas Department of Administration, who presented three proposed leases to the Committee (Attachment 1).

Mr. Gaito reviewed a lease approved by the Committee at the March 17 meeting, explaining that the landlord, in remodeling the office space according to the contract, discovered that extensive plumbing would be required to install a sink; as an alternative he offered the State Board of Indigents' Defense Services a larger space (1,350 additional square feet) in the same building for no additional cost. Answering a question, Mr. Gaito said reducing the per-square-foot (psf) cost rather than donating the additional space would cause the psf cost to be out of sync with comparable leases in the Wichita area. A member commented that lowering the psf cost would set a useful precedent for negotiating future leases. Mr. Gaito, responding to another question, replied that the agency requested a four-year lease rather than a longer one. Another member encouraged Mr. Gaito to find other agencies that might be able to utilize the additional space. *The motion was made by Representative Pottorff, seconded by Senator Kelly, and passed unanimously to approve the lease.*

Mr. Gaito presented a two-year lease with the current landlord for the Kansas Department of Social and Rehabilitation Services (SRS) in McPherson. He said that the \$8.16 psf lease includes taxes, insurance, and major maintenance with expense stop-loss, but excludes utilities or other maintenance. Noting the absence of an energy rating, he explained that the Energy Star Portfolio Manager cannot perform an audit on a free-standing building of less than 5,000 square feet of space. A member questioned a two-year lease with three one-year renewable options. Bobby Kosmala, Senior Manager of Accounting and Administrative Operations, SRS, replied that short-term leases give the agency more flexibility in relation to costs. *The motion was made by Senator Kelly, seconded by Representative Brunk, and passed unanimously to approve the lease.*

Presenting a proposed lease for the Kansas Bureau of Investigation's (KBI) laboratory facility in Pittsburg, Mr. Gaito commented that only the current landlord responded to the request for proposal (RFP), offering a five-year lease with two one-year renewal options at a fixed rate of \$8.75 psf for the office space (60 percent), \$3.75 psf for storage space, and \$4.25 psf for garage space (40 percent). He noted that the current lease is below market rate and that a market review will be performed in year five of the lease. He explained that the Energy Star Portfolio Manager does not provide ratings for laboratory space. Answering a question, David Hutchings, Special Agent in Charge of the Special Operations Division, KBI, replied that the laboratory response vehicle requires the garage to assure security for the vehicle. *The motion was made by Representative Grant and seconded by Senator Kelly to approve the lease. The motion carried.*

The meeting was adjourned at 12:37 p.m. The next meeting was scheduled for May 28, 2010, (*sine die*) in Room 144-S of the Capitol building.

Prepared by Gary Deeter
Edited by Audrey Dunkel

Approved by the Committee on:

July 14, 2010
(Date)