

JCSBC TESTIMONY
Department of Health & Environment
Lawrence, Kansas
May 14, 2015

Good Afternoon, I'm here to present the proposed lease for the Department of Health & Environment in Lawrence, Kansas. The agency has been at this location since 1989.

KDHE was presented with a proposal from the current landlord to remain in their space and the following terms were negotiated. The new lease is for 4,977 square feet with a base rate of \$14.75 per square foot for a term of ten years. One ten-year renewal option is available, at the discretion of the agency. The proposed lease rate is within the market range of properties within the Lawrence area.

The lease being presented is a full service lease and includes various facility upgrades, including carpet, tile, paint, kitchen area upgrades, exterior lighting, and new window blinds.

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 as is a representative from the Department of Health & Environment.

Thank You.

JCSBC
Attachment 1
5-14-15

Lease Comparison Sheet

KDHE

May 14, 2015

A		B	C	D	E
GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	LEASE COMPARABLES	
1	State Agency	KDHE	KDHE	Kansas Department of Commerce	Kansas Department of Corrections
2	Address	800 W. 24th St.	800 W. 24th St.	2540 Iowa St.	1800 E. 23rd St.
3	City Location (market)	Lawrence	Lawrence	Lawrence	Lawrence
4	Office Function	Office Space	Office Space	Office Space	Office Space
5	Lease Space (sq. ft.)	4,977	4,977	3,072	2,670
6	Office Sq. Ft.	4,977	4,977	3,072	2,670
7	Storage Sq. Ft.	0	0	0	0
8	Common Space Sq. Ft.	0	0	0	0
9	Total Sq. Ft.	4,977	4,977	3,072	2,670
10	Parking Stalls	30	30	n/a	60
11	Energy Audit	No Record	Better than Average	Better than Average	Better than Average
12	Full Time Equivalency (FTE) employees/workstations	30	20	7	4
13	Lease Begin Date	7/1/2010	7/1/2015	7/1/2014	1/11/2011
14	Lease End Date	6/30/2015	6/30/2025	5/15/2015	12/31/2015
15	Years of Lease	5	10	10 months	5
16	Space Standards Check (sq. ft. per FTE/workstation)	166	249	439	668
LEASE COSTS					
17	Base Lease Office Cost (annual per sq. ft.)	\$12.50	\$14.75	\$18.00	\$12.00
18	Storage (per square foot)	\$0.00	\$0.00	\$0.00	\$0.00
19	Common Area	\$0.00	\$0.00	\$0.00	\$0.00
20	Additional Services	\$0.00	\$0.00	\$0.00	\$0.00
AGENCY FUNDED OCCUPANCY COSTS					
21	Real Estate Taxes	inc. in lease	inc. in lease	inc. in lease	inc. in lease
22	Insurance	inc. in lease	inc. in lease	inc. in lease	inc. in lease
23	Major Maintenance	inc. in lease	inc. in lease	inc. in lease	inc. in lease
24	Utilities			\$1.86	
25	Electricity	inc. in lease	inc. in lease		\$0.97
26	Gas	inc. in lease	inc. in lease		\$0.33
27	Water/Sewer/etc.	inc. in lease	inc. in lease		inc. in lease
28	Trash Pickup/Removal	inc. in lease	inc. in lease	inc. in lease	inc. in lease
29	Custodial/Janitorial	inc. in lease	inc. in lease	\$1.08	\$1.58
30	Pest Control	inc. in lease	inc. in lease	inc. in lease	inc. in lease
31	Grounds Maintenance (inc. snow removal)	inc. in lease	inc. in lease	inc. in lease	inc. in lease
32	Parking	inc. in lease	inc. in lease	inc. in lease	inc. in lease
33	Other Miscellaneous Expenses	\$0.00	\$0.00	\$5.21	\$1.07
34	Total Other Bldg Optg Costs (not included in lease)	\$0.00	\$0.00	\$0.00	\$3.95
IMPROVEMENTS					
35	Improvements	\$0.00	\$0.00	\$0.00	\$1.41
36	Subtotal - Improvements	\$0.00	\$0.00	\$0.00	\$1.41
37	Annual Cost per Sq. Ft. (estimated)	\$12.50	\$14.75	\$26.15	\$17.36
38	Annual Cost (estimated)	\$62,213	\$73,410.75		
39	Total Cost of Lease (estimated)	\$311,063	\$734,108		