

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

June 1, 2012
Room 142-S—Statehouse

Members Present

Senator Dwayne Umbarger, Chairperson
Senator Marci Francisco
Senator Laura Kelly
Senator Carolyn McGinn
Representative Steve Brunk
Representative Bill Feuerborn
Representative Bob Grant
Representative Kay Wolf

Members Absent

Representative JoAnn Pottorff, Vice-chairperson
Senator Jeff Longbine

Staff Present

Audrey Dunkel, Kansas Legislative Research Department
Daniel Yoza, Office of the Revisor of Statutes
Gary Deeter, Committee Secretary

Conferees

Sarah Shipman, Deputy Director, Leasing and Real Estate, Office of Facilities and Property Management, Kansas Department of Administration
Eric King, Director of Facilities, Kansas Board of Regents
Kim Torrey, Chief Fiscal Officer, Kansas Highway Patrol

Others Attending

See attached list.

The Chairperson called the meeting to order at 11:15 a.m. and welcomed Sarah Shipman, Deputy Director, Leasing and Real Estate, Office of Facilities and Property Management, Kansas Department of Administration (DofA), who presented two proposed

leases. Ms. Shipman stated the proposed lease for the State Board of Indigent Defense Services in Hutchinson is with the current landlord, a five-year lease at the rate of \$12.00 per square foot (psf), an increase of \$1 psf ([Attachment 1](#)). The new lease includes utilities, taxes, insurance, maintenance, and parking, and the lease has two two-year renewal options for an additional \$.50 psf. The DofA's Deputy Director noted the building has an Energy Star rating below the national average. *By motion of Representative Brunk and a second by Representative Grant, the lease was approved unanimously.*

Ms. Shipman presented another lease which proposed to consolidate five locations and six separate leases into two locations for the Kansas Highway Patrol (KHP) ([Attachment 2](#)). She explained the lease would begin in July 2013 for a fifteen-year period; the lead time is needed for some remodeling to meet KHP needs. The lease cost of \$10.72 psf included the remodeling, utilities, maintenance, taxes, insurance, and parking; the new lease would reduce KHP's costs by \$175,000 annually for the first five years.

Referencing a previous meeting regarding a DofA policy to move agencies from private to state-owned facilities, a member requested information regarding space currently available in state-owned buildings. Answering questions, Ms. Shipman replied 110 parking spaces are included in the lease, an escalator clause increases the lease rate \$1 after five years, and state-owned space in Topeka is rated at \$12.53 psf. *A motion was made, seconded, and passed unanimously to approve the lease. (Motion by Representative Feuerborn and seconded by Representative Grant)*

Eric King, Director of Facilities, Kansas Board of Regents, reviewed the allocation of funds for rehabilitation and repair projects for Regents' institutions ([Attachment 3](#)). Mr. King noted the current Legislature and Regents have approved \$35 million for higher education buildings; the next statutory step is to present the information to the JCSBC. He explained funds are allocated by a formula that includes square footage and the age and type of building.

Mr. King next presented the Regents' quarterly report (January-March 2012) on the State Educational Institutions Long-term Infrastructure Maintenance Program ([Attachment 4](#)). He noted the reports were begun in response to a legislative initiative to address deferred-maintenance issues in 2007, a five-year funding for higher-education institutions; the reports will conclude with the next quarterly report. Mr. King offered to continue the reports on an annual basis, commenting that most projects were nearing completion and state universities had spent \$73.2 million to \$58.5 million from the State General Fund, \$14 million from university interest earnings, and nearly \$0.8 million from tax credit donations. Mr. King observed that in FY 2010, the Legislature supplanted \$15 million of the SGF with \$13.7 million from the Educational Building Fund (EBF), did not authorize \$10 million from the SGF in FY 2011 or FY 2012, and did not authorize bonds for years 3, 4, and 5.

A member raised the question of carryover funding for Wichita State University projects in case the projects were not completed by June 30, 2012. Staff replied, since the funding was coming from the EBF, the general practice would indicate funds would be carried over to the next fiscal year in order to complete the projects.

Continuing his comments, Mr. King reported the EBF bonds had been satisfied, enabling the Regents to allocate more funding for deferred maintenance. He suggested the Expanded Lottery Act Revenue Fund might also be available for future funding. Mr. King expressed gratitude to the Legislature for what had been accomplished, noting much more deferred maintenance awaits funding.

Kim Torrey, Chief Fiscal Officer, KHP, appeared before the Committee to report the Citizens State Bank in Ellsworth, having constructed a new facility, is offering to donate the former bank building to the KHP (Attachment 5). She explained that, currently, the six KHP officers share about 168 square feet of office space in the basement of the county jail, limiting space for storage or interviews. The proffered building has 608 square feet and is turn-key ready; the additional space will better accommodate storage lockers and office work. The Office of Facilities and Property Management, after a thorough inspection of the facility, recommends the KHP accept the building.

Ms. Torrey responded to members' questions:

- The building was offered to the county, but the offer was declined;
- The KHP does not pay for the space currently used by KHP officers;
- The proffered building utilities were \$2,700 last year; going forward, they are estimated to be \$3,372 per year;
- The Office of Facilities and Property Management reports the building is in good shape;
- If the KHP takes possession of the building, it can be sold later with one stipulation: it cannot be sold to any other financial institution; and
- A title search is currently being conducted to give assurance of clear title.

The Chairperson announced that further meetings were scheduled for August 15, on the second day of the Kansas State Fair, and during the week of December 3. The meeting was adjourned at 11:53 a.m.

Prepared by Gary Deeter
Edited by Audrey Dunkel

Approved by the Committee on:

November 13, 2012

(Date)