

Office of Facilities and Property Management
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Dennis R. Taylor, Secretary
Mark J. McGivern, Director

Sam Brownback, Governor

JCSBC Testimony
Kansas State Gaming Agency
Topeka
February 16, 2012

Good morning, my name is Sarah Shipman. I am representing the Department of Administration, Office of Facilities & Property Management to present the proposed lease for the Kansas State Gaming Agency in downtown Topeka. The agency has been at its current location in the Ramada Hotel since 2007. The current lease expires on November 30, 2012.

The Agency was presented with and accepted an option from the current landlord to remain in their present location for an additional term. The proposed lease begins December 1, 2012, for a term of six years. The lease contains four, one year renewal options.

New carpet and paint have been negotiated to be installed during year three (this has not been replaced since lease inception in 2007). The rate is competitive, at \$12.48 per square foot, within the Topeka market. Given the special space needs for employee training on some large and sensitive equipment, the present location meets the office functions and business program for the Agency.

The Energy Star audit rating is slightly above the national average. This is due in part to the various uses of the building (hotel, restaurant, office, gaming training facility). The audit assumed that the building housed only a hotel as there was not a category that matched the particular use of this facility. Additionally, the landlord is upgrading the air conditioning unit which should help to bring the energy consumption down.

Department of Administration is supportive of this lease.

I am available to answer your questions as is a representative from the Kansas State Gaming Agency.

Thank You.

Attachment 2
JCSBC 2-16-12

Lease Comparison Sheet
 Kansas State Gaming Agency

February, 2012

A B C D E

GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	Other State Leases	
		Kansas State Gaming Agency	Kansas State Gaming Agency	Kansas Highway Patrol	Legislative Division of Post Audit
1	State Agency	Kansas State Gaming Agency	Kansas State Gaming Agency	Kansas Highway Patrol	Legislative Division of Post Audit
2	Address	420 SE 6th St.	420 SE 6th St.	611 S Kansas Ave.	800 SW Jackson
3	City Location (market)	Topeka	Topeka	Topeka	Topeka
4	Lease Space (sq. ft.)	Office Sq. Ft. 6,921	6,921	5,900	6,127
5		Storage Sq. Ft. 0	0	0	0
6		Total Sq. Ft. 6,921	6,921	5,900	6,127
7		Parking Stalls 34	34	5	22
8	Full Time Equivalency (FTE) employees/workstations	24	24	13	22
9	Lease Begin Date	12/1/2007	12/1/2012	6/1/2001	7/1/2011
10	Lease End Date	11/30/2012	2/28/2017	6/30/2013	6/30/2016
11	Years of Lease	7	6	12	5
12	Space Standards Check (sq. ft. per FTE/workstation)	288	288	454	279
LEASE COSTS					
13	Base Lease Office Cost (annual per sq. ft.)	\$11.89	\$12.48	\$13.00	\$10.96
14	Storage (per square foot)	\$0.00	\$0.00	\$0.00	\$0.00
15	Parking	\$0.00	\$0.00	\$0.00	\$0.00
16	Additional Services				
AGENCY FUNDED OCCUPANCY COSTS					
17	Real Estate Taxes	inc. in base	inc. in base	inc. in base	inc. in base
18	Insurance	inc. in base	inc. in base	inc. in base	inc. in base
19	Major Maintenance	n/a	n/a	n/a	n/a
Utilities					
20	Electricity	inc. in base	inc. in base	inc. in base	inc. in base
21	Gas	inc. in base	inc. in base	inc. in base	inc. in base
22	Water/Sewer/etc.	inc. in base	inc. in base	inc. in base	inc. in base
23	Trash Pickup/Removal	inc. in base	inc. in base	inc. in base	inc. in base
24	Custodial/Janitorial	inc. in base	inc. in base	inc. in base	inc. in base
25	Pest Control	inc. in base	inc. in base	inc. in base	inc. in base
26	Grounds Maintenance (inc. snow removal)	inc. in base	inc. in base	inc. in base	inc. in base
27	Parking	inc. in base	inc. in base	inc. in base	inc. in base
28	Total Other Bldg Optg Costs (not included in lease)	\$0.00	\$0.00	\$0.00	\$0.00
IMPROVEMENTS					
29	Improvements				
30	Subtotal - Improvements	\$0.00	\$0.00	\$0.00	\$0.00
31	Annual Cost per Sq. Ft. (estimated)	\$11.89	\$12.48	\$13.00	\$10.96
32	Annual Cost (estimated)	\$82,291	\$86,374		
33	Total Cost of Lease (estimated)	\$576,035	\$518,244		

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