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Dennis R. Taylor, Secretary
Mark J. McGivern, Director

Sam Brownback, Governor

JCSBC Testimony
Wichita State University
Wichita
March 13, 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 National Institute for Aviation Research (NIAR) at Wichita State University. The institute has been at its current location in the Hawker Beechcraft Corporation facility, formerly known as Raytheon Aircraft Company since 2004. The current lease expires on October 14, 2014 and contains an early termination clause exercisable upon 730 days' notice.

The Agency was presented with and accepted an option from Kansas Coliseum, LLC, to lease the coliseum to WSU for the NIAR program. The proposed lease is for a ten year period, with actual dates to be established as soon as reasonably possible upon approval from the required authorities and a construction and occupancy schedule. The lease contains three, five year renewal options.

This facility will allow the NIAR program to expand operations to meet the ever growing need for testing facilities in the aviation industry. The leased space will increase from 59,765 square feet to approximately 126,000 square feet and the rent rate will decrease from 5.97 per square foot to \$3.83 per square foot during the first 5 years. The proposed space includes increased ceiling levels and floor and lab space which will allow the NIAR to test larger equipment and run an increased number of concurrent tests, increasing the income opportunities as well as increased opportunities for student exposure to the industry.

The Department of Administration is supportive of this lease.

I am available to answer your questions as is a representative from the Wichita State University.

Thank You.

Attachment 1
JCSBC 3-13-12

Lease Comparison Sheet Wichita State University

March 13, 2012

A	B	C
GENERAL INFORMATION	CURRENT LEASE	PROPOSED LEASE
1 State Agency	Wichita State University	Wichita State University
2 Address	9706 E Central	E 77th St.
3 City Location (market)	Wichita	Wichita
4 Lease Space (sq. ft.)	59,765	126,000
5 Number Units		
6 Storage Sq. Ft.		
6 Parking Stalls	open lot	open lot
7 Full Time Equivalency (FTE) employees/workstations	40	40
8 Lease Begin Date	10/15/2004	to be determined
9 Lease End Date	10/14/14	to be determined
10 Years of Lease	10	10
11 Space Standards Check (sq. ft. per FTE/workstation)	lab space	lab space
12 Energy Audit	n/a	prof. audit / no rating
LEASE COSTS		
13 Base Lease Cost (annual per bedroom) <i>psf</i>	\$5.97	\$3.83
14 Storage (per square foot)	\$0.00	\$0.00
15 Parking	\$0.00	\$0.00
16 Additional Services		
AGENCY FUNDED OCCUPANCY COSTS		
17 Real Estate Taxes	not included	\$0.24
18 Insurance	not included	\$0.08
19 Major Maintenance	not included	n/a
Utilities	not included	\$0.20
20 Electricity	not included	not included
21 Gas	not included	not included
22 Water/Sewer/etc.	not included	not included
23 Trash Pickup/Removal	not included	not included
24 Custodial/Janitorial	not included	not included
25 Pest Control	not included	not included
26 Grounds Maintenance (inc. snow removal)	not included	not included
27 Parking	n/a	not included
28 Total Other Bldg Optg Costs (not included in lease)	\$5.82	0.52 *
		*Taxes may increase due to ownership change
IMPROVEMENTS		
29 Improvements - one time lump sum payment prior to occupancy	\$0.00	\$2,000,000.00
30 Subtotal - Improvements		\$2,000,000.00
31 Annual Cost (estimated)	\$11.79	\$4.35
32 Annual Cost (estimated)	\$704,629	\$548,100
33 Total Cost of Lease (estimated)	\$7,046,290	\$5,481,000