

## MINUTES

### JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

July 21-22, 2005  
Room 519-S—Statehouse

#### Members Present

Representative Joe Humerickhouse, Chairman  
Senator Dwayne Umbarger, Vice Chairman  
Senator Pat Apple  
Senator Jim Barone  
Representative Steve Brunk (July 21 only)  
Representative Bill Feuerborn  
Representative Bob Grant

#### Members absent

Senator Greta Goodwin  
Senator Steve Morris  
Representative Melvin Neufeld

#### Staff present

Michele Alishahi, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Becky Krahl, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Mike Corrigan, Revisor of Statutes Office  
Helen Abramson, Committee Secretary

#### Conferees

Eric King, Board of Regents  
Jim Modig, University of Kansas  
Ray Hauke, Emporia State University  
Joe Fritton, Department of Administration  
J. Michael Hayden, Department of Wildlife and Parks  
Sabrina Wells, Kansas Insurance Department  
Michael E. Gaito, Kansas Department of Corrections  
Charles Simmons, Kansas Department of Corrections

Sam Cline, Kansas Department of Corrections  
Tom Vohs, Kansas Correctional Industries  
Kola Oknyemi, University of Kansas Medical Center  
Kim Engelman, University of Kansas Medical Center  
Janine Joslin, Kansas Preservation Alliance  
Don Schnacke, Topeka  
Ben Vidrickson, Salina  
Christy Davis, Kansas State Historical Society  
Terry Marmet, Kansas State Historical Society

## **Others Attending**

See attached list.

## **July 21, 2005 Morning Session**

The meeting was called to order by Chairman Joe Humerickhouse at 10:00 a.m. on July 21, 2005, in Room 519-S of the Statehouse.

Staff distributed to Committee members a copy of the report of change orders (of less than \$75,000) which occurred during the months of May and June, 2005, and the current status of major projects under construction.

Chairman Humerickhouse recognized Eric King, Director of Facilities, Board of Regents, who presented a summary of FY 2006 rehabilitation and repair allocations for the state universities, which outlined the original allocations, the supplemental allocations, and the total allocations. The information also included the individual projects for each of the universities, which total \$15 million (Attachment 1).

*Representative Feuerborn moved for Committee's recommendation to approve the Board of Regents FY 2006 rehabilitation and repair allocations. Senator Umbarger seconded. Motion carried.*

Jim Modig, Director of Design and Construction Management, University of Kansas (KU), Lawrence, presented an architectural program at KU for the new Park-and-Ride lot on the west campus that would provide about 1,500 additional stalls, at an estimated total project cost of \$10,468,000 (Attachment 2).

Mr. Modig noted that the two parking projects constructed in 1986 and 1999 increased the number of stalls within existing lots, and a current parking study addressed both the shortage of parking, as well as security issues, in several high-demand areas. The study showed a deficit of about 1,800 parking spaces exists at the present time. An additional 1,650-1,750 spaces will be required on the main campus and 1,175-1,250 on the west campus within the next ten years. The analysis of future development revealed that the garage option may not be the preferred option at this time, but should remain under consideration for the future. The selected site location is to the north and northwest of Shenk Fields. Mr. Modig stated that completion of the facility and availability for the soonest possible use are priorities. In addition, the sale of bonds must be carefully integrated

with the receipt of the construction bids. The first target date is August 15, 2006, for the design consultant contract. Some other dates include the bid/award date of January 1, 2007; start of construction on February 1, 2007; and completion of construction July 1, 2007.

Mr. Modig stated that a transit study is presently being prepared that will examine ways to improve the bus system on campus. Additional adjustments will be made as to how the University will manage the parking stalls and assignments, which will impact how to manage the second 1,500 stalls.

The construction site of the Park-and-Ride lot is owned by the Endowment Foundation and will be leased to the University for \$1 per year.

Committee discussion followed, concerning the higher-than-usual cost for a surface lot, material used in construction of lots, traffic flow, and increased parking fees. Mr. Modig explained that the project also includes a considerable amount of costs for road development, curbs and shrubbery for water retention, and the possibility of some increased cost for lights at the intersection of Crestline and 15<sup>th</sup> Street. However, the Kansas Department of Transportation may provide some of the funding for this expense. Construction cost of a regular parking garage is \$10,000-\$11,000 per stall. The parking fee per parking space in the new lot will be \$130 which includes the bus pass. Parking fees campus wide will be increased to help pay for the new lot.

*Representative Grant moved for Committee's recommendation to approve the new Park-and-Ride lot on the west campus at the University of Kansas. Senator Apple seconded. Motion carried.*

Ray Hauke, Vice President of Administration and Fiscal Affairs, Emporia State University, presented a request for replacement of the turf at Welch Stadium at an estimated project cost of \$650,000 to be funded from multiple private donations (Attachment 3). The stadium is used by the University, Emporia High School, the City of Emporia, and local recreational organizations to host football games, soccer matches, commencement activities, etc. It also provides the Health, Physical Education, and Recreation Department with an all-weather activity field for classes and laboratories. The Kansas Board of Regents granted contingent approval on April 21, 2005.

*Senator Apple moved for Committee's recommendation to approve the request for replacement of the turf at Welch Stadium at Emporia State University at an estimated project cost of \$650,000, to be funded from multiple private donations. Representative Grant seconded. Motion carried.*

Jim Garner, Secretary of Kansas Department of Labor (KDOL), appeared before the Committee to present capital improvement projects for the Department (Attachment 4). Secretary Garner reviewed FY 2006 capital improvement requests. The 2005 Legislature gave approval for the agency to use bond savings from the renovation of the Administration Office for other facility improvement projects. The appropriations bill also allows the agency to use federal sale proceeds to acquire other property. The agency has also secured approval from the United States Department of Labor to use sale proceeds to acquire the Eastman Building on the old Topeka State Hospital grounds. The KDOL reached an agreement with the Department of Administration (DOA) concerning this purchase. The Department of Administration will seek State Finance Council approval to sell the property to KDOL.

The Eastman Building will be used as an unemployment insurance call center and for housing other agency units. KDOL requests the Committee's recommendation to approve the use of \$350,000 of federal sale proceeds for the purchase of the Eastman Building, and approximately

\$550,000 of the remodeling bond savings for renovation of the building, plus the use of the equipment master lease program (\$366,000) and other resources. The \$366,000 would be paid off in six years by the use of program fees or penalty and interest funds.

Secretary Garner next presented three capital improvement projects for FY 2007. The first request was for \$125,000 of federal Reed Act funds to replace the HVAC system for the south section of KDOL's information system office at 1309 Topeka Avenue. This is not part of the latest distribution of Reed Act funds, but is from the 1956-1958 distribution.

The second request was to paint the interior, replace carpet, and replace ceiling tiles at the information systems office at 1309 Topeka Boulevard. The project will be funded with \$90,000 of federal Reed Act Funds.

The third request was for \$40,000 (\$20,000 Reed Act funds and \$20,000 program funds) as a general category for rehabilitation and repair for unforeseen items.

Committee discussion followed concerning the Eastman Building project, including the \$1.6 million cost (for purchase and renovation), size of building (20,465 square feet for two floors plus basement area), appraisal price, renewal of the present call center lease at the Ramada Inn, Topeka (expires December 31, 2006), moving the call center in Kansas City to the new Topeka facility, and \$40,000 general category for rehabilitation and repair for unforeseen items.

*Senator Barone moved Committee's recommendation for approval of the purchase of the Eastman Building and the FY 2006 and FY 2007 capital improvement requests. Seconded by Representative Brunk. Motion carried.*

Chairman Humerickhouse called Committee members' attention to the recently scheduled interim meeting dates of August 9 and 10, September 15 and 16, October 17 through 20 for the biennial tour, and November 16 and 17.

*Representative Grant moved Committee's recommendation for approval of the May 20, 2005, Committee meeting minutes. Senator Apple seconded. Motion carried.*

Chairman Humerickhouse recessed the meeting until 1:30 p.m.

### **Afternoon Session**

Chairman Humerickhouse resumed the meeting at 1:40 p.m.

Joe Fritton, Deputy Director of Facilities Management, Department of Administration, presented an overview on state leased facilities. Legislation was passed during the 2000 session which codified a common practice of consultation with the Joint Committee on State Building Construction for leases of 10,000 square feet or greater or for a term longer than 24 months. Currently, there are 304 leases, of which 163 (54 percent) have been reviewed by the Joint Committee. Considering square footage, the state leases 2.1 million square feet and, of that amount, 1.8 million (85 percent) have been reviewed by the Committee. In total dollars, the state spends approximately \$23.5 million annually, and 88 percent of the total dollars have been reviewed. Basically, the Committee reviews approximately one-half of the leases and over three-quarters of the total square footage.

Secretary Michael Hayden, Kansas Department of Wildlife and Parks (KDWP), presented background information concerning the new location for the Region 2 office (Attachment 5). The Region 2 office had outgrown its previous location in a small strip mall in Topeka. In addition, the traffic and vehicle access to the facility were not convenient for the public served by KDWP.

In the fall of 2002, the KDWP requested that the Department of Administration advertise for a new location for the Region 2 office. Several locations were reviewed in 2003 to comply with KDWP's needs, but the sites were not considered suitable. During this time, the KDWP was also involved in discussions to obtain a donation of property owned by the Menninger Corporation for development of a state park. This property also included a building referred to as the "Campus House," which could be used as a park office and as a new location for the Region 2 office. In January 2004, the KDWP requested the Department of Administration consider the Campus House as a possible location for the Region 2 office.

A two-year lease, effective July 1, 2004, was signed with a provision to allow the KDWP to purchase the property at the appraised value during the term of the lease. The appraisal process was initiated on September 30, 2004, to determine the value of the Campus House and approximately 2.3 acres of property on which the building is situated. For tax purposes, the county appraised the property last year at \$275,000. However, the KDWP received an appraisal of \$500,000 on July 18, 2005, from the required three appraisers. The improvements made by KDWP increased the value to \$600,000.

Secretary Hayden concluded his review by stating that the intent of KDWP is to acquire the property to be both the Region 2 office and the office for State Park 24. KDWP has had discussions with Washburn University which will allow KDWP to locate the state park maintenance facility on the University's property, adjacent to the Campus House.

Other information presented to the Committee regarding the renovation of the Region Office consisted of the following data. The annual lease price is \$92,316 for the Region 2 office. Included in the lease is the development of 35 parking spaces to be paid by the property owner. The cost of the remodeling was \$100,428, including an ADA-compliant sidewalk on the east side of the building. Of this amount, \$69,295 was from the Wildlife Fee Fund, \$28,120 from the Park Fee Fund, and \$3,013 from the Boating Fee Fund. The running water pond located in the front of the office was donated by the Topeka Water Garden and a local business. The lease for the previous location was \$26,000 annually for 3,304 square feet. The lease for the new location is \$92,316 annually for 9,800 square feet. The agency would like to sign a lease/purchase arrangement whereby, the state would own the facility and the acreage it sits on.

The Committee discussed the length of time between when the appraisal was requested (September 30, 2004) and when it was received on July 18, 2005. Secretary Hayden indicated the state-required appraisal method process plus the federally certified independent reviewer process were reasons for the length of time. The Committee requested that the agency furnish information as to what took such a long time and what action was taken to try to get the review done in a more timely manner.

Secretary Hayden explained that the agency requested only a two-year lease, as it would take about that amount of time to remodel the building, determine the usefulness and public response to the building and location, and see how well the Menninger property donation progressed. The Department has the right to purchase the building and site at the appraised value during the two-year lease. The only thing that has not fallen into place is the donation of the 62 acres for Park 24. It was noted that if the project is not going to comprise the regional headquarters and a state park office, then it should be reevaluated. The regional office basement would hold the park office and public meeting rooms.

The park office would also serve as a trail head. The Department has until next July to receive the donated 62 acres.

Secretary Hayden remarked that the Department desires to have the developers agree on a negotiated price to sell the property and building as of July 1, 2006, and then request appropriations during the 2007 Legislative Session.

Chairman Humerickhouse replied that in order to meet that time line, another appraisal will be necessary. Also, it appears there have been some decisions made on the lease agreement with the intent to purchase that has put the state in a fairly vulnerable position. The Committee encouraged the agency to negotiate the best possible purchase price and to try to reduce the purchase price by the amount of money spent for renovations.

Sabrina Wells, Director of Financial Services, Insurance Department, presented the agency's five-year capital improvement plan ([Attachment 6](#)). Ms Wells also distributed a memorandum of the history of the Insurance Building that included colored pictures of the stained glass windows, gilded mirrors, and other prominent features of the Insurance Building ([Attachment 7](#)). The FY 2006 project requests were: \$30,000 for building repairs, \$30,000 for carpet replacement, \$25,000 for basement entryway steps, and \$75,000 for HVAC-phase II, for a total of \$160,000. The HVAC project will be a bonded project with annual payments estimated at \$75,000 yearly. The entire project is estimated at \$750,000. Ms. Wells also noted that the Department remains interested in working with the Department of Administration and the Legislature to explore options associated with the renovation of the Dillon House. In FY 2007, the Insurance Department requests \$40,000 for sharing in the cost of the Dillon House renovation, as well as \$30,000 for building repairs, \$30,000 for carpet replacement, and \$75,000 for debt service payments for the HVAC Phase II.

Michael E. Gaito, Manager of Capital Improvements and Facility Maintenance, Department of Corrections, presented the agency's five-year (2006-2011) capital improvement plan ([Attachment 8](#)). Mr. Gaito commenced by reviewing the rehabilitation and repair projects, capital improvement projects, and debt service. For FY 2006, the agency is requesting \$3.3 million for rehabilitation and repair systemwide and \$6.6 million for debt service payments. For FY 2007, the request totals \$17.1 million, including \$5.0 million for systemwide rehabilitation and repair, \$6.6 million for new construction, and \$5.5 million for debt service payments.

The FY 2007 request includes \$1.2 million to upgrade the locking system in C cellhouse at Hutchinson Correctional Facility (HCF). The locking systems are known for a high failure rate. Replacement parts are no longer available from the original manufacturer, so they have to be specially made. Two other cellhouses have the same types of locking systems and the agency plans to use the spare parts from the replacement of the first locks to keep the locks operational in the others. Once the locking system replacement commences, the agency will have to vacate the cellhouse (25 inmates) for two months. To do that, the maximum security inmates will probably be moved to El Dorado Correctional Facility. There are medium security inmates at El Dorado housed in maximum security beds, since the cells are double bunked. The shift will force 100 medium security inmates back into the general population. If general population beds are unavailable, then leased beds will be used, which will increase the total cost of lock replacement.

The total debt service for FY 2007 was shown at \$5,456,000, down from \$6,646,000 in FY 2006. A few years ago, it was as high as \$13 million. Payments have dropped due to bonds being paid off on a number of new prison expansion projects.

Charles Simmons, Deputy Secretary, Department of Corrections, briefed the Committee on the Wichita Work Release Facility (Attachment 9). The Department has been advised by local officials in Wichita that there is a high probability that the current site of the work release program will be impacted by the construction of the downtown arena project. This would require the relocation of the program. It is likely that the arena project will proceed, but the exact location will not be known until November, 2005. To date the agency has informed the city and county of the following.

- It is the agency's expectation that the state be made whole with respect to the construction or renovation costs resulting from relocation, as well as for moving costs and any increases in future operating costs.
- There would be no disruption in the continuous operation of the work release program.
- The city and county should take the leadership role in identifying a mutually acceptable site for relocation of the work release facility. The agency believes that local officials are in the best position to determine what local issues need to be addressed in order to gain community acceptance of a work release facility.
- An acceptable plan for relocation of the work release facility needs to be identified by mid November 2005, so that all necessary steps can be taken during the 2006 Legislative Session to provide for the relocation and to allow sufficient time for renovation or construction.

Deputy Secretary Simmons noted that a new facility would cost approximately \$10 million. Everything from the present facility that can be moved will be, and will be used in the new facility. The city will have to negotiate with the agency as it cannot take property by eminent domain. As part of the transaction, the Department will request that the city not only locate a physical site for relocation, but also cover the cost of the relocation, whether through the purchase of land, the donation of city- or county-owned land, the renovation of an existing building, or the construction of a new one. The Work Release Facility needs to be on a major transportation route because the inmates take public transportation to and from work, and it should be in a central location for transportation reasons so inmates can locate work. The inmates also access community services such as the library, bus station, churches, and shops.

Deputy Secretary Simmons next presented testimony that involved the Kansas Correctional Industries (KCI) and the private industry programs at Ellsworth and Lansing Correctional Facilities (Attachment 10).

The project at Ellsworth involves the construction of a new building within the secure perimeter of the correctional facility. The project will be jointly financed by KCI and the private industry, Great Plains Manufacturing, Inc. Specific information regarding the project was set out in the handout. The addition of this building at Ellsworth Correctional Facility would allow Great Plains Manufacturing to employ seven to 13 inmates as welders. If a second shift is added in the future, the total number of inmate employees could reach 26.

The project at Lansing involves the expansion of an existing KCI building in the facility's industrial yard. A private industry, Impact, currently uses this building for a screen print operation. Impact would finance the expansion, which could result in adding to the 96 inmates employed by that company.

The buildings in both projects will be the property of the State of Kansas and will be leased to the private industry. The Department has previously utilized this project concept at other facilities as a means of expanding private industry work opportunities for inmates.

The total cost to KCI is \$150,000, which will be recovered over time through the lease payments made by the private industries and the contribution of room and board that the inmates who are employed by the private industry pay.

Warden Sam Cline explained the operations of the Great Plains Manufacturing Company at Ellsworth. The company is located in several towns, with their primary office is in Salina, Kansas. They produce farm and turf equipment that is sold all over the world. There are 800 employees in Salina. The company is experiencing difficulty in hiring welders at their satellite locations. Therefore, the inmate welders, after they are released from prison, have standing job offers at any of the other locations.

Tom Vohs, Deputy Director, Kansas Correctional Industries, explained that at Lansing Correctional Facility, Impact has an embroidery operation which employs approximately 150 inmates. The building they are proposing to expand is primarily for screen printing. Screen printing and embroidery are done mainly for college athletic wear, but also for some corporations with respect to work clothing with a corporate logo on them.

The Committee toured the Dillon House, after which the meeting adjourned until the following day.

### **July 22, 2005 Morning Session**

Chairman Humerickhouse resumed the meeting at 9:00 a.m.

Joe Fritton, Deputy Director, Division of Facilities Management, Department of Administration, presented leases for the Committee's recommendation as follows.

- A five-year lease for the Kansas Arts Commission for 3,185 square feet at 700 SW Jackson St. #1004, Topeka at a cost per square foot of \$12.00 (Attachment 11). This new lease is an increase of 50 cents per square foot above the current lease. The lessor has agreed to paint and re-carpet this space at no additional cost upon approval of the lease.

*Representative Feuerborn moved Committee's recommendation for approval of the five-year Kansas Arts Commission lease. Representative Grant seconded. Motion carried.*

- A five-year lease for Kansas, Inc. for 2,500 square feet at 222 SW 7<sup>th</sup> Street, Topeka at a cost of \$9 per square foot (Attachment 12). This is the same rate as the current lease. The lessor has agreed to re-carpet this space at no additional cost, upon approval of the lease agreement.

Discussion followed concerning whether there are any additional rental spaces in the building, as the lease price is very attractive.

*Senator Barone moved Committee's recommendation for approval of the five-year lease for Kansas, Inc. Senator Umbarger seconded. Motion carried.*

- A five-year lease for Kansas State University for 5,547 square feet in Chanute, Kansas, at a cost of \$7.55 per square foot (Attachment 13). The new lease is an increase of 35 cents above the current lease. The location serves as the KSU Southeast Extension Office. 638 square feet of storage space is also included at no additional charge. This lease is paid by program funds, not state funds.

*Senator Umbarger moved Committee's recommendation for approval of the five-year lease for Kansas State University. Representative Grant seconded. Motion carried.*

- A two-year, nine-month lease for the University of Kansas Medical Center at Pittsburg, Kansas for 2,768 square feet, at a cost of \$7 per square foot (Attachment 14). The new lease is an increase of \$1 per square foot above the current lease. This space is used for the office of the Southwest Area Health Educational Center for the University of Kansas Medical Center.

*Senator Barone moved Committee's recommendation for approval of the two-year, nine-month lease for the University of Kansas Medical Center at Pittsburg, Kansas. Representative Grant seconded. Motion carried.*

- A three-year lease for the University of Kansas Medical Center at 3801 Blue Ridge Parkway, Kansas City, Missouri for 2,215 square feet, at a cost of \$16.88 per square foot (Attachment 15). This rate is the same as the current lease. This space is used for the offices and client therapy space for the KU Medical Center Smoking Cessation Clinic. The same lease was approved in 2002. The cost is consistent with the Kansas City market.

Discussion followed concerning the location of the clinic in Missouri, rather than Kansas. Dr. Kola Oknyemi, KUMC, explained that the clinic is a metro-wide project, so people from both sides of the state line are participating. Locations in Kansas were considered, but most of the communities did not have large enough facilities. The University of Kansas Medical Center recommended the location at Blue Ridge Parkway, in Kansas City, Missouri.

Kim Engelman, Assistant Professor, KUMC, noted that the clinic is located just east of the Plaza and is a good place to recruit participants for KUMC's projects. Dr. Oknyemi explained that the smoking cessation program was started in 1988 and is federally funded.

The Committee requested additional information regarding the clinic's location. Chairman Humerickhouse tabled the matter until the next meeting.

- A three-year lease for the Department of Corrections for 784 square feet at Garden City, at a cost of \$11.47 per square foot (Attachment 16). This is the same rate as the current lease. This is the Department of Corrections' Parole

Office and is co-located with the 25<sup>th</sup> Judicial District Community Corrections office, which provides receptionist services and a common waiting area with the lease.

Discussion followed concerning cheaper lease rates in various other cities. Mr. Fritton noted that there are other leases in Finney county with comparable costs. There are some cheaper lease costs in Topeka for the departments of Insurance, Agriculture, Commerce, Revenue, and KUMC. However, this lease is co-located with the 25<sup>th</sup> Judicial District Community Corrections office, and various services are included in the lease.

*Representative Grant moved Committee's recommendation for approval of the three-year lease for the Department of Corrections at Garden City. Representative Feuerborn seconded. Motion carried.*

- A ten-year lease at Parsons for co-locating three agencies (Department of Social and Rehabilitation Services (SRS), Department of Revenue, and Wichita State University) (Attachment 17).

Mr. Fritton presented a review and a time line of the Parsons' lease, as follows.

- This lease is a re-bid from last March that yielded two bids, both of which were rejected for cost and location. The Request for Proposal (RFP) sought 13,455 usable square footage (usf) of office space for SRS (12,545 usf), Revenue D.L Office (350 usf), and Wichita State University's Educational Talent Search Office (560 usf).
- Requested were two lease options: (1) A ten-year lease with two two-year renewal options and including a purchase option; and (2) the same lease with an early termination after year five.
- This lease combined two SRS offices in Parsons, but was not an SRS Re-alignment Consolidation.
- Provided bidders with options of building on state-owned ground at Parsons State Hospital.
- Timeline sequence of major events:
  - March 8, 2005: Re-bid conference held at SRS Parsons location. Mold issues were detected in the SRS office in Parsons (the Department of Labor was contracted to conduct mold testing);
  - March 22, 2005: Updated the Joint Committee on State Building Construction on the RFP status and showed pictures of mold issues at the SRS Parsons location;
  - March 29, 2005: Closing date of RFP;
  - April 12, 2005: Reviewed only bid received;

- April 28, 2005: Negotiations and best and final offer;
- May 10, 2005: Bid awarded to KANSA Development Corporation; and
- May 13, 2005: Received preliminary finding on mold testing from the Department of Labor for current facility. The landlord took some measures to fix the problems, but they are mostly temporary and cosmetic.

The new ten-year lease is with the KANSA Development Corporation of Junction City, Kansas for 14,705 total square feet for new construction. It will house 61 employees. The cost per square foot at the agencies' present facilities, on a weighted average, is \$7.18 a foot. The new cost is \$9.85 without an early termination after year 5, or \$13.85 with early termination after year five. Annual rent cost is currently \$95,889. The new lease costs \$144,844 without early termination, or \$203,664 with early termination. There are two renewal terms at the end of this lease. The RFP provided the option for the bidders to build on state-owned ground at Parsons State Hospital and to include a purchase option. One bid was received and the bidder chose to build on private land.

*Representative Feuerborn moved Committee's recommendation for approval of the lease without early termination after year five. Senator Umbarger seconded. Motion carried. Senator Barone asked to be recorded as abstaining from voting because the location is not on state property.*

The Committee requested an evaluation of the Wildlife and Parks Region 2 office lease using The Automated Prospectus System (TAPS) to compare the net present value of various scenarios.

Chairman Humerickhouse remarked that after the tour of the Dillon House yesterday, the Committee now desires to further explore options that it may recommend.

Janine Joslin, Executive Director, Kansas Preservation Alliance, Inc. (KPA), presented testimony as an advocate for the Dillon House ([Attachment 18](#)). Ms. Joslin noted that the value of preserving the Dillon House is found in the outstanding architecture and craftsmanship that went into the building, and that it is an irreplaceable example of an Italian Renaissance revival-style house. It is one of the last historic homes located in the heart of Topeka. KPA questioned the consequences of not preserving the Dillon House, such as razing it for a parking lot or the construction of a taller building next to the Capitol. The KPA urged the preservation and reuse of the Dillon House. In conclusion, Ms. Joslin remarked that it would be prudent to find a way to repair the roof immediately to allow time for planning and development of the Dillon House and to stop further deterioration. Members of KPA would be available to consult on ideas for reuse of the Dillon House.

Donald P. Schnacke presented testimony regarding his involvement in the issue surrounding the Dillon House, together with general information regarding the interior of the house at the time it was constructed, and suggestions for possible uses of the house ([Attachment 19](#)). He noted that he was a past president of the Greater Topeka Chamber of Commerce and member of the building committee of the First Presbyterian Church for the past ten years. He was directly involved in 1997, working with Governor Graves and Secretary of Administration Dan Stanley in the trade of the Dillon House for the vacant lot to the north. This allowed the church to proceed with a \$5 million building program, which has just been completed.

Mr. Schnacke remarked that the Dillon House has always been considered an asset to be used by the State of Kansas. Former Governors told Mr. Schnacke of an existing plan to expand

Cedar Crest to handle public receptions. The Dillon House could, if improved, relieve the state of that expansion. Governor Frank Keating, of Oklahoma, was also faced with a small Governor's residence and took it upon himself to raise private funds in Oklahoma to build a new visitors' center near the Governor's residence to provide for receptions, parties, and meetings. The Dillon House could be used as what is being done in Oklahoma. The renovation of Cedar Crest utilized private fund raising at the time, and Mr. Schnacke expressed his belief that private or public fund raising for the Dillon House could be undertaken if organized.

Committee discussion followed concerning sympathy with Mr. Schnacke's view, but the big issue is the lack of state revenue.

Mr. Schnacke urged the Committee to sincerely consider proceeding with the renovation of the Dillon House for the future use of the State of Kansas and Kansas citizens. He volunteered to work with the private sector to come up with a plan to raise funds toward preservation of the Dillon House, which he believes will involve a little bit of the Legislature, a lot of the private enterprise area, and a little bit of the Governor.

Former Senator Ben Vidricksen, Salina, appeared before the Committee to speak on behalf of saving the Dillon House. He remarked that many past meetings of the Building Committee about the Dillon House concerned usage as an official hospitality place, but the renovation of Cedar Crest took precedence over the Dillon House project. Mr. Vidricksen remarked that the most important thing at this time is for the state to fix the roof for preservation purposes, and then the private sector should come up with a plan for raising funds through an organization such as "Friends for the Dillon House."

Committee discussion followed about fixing the roof before any further damage occurs and the need of a commitment from the private sector for completion of the project.

Joe Fritton provided to the Committee a breakdown of cost estimates for preservation of the Dillon House, as follows (Attachment 20).

1. Repair of the existing roof would total \$92,300 with general construction techniques to fix the damaged parts of the roof to make it waterproof;
2. Repair costs for the structure, including repairs and renovation to make the building usable for general, unspecified uses and removal of the added east porch enclosure total \$2,014,000; and
3. Repair costs to convert the structure for use in an office configuration, including repairs to the basement, would total \$2,705,000.

All of the estimated costs were based upon general construction repairs and did not contain allowances for historic restoration and preservation. The Department of Administration currently does not have funds available for making these repairs.

Committee discussion followed concerning the possibility of obtaining the columns that were part of the original structure; the amount of square footage in the building (16,410 gross square feet and 12,300 usable square feet); gathering additional information for the next Committee meeting; the necessity of obtaining private funding for preserving the whole building should the roof be replaced; cost of a roof replacement; the possibility of the roof again leaking after spending \$92,300 for a

weather-tight roof; the length of time needed for repairing or replacing the roof; restoring only the first floor and the use options; tearing down the building and replacing it with a suitable one; moving the house; emergency supplemental funding; and acquiring the same type of roof tiles.

Mr. Schnacke and representatives of the Preservation Alliance informed the Committee that they would be willing to work with the Division of Facilities Management and staff of the Building Committee to gather additional information before the next Committee meeting.

Christy Davis, Acting Director, Culture Resource Division, Kansas Historical Society, stated that 125 years is the life span of most of the tiles and that those removed from buildings are usually salvaged for reuse.

Terry Marmet, Director of Kansas Historical Sites, Kansas Historical Society, noted that many times the problem with a tile roof is not the tiles, but the paper underneath. The Historical Society has often mothballed historical sites to allow time to look at other options and to obtain funding. Mothballing the Dillon House could be an option. The agency would be happy to participate with the Division of Facilities Management to give the Committee more options.

Chairman Humerickhouse said he will meet with Carol McDowell, of the Friends of Cedar Crest, and Don Schnacke, regarding direction of private funding. The Division of Facilities Management should collaborate with the Kansas Historical Society regarding more options for repair of the roof. He also suggested that, prior to the 2006 Legislative Session, the Committee should challenge themselves and other committees regarding funding options.

The meeting adjourned at 11:30 a.m. The next meeting is scheduled for August 9 and 10.

Prepared by Helen Abramson  
Edited by Debra Hollon

Approved by Committee on:

August 10, 2005

(date)