

## **MINUTES**

### **JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION**

February 25, 2010  
Room 144-S—Statehouse

#### **Members Present**

Senator Dwayne Umbarger, Chairperson  
Senator Pat Apple  
Senator Marci Francisco  
Senator Laura Kelly

#### **Members Absent**

Representative Jo Ann Pottorff, Vice-chairperson  
Senator Jay Emler  
Representative Steve Brunk  
Representative Mitch Holmes  
Representative Bill Feuerborn  
Representative Bob Grant

#### **Staff**

Audrey Dunkel, Kansas Legislative Research Department  
Jonathan Tang, Kansas Legislative Research Department  
Christina Allen, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Matt Sterling, Office of the Revisor of Statutes  
Gary Deeter, Committee Secretary  
Florence Deeter, Committee Assistant

#### **Conferees**

Richard Gaito, Deputy Director, Division of Facilities Management, Kansas  
Department of Administration  
Robert Maile, Superintendent, Kansas School for the Deaf  
Llewellyn Crain, Executive Director, Kansas Arts Commission  
Caleb Asher, Acting Secretary, Kansas Department of Commerce

## Other Attending

See attached sheet.

The Chairperson called the meeting to order at 12:24 p.m., thanked John Bottenberg for lunch, and invited members to consider two lease proposals.

Richard Gaito reviewed the proposed lease for the Kansas Animal Health Department in Topeka (Attachment 1). He noted that the agency has retained the same landlord at the same location since 1997 and, although an Request for Proposal (RFP) in December 2009 garnered nine proposals, the current landlord had offered the lowest total cost, a full-service five-year lease with two one-year renewal options, and a \$4,000 annual cap on service increases. Further, the per-square-foot (psf) cost is being reduced by \$1.51 to \$9.99 psf. The building received an energy-efficiency rating of 69; the Kansas Department of Administration will request a new energy rating in 2011.

Mr. Gaito received no questions from members. Lacking a quorum, the Committee could not approve the lease.

Mr. Gaito presented the lease proposal for the Kansas Board of Healing Arts (Attachment 2). He stated that an RFP produced six bids; after negotiations, the bid with the lowest total cost (\$13.69 psf, a reduction from \$14.98 psf) is at a new location; it is a full-service five-year lease which includes a 3 percent annual cap and a five-year renewal option, which, if exercised, would drop the cost to \$12.50 psf. The building received an energy rating of 61, which will be reviewed in 2011. A member requested that no decision be made on the lease proposal until the Committee can review the other bids.

The Committee reviewed agency capital improvements budgets (Attachment 3). Christina Allen, Kansas Legislative Research Department, presented the Kansas Juvenile Justice Authority (JJA) capital improvements budget, saying that the FY 2010 agency estimate totaled \$3.5 million, all from the State Institutions Building Fund (SIBF). The amount included \$227,625 to upgrade the former Topeka Juvenile Correctional Facility campus to accommodate girls moved from the Beloit facility, \$14,841 for rehabilitation and repair at the Larned Juvenile Correctional Facility, and \$206,095 to pay off the Master Lease Program for replacement of the high-pressure boiler at Beloit. Ms. Allen said that the Governor concurred except that he recommended transferring \$34,650 from the Central Office to provide rehabilitation and repair for the female campus in Topeka. Answering a question, Ms. Allen said the debt at the Beloit facility was paid before transferring the land.

Regarding the JJA FY 2011 budget for capital improvements, Ms. Allen commented that the total of \$3.2 million from the SIBF included \$860,973 for rehabilitation and repair projects, the balance going to debt service principal at the Topeka and Larned facilities. The Governor concurred with the agency requests.

No action was taken on the report.

Cody Gorges, Kansas Legislative Research Department, reviewed the Kansas School for the Blind capital improvements budget, saying that the FY 2010 estimate of \$388,766 included \$29,108 from the State General fund (SGF) and \$359,658 from the SIBF. The Governor concurred with the agency estimate.

Mr. Gorges, reporting on the FY 2011 budget, stated that the agency request of \$417,818 included \$30,510 from the SGF and, from the SIBF, \$105,236 to continue upgrades to campus security, \$161,430 to reroof leaking sections of the Johnson Building, and \$30,510 from the SGF for debt service principal payments. The Governor did not recommend any funding for new projects.

Answering a question, Mr. Gorges replied that there were funds to finish the Vogel Building, but not enough to begin reroofing Johnson, which will continue to leak.

No action was taken on the report.

Reviewing the Kansas School for the Deaf capital improvements budget estimate, Mr. Gorges said that the FY 2010 estimate of \$410,664 was \$49,378 above the approved amount due to carry-forward funds from FY 2009. The amount included \$61,286 from the SGF for debt service principal payments. The remaining debt service principal payments will be made from the SIBF. The Governor concurred with the agency's estimate.

Regarding the agency's capital improvements budget for FY 2011, Mr. Gorges stated that the request of \$930,299 included \$63,850 from the SGF for debt service principal payments, \$205,000 from the SIBF for rehabilitation and repair, \$279,449 for Roth Dormitory renovation architect fees, \$242,000 for Roth electrical upgrades, and \$140,000 for a kitchen refrigeration upgrade. The Governor concurs with the agency's request for debt service payments and for rehabilitation and repair, but does not recommend any other capital improvement projects for FY 2011. Mr. Gorges replied to a question that the difference for rehabilitation and repair between the School for the Blind and School for the Deaf reflected more residents in the School for the Deaf.

No action was taken on the report.

Robert Maile, Superintendent, Kansas School for the Deaf, explained an emergency situation: serious deterioration of insulation and structural failure of the high-voltage central electrical distribution system has created an immediate safety issue ([Attachment 4](#)). He commented that Westar Energy is preparing a replacement cost estimate in the range of \$242,000 to \$400,000; however, an immediate repair addressing the safety concerns will cost about \$125,000. A member encouraged Mr. Maile to investigate Westar's rate structure before signing on for a new system, since the school may be presently paying a wholesale rate for electrical service.

Jonathan Tang, Kansas Legislative Research Department, reported on the capital improvements budget requests for the Kansas State Historical Society, saying that the FY 2010 expenditures estimate of \$707,175 included \$214,059 from the SGF, the latter amount which includes \$96,964 for emergency repairs for the 50-plus structures under its care. The agency estimated \$174,674 in federal funds for Pawnee Rock, \$27,000 in private funds for Cottonwood Ranch, \$174,775 in private funds for Goodnow House, and \$25,000 in federal funds and \$16,667 in private funds for the John Brown Museum. The Governor concurred with the total expenditures of \$707,175, but recommended \$189,059 from the SGF, a decrease as a result of the Governor's November 2009 allotments. The Governor recommended \$25,000 from the Historic Properties Fees Fund as a replacement for the decrease.

For FY 2011, Mr. Tang reported that the agency request of \$301,477 included \$209,477 from the SGF for capital improvements projects; from the SGF the agency requests \$125,000 for rehabilitation and repair for the 50-plus structures for which it is responsible, \$50,000 for replacement of faulty lighting fixtures at the Museum in Topeka, and \$14,477 for Constitution Hall. Further, the agency requests \$27,000 in private funds for Cottonwood Ranch, \$30,000 from federal grants to match the \$20,000 in SGF funds for the John Brown Museum, and \$35,000 from private funds for Grinter Place. The Governor recommends the same total amount, but reduces the SGF draw to

\$125,000; he recommends using the agency's special revenue funds to replace the lighting fixtures (\$50,000), to provide the state match for the John Brown Museum (\$20,000), and to repair Constitution Hall (\$14,477). The Governor concurs with the use of private funds and federal grants for Cottonwood Ranch, Grinter Place, and the John Brown Museum. Jennie Chinn, Executive Director, Kansas State Historical Society, responded to a member's question that private donations for the John Brown Museum are pending until state funding becomes available.

Lacking a quorum, the Committee took no action on the report.

Llewellyn Crain, Executive Director, Kansas Arts Commission (KAC), reported on the Dillon House Project (Attachment 5). She outlined two plans: the proposed operating plan and the proposed capital campaign. Regarding the first, she said that when the Dillon House is completely renovated, it will provide a place for meetings, conferences, entertainment events, and accommodations for visiting dignitaries. The KAC, with on-site offices, will manage the facility, host events, and perhaps house the KAC. Commenting that the cost of operations should be covered by facility rental fees, she said that the KAC will consult with the Director of Legislative Administrative Services and the Committee during design and implementation phases of the project. She submitted a proposed operating budget, which includes eight employees and current agency state funding, a total of \$122,000, and an estimated income of \$128,400.

Ms. Crain requested the following amendments to KSA 75-3683:

- Shift responsibility for the Dillon House from the Department of Administration to the KAC;
- Designate the KAC as the tenant and manager for raising private dollars for restoration, preservation, and operation;
- Require the KAC to maintain a public presence at the Dillon House; and
- Require the KAC to establish an advisory board and a 501(c)3 to replace the Dillon House Advisory Commission as outlined in the Legislative Coordinating Council Policy 58.

Ms. Crain estimated a total of \$4.6 million to renovate the Dillon House; she briefly outlined a proposed capital campaign to elicit donations from corporations, private foundations, federal grants, and individual donors to provide funding for the project.

Responding to questions, Ms. Crain replied that the proposed Dillon House Advisory Board will serve without compensation. She said the non-profit corporation will be modeled after university endowment associations.

Lacking a quorum, the Committee made no decisions regarding the report.

Caleb Asher, Acting Secretary, Kansas Department of Commerce, reported on the proposed sale of three agency properties (Attachments 6 and 7). He explained that the Chanute Workforce Center, appraised at \$65,000 because of its condition will be sold at auction (starting bid, \$35,000). The Pittsburg Administrative Office, appraised at \$125,000, was built over a mineshaft, reducing its value; it will be sold at auction, as well. The Hutchinson Workforce Center, valued at \$183,000, will be placed on the open market. He noted that the proceeds from the Hutchinson property must be returned to the federal government.

The Committee took no action on the report.

The meeting was adjourned at 1:23 p.m. The next meeting is scheduled for Wednesday, March 17, 2010, in Room 144-S of the Capitol.

Prepared by Gary Deeter  
Edited by Audrey Dunkel

Approved by Committee on:

April 28, 2010

(Date)