

## **MINUTES**

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

March 13, 2008  
Room 123-S—Statehouse

#### **Members Present**

Senator Dwayne Umbarger, Chairperson  
Representative Joe Humerickhouse, Vice-Chairperson  
Senator Pat Apple  
Senator Greta Goodwin  
Senator Laura Kelly  
Representative Steven Brunk  
Representative Bill Feuerborn  
Representative Bob Grant  
Representative Jo Ann Pottorff

#### **Members Absent**

Senator Stephen Morris - excused

#### **Staff Present**

Audrey Dunkel, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Mike Corrigan, Office of the Revisor of Statutes  
Helen Abramson, Committee Assistant

#### **Conferees**

Richard Gaito, Department of Administration  
Ray Dalton, Department of Social and Rehabilitation Services  
Roger Lowe, Wichita State University

#### **Others Attending**

See attached list.

The meeting was called to order by Chairperson Dwayne Umbarger at 12:45 p.m. on March 13, 2008 in Room 123-S of the Capitol Building.

Richard Gaito, Deputy Director, Facilities Management, Department of Administration, presented a proposed lease amendment (No. 2) for Wichita State University (WSU) (Attachment 1). The location is at 358 N. Main, Wichita. The space currently is occupied by Wichita State University's Self Help Program. The original lease began in 2005 for 19,419 square feet at a rate of \$10.03 per square foot, which increased to \$11.02 during the last five years of the lease. This rate included \$671,177 in improvements to amortize over a ten-year period. The cost of the utilities is not included in the base rent. The first amendment to the lease was signed in 2006 when an additional 4,870 square feet of space increased the total space to 24,362 square feet. The rate for the additional space was \$10.03 per square foot, which increased to \$12.46 per square foot during the last five years of the lease. The lease did not include the cost of the utilities. The second amendment which is being reviewed by the Committee today is for an additional 1,986 square feet of office space. The base rate is \$12.69 per square foot through 2011, at which time the rate increases to \$15.23 per square foot. The cost does not include utilities and security monitoring. In addition to the base rate, the lease amendment provides for a one-time payment of \$75,672 for remodeling of space, which equates to \$38.10 per square foot. With the second lease amendment, Wichita State University's Self Help Program will be occupying the entire space of this building. The space in the second amendment currently is occupied by the Kansas Council for Economic Education which is requesting to vacate the space. The initial and first amendment for leased space did exceed the space standards of 250 square feet per FTE. The reason was due to classroom size and offices. The second lease amendment is within the acceptable space standards. The lease amendment presented today is supported by the Department of Administration.

Roger Lowe, Senior Vice-President, Wichita State University, informed the Committee that the building has three floors and the Kansas Council for Economic Education has 1,900 square feet of space, but they want out of the contract, and WSU needs the additional space for the Self Help Network Program. The owner inquired if WSU would be interested in extending the lease for the entire building and WSU wants to do that. It is all restricted use operations. It is a self help network that does social work for a number of agencies throughout the state, as well as for federal and local agencies. All the area is being used for meetings and classroom space for research that WSU does with social agencies.

*Representative Humerickhouse moved that the Committee review favorably Amendment No. 2 for Wichita State University. Representative Pottorff seconded. Motion carried.*

Ray Dalton, Deputy Secretary, Department of Social and Rehabilitation Services, presented testimony on the agency's unspent 2002 N bonds (Attachment 2). Secretary Jordan informed the Committee that this year the agency will complete all of the construction projects for the new State Security Hospital (Issac Ray) at Larned State Hospital (LSH), leaving a cash balance of \$2.2 million. There were two reasons for that: good project management and costs coming in under projections. There were two primary reasons that costs came in under projections. The first change was to go with pre-cast concrete panels for the majority of the exterior walls in lieu of constructing masonry walls due to concerns about a shortage of masons in the area. The second change was not to raise the roof area over the day halls in each of the nine living units, as this was going to add cost. Projects of this size and complexity are hard to estimate as the market is unknown each time bids go out. The funds for this new project came from the sale of \$50 million in bonds through the Kansas Development Finance Authority (KDFA). It originally was planned to use any unspent bond balance to pay down the proposal. However, KDFA advised staff that in accordance with the bond covenants and tax

guidelines applicable to tax-exempt municipal bonds, first, the remaining balance should be used for other construction projects at Larned State Hospital. However, before proceeding, the agency wanted to review its plans with the Committee. The agency identified a list of critical capital improvement projects for FY 2009 for Larned State Hospital (LSH) to be funded by the unspent 2002 N bond money. A revised FY 2009 capital improvement plan reflects these changes. These projects, totaling \$2,225,000, are as follows:

- In Power Plant - Replace Water Softeners;
- In Power Plant - Install New Blowdown Tank for Boilers;
- Upgrade chlorinating system, pumps, and filtering system in the building swimming pool;
- In Laundry - Replace 200-pound dryer with 400-pound dryer to address increase in Sexual Predator Treatment Program, State Security Hospital, and Larned Juvenile Correctional Facility population; and
- Replace low-pressure steam distribution line in tunnel to high-pressure steam line; the low-pressure steam line starts at power plant. The steam lines are over 50 years old.

For FY 2009, the agency originally requested \$12,386,880, but taking into consideration the \$2,225,000 balance from the unspent bond fund for LSH, the revised FY 2009 request is \$10,161,880.

*Representative Grant moved for the Committee to review favorably the use of the unspent \$2.2 million bond funds from the Isaac Ray State Security Hospital project at Larned for capital improvements projects as set out in the revised FY 2009 capital improvements request. Senator Goodwin seconded. Motion carried.*

Chairperson Umbarger closed the meeting at 1:00 p.m.

The next meeting is scheduled for April 29, 2008.

Abramson

Prepared by Helen

Edited by Audrey Dunkel

Approved by Committee on:

July 10, 2008  
(Date)

47626--Thursday, May 29, 2008