

## JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

The meeting was called to order by Chairman Dwayne Umbarger at 12:15 p.m. on February 13, 2006 in Room 123-S of the Capitol.

### Members present:

Senator Dwayne Umbarger  
Senator Steve Morris  
Senator Greta Goodwin  
Senator Pat Apple  
Representative Joe Humerickhouse  
Representative Steve Brunk  
Representative Melvin Neufeld  
Representative Bill Feuerborn  
Representative Bob Grant

### Committee staff present:

Deb Hollon, Michele Alishahi, Julian Efird, Legislative Research Department  
Mike Corrigan, Office of the Revisors  
Helen Abramson, Committee Secretary

### Conferees appearing before the committee:

Mark Stock, Department of Administration  
Keith Meyers, Department of Administration  
Jaci Vogel, Kansas Department of Transportation  
Brad Rayl, Kansas State Fair  
Michael Hayden, Department of Wildlife and Parks

### Others attending:

See Attached List

Chairman Umbarger called the meeting to order at 12:20 p.m.

Mark Stock, Real Estate Officer, Department of Administration presented a 5-year lease amendment for the Board of Healing Arts for 9,963 square feet of office space at 235 SW Topeka Boulevard, Topeka, at a cost of \$10.76 per square feet (Attachment 1).

The lessee pays for utilities, custodial service, telephone and pest control. The lessor pays for grounds maintenance and snow removal.

Last year the current 5-year lease was renewed for one additional year until January 31, 2006. Additionally, the current lease contains a 5-year renewal option. This proposed amendment exercises this renewal option and requires the landlord to make repairs and improvements including HVAC, roof, parking lot, carpet, paint and other minor interior repairs.

In response to a question, Mr. Stock noted that the rate of rent in the Docking Building for 2007 is \$15.93 per square foot.

Representative Feuerborn moved for Committee's recommendation to approve the Board of Healing Arts 5-year lease at their present location. Representative Brunk seconded. Motion carried.

Mr. Stock presented to the Committee a change order for the University of Kansas concerning the Spencer Museum of Art for removal of the existing wet and deteriorated insulation and installing new insulation at a cost of \$91,600 (Attachment 2). When the project was originally bid, the base bid was set up to replace the roof system only with an alternate bid for replacing the insulation. Based on previous tests and on limited funds available, the award of the project was for base bid only. When construction actually started in late September/October there was evidence that there was some wet insulation. Further removal exposed the fact that a large majority of the insulation was wet and needed to be replaced. With some budget adjustments, the University of Kansas was able to pool some funds to allow the bid alternate to be implemented by change order. When the project was originally bid, the add alternative would not change the low bidder.

Representative Grant moved for Committee's recommendation to approve the change order of \$91,600 for the Spencer Museum of Art Partial Re-roof Project at the University of Kansas. Senator Apple seconded. Motion carried.

\_\_\_\_\_ D. Keith Meyers, Director, Division of Facilities Management, Department of Administration provided testimony regarding the Department of Administration FY 2007 capital improvement request (Attachment 3).

Staff informed the Committee that the agency estimates revised FY 2006 expenditures for capital improvements totaling \$1,411,944 all funds, including \$766,944 State General Fund (Attachment 4). The FY 2006 financing approved for the Statehouse and Cedar Crest was \$200,000 State General Fund, and the additional amount of \$153,731 State General Fund is re-appropriated savings from last fiscal year. The Judicial Center financing was approved for \$100,000 State General Fund and additional \$63,213 State General Fund is re-appropriated savings from last fiscal year. The State Finance Council approved the sale of the Eastman Building on the old Topeka State Hospital grounds to the Department of Labor, and part of the agreement was to spend \$350,000 all other funds on renovation of the facility.

The Governor concurs with the revised FY 2006 estimates for capital improvement expenditures.

Director Meyer reported that the agency request \$200,000 in FY 2007 from the State Building Depreciation Fund, Special Maintenance Repair and Improvements sub-account, for unplanned maintenance in buildings, including: Landon, Docking, Memorial Hall, Forbes, Curtis, and Eisenhower.

The agency requests FY 2007 capital improvement expenditures of \$8,123,256 including \$7,753,256 from the State General Fund. The agency requests enhancements for reportable capital improvement expenditures totaling \$7,453,256 from the State General Fund. Absent the enhancements, the agency's reportable FY 2007 capital improvement request is \$395,000, including \$300,000 from the State General Fund, for various rehabilitation and repair projects.

The Governor recommends FY 2007 capital improvement expenditures of \$722,000, including \$352,000 from the State General Fund. The recommendation for reportable expenditures includes \$395,000, including \$300,000 from the State General Fund, for various rehabilitation and repair projects and adds

\$52,000 from the State General Fund for repair of the Dillon House roof. The Governor recommends replacement of the Docking Building cooling tower as a multiyear capital outlay expenditure rather than a capital improvement expenditure. The project will begin in FY 2007 with a first-year payment of \$395,000 from the State General Fund.

For FY 2007 non-reportable capital improvement expenditures, the agency requests \$275,000 from other funds for rehabilitation and repair projects. The Governor concurs with the agency's request,

Committee discussion followed concerning the Brigham Building at the State Complex West for an SRS staff development and training center, that various energy projects should be paid out of the energy saving by the agency, and working toward a plan in the 2007 session for the Docking Building.

Representative Feuerborn moved for Committee's recommendation to concur with the Governor's recommendation for the Department of Administration's FY 2006 and FY 2007 capital improvement request. Representative Grant seconded. Motion carried.

Staff presented the Department of Transportation FY 2006 and FY 2007 capital improvements requests (Attachment 5).

For FY 2006, the agency estimates \$4,413,717 for current year building project expenditures, an increase of \$859,983 or 24.2 percent above the approved amount. The increase is the result of a re-appropriation of \$774,049 for rehabilitation and repair, \$47,000 to re-roof the chemical storage building in Leoti, and \$38,934 to re-roof the chemical storage building in Shawnee.

The Governor concurs with the agency's revised estimate.

For FY 2007, the agency requests \$14,806,727 for budget year building project expenditures. This amount includes \$12,210,065 for projects and \$2,596,662 for rehabilitation and repair.

The Governor's recommends \$5,176,780 building project expenditures. This amount includes \$2,580,118 for projects and \$2,596,622 for rehabilitation and repair. The Governor's recommendation is \$9,629,947 or 65.0 percent less than the agency request and does not include:

- \$4,070,947 from the State Highway Fund for subarea modernization;
- \$2,004,000 from the State Highway Fund to relocate the Topeka Westgate Sub-area;
- \$3,480,000 from the State Highway Fund to construct Kansas Highway Patrol Troop F Headquarters in Wichita; and
- \$75,000 to purchase land in various locations.

Discussion followed concerning the Troop F Headquarters in Wichita. Jaci Vogel, Assistant Bureau Chief of Constructions, Kansas Department of Transportation, acknowledged that KDOT is working hard to get the project going. The project is near 245 and Meridian. KDOT would like to combine the Turnpike location with the Troop Headquarters so that all could operate out of one facility.

Senator Goodwin moved for Committee's recommendation to approve the Governor's recommendation for FY 2006 and FY 2007 for the Department of Transportation. Representative Neufeld seconded. Motion carried.

\_\_\_\_ Staff presented FY 2006 and FY 2007 capital improvement request for the Kansas State Fair (Attachment 6).

For FY 2006, the agency estimates capital improvement expenditures of \$1,225,601, including \$1,050,000 from the State General Fund, for debt service principal payments and \$104,966 from the State Fair Capital Improvements Fund for rehabilitation and repair. The agency's estimate also includes a supplemental request of \$70,635 from the State General Fund to repair the Grandstand roof that was damaged by a storm in July 2005.

The non-reportable expenditures from the master plan bond proceeds total \$3,690,635. The agency reports that the following items are scheduled for FY 2006: infrastructure and code compliance work; landscaping improvements; ADA compliance work in the vendor area; renovation of the Ye Old Mill; roof upgrades for the Dairy Tie Barn, Livestock Annex, and Ye Old Mill; renovation of the Gate 9 entrance; renovation and an addition to the Sheep Barn; and ADA compliance work on the Grandstand.

The Governor concurs with the agency's FY 2006 revised estimate.

For FY 2007, the agency requests capital improvements expenditures of \$1,187,713, including \$1,080,000 from the State General Fund, for debt service principal payments and \$107,713 from the State Fair Capital Improvements Fund for rehabilitation and repair.

The agency reports that the renovation of the Ye Old Mill and the Gate 9 entrance, the renovation and addition to the Sheep Barn, and the ADA compliance work in the vendor area and on the Grandstand should be completed prior to the 2006 Kansas State Fair.

The Governor concurs with the agency's FY 2007 request for capital improvement expenditures. The Governor's recommendation also continues the \$300,000 revenue transfer from the State General Fund to the State Fair Capital Improvements Fund for FY 2007.

Brad Rayl, Board Member of the Kansas State Fair discussed the Sheep Barn problem. The Board decided to add a lean-to addition to this facility to accommodate the large increase in animals shown in this facility. The Fair is trying to grow the attendance and exhibit space in a very pro-active way to entice exhibitors to show. The Fair has accepted a large show that is going to add another 150 - 300 head into this facility. No other facilities on the ground can accommodate the increase. However, if the lean-to addition is added, it in turn raises the price of the addition to nearly \$2 million dollars as it triggers fire code compliance issues.

In response to a question, Brad Rayl stated that, to his knowledge, if nothing is done to the facility, the Kansas State Fair is in code compliance.

Discussion followed concerning whether this project could be bonded if it was coupled with another project. Brad Rayl said the only other facility that was not in the original master plan is the bison arena facility which was previously a 4-H livestock building. Presently, the Fair does not have a use for it. It has a dirt floor, and some activities such as rodeos, dog shows, and a pony pull take place in it during the fair. In the off season, it is used for campers to provide additional revenue. The Fair Board does not want to renovate or replace this facility unless there is a designed use for it.

The Committee discussed the possibility of the Legislature passing legislation to make it clear that rules do not apply to livestock exhibit buildings that are open on both ends.

In response to a question, Mr. Rayl informed the Committee that \$370,000 is left in bond proceeds and, of that amount, \$329,000 was going to go toward the addition and improvement of the lighting in the building. Representative Neufeld remarked that this project could go forward if a way was found to exempt this facility.

Representative Humerickhouse moved for the Committee to concur with the Governor's recommendation for the FY 2006 and FY 2007 for the Kansas State Fair. Representative Feuerborn seconded. Motion carried.

Staff presented FY 2006 and FY 2007 capital improvement request for the School for the Deaf (Attachment 7).

For FY 2006, the agency estimates capital improvement expenditures of \$2,221,675, an increase of \$1,076,464 or 94.0 percent above the approved amount. The increase is the result of a State Institutions Building Fund (SIBF) re-appropriation of: \$1,039,778 for the Roth Dorm Renovation project, \$33,256 for the Gym Roof Repair project, and \$3,430 for rehabilitation and repair.

The Governor concurs with the agency's revised estimate.

For FY 2007, the agency requests capital improvement expenditures of \$409,197. This request includes \$165,000 from the SIBF for two building projects, \$190,000 from the SIBF for rehabilitation and repair, and \$54,197 from the State General Fund for the debt service principal payment for energy improvements under the Facilities Conservation Improvement Program. The agency's request includes an enhancement totaling \$5,000 from the SIBF for additional funding for rehabilitation and repair.

The Governor recommends FY 2007 capital improvements expenditures of \$264,197. The recommendation is \$145,000 or 35.4 percent less than the agency's FY 2007 request and does not include:

- \$140,000 from the SIBF for tuck-pointing and seal repairs on the Roth Building, and
- \$5,000 from the SIBF for the agency's enhancement request for additional rehabilitation and repair funds.

Representative Humerickhouse moved that the Committee concur with the Governor's recommendation for FY 2006 and FY 2007. Senator Goodwin seconded. Motion carried.

Staff presented the FY 2006 and FY 2007 capital improvement request for the School for the Blind (Attachment 8).

For FY 2006, the agency estimates capital improvements expenditures of \$335,362, an increase of \$147,297 or 78.3 percent above the approved amount. The increase reflects:

- A re-appropriation of \$114,833 from the State Institutions Building Fund for rehabilitation and repair, and
- An additional \$32,464, including \$28,613 from the State General Fund, that was shifted from capital outlay to capital improvements for a debt service principal payment for energy improvements under the Facilities Conservation Improvement Program.

The Governor concurs with the agency's revised estimate.

For FY 2007, the agency requests capital improvement expenditures of \$149,877. This request includes \$57,150 for an underground drain installation project, \$67,451 for rehabilitation and repair, and \$25,276 for the debt service principal payment for energy improvements under the Facilities Conservation Improvement Program.

The Governor recommends capital improvements expenditures of \$92,727. The recommendation includes \$67,451 for rehabilitation and repair and \$25,276 for the debt service principal payment. The Governor does not recommend the agency's request for \$57,150 for an underground drain installation project.

Representative Neufeld moved Committee's approval to concur with the Governor's recommendation for FY 2006 and FY 2007 for the School for the Blind. Representative Feuerborn seconded. Motion carried.

Staff presented the FY 2006 and FY 2007 capital improvement request for the Kansas Department of Wildlife and Parks (KDWP) (Attachment 9).

For FY 2006, the agency requests an increase in its FY 2006 capital improvement budget from \$4.8 million to almost \$17.7 million by including financing of \$12.8 million from prior fiscal years. The financing is for approved projects for which funds were not encumbered before June 30, 2005. The Governor adds \$404,255 from special revenue funds for dam repairs as approved by the State Finance Council after the agency submitted its budget. The Governor also reduces the Tuttle Creek project to \$406,645 special revenue funds.

1. The Cheyenne Bottoms information center project was approved previously by the Legislature for slightly less than \$2.0 million to construct a smaller scale project. The revised FY 2006 financing estimate is \$3,629,756 from special revenue funds from federal sources for a larger scale project. KDOT increased its federal grant funding from \$2.0 million to \$3.0 million for this project and the agency adds an additional \$629,756 from other federal funds. The 2005 Legislature concurred with the Governor who withdrew the smaller scale project, pending re-submission of a redesigned information center. The Joint Committee on State Building Construction has not reviewed the larger scale project that is estimated to cost \$3.6 million. The agency requests and Governor recommends \$3,629,756 from special revenue funds.

2. The State Finance Council approved an emergency request of the Secretary of Wildlife and Parks to increase an expenditure limitation on the Wildlife Fee Fund for dam repairs at Leavenworth State Fishing Lake in Leavenworth County. The Secretary briefed the Joint Committee on State Building Construction on August 9, 2005, that the repair project would cost \$404,255 and the current FY 2006 expenditure limit needed to be increased from \$150,000 to \$554,255 for the project. The State Finance Council approved the increase of \$404,255 in FY 2006 for the dam repair. With carryover funds of \$322,537 also available from prior fiscal years, a total of \$876,852 is authorized in FY 2006 for other dam rehabilitation and repair projects, excluding the funding approved by the State Finance Council. The Governor recommends adding \$404,255 to the agency's budget.

For FY 2007, the Governor concurs with the agency's financing from special revenue funds for capital improvements. The agency requests \$305,000 SGF for state parks major maintenance in FY 2007, but the Governor does not recommend any expenditures from this funding source. Among the projects included in the capital improvements request for FY 2007 are the following:

1. The agency requests financing of \$2.8 million AF, including \$305,000 SGF, for major maintenance, roads and bridges in the state parks. The Governor recommends \$2.5 million from special revenue funds, a reduction of \$305,000 SGF from the requested amount.

2. The agency requests and the Governor concurs in financing of \$1.7 million from special revenue funds for acquisition, development, and maintenance of public lands and wetlands.

3. The agency requests and the Governor concurs in financing of \$1.1 million from special revenue funds for river and lake boating access projects, as well as Coast Guard grant projects to construct boat storage facilities for agency enforcement water craft.

Secretary Michael Hayden, Department of Wildlife and Parks reported on the capital improvement projects for the agency (Attachment 10) and also presented copy of the quit claim deed dated December 30, 2005 from the 21<sup>st</sup> Century Ad Astra, LLC to the Department of Wildlife and Parks for acreage (tracks 6 and 7) adjoining State Park 24 in Shawnee County.

Secretary Hayden, KDWP, stated that the department is recommending that, since the 72 acres of land have been deeded to the State, that the current lease for the Regional Office be extended for a year at the same price per square foot and the department will also negotiate the buy out terms. The current provisions gives the KDWP the opportunity to purchase it. The problem comes with the definitions of the appraised price because the KDWP added \$100,000 worth of improvements to the house. KDWP has asked that the property be reappraised and the appraisers were just appointed a week ago by the court.

Secretary Hayden noted that the Cheyene Bottoms Information Center groundbreaking will not take place until October with completion in the spring of 2007.

Concerning the railroad crossing in Park 24, Secretary Hayden , remarked that the first and least expensive proposition would be for the Union Pacific to change the railroad crossing from a private crossing to a public one. It is also hoped that the Union Pacific may pay for some of the improvements.

Representative Neufeld moved to approve the Governor's FY 2006 and FY 2007 capital improvement recommendations for the Department of Wildlife and Parks except to change the Cheyene Bottoms Information Center project from FY 2006 to FY 2007 and to extend the Regional Office lease by one or more years at the current rate per square foot and to negotiate the same buy out terms. Representative Feuerborn seconded. Motion carried.

Chairman Umbarger adjourned the meeting at 1: 30 p.m.

The next meeting is scheduled for March 8 for a tour of the Kansas Bureau of Investigation Facilities in Topeka.

Prepared by Helen Abramson, Committee Secretary  
Edited by Debra Hollon, Legislative Research Department

Approved: March 16, 2006