

JCSBC Testimony
Department of Revenue
Andover
November 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 Kansas Department of Revenue in Andover. The agency has been at its current location since 1991. The current lease expires December 31, 2012.

The Agency issued a Request for Proposal in January 2012. In addition, the request for space was sent to registered bidders via the email notification system and published in the local newspaper. Two bids were received.

The proposed lease begins January 1, 2013 for a term of five years. The lease rate of \$14.70 is within the average lease cost for leased office space in Andover according to the Andover Chamber of Commerce and local commercial real estate brokers.

The customer volume at the Andover Drivers License Exam Station has increased by 150% in the last ten years and the staff has doubled. Additionally, the current location offers insufficient customer waiting area space, insufficient processing and testing space, and insufficient space for modern equipment.

The Energy Audit reveals that energy consumption is below the national average.

Department of Administration is supportive of this lease.

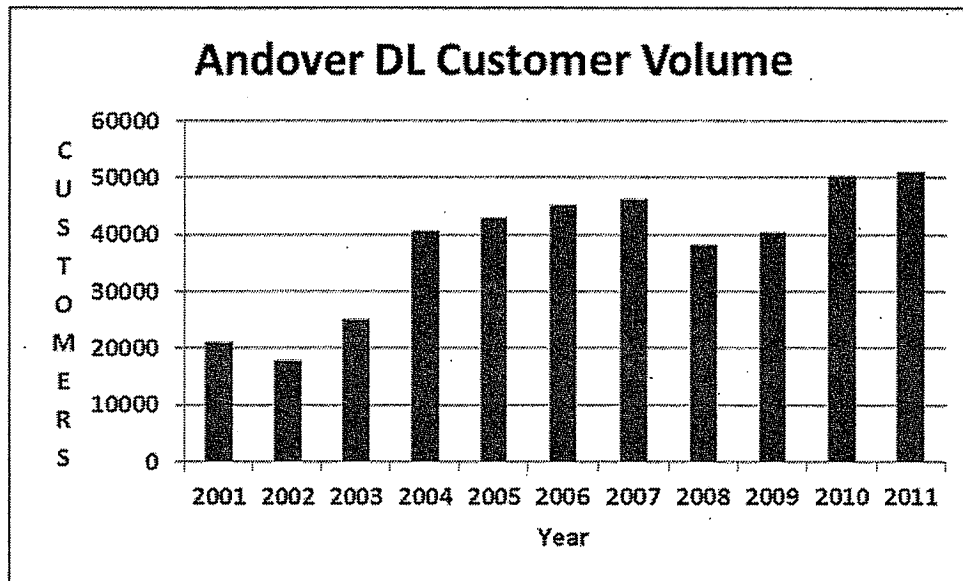
I am available to answer your questions as is a representative from the Kansas Department of Revenue.

Thank You.

Lease Comparison Sheet
Kansas Department of Revenue

November, 2012

A		B	C	D	E
GENERAL INFORMATION		CURRENT LEASE	PROPOSED LEASE	REJECTED BID	Other State Leases
1	State Agency	Department of Revenue	Department of Revenue	Department of Revenue	Butler County Comperables
2	Address	111 W. Central	620 N. Andover Rd	229 Andover Rd	
3	City Location (market)	Andover	Andover	Andover	Andover
4	Office Function	DLEX Office	DLEX Office	DLEX Office	
5	Lease Space (sq. ft.)	Office Sq. Ft. 1,000	3,665	2,160	
6		Storage Sq. Ft. 0	0	0	
7		Total Sq. Ft. 1,000	3,665	2,160	
8		Parking Stalls 35 - 50	open lot	open lot	
9	Energy Audit	No Record	above national average		Chamber of Commerce
10	Full Time Equivalency (FTE) employees/workstations	3	6	6	\$12.00 - \$15.00 sqft average, Class B space
11	Lease Begin Date	10/1/1994	1/1/2013	1/1/2013	
12	Lease End Date	12/31/2012	12/31/2017	12/31/2017	Commercial Real Estate Company
13	Years of Lease	18 years, 3 months	5	5	\$17.00 sqft average, Class B space
14	Space Standards Check (sq. ft. per FTE/workstation)	333	611	360	
LEASE COSTS					
15	Base Lease Office Cost (annual per sq. ft.) (average)	\$4.25	\$12.00	\$16.00	
16	Storage (per square foot)	\$0.00	\$0.00	\$0.00	
17	Parking	\$0.00	\$0.00	\$0.00	
18	Additional Services				
AGENCY FUNDED OCCUPANCY COSTS					
19	Real Estate Taxes	inc. in lease	inc. in lease	inc. in lease	
20	Insurance	inc. in lease	inc. in lease	inc. in lease	
21	Major Maintenance	inc. in lease	inc. in lease	inc. in lease	
22	Utilities				
	Electricity	\$0.35	\$1.30	inc. in lease	Class B space AVERAGE Square Foot Rate \$14.50
	Gas	\$1.10	\$1.00	inc. in lease	
	Water/Sewer/etc.	\$0.30	\$0.40	inc. in lease	
	Trash Pickup/Removal	inc. in lease	inc. in lease	inc. in lease	
25	Custodial/Janitorial	inc. in lease	inc. in lease	inc. in lease	
26	Pest Control	inc. in lease	inc. in lease	inc. in lease	
27	Grounds Maintenance (inc. snow removal)	inc. in lease	inc. in lease	inc. in lease	
28	Parking	inc. in lease	inc. in lease	inc. in lease	
29	Total Other Bldg Optg Costs (not included in lease)	\$1.75	\$2.70	\$0.00	
IMPROVEMENTS					
31	Improvements				
32	Subtotal - Improvements	\$0.00	\$0.00	\$0.00	
33	Annual Cost per Sq. Ft. (estimated)	\$6.00	\$14.70	\$16.00	\$14.50
34	Annual Cost (estimated)	\$6,000	\$53,876	\$34,560	
35	Total Cost of Lease (estimated)	\$109,500	\$269,378	\$172,800	



Factors for increasing the size & location of the Andover Driver's License Office

- KDOR has been at the current location in Andover Square since 1991 with no increase in office space
- The current space is 1,000 Sq. Ft., and is too small to provide adequate driver's license services; i.e., no customer waiting space, insufficient processing and testing space, insufficient space for modern equipment
- Customer volume in Andover has increased 150% in the last ten years. The Andover service area includes many patrons from Sedgwick County
- KDOR's Office staff has increased 100% from three to six employees since 2001
- KDOR's needs to modernize and upgrade the Andover Driver's License office to service the high volume of customers in this area

Population Statistics for Andover & Wichita, Kansas

2010 Population Growth and Population Statistics	Andover, KS 67002	Kansas
Total Population	12,247	2,831,380
Square Miles	38.99	81,814.88
Population Density	314.10	34.60
Population Change Since 1990	80.08%	14.44%
Population Change Since 2000	34.11%	5.32%
Forecasted Population Change by 2014	14.99%	3.96%
Population Male	6,029 49.23%	1,411,313 49.85%
Population Female	6,218 50.77%	1,420,067 50.15%
Median Age	35.30	35.10

2010 Population Growth and Population Statistics	Andover, KS 67002	Wichita, KS	United States
Total Population	12,247	369,463	308,455,134
Square Miles	38.99	292.38	N/A
Population Density	314.10	1,263.60	87.20
Population Change Since 1990	80.08%	19.77%	24.02%
Population Change Since 2000	34.11%	7.31%	9.61%
Forecasted Population Change by 2014	14.99%	7.97%	4.52%
Population Male	6,029 49.23%	184,189 49.85%	152,625,766 49.48%
Population Female	6,218 50.77%	185,274 50.15%	155,829,368 50.52%
Median Age	35.30	33.20	35.60