



Office of Facilities & Property Management
700 SW Harrison, Suite 1200
Topeka, KS 66603

Phone: (785) 296-8070
Fax: (785) 296-3456
DeAngela.Burns-Wallace@ks.gov
<http://www.admin.ks.gov>

DeAngela Burns-Wallace, Secretary
Frank Burnam, Director

Laura Kelly, Governor

JCSBC TESTIMONY
September 22, 2020
Kansas State Board of Pharmacy
Topeka, Kansas

Bobby Kosmala
Deputy Director of Leasing & Real Estate
Office of Facilities & Property Management

My presentation is for the proposed amended lease for the Kansas State Board of Pharmacy (the Board) in Topeka, Kansas.

The mission of the Board is to ensure that all persons and entities conducting business relating to the practice of pharmacy in Kansas are properly licensed and registered in an effort to protect the public's health, safety and welfare. Through the Board's Regulatory Program, the agency licenses and registers approximately 7,600 pharmacists, 7,500 pharmacy technicians, 1,100 pharmacy interns/students, and 5,560 pharmacies and facilities in and outside of Kansas. Protection of the public is afforded through oversight, enforcement, and inspection activities carried out by the Board, including conducting regular facility inspections and investigating all complaints. The Board's Drug Monitoring Program includes operation of the Kansas Prescription Drug Monitoring program, the Unused Medication Donation program, and the Medication Collection and Disposal program.

The Board has been leasing office space on the 14th floor of the 800 SW Jackson building in Topeka, Kansas for the past ten years. Prior to the pandemic, the Board had regular traffic in its office from members of the public, applicants, licensees and registrants, which it expects will resume in the future. When the original contract term was coming to an end in 2015, the Board and the Department of Administration was able to amend and extend the lease for an additional five-year period. The term of that amendment will expire on June 30, 2021 and the Board seeks to extend for another five years.

Though the Board's in-office staff has grown over the past few years due to an increase in federally grant funded positions, any concerns about outgrowing the current leased space have recently been assuaged. The Board provides workstations for 10 full-time employees and two part-time employees at the Topeka office. In addition, the Board has seven employees based in home offices throughout the state that routinely travel to the Board office for meetings, in-service, or other activities. This requires a significant amount of "flex space" within the office that can accommodate a periodic influx in staff members in the office. Earlier this year, the Board contracted with the Department of Administration to reconfigure office workstations and meetings areas to increase efficiency and flexibility, and the facility management team to adjust the entrance, access, and security, and maximize space. Additionally, the Board reduced its paper document footprint, minimized in-office storage space needs, and migrated agency servers to the Office of Information Technology Services. These adjustments have tremendously increased the utilization and efficiency of Board space, making it an ideal location and setup.

The leased location does not provide sufficient space for regular meetings of the Board of Pharmacy; however the Board has an established relationship with the Board of Healing Arts (located in the building's lower level) to utilize their Board room and its audio/visual technology setup, free of charge. The location of Board meetings in the same building as the Board office provides significant ease of access for staff and Board members, as well as the necessary technology to accommodate the Board's meetings which have been web-hosted for the past two years so that members of the public may participate.

The lease amendment is for an additional term of five years at a rate of \$16.50 per square foot and the negotiated rate and terms over the five years is approximately \$42,000 less than the original proposal from the Lessor. The Board is also provided with 492 square feet of office space free of charge. The proposed lease rate is within the market range of properties within the area and in the building.

The lease being presented is a full-service lease. This lease is needed to support ongoing operations of the Board and staff assigned to the Topeka office. The proximity of this space to the Board of Healing Arts and capitol complex is important to the overall efficiency of the Board.

An energy efficient program has been completed through the EPA Energy Star Manager and the building received a better than average score. The Department of Administration is supportive of this lease. I am available to answer your questions as is a representative from the Board. Thank You

**Lease Comparison Sheet
Bd of Pharmacy-Topeka**

September 22, 2020

A

B

C

| GENERAL INFORMATION | | Pharmacy LEASE (Current) | Pharmacy LEASE (Proposed) |
|--|--------------------------------|-------------------------------|------------------------------|
| State Agency | | Pharmacy | Pharmacy |
| Address | | 800 SW Jackson, Suite 1414 | 800 SW Jackson, Suite 1414 |
| City Location (market) | | Topeka | Topeka |
| Building Name or Location | | N/A | N/A |
| Lease Space (sq. ft.) | Office Sq. Ft. | 2,000 | 2,000 |
| | Storage Sq. Ft. | 0 | 0 |
| | Total Sq. Ft. | 2,000 | 2,000 |
| Energy Audit | | Better than average | Better than average |
| Full Time Equivalency (FTE) employees/workstations | | 8 | 12 |
| Lease Begin Date | | 7/1/2010 | 7/1/2021 |
| Lease End Date | | 6/30/2021 | 6/30/2026 |
| Years of Lease | | 11 | 5 |
| Space Standards Check (sq. ft. per FTE/workstation) | | 250 | 167 |
| LEASE COSTS - provided by 1st Party Landlord within the lease | | | |
| Base Lease Office Cost | (annual per sq. ft. average) | \$15.00 | \$16.50 |
| Storage (per sq. ft.) | | | |
| Real Estate Taxes | | inc. in base | inc. in base |
| Insurance | | inc. in base | inc. in base |
| Major Maintenance | | inc. in base | inc. in base |
| Utilities - total | | | |
| | Electricity | inc. in base | inc. in base |
| | Gas | inc. in base | inc. in base |
| | Water/Sewer/etc. | inc. in base | inc. in base |
| Trash Pickup/Removal | | inc. in base | inc. in base |
| Custodial/Janitorial | | inc. in base | inc. in base |
| Pest Control | | inc. in base | inc. in base |
| Grounds Maintenance (inc. snow removal) | | inc. in base | inc. in base |
| Common Area | | inc. in base | inc. in base |
| Other Services - Bldg Operating Expense Stops | | inc. in base | inc. in base |
| Parking | (\$60.00 each) | inc. in base | \$2.31 |
| | No. of Parking Spaces included | 6 | 8 |
| SUBTOTAL - Lease Costs w/o Additional Services | | \$15.00 | \$18.81 |
| Additional Services | | | |
| SUBTOTAL - Additional Services | | \$0.00 | \$0.00 |
| OTHER BUILDING OCCUPANCY COSTS - funded by State Agency separate from the lease | | | |
| Building Operating Cost (not included in base rent) | | | |
| Major Maintenance | | | |
| | Electricity | | |
| | Gas | | |
| | Water/Sewer/etc. | | |
| Trash Pickup/Removal | | | |
| Custodial/Janitorial | | | |
| Pest Control | | | |
| Grounds Maintenance (inc. snow removal) | | | |
| Parking | (annual per sq. ft. average) | \$0.00 | \$0.00 |
| No. of Parking Spaces included | | | |
| Total Other Bldg Optg Costs (not included in lease) | | \$0.00 | \$0.00 |
| IMPROVEMENTS | | | |
| Improvements | | | |
| Subtotal - Improvements | | \$0.00 | \$0.00 |
| Annual Cost per Sq. Ft. (estimated) | | \$15.00 | \$18.81 |
| Annual Cost (estimated) | | \$30,000.00 | \$37,620.00 |