

Proposed

State of Kansas
Department of Administration
Notice of Public Hearing on Proposed Administrative Regulations

July 21, 2015

A public hearing will be conducted on Friday, October 9, 2015 at 9:00 a.m. in Room 530 of the Curtis State Office Building, 1000 S.W. Jackson, Topeka, Kansas to consider the adoption of proposed amendments to rules and regulations of the Office of Facilities and Procurement Management, Department of Administration, on a permanent basis.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to the Office of the Chief Counsel, 1000 S.W. Jackson, Suite 500, Topeka, Kansas 66612-1300 or by email to Philip.Michael@da.ks.gov. All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulations during the public hearing. In order to provide all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

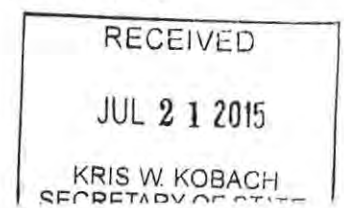
Any individual with a disability may request an accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Philip Michael at (785) 291-3013 (or TTY 1-800-766-3777). The main entrance to the Curtis State Office Building is accessible. Handicapped parking is available in metered spaces surrounding the building and adjacent parking garage on the west side of Jackson Street, the north side of 10th Street, the west side of Kansas Avenue and the north side of 11th Street.

Summaries of the proposed regulations and their economic impact follow. (Note: Statements indicating that a regulation is "not anticipated to have any economic impact" are intended to indicate that no economic impact on the Department of Administration, other state agencies, state employees, or the general public has been identified.)

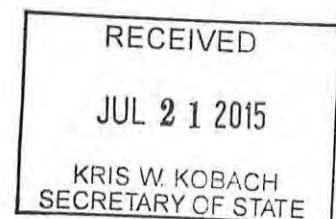
Copies of the proposed regulation and the Economic Impact Statement for the proposed regulation can be viewed at the following website:

<http://admin.ks.gov/offices/chief-counsel>

K.A.R. 1-45-22. Parking fees for state parking garage. This regulation as amended, removes the current State garage parking fee formula and will allow for contractually set parking fees. K.A.R. 1-45-22 currently sets standard monthly parking fees for agencies and employees using the parking garage according to a 2% annual formulaic increase on the 2003 base rate of \$45.90 per month or \$21.19 biweekly. The regulation mandates the 2% increase through the year 2031. The proposed amendments to this regulation remove the 2% annual increase and remove set



monthly rates from the regulation by instead proposing that this rate be set annually in contract. The purpose of this proposed change is to allow the flexibility to set and keep State garage parking rates at a stable market-competitive rate to ensure continued garage occupancy rates and keep expenses down for both State employees and State agencies utilizing the parking garage. The Department of Administration anticipates that there will be minimal economic impact to State of Kansas employees and Agencies as a result of these proposed amendments to K.A.R. 1-45-22.



1-45-22. Parking fees for state parking garage. (a) "State parking garage" means shall mean the parking garage located on Jackson avenue between 10th and 11th streets that is owned by the Topeka public building commission and operated by the state of Kansas.

(b)(1) ~~Notwithstanding~~ Despite the provisions of K.A.R. 1-45-21, the following parking fees shall apply during the fiscal year beginning July 1, 2002, to state agencies and state employees with parking contracts for the state parking garage: shall be established on an annual contract basis for state employees and state agencies.

(A) ~~State employees.....\$21.19 per biweekly fee period~~

(B) ~~state agencies.....\$45.90 per month.~~

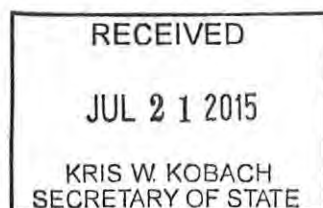
(2) ~~On July 1 of fiscal year 2004, the parking fees established under paragraph (b)(1) shall be increased by 2%. On July 1 of each subsequent fiscal year through fiscal year 2031, the parking fees from the prior fiscal year shall be increased by an additional 2%.~~

(3) Parking permit fees shall be paid in advance. Each state employee who enters into a parking contract for the state parking garage shall pay the ~~biweekly~~ parking fee by biweekly payroll deduction, except for any fee periods or portion of a fee period before the payroll deduction application is processed.

(c) If space in the state parking garage is made available to members of the public either for parking ~~contracts~~ permits or for short-term parking, the following parking fees shall apply to members of the public:


(1) Members of the public with a parking ~~contract~~ permit shall pay a monthly rate established ~~under the terms of the parking contract~~ by the secretary.

(2) Members of the public without a parking permit shall be charged parking fees at the rate of ~~\$.60~~ \$1.00 per hour or ~~\$5.00~~ \$10.00 per day.



ATTORNEY GENERAL

JUN 30 2015

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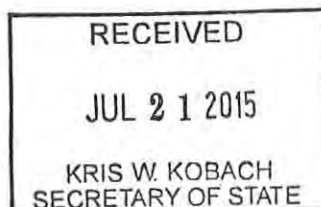
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(d) The parking fee shall not be prorated, and no refunds shall be made for any unused portions of a month or fee period. The payment of parking fees shall be a continuing obligation until terminated in writing by either party to a parking contract.

This regulation shall be effective on and after January 1, 2016. (Authorized by K.S.A. 75-3706, K.S.A. 2014 Supp. 75-4506, as amended by ~~L. 2002, Ch. 200, Sec. 1~~, and K.S.A. 75-4507; implementing K.S.A. 2014 Supp. 75-4506, as amended by ~~L. 2002, Ch. 200, Sec. 1~~; effective Feb. 28, 2003; amended P-_____.)



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Department of Administration
Office of Facilities and Property Management

Economic Impact Statement for
K.A.R. 1-45-22: Parking Fees for State parking garage

Section 1: Description of the proposed regulations and the purpose of their adoption.

K.A.R. 1-45-22, as amended, removes the current State garage parking fee formula and will allow for contractually set parking fees. K.A.R. 1-45-22 currently sets standard monthly parking fees for agencies and employees using the parking garage according to a 2% annual formulaic increase on the 2003 base rate of \$45.90 per month or \$21.19 biweekly. The regulation mandates the 2% increase through the year 2031. The proposed amendments to this regulation remove the 2% annual increase and remove set monthly rates from the regulation by instead proposing that this rate be set annually in contract. The purpose of this proposed change is to allow the flexibility to set and keep State garage parking rates at a stable market-competitive rate to ensure continued garage occupancy rates and keep expenses down for both State employees and State agencies utilizing the parking garage.

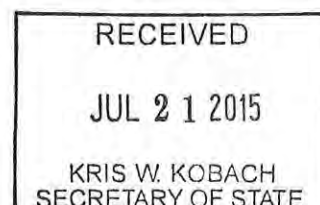
The 2% annual increase was originally included in K.A.R. 1-45-7a (revoked 2003), which was the predecessor regulation to 1-45-22 to ensure payment of annual increases in the debt service schedule necessary to retire the bonds on the parking garage. Removal of the 2% mandatory increase language allows for greater flexibility in the garage parking fee rates. This change will allow rate adjustment on a yearly basis without going through the regulatory amendment process each time market rates vary or as occupancy rates necessitate. The practical impact is that parking rates will not automatically increase on a yearly basis.

It is not anticipated that there will be space made available to members of the public. However, this amended regulation maintains daily and hourly fees for members of the public in the event that the garage is open to public parking, with a proposed change in rates reflecting current City of Topeka hourly and daily parking garage fees.

Section 2: Are the proposed regulations required by federal law as a requirement for participating in or implementing a federally subsidized or assisted program?

The proposed regulation is not mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program. The proposed regulation does not exceed any requirement of federal law.

Section 3: A description of the cost of the regulations, the persons who will bear the costs, and those who will be affected by the proposed regulations.



The State parking garage has 683 spaces, with 575 covered spaces and 108 uncovered/roof spaces. There are currently 474 employees parking in the garage, 113 tenant State agency vehicles in the garage, and 96 vacancies (note that these numbers change throughout the year as employees and agencies move in and out of the garage). The employees who contract with the Department of Administration to use the parking garage provide the greatest source of revenue. The current fee rate for parking is \$59.38 per month for tenant State agencies and approximately \$27.41 per biweekly pay period for State employees. FY 2015 parking garage fee revenue was \$397,480.54. The proposed rate for contractually based garage parking is \$50 per month for covered spaces and \$35 for uncovered/roof parking spaces and would begin at the expiration of the 2015 parking contracts.

Because it is anticipated that the garage will continue to be occupied solely by State employees and State agencies, no effect on revenues generated by City of Topeka parking facilities is expected. The changes made to section (c)(2) of K.A.R. 1-45-22 raise the public parking rates for hourly and daily parking to match current City of Topeka published parking rates.

Debt service obligations for the State parking garage are part of the greater combined bond repayment obligations of the Curtis State Office Building and State parking garage. The total debt service repayment for Curtis and the State parking garage combined for FY 2015 is \$3,472,312.50. The FY 2016 debt service repayment rate is \$3,537,312.50. State parking garage fees cover expenses for maintenance and repair of the garage with the excess amounts going toward the combined Curtis State Office Building and State parking garage debt service obligations. FY 2016 revenue under the proposed contractual rates is estimated at \$363,765.00. The Department of Administration incurs direct administrative and operational costs for the State parking garage and will bear the cost of any reduction in fees as a result of contractually lower rates. No additional staff would be needed as a result of these proposed regulatory changes. The change in rates will provide savings to both State employees and tenant State agencies parking vehicles in the State parking garage. In addition, the changed rates have the potential to increase utilization of the State parking garage by making parking more cost efficient for State agencies and employees.

Section 4: A description of any less costly or intrusive methods that were considered by the State agency for achieving the stated purpose of the regulations, and the reason that those methods were rejected in favor of the proposed regulations.

No other less costly or less intrusive methods were identified or considered for the purpose of this regulation. These changes lower current parking rates. The Department of Administration, Office of Facilities and Property Management's primary concern is maintaining an affordable parking option for State agencies and employees working in the Capitol Complex.

