

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

APRIL 24, 2006

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect	Jeff Hoge, Department of Transportation
Georgia Martin, Department of Finance and Administration	Jacqueline Felland, Bond Finance
Charles Garrett, Department of Finance and Administration	Mike Morrow, Department of Finance and Administration
Charles Harrison, Comptroller's Office	Jeff Roberts, Department of Human Services
Janie Porter, Attorney General's Office	Nancy Blevins, Department of Finance and Administration
Genie Whitesell, Attorney General's Office	Larry Teague, Attorney General's Office
Mark Wood, Secretary of State's Office	Karen Hale, Comptroller's Office
Jerry Preston, Tennessee Board of Regents	
Bob King, Department of Finance and Administration	
Alvin Payne, University of Tennessee	
Pat Haas, Bond Finance	
Annette Crutchfield, Legislative Budget Analysis	
Dennis Raffield, THEC	
John Gregory, Tennessee Wildlife Resources Agency	
Diane Uhler, Tennessee Board of Regents	
Melissa Ziegler, City of Pigeon Forge	
Earlene Teaster, City of Pigeon Forge	
Joe Ayres, City of Pigeon Forge	
Chris Bessler, City of Pigeon Forge	
Leon Downey, City of Pigeon Forge	
John Jagger, City of Pigeon Forge	
Jim Gass, City of Pigeon Forge	

Comptroller Morgan called the meeting to order at 10:45 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Approved a request for a revision in funding and acknowledgment of the source of funding from \$5,000,000.00 to \$7,250,000.00 (\$2,250,000.00 increase) of a project for **Softball Stadium Improvements** at the University of Tennessee at Knoxville, and authorization to award a contract to Southern Constructors in the amount of \$6,224,000.00, which includes the base bid plus Alternate #1, received on April 11, 2006.

Revised Estimated Project Cost: \$7,250,000.00
SBC Project No. 540/009-05-2005

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Jerry Preston discussed a project for **Fort Campbell Center Classroom Building** for Austin Peay State University in Clarksville, Tennessee. He stated that the WWII buildings presently occupied by APSU are scheduled to be demolished, and they are trying to plan for a replacement classroom/office building. He said the Army is willing to give the University a 25-year ground lease with another 25-year option, and that they will bring a project forward in the near future to ask for approval to replace the building. Commissioner Goetz asked what would be the funding source, and Mr. Preston responded that they would have two options—build to suit lease with purchase option or a State school bonded project. Support funding would come from operating revenues off the Fort Campbell site. Treasurer Sims stated that the project will be part of the appropriation Project Disclosure process. Commissioner Goetz asked Mr. Preston where he will turn if operating revenues are not sufficient. Mr. Preston responded that they would have to reduce the size to make it work. Treasurer Sims commented that the financial issue was the same either way, and Mr. Preston confirmed that it was. Subcommittee thanked Mr. Preston for his report.

Estimated Project Cost: **\$ 3,600,000.00**
SBC Project No. 166/003-01-2006

JACKSON STATE COMMUNITY COLLEGE, JACKSON, TENNESSEE

- 1) Approved a request for a revision in funding and acknowledgment of the source of funding from \$750,000.00 to \$870,000.00 (\$120,000.00 increase) of a project for **McWherter Building Renovations** at Jackson State Community College in Jackson, and authorization to award a contract to Allen Searcy Builder of Union City in the amount of \$738,300.00 based on bids received March 22, 2006.

Revised Estimated Project Cost: **\$870,000.00**
SBC Project No. 166/019-03-2005

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF ADVERTISEMENT & APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Lincoln County – 7.77 +/- acres with improvements – adjoining Motlow State Community College, Fayetteville, TN – Transaction No. 06-03-013 (LW)**

Purpose: Acquisition in Fee to provide an educational facility adjoining the Don Sundquist Center for Advanced Technologies for a campus in Lincoln County and fulfillment of the original intent of the County.

Source of Funding: Motlow State Community College

Estimated Cost: Gift

Owner(s): Lincoln County

Comment: Property is known as Fayetteville Center and being leased for a \$1/year.

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 04-24-06. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Dyer County - 3.289 +/- unimproved acres - Dyersburg State Community College, Dyersburg, TN - Transaction No. 06-03-014 (LW)

Purpose: Disposal by Lease for the proposed new Dyer County Health Department

Term: Thirty (30) year term with two (2) options to renew for additional thirty (30) years.

Consideration: \$10.00 per year & benefits to the college

Lessee: County of Dyer

Comment: All construction of improvement, maintenance and operation costs will be sole responsibility of Lessee

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 04-24-06. Charles Garrett presented the transaction. Treasurer Sims asked if this fit within the master plan, and was told "yes". Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Requesting approval to enter into a five (5) year negotiated lease for six (6) outdoor advertising sign (billboards) located on Yanahli Wildlife Management Area near Columbia, TN.

Purpose: Attorney General's office has been pursuing the removal of six (6) billboards since the SBC ordered the removal of these signs in 2001 and 2002. Court decided on March 31, 2006 that State should pay to remove these billboards signs at a cost of \$32,000.00. The AG's office has contacted the owner and the owner is willing to settle this if the State agrees to a five (5) year lease and the owner would remove the billboards at the end of the five (5) years at no cost to the State.

SSC Report: 04-17-06. John Gregory summarized the transaction and introduced Larry Teague from the Attorney General office. Staff recommended approval for a five (5) year lease at Fair Market Value and after the fifth year the billboards will be removed at owner's expense. Staff referred to Sub-Committee for recommendation.

SC Action: 04-24-06. Charles Garrett presented the transaction. Larry Teague of the Attorney General's Office was recognized. He said that the State had violated the Billboard Regulation and Control Act and, while they could appeal, they saw this negotiated lease as a "win-win" situation. After discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Davidson County – 4.87 +/- acres – McCrory Lane @ the Natchez Trace Parkway, Nashville, TN – Transaction No. 06-03-008 (RJ)**

Purpose: Disposal in Fee for property to be deeded to the US Department of the Interior National Park Service to provide a safe access to McCrory Lane

Original Cost to State: \$90,500.00 for 9.0 acres

Date of Original Conveyance: March 10, 1994

Grantor Unto State: Hanson Properties East

Grantee: US Department of Interior National Park Service

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for recommendation.

SC Action: 04-24-06. Subcommittee approved the transaction as presented.

DEPARTMENT OF HUMAN SERVICES

LEASE EXTENSION

Review of a request for APPROVAL of the following LEASE EXTENSION for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Shelby County – 1991 Corporate Avenue, Memphis, TN – Transaction No. 05-04-928 (BK)**

Purpose: To provide office/training and related space for the Shelby County Family Assistance Service Center

Term: June 1, 2006 thru May 31, 2007 (1 yr.)

Proposed Amount: 24,484 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$406,053.00 @\$16.58/sf
Total Annual Effective Cost: \$406,053.00 @\$16.58/sf

Current Amount: 24,484 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$406,053.00 @\$16.58/sf
Total Annual Effective Cost: \$406,053.00 @\$16.58/sf

Type: Lease Extension – Negotiated

FRF Rate: \$17.00 per square foot

Purchase Option: No – multi tenant

Lessor: JP Realty Partners, LTD, current lessor
Mark Jordan, General Partner

Comment: The proposed lease provides (1) no cancellation during the term of the lease except for cause and/or lack of funding, and (2) Lessor shall furnished all utilities & janitorial services.

SSC Report 04-17-06. Bob King summarized the transaction. Staff referred to Subcommittee for recommendation.

SC Action: 04-24-06. Charles Garrett presented the transaction and stated that this would be the final lease extension for this project. After discussion, Treasurer Sims stated that he would be interested in a report back whether or not the State would be interested in pursuing another lease extension in 2007. Subcommittee approved the request as presented.

TENNESSEE SUPREME COURT

DISCUSSION ITEM

Knox County – Amendment No. 1

Approval to delete entirely Paragraph 2a in the lease and replace with a revised Paragraph. Parking - Throughout the term of this lease, and any extensions hereof under paragraph 3, Lessor shall provide to the State parking spaces at the Bank of America parking garage or other nearby parking facility at a cost to the Lessor not to exceed \$3,550 per month. The purpose of this paragraph is for the Lessor to provide the State up to 50 parking spaces reasonably accessible to the leased premises at no cost to those employees at the Supreme Court Building. Notwithstanding the terms of this paragraph, at no time during the term of the original lease will the number of parking spaces provided by the Lessor to the State in the Bank of America parking garage or its successor in owner ship, be less than twenty (20).

Approval to delete the first sentence in Paragraph 4 and replace with: Rental. The State shall pay rental less deductions specified in paragraph 2(e) and 16 of this lease, on or before the last day of the payment period as follows: annual rent of \$552,000.00, based on 46,000 square feet at \$12.00 per square foot per year, payable in installments of \$46,000 per month.

Approval to reimburse the Lessor Samuel J. Furrow a lump sum amount of \$113,600.00 to cover the dates from August 2003 thru March 2006 (2 yrs. 8 mons.)

All other terms and conditions of the Lease Agreement shall remain unchanged and in full force and effect.

SSC Report: 04-17-06. Bob King summarized the transaction. Tim Townsend presented the transaction as stated. Staff referred to Sub-Committee for recommendation.

SC Action: 04-24-06. Charles Garrett presented the transaction. After discussion, Subcommittee approved the request and concurred that \$113,600 was owed the Lessor as stated above.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SPECIAL ITEM

- 1) Charles Garrett presented a discussion of the City of Pigeon Forge's application to qualify for the Convention Center and Tourism Development Financing Act of 1998. He introduced Earlene Teaster, City Manager for Pigeon Forge, who gave a brief presentation. Charles Garrett said that their package had been reviewed in detail and was found to be aggressive. He said the City is extremely confident with their numbers and feels that they will meet their schedule. He said the next step was for the full Commission to approve the Tourist Development Zone (TDZ) and overall plan that had been submitted. Charles Harrison commented that there are four or five areas that must meet the statute, and that the City had met those requirements. Comptroller Morgan moved to recommend the request to the full Commission. The motion was seconded, and passed without objection.

SBC Project No. 529/000-02-2006

STATE BUILDING COMMISSION

SPECIAL ITEM

- 1) Mr. Fitts brought up from the floor a letter he received from the **City of Spencer** regarding the proposed \$1.6 million grant between the State and the City. He said the letter stated that Representative Curtis was in agreement to release monies sufficient to support construction of a pump station.

Secretary of State Darnell made a motion to approve the grant, with the restriction that their approval for disbursement of funds be limited to funding the pump station at this time. Mr. Fitts stated they could consider separate grants, one for the pump station and one for the pipe line, or a single grant with restrictions on timing of expenditures. The issue was raised concerning the present court case and order. The Subcommittee approved the motion with the added restriction that the grant details would have to be approved by the Attorney General's Office and SBC staff.

SBC Project No. 529/000-08-2005

MINUTES OF MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 20, 2006.

Following approval of the Consent Agenda, the meeting adjourned at 11:38 a.m.

CONSENT AGENDA

Approved the following real property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee
- B. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee
- C. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee
- D. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in Fee
Provision: Waiver of Advertisement & Appraisal
- E. Agency: **Tennessee Board of Regents – Loudon County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- F. Agency: **Tennessee Board of Regents –Rutherford County**
Transaction: Lease Agreement
- G. Agency: **Department of Safety – Roane County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement & Appraisals
- H. Agency: **Department of Environment & Conservation – Knox County**
Transaction: Disposal by Easement
- I. Agency: **Department of Environment & Conservation – Giles County**
Transaction: Acquisition in Fee
- J. Agency: **Department of Transportation – Davidson County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement
- K. Agency: **Department of Transportation – Robertson County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement
- L. Agency: **Department of Children's Services – Cumberland County**
Transaction: Lease Agreement

- M. Agency: **Department of Children's Services – Hamilton County**
Transaction: Lease Agreement
- N. Agency: **Department of Children's Services – Hamilton County**
Transaction: Lease Agreement
- O. Agency: **Finance & Administration for Community Services Agency – Hamilton County**
Transaction: Lease Agreement
- P. Agency: **Finance & Administration for Community Services Agency – Madison County**
Transaction: Lease Agreement
- Q. Agency: **Department of Environment and Conservation – Hamblen County**
Transaction: Demolition – Sewer Plant Facility @ Panther Creek State Park
SBC No: 126/072-01-2006
- R. Agency: **University of Tennessee Ag Institute - Knoxville**
Transaction: Demolition – Building No. 1788 (Hay Shed) located on Cherokee Farm
SBC No: 540/001-01-2006
- S. Agency: **University of Tennessee Space Institute - Tullahoma**
Transaction: Disposal of Coal Fired Flow Facilities
SBC No: 540/020-01-2006

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and APPROVAL TO DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 0.5 +/- acres with improvements (parcel 1) and 0.1 +/- unimproved acres (parcel 2) adjacent to & located within Austin Peay State University Master Plan – 200 Castle Heights, Clarksville, TN – Transaction No. 06-03-005 (LW)

Purpose: Acquisition in Fee for campus expansion for use as parking or future university housing

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): John T. Gresham

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and APPROVAL TO DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 0.09 +/- acres with improvements adjacent to property acquisition in process & located within Austin Peay State University Master Plan – 802 Parham Drive, Clarksville, TN – Transaction No. 06-03-006 (LW)**

Purpose: Acquisition in Fee for campus expansion for use as parking or future university housing

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Sherketa C. Childress

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and APPROVAL TO DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 0.26 +/- acres with improvements adjacent to & located within Austin Peay State University Master Plan – 455 North Second Street, Clarksville, TN – Transaction No. 06-03-007 (LW)**

Purpose: Acquisition in Fee for campus expansion for use as parking or future university housing

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Alex W. Darnell

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Charles Harrison requested that if the Fair Market Value exceeds \$128,000.00 it will need to be brought back to committee for further review. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description: **Rutherford County – 0.76 +/- acres – Motlow State Community College. Mason Tucker Road, Smyrna, TN – Transaction No. 06-03-012 (LW)**

Purpose: Disposal by Easement to facilitate construction of permanent utility & access easement to install electrical transformer, power poles and transmission lines and maintain them.

Estimated Sale Price: Grant for public purpose

Grantee: Middle TN Electric Membership Corporation

Comment: SBC project #166/021-01-03

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Loudon County – Highway 11, Lenoir City, TN – Transaction No. 06-03-903

Purpose: To provide educational space for Roane State Community College

Term: May 1, 2006 thru April 30, 2011 (5 years)

Proposed Amount: 14,337 Square Feet
Annual Contract Rent: \$ 48,313.20 @\$3.37/sf
Est. Annual Utility Cost: \$ 20,071.80 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 15,770.70 @\$1.10/sf
Total Annual Effective Cost: \$ 84,155.70 @\$5.87/sf

Current Amount: 14,337 Square Feet
Annual Contract Rent: \$ 40,000.00 @\$ 2.79/sf
Est. Annual Utility Cost: \$ 20,071.80 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 15,770.70 @\$ 1.10/sf
Total Annual Effective Cost: \$ 75,842.50 @\$ 5.29/sf

Type: New Lease – Option to renewal for additional Five (5) years

FRF Rate: \$10.25 per square foot

Lessor: Loudon County Government

Comment: The proposed lease provides (1) option to renew lease for additional five (5) year term at a negotiated rate and (2) lease contains a 90-day cancellation clause.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Rutherford County – 120 East Main Street, Murfreesboro, TN – Transaction No. 06-03-904

Purpose: To provide office & educational space for Tennessee Center for Child Welfare Program (TCCWP)

Term: May 1, 2006 thru April 30, 2009 (3 years)

Proposed Amount: 6,616 Square Feet

Annual Contract Rent Incl. Utility Cost:

\$ 80,715.12 @\$ 12.20/sf

Est. Annual Janitorial Cost:

\$ 7,277.60 @ \$ 1.10/sf

Total Annual Effective Cost:

\$ 87,992.72 @\$ 13.30/sf

Current Amount: None

Type: New Lease – Advertise – Lowest of 3 proposals from 3 proposers – Option to renew for 2 years

FRF Rate: \$13.50 per square foot

Lessor: First State Investors 5000A, LLC

Comment: The proposed lease provides (1) Lessor to provide utilities at no additional cost to the State, (2) lease has a 90-day cancellation clause, (3) lease rate escalates to \$12.56 and \$12.94 for the second & third years respectively and (4) renewal option for additional two (2) years at the rate of \$13.33 and \$13.73 for the fourth & fifth years.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Roane County – 0.238 +/- acres with Highway Patrol Station – Nelson Street / Gateway Avenue, Rockwood, TN – Transaction No. 06-02-004 (RJ)**

Purpose: Disposal in Fee of the historic Highway Patrol building with the understanding it be used for public / tourism purposes.

Original Cost to State: \$300.00

Date of Original Conveyance: November 5, 1936

Grantor Unto State: J. D. Avery

Estimated Sale Price: Gift – Public Purposes

Grantee: City of Rockwood

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and WAIVER OF APPRAISAL(S) as required by TCA 4-15-102 and 12-2-112.

Description: **Knox County – 7.3+/- Riparian acres, along Marble Springs, Neubert Springs at Gov. John Sevier Historic Site, 1201 & 1220 W. Governor John Sevier Hwy., Knoxville, TN – Transaction No. 06-01-015 (RJ)**

Purpose: Disposal by Easement for restoring streams and reforesting the riparian corridor is needed to repair damage.

Estimated Price: Grant or Gift

Grantee: Tennessee Wildlife Resources Foundation

Comment: This is a perpetual easement

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Giles County – 0.7 +/- acres – Sam Davis Memorial State Historic Site - 128 Sam Davis Avenue, Pulaski, TN – Transaction No. 06-03-011 (RJ)

Purpose: Acquisition in Fee to expand the museum on the Civil War era and preserve the existing integrity of the museum, surrounding historic district and creating a walking trail.

Source of Funding: State Land Acquisition Fund - \$18,664.80
Giles County Historical Society - \$ 9,335.20

Estimated Cost: Fair Market Value

Owner(s): Johnny Mark Johnson

Comment: Property is known as the Johnson tract

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Charles Harrison requested that we acquire property at Fair Market Value not to exceed \$28,000.00. If transaction exceeds this amount it will require further review by staff. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description: **Davidson County – 4.894 +/- acres – Ezell Road / Bush Road, Nashville, TN – Transaction No. 06-03-009 (RJ)**

Purpose: Disposal in Fee for property to be surplus to the department needs.

Original Cost to State: \$926,600.00

Date of Original Conveyance: April 7, 1992

Grantor Unto State: Golden & Wells

Estimated Sale Price: Fair Market Value

Grantee: Shawn Henry attorney for Don Golden / Jerry Wells

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Charles Harrison requested a report back on the determined appraised value. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description: **Robertson County – 1.67 +/- acres – Northern section of Springfield, TN – Transaction No. 06-03-010 (RJ)**

Purpose: Disposal in Fee for property that is surplus to the department and adjoining owner wishes to purchase

Original Cost to State: \$9,500.00 for 250 acres

Date of Original Conveyance: April 15, 1950

Grantor Unto State: J.O. & G.B. Kemper and Martha Kemper Morris

Estimated Sale Price: Fair Market Value

Grantee: Christy Bartee attorney for Mac E. Baggett

SSC Report: 04-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Cumberland County – 60 Ridley Street, Suite 130, Crossville, TN – Transaction No. 05-10-903 (JS)**

Purpose: To provide office space for county operations

Term: January 1, 2007 thru December 31, 2016 (10 years)

Proposed Amount:	<u>5,440 Square Feet</u>		
	Annual Contract Rent:	\$38,088.00	@ \$ 7.00/sf
	Est. Annual Utility Cost:	\$ 7,616.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,984.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$51,688.00	@ \$ 9.50/sf

Current Amount: None

Type: New Lease – Advertisement – Lowest of five (5) proposals from three (3) proposers

FRF Rate: \$10.25 per square foot

Purchase Option: No – Multi-tenant

Lessor: L. E. Smith

Comment: The proposed lease provides (1) Lessor shall construct a new facility including tenant improvements at no additional cost to the State, (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Hamilton County – 5600 Brainerd Road, Suite C-20, Chattanooga, TN – Transaction No. 05-11-908 (JS)

Purpose: To provide office space for county operations

Term: January 1, 2007 thru December 31, 2016 (10 years)

Proposed Amount: 15,805 Square Feet

Annual Contract Rent Incl. Utility Cost :

\$142,245.00 @\$ 9.00/sf

Est. Annual Janitorial Cost:

\$ 17,385.50 @ \$ 1.10/sf

Total Annual Effective Cost:

\$159,630.50 @\$10.10/sf

Current Amount: 14,717 Square Feet

Annual Contract Rent Incl. Utility Cost :

\$200,151.24 @\$13.60/sf

Est. Annual Janitorial Cost:

\$ 16,188.70 @ \$ 1.10/sf

Total Annual Effective Cost:

\$216,339.94 @\$14.70/sf

Type: New Lease – Advertisement - Lowest of six (6) proposals from two (2) proposers

FRF Rate: \$13.50 per square foot

Purchase Option: No – Multi-tenant

Lessor: Eastgate Town Center, LLC

Comment: The proposed lease provides (1) Lessor shall make tenant improvements at no additional cost to the State, and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-days thereafter.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Hamilton County – 1304 McCallie Avenue, Chattanooga, TN – Transaction No. 05-11-907 (JS)

Purpose: To provide office space for county operations

Term: July 1, 2006 thru June 30, 2016 (10 years)

Proposed Amount: 9,846 Square Feet
Annual Contract Rent: \$61,008.00 @ \$6.20/sf
Est. Annual Utility Cost: \$10,830.60 @ \$1.10/sf
Est. Annual Janitorial Cost: \$10,830.60 @ \$1.10/sf
Total Annual Effective Cost: \$82,669.20 @ \$8.40/sf

Current Amount: 9,846 Square Feet
Annual Contract Rent: \$61,008.00 @ \$6.20/sf
Est. Annual Utility Cost: \$10,830.60 @ \$1.10/sf
Est. Annual Janitorial Cost: \$10,830.60 @ \$1.10/sf
Total Annual Effective Cost: \$82,669.20 @ \$8.40/sf

Type: New Lease – Advertisement – Lowest of four (4) proposals from two (2) proposers

FRF Rate: \$13.50 per square foot

Purchase Option: No – multi-tenant

Lessor: James L. Splawn, current lessor

Comment: The proposed lease provides (1) Lessor shall make tenant improvements at no additional cost to the State, (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-days thereafter, and (3) Lessor will provide sewer & water.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

FINANCE & ADMINISTRATION
for COMMUNITY SERVICES AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hamilton County – 5600 Brainerd Road, Suites 818, 820 & 822, Chattanooga, TN**
-Transaction No. 05-11-902 (RS)

Purpose: To provide office space for county operations

Term: October 1, 2006 thru September 30, 2011 (5 years)

Proposed Amount: **8,577 Square Feet**

Annual Contract Rent Incl. Utility Cost :

\$102,924.00 @ \$12.00/sf

Est. Annual Janitorial Cost Incl. BFI

Trash pick up:

\$ 9,722.70 @ \$ 1.13/sf

Total Annual Effective Cost:

\$112,646.70 @ \$13.13/sf

Current Amount: None

Type: New Lease – Advertisement – Lowest of three (3) proposals from three (3) proposers
- Receive one (1) non-conforming proposal

FRF Rate: \$16.00 per square foot

Purchase Option: No – Multi-tenant

Lessor: Eastgate Town Center, LLC

Comment: The proposed lease provides (1) Lessor shall make tenant improvements at no additional cost to the State, (2) proposed lease has a ninety (90) day cancellation, and (3) proposed lease includes a \$288.00 BFI trash pick up.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

FINANCE & ADMINISTRATION
for COMMUNITY SERVICES AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Madison County – 6 Stonebridge Blvd., Suites F, G, H & J, Jackson, TN – Transaction No. 05-11-904 (JS)

Purpose: To provide office space for area operations

Term: October 1, 2006 thru September 30, 2011 (5 yrs.)

Proposed Amount: 6,900 Square Feet
Annual Contract Rent: \$ 81,834.00 @\$ 11.86/sf
Est. Annual Utility Cost: \$ 9,660.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 7,590.00 @ \$ 1.10/sf
Total Annual Effective Cost: \$ 99,084.00 @\$ 14.36/sf

Current Amount: 8,320 Square Feet
Annual Contract Rent Incl. Utility Cost: \$ 75,712.00 @\$ 9.10/sf
Est. Annual Janitorial Cost: \$ 9,152.00 @ \$ 1.10/sf
Total Annual Effective Cost: \$ 84,864.00 @\$ 10.20/sf

Type: New Lease – Advertisement – Lowest of two (2) proposals from two (2) proposers

FRF Rate: \$13.50 per square foot

Purchase Option: No – multi-tenant

Lessor: Gary A. Taylor Investment Company

Comment: The proposed lease provides (1) Lessor will make tenant repairs at no additional cost to the State, (2) Rental includes Taxes/Insurance/CAM, and (3) proposed lease has a ninety (90) day cancellation.

SSC Report: 04-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 04-24-06. Approved as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

PANTHER CREEK STATE PARK, HAMBLLEN COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Sewer Plant Facility** at Panther Creek State Park, Hamblen County, Tennessee.

Estimated Project Cost: \$0.00
SBC Project No. 126/072-01-2006

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE INSTITUTE OF AGRICULTURE, KNOXVILLE, TENNESSEE

- 1) Approved a project to **Demolish Building No. 1788** (hay shed) located on Cherokee Farm in Knoxville, Tennessee.

Estimated Project Cost: **\$1,000.00**
SBC Project No. *540/001-01-2006*

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE SPACE INSTITUTE, TULLAHOMA, TENNESSEE

- 1) Approved a project for **Disposal of Coal Fired Flow Facilities** at the University of Tennessee Space Institute in Tullahoma, Tennessee.

Estimated Project Cost: \$10,000.00
SBC Project No. 540/020-01-2006

APPROVED BY:


M.D. Goetz, Jr., Commissioner
Department of Finance and Administration