

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

AUGUST 22, 2005

The State Building Commission Executive Sub-committee 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
Charles Garrett, Department of Finance and Administration
Georgia Martin, Department of Finance and Administration
Loretta Baltz, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Bill Bryan, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Jerry Preston, Tennessee Board of Regents
Annette Crutchfield, Legislative Budget Analysis
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
George Brummett, Department of Finance and Administration
Dennis Raffield, THEC
Mike Baumstark, Department of Environment and Conservation
Pat Haas, Bond Finance
John Gregory, Tennessee Wildlife Resources Agency
Commissioner Jim Fyke, Department of Environment and Conservation
Keith Robinson, Tennessee Board of Regents
Reggie Reeves, Department of Environment and Conservation
Gabby Call, The Nature Conservancy
Bonnie Gamble, Department of Environment and Conservation
Robbie Stivers, University of Tennessee
Alvin Payne, University of Tennessee

Commissioner Goetz called the meeting to order at 10:39 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

UNIVERSITY OF TENNESSEE

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: **Shelby County – 1.0 +/- acres – Hope Lodge – Memphis, TN – Trans. No. 05-07-011 (GM)**

Purpose: Disposal by Lease to provide construction & operation of Hope Lodge by the American Cancer Society.

Term: Thirty (30) years plus option to renew for Two (2) Fifteen (15) year terms.

Consideration: Mutual Benefits

Lessee: American Cancer Society

Comments: Provides lodging and services for outpatient cancer treatments for patients.

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Alvin Payne stated that UT would have the right to accept or have the facility demolished at the end of the lease term. Staff referred to Sub-Committee with recommendation.

SC Report: 8-22-05. Charles Garrett summarized the transaction. Sub-Committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

STATEWIDE

- 1) Approved Delivery Order #8 and acknowledgment of source of funding for **Performance Contracting** at Nashville State Technical Community College in Nashville, Tennessee.

Estimated Project Cost:	\$ 60,000,000.00
Estimated new Delivery Order cost:	797,000.00
SBC Project No. 166/000-01-2002	

Secretary of State Darnell asked Jerry Preston if this process was working well, and Mr. Preston replied, "yes, very well". He said that the Board was going to do an annual report to document the savings. The Subcommittee asked Real Property Administration to do the same.

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Jerry Preston presented a request for approval of a revision in estimated project cost and funding from \$5,025,000.00 to \$5,662,000.00 (a \$637,000.00 increase) and acknowledgement of source of funding for **Nursing Building Addition** at Middle Tennessee State University in Murfreesboro, and authorization to award a construction contract to Hardaway Construction Company of Nashville for \$4,622,297.00 based upon the low base bid plus all three alternates submitted 3 August 2005.

Treasurer Sims asked if the federal funds were committed, and Mr. Preston responded that they were promised. Secretary of State Darnell asked whether or not it would be funded either way, and Mr. Preston responded "yes". Commissioner Goetz asked if anything could be done about current bids coming in over budget. Mr. Preston responded that it was about as bad as he had ever seen. He said that they have had to move bid dates because the market was so busy. Commissioner Goetz said that the State tends to be cyclical rather than adjusting to the market. He commented that they might need to think about forming a strategy. Mr. Preston said he could provide a summary of projects that they had bid that included a comparison of the actual bid and bid targets for projects. Mr. Garrett stated that they could provide similar information as well for RPA administered projects. After discussion, the request was approved as presented.

Revised Estimated Project Cost:	\$ 5,662,000.00
SBC Project No. 166/009-02-2004	

- 2) Approved a request for a revision in estimated project cost and funding from \$630,000.00 to \$781,000.00 (a \$151,000.00 increase) and acknowledgement of source of funding for **Softball Complex Improvements** at Middle Tennessee State University in Murfreesboro, and authorization to award a construction contract to The Building Group of Nashville for \$604,159.00 based upon the low base bid plus all three alternates submitted 3 August 2005.

Revised Estimated Project Cost:	\$ 781,000.00
SBC Project No. 166/009-03-2004	

CLEVELAND STATE COMMUNITY COLLEGE, CLEVELAND, TENNESSEE

- 1) Approved a request for a revision in estimated project cost and funding from \$217,000.00 to \$237,000.00 (a \$20,000.00 increase) and acknowledgement of source of funding for **Library and Classroom Building Re-Roofs** for Cleveland State Community College in Cleveland, Tennessee, and authorization to award a construction contract to P & C Construction of Chattanooga for \$113,948.00 based upon the low base bid submitted 3 August 2005.

Revised Estimated Project Cost: \$237,000.00
SBC Project No. 166/013-02-2000

UNIVERSITY OF MEMPHIS, MEMPHIS, TENNESSEE

- 1) Approved a request to do a limited re-bid for the **Steam Line Replacement** at the University of Memphis in Memphis, Tennessee.

Estimated Project Cost: \$ 650,000.00
SBC Project No. 166/007-07-2005

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to ACQUIRE by LEASE, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, and WAIVER OF APPRAISALS:

Description: **Franklin County – 9,000 +/- acres – Winchester, TN – Trans. No. 05-07-001 (CH)**

Purpose: Acquisition by Lease for the property to be managing as a wildlife management area & provide wildlife oriented activities.

Source of Funding: License Funds

Estimated Cost: \$18,500.00

Owner(s): Tennessee Nature Conservancy

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. John Gregory stated that this tract known as the "Walls of Jericho" tract is a high priority on the TWRA acquisition list at same future date. Staff referred to Sub-Committee with recommendation.

SC Report: 8-22-05. Charles Garrett summarized the transaction. John Gregory stated that they would be leasing from the Nature Conservancy while the Forest Legacy project goes through. Sub-Committee approved the transaction as presented. Final action.

DEPARTMENT 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: Hamilton County – North Chickamauga Creek Gorge State Natural Area – Trans. No. 04-03-008 (GM)

Purpose: Acquisition of Mineral Rights

Source of Funding: US Fish & Wildlife Funds – 75%
State Land Acquisition Funds – 25%

Estimated Cost: Mineral rights – Fair Market Value

Owner(s): Joseph Lahiere & Elmer Hill (minerals)

Comments: The State and Bowater, Inc. are in discussion for Bowater to give a gift of a 1,400-acre tract conservation easement in Hamilton County. We are requesting approval to buy the mineral interest on that property in order to encumber Federal Funds before their deadline expires.

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Reggie Reeves stated the importance of this transaction and that the Federal Funds are to expire on June 30, 2006. Staff referred to Sub-Committee with discussion.

SC Report: 8-22-05. Charles Garrett summarized the transaction. Sub-Committee approved the transaction as presented. Final action.

DEPARTMENT 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: **Fentress County – 3,720 +/- acres – Pogue Creek Tract adjacent to Pickett state Forest and State Park – Trans. No. 04-11-008 (CH)**

Purpose: Acquisition in Fee to provide for protection of a variety of rare aquatic and terrestrial species. After acquisition the property will be designated as a State Natural Area and/or State Forest.

Source of Funding: State appropriation - \$3,000,000.00
Federal Land & Water acquisition Fund - \$1,500,000.00

Estimated Cost: Fair Market Value

Owner(s): The Nature Conservancy

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Ms. Gabriella Call from The Nature Conservancy gave a presentation summarizing the ecological significant of the tract. Staff referred to Sub-Committee with recommendation.

SC Report: 8-22-05. Charles Garrett summarized the transaction. Ms. Gabriella Call gave a power point presentation and summarized the importance of this tract to the Nature Conservancy. Sub-Committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SPECIAL ITEM

- 1) Mr. Fitts presented a request for approval of the takeover agreement by National Grange Mutual Insurance, the surety involved in a contract between the State and Annie Mechanical Maintenance Company. He stated that Annie Mechanical had defaulted on this contract for **Direct Order Contracting** for the State because of non-payment of subcontractors and material lien identified by the surety. He said he would like to get approval of the actual agreement, subject to SBC staff and Attorney General approval. Secretary of State Darnell made a motion to approve provided that it was brought back to Commissioner Goetz for final approval. Secretary of State Darnell's motion was passed without objection.

SBC Project No. 529/000-04-2000

- 2) Mr. Fitts brought up from the floor the status of the QIC initiative. He stated that he had general concurrence of the trade industry relative to the study document that had been presented to them. He said the engineering organizations recently raised some issues relative to design/build and had summarized them in a letter to him. He added that the QIC Task Force had met with engineers and he believed they have worked through their concerns. Mr. Fitts said he has sent a response to the engineers' letter based upon the results of the meeting, but had not heard back from the group. He said he was optimistic as to receiving a positive response. He said that their next step is the development of their first draft for revisions to the SBC policy to conform to the concepts contained in the QIC study. He said staff has not had sufficient time to give the document a thorough review. He added that the policy changes set the procedures to follow for implementing alternative delivery methods. He further stated that policy and procedures draft for the design/build alternative is still in the hands of the QIC design/build focus group and should follow next month.

Secretary of State Darnell asked what was the next step. Mr. Fitts responded that staff, including the Attorney General's Office, will need to review and refine. Secretary Darnell said he did not think this was changing the way they do business. Mr. Fitts responded that the SBC default process is the standard design/bid/build process and the SBC has to specifically approve utilizing an alternative delivery system on any project. He said, as time goes on and they have more experience, they will evaluate how much more they want to use the alternative delivery methods. He said the pilot projects approved by the Commission seemed to be doing well and that they were learning a lot. Treasurer Sims asked if this was for information and that it won't come back to them for approval until staff review, including the Attorney General's office, had been done. Mr. Fitts responded that was correct. After further discussion, the Subcommittee accepted Mr. Fitts' report.

STATE BUILDING COMMISSION

EXECUTIVE SUBCOMMITTEE MEETING MINUTES

- 1) Approved the Minutes of the Executive Subcommittee meeting held on August 5, 2005.

Following approval of the Consent Agenda, the meeting adjourned at 11:18 a.m.

CONSENT AGENDA

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

- A. Agency: **University of Tennessee – Shelby County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement & Appraisals
- B. Agency: **University of Tennessee – Shelby County**
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisals
- C. Agency: **University of Tennessee – Shelby County**
Transaction: Disposal by Sewer Easement
Provision: Waiver of Advertisement & Appraisals
- D. Agency: **University of Tennessee – Madison County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement & Appraisals
- E. Agency: **University of Tennessee – Knox County**
Transaction: Approval to Obtain Appraisal
- F. Agency: **University of Tennessee – Knox County**
Transaction: Approval to Obtain Appraisal
- G. Agency: **University of Tennessee – Davidson County**
Transaction: Lease Agreement
- H. Agency: **Tennessee Board of Regents – Washington County**
Transaction: Acquisition in Fee
- I. Agency: **Department of Environment & Conservation – Gibson County**
Transaction: Lease Agreement
- J. Agency: **Department of Children's Services – Washington County**
Transaction: Lease Agreement
- K. Agency: **Department of Children's Services – Coffee County**
Transaction: Lease Agreement
- L. Agency: **Board of Probation & Parole – Madison County**
Transaction: Lease Agreement
- M. Agency: **Department of Correction – Johnson County**
Transaction: Acquisition in Fee

UNIVERSITY OF TENNESSEE

LAND-ITEM

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

Description: **Shelby County – 0.09 +/- acres - Monroe Avenue, Memphis, TN – Trans. No. 05-07-007 (LW)**

Purpose: Disposal in Fee for the construction of the Basic Clinical Sciences Research Building. Project will provide approximately 100,000 sf of new space for basic and clinical research initiatives at the Health Science center. Grant a Right of Entry.

Original Cost to State: \$127,000.00 for 1.163 acres

Date of Original Conveyance: March 1989

Grantor Unto State: McCormick Enterprises

Estimated Sale Price: Grant

Grantee: City of Memphis

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Alvin Payne presented the history and purpose for this transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: **Shelby County – 0.05 +/- acres - Basic Clinical Sciences Research Building – Monroe Avenue, Memphis, TN - Trans. No. 05-07-008 (LW)**

Purpose: Disposal by Easement to allow three (3) .10' wide drainage easements for the improvement site for construction of the building and grant a Right of Entry.

Estimated Sale Price: Grant

Grantee: City of Memphis

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Alvin Payne presented the history and purpose for this transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Shelby County – 0.0374 +/- acres - Basic Clinical Sciences Research Building – Monroe Avenue, Memphis, TN - Trans. No. 05-07-009 (LW)

Purpose: Disposal by Sewer Easement to allow approximately 15' wide & 109' long for the improvement site for construction of the building. Grant Right of Entry.

Estimated Sale Price: Grant

Grantee: City of Memphis

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Alvin Payne presented the history and purpose for this transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

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: **Madison County – 600 +/- square foot of shed Jackson UT West Exp. Station – 605 Airway Blvd. Jackson, TN – Trans. No. 05-07-010 (GM)**

Purpose: Disposal by Lease to adjacent to the greenhouse to on going research program.

Term: Five (5) years with no consideration

Consideration: Mutual Benefits

Lessee: US Dept. of Agriculture

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

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UNIVERSITY OF TENNESSEE

SPECIAL ITEM

LAND ITEM

Review of a request for APPROVAL to OBTAIN APPRAISAL, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Knox County – 9.24 +/- acres – 2704 Kingston Pike Knoxville, TN – Trans. No. 05-07-012 (PS)

Purpose: Request approval to secure bids for appraisal for planning purposes.

Source of Funding: University of Tennessee

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

SPECIAL ITEM

LAND ITEM

Review of a request for APPROVAL to OBTAIN APPRAISAL, required interest in the following real property, not to exceed the appraised value for the property being acquired:

- Description: Knox County – 21.90 +/- acres –4848 Lyons View Pike Knoxville, TN – Trans. No. 05-07-013 (PS)
- Purpose: Request approval to secure bids for appraisal for planning purposes.
- Source of Funding: University of Tennessee
- SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
- SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

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

Location: **Davidson County – 226 Capitol Boulevard, Nashville, TN – Trans. No. 05-08-900 (JS)**

Purpose: Lease Amendment #4 to relinquish Suite 202 and relocate to Suite 212 for an increase of space for a conference room.

Term: October 1, 2005 thru August 31, 2009 (3 yrs., 11 months)

Proposed Amount: **30,238 Square Feet**
Annual Contract Rent Incl.
Utility & Janitorial Cost: **\$408,216.00** @ **\$ 13.50/sf**
Total Annual Effective Cost: **\$408,216.00** @ **\$ 13.50/sf**

Current Amount: **29,614 Square Feet**
Annual Contract Rent Incl.
Utility & Janitorial Cost: **\$399,789.00** @ **\$ 13.50/sf**
Total Annual Effective Cost: **\$399,789.00** @ **\$ 13.50/sf**

Type: Amendment No. 4 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: No

Lessor: Tennessee Municipal League

Comment: The proposed amendment provides (1) increase of 624 sf and (2) all other terms and conditions remain the same.

SSC Report: 8-15-05. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, and WAIVER OF APPRAISAL:

Description: Washington County - .71 +/- acres – adjacent to east TN State University's softball field – Johnson City, TN – Trans. No. 05-07-004 (LW)

Purpose: Acquisition in Fee to serve as a buffer on the north side of the field.

Estimated Cost: Gift

Owner(s): East TN Partners LP, aka Blanchard & Calhoun

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

DEPARTMENT ENVIRONMENT & CONSERVATION

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: Gibson County – 3628 East End Drive, Humboldt, TN – Trans. No. 05-03-904 (TH)

Purpose: To provide office, warehouse/shop and related space for county operations.

Term: September 1, 2005 thru August 31, 2015 (10 yrs.)

Proposed Amount: 8,800 Square Feet
Annual Contract Rent: \$ 47,600.00 @\$ 5.41/sf
Est. Annual Utility Cost: \$ 12,320.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 9,680.00 @\$ 1.10/sf
Total Annual Effective Cost: \$ 69,600.00 @\$ 7.91/sf

Current Amount: 8,800 Square Feet
Annual Contract Rent: \$ 50,600.04 @\$ 5.75/sf
Est. Annual Utility Cost: \$ 12,320.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 9,680.00 @\$ 1.10/sf
Total Annual Effective Cost: \$ 72,600.04 @\$ 8.25/sf

Type: New Lease – Advertisement – Lowest of two proposals from two proposers.

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – 1 thru 10

Lessor: Sam & Ann McLemore, current lessor

Comment: The proposed lease provides (1) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days notice thereafter.

SSC Report: 8-15-05. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction 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: Washington County – 210 Quarry Road, Johnson City, TN – Trans. No. 05-04-913 (JS)

Purpose: To provide office, living & classrooms space for Boys Group Home.

Term: July 1, 2006 thru June 30, 2011 (5 yrs.)

Proposed Amount: 6,160 Square Feet
Annual Contract Rent
Incl. Janitorial \$60,278.04 @\$ 9.78/sf
Est. Annual Utility Cost: \$ 8,624.00 @\$ 1.40/sf
Total Annual Effective Cost: \$68,902.04 @\$11.18/sf

Current Amount: 6,160 Square Feet
Annual Contract Rent
Incl. Janitorial: \$53,820.00 @\$ 8.74/sf
Est. Annual Utility Cost: \$ 8,624.00 @\$ 1.40/sf
Total Annual Effective Cost: \$62,444.00 @\$10.14/sf

Type: New Lease – Advertisement – Only Proposal from one proposer.

Purchase Option: No – multi-tenant property

Lessor: Paduch Enterprises, current lessor

Comment: The proposed lease provides (1) the Lessor will make improvements and alterations at no additional cost to the State, (2) no cancellation except for cause and/or lack of funding.

SSC Report: 8-15-05. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction 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: Coffee County – 264 Hawkersmith Road, Tullahoma, TN – Trans. No. 05-04-926 (JS)

Purpose: To provide office, living & classrooms space for Girls Group Home.

Term: March 1, 2006 thru February 28, 2011 (5 yrs.)

Proposed Amount: 4,376 Square Feet
Annual Contract Rent
Incl. Janitorial \$41,500.00 @\$ 9.48/sf
Est. Annual Utility Cost: \$ 6,126.40 @\$ 1.40/sf
Total Annual Effective Cost: \$47,626.40 @\$10.88/sf

Current Amount: 4,376 Square Feet
Annual Contract Rent
Incl. Janitorial: \$38,400.00 @\$ 8.78/sf
Est. Annual Utility Cost: \$ 6,126.40 @\$ 1.40/sf
Total Annual Effective Cost: \$44,526.40 @\$10.18/sf

Type: New Lease – Advertisement – Only Proposal from one proposer.

Purchase Option: No – Property in non-profit trust

Lessor: Inman Coffee County Children's Home, current lessor

Comment: The proposed lease provides (1) the Lessor will make improvements and alterations at no additional cost to the State, (2) no cancellation except for cause and/or lack of funding.

SSC Report: 8-15-05. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

BOARD OF PROBATION & PAROLE

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 –1651 Hollywood Drive, Jackson, TN – Trans. No. 05-03-915 (JS)**

Purpose: To provide office space for area operation.

Term: October 1, 2006 thru September 30, 2016 (10 yrs.)

Proposed Amount: 11,223 Square Feet
Annual Contract Rent: \$ 95,058.84 @\$ 8.47/sf
Est. Annual Utility Cost: \$ 15,712.20 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 12,345.30 @ \$ 1.10/sf
Total Annual Effective Cost: \$123,116.34 @\$ 10.97/sf

Current Amount: 14,026 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$126,234.00 @ \$ 9.00/sf
Total Annual Effective Cost: \$126,234.00 @ \$ 9.00/sf

Type: New Lease – Advertisement / Negotiated – Lowest of ten proposals from six proposers.

FRF Rate: \$13.50 Per Square Foot

Purchase Option: No – Lessor does not wish to sell

Lessor: C. Dwight Hawks & Kathryn Tyler

Comment: The proposed lease provides (1) the Lessor will construct a new facility, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180- days notice thereafter.

SSC Report: 8-15-05. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

DEPARTMENT OF CORRECTION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, and WAIVER OF APPRAISAL and ADVERTISING:

Description: **Johnson County – 0.39 +/- acres with access easement & improved radio tower & equipment building at Northeast Correction Complex, Mountain City, TN – Trans. No. 05-08-005 (LW)**

Purpose: Acquisition in Fee to upgrade radio communication system and allow owner to retain ingress/egress rights to his property by easement.


Source of Funding: Gift

Owner(s): Danny Herman

Comment: Approved capital project SBC #142/024-01-05

SSC Report: 8-15-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Report: 8-22-05. Sub-Committee approved the transaction as presented. Final action.

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