

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

JANUARY 21, 2003

2:00 P.M.

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, State Capitol, Nashville, Tennessee.

#### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

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#### OTHERS PRESENT

Mike Fitts, State Architect  
Georgia Martin, Department of Finance and Administration  
Larry Kirk, Department of Finance and Administration  
Charles Garrett, Department of Finance and Administration  
Gloria Rittenberry, Department of Finance and Administration  
Jurgen Bailey, Department of Finance and Administration  
David Braam, Department of Finance and Administration  
George Brummett, Department of Finance and Administration  
Bob Goodrich, Friends of Radnor Lake  
Ann Tidwell, Radnor Lake Friends Group  
Steve Ward, Radnor Lake S.M.A.  
Terry Bonham, Department of Environment and Conservation  
Philisa Bennett, Department of Environment and Conservation  
Genie Whitesell, Attorney General's Office  
Janie Porter, Attorney General's Office  
Dennis Raffield, Tennessee Higher Education Commission  
Greg Phelps, Military Department  
Ken Parks, Military Department  
Ken Maynard, Metro Government  
Beth Baldwin, Department of Children's Services  
Jude White, Department of Children's Services  
Leonard Burton, Department of Children's Services

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Bob Bumbalough, Department of Human Services  
Judy Gayle, Department of Human Services  
Myles Voce, Department of Revenue  
John Lamar, Department of Revenue  
John Gregory, Tennessee Wildlife Resources Agency  
Keith Robinson, Tennessee Board of Regents  
Jerry Preston, Tennessee Board of Regents  
Jimmy McCurdy, Legislative Budget Analysis  
Mark Wood, Secretary of State  
Karen Hale, Comptroller's Office  
Pat Haas, Comptroller's Office  
Bob King, Department of Finance and Administration  
Tom Callery, Department of Environment and Conservation

Commissioner Goetz called the meeting to order at 2:05 p.m. Comptroller Morgan made a motion to elect Dave Goetz as Chairman. The motion carried and passed without objection. Commissioner Goetz then requested action on the following matters as presented by State Architect Michael A. Fitts.

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TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Mr. Fitts distributed a handout from the Board of Regents requesting approval of a revision in funding from \$10,447,000.00 to \$11,147,000.00 (\$700,000.00 increase) and acknowledgment of the source of funding for the **New Residential Apartment Complex** at Austin Peay State University in Clarksville, and approval to adjust the base contract amount for change order reporting to \$8,450,000.00, the current contract sum.

Treasurer Adams began a discussion of the effect of the increase upon the student rental rate, options considered of either locating at a different site or eliminating the building entirely. Jerry Preston stated that the University needed all the beds and the best option was to add the monies to the existing project as originally designed. Treasurer Adams stated his concerns about the cost being paid by all the residents. He asked Mr. Preston if the \$700,000 will solve the problem and Mr. Preston responded "yes", that was their plan. The Subcommittee approved the request as presented, subject to approval of the funding by the Tennessee State School Bond Authority.

<b>Estimated Project Cost:</b>	\$ 10,447,000.00
SBC Project No.	166/003-02-01

UNIVERSITY OF MEMPHIS, MEMPHIS, TENNESSEE

- 1) Approved a request to reallocate funding for **John S. Wilder Tower and Brister Facility Renovations** at the University of Memphis in Memphis, Tennessee.

<b>Estimated Project Cost:</b>	\$ 12,015,000.00
SBC Project No.	166/007-03-96

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: **Campbell County – 9.05 +/- Acres – Independence Lane, LaFollette, TN – Trans. No. 02-12-008 (LW)**

Purpose: Acquisition by Gift of property proposed for a permanent site for Roane State Community College's (RSCC) Campbell County Higher Education Center.

Source of Funding: Gift

Estimated Cost: Gift

Estimated Title  
And Survey Fees: Pending Bid

Owner(s): Roane State Community College Foundation

SSC Report: 01-13-03. Jerry Preston stated that the building project was approved by the State Building Commission in November 2002 and that this is the land piece of the project. He stated RSCC is leasing a building of 12,400 square feet and the permanent facility will be approximately 22,000 square feet. Dennis Raffield, THEC, advised the Commission recommends the project. Staff referred to Sub-committee with recommendation.

SC Action: 01-21-03. Jerry Preston summarized the transaction. Commissioner Goetz asked if there would be any increase in operating expenses. Mr. Preston responded expenses would be added to the formula as enrollment increases and that enrollment drives the formula. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT, with RIGHT-OF-ENTRY, of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description: Monroe County - 1.88 +/- Acres - National Guard Armory, Sweetwater, TN - Trans. No. 02-10-023 (CH)

Purpose: Disposal by Easement for a TVA transmission line across Armory property.

Estimated Sale Price: \$8,450.00 Per Appraisal

Grantee: Tennessee Valley Authority

SSC Report: 12-09-02. Cliff Hatcher, Real Property Management, stated the agency was not present for review of the transaction. He stated TVA's need to begin construction of the transmission line as soon as possible. He also advised that the Attorney General has given prior approval of the easement document. Staff raised concern regarding the easement crossing Armory property as it relates to utilization of the requested area. Staff deferred action pending additional information from the agency.

SSC Report: 01-13-03. Discussion centered around the placement of the transmission line across State property and its potential impact to the Armory site. Ken Parks, Agency representative, advised that the aviation division saw no problem with the placement of the transmission line as it may relate to aircraft. Staff referred to Sub-committee for discussion.

SC Action: 01-21-03. Charles Garrett summarized the transaction. He stated that TVA will only be placing two "H" poles on the property and that TVA is acquiring right-of-way from Sweetwater to Madisonville for its project. He stated that TVA has indicated it will condemn if necessary and advised that the agency has determined the transmission line does not effect its mission. Secretary Darnell asked what the line would do to the remainder of the property as it relates to additional damages to the remainder. He stated that the proposed value should be looked at to see if \$8,400.00 plus damages is appropriate. Sub-committee approved the request and that it be brought back for final approval to accept the offer based upon competent appraisals.

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: Davidson County – 6.0 +/- Acres – Radnor Lake and State Natural Area – Trans. No. 02-12-006 (BM)

Purpose: Acquisition in Fee to provide view shed protection and prevent development along the southwest boundary of Radnor Lake and Natural Area State Park.

Source of Funding: \$350,000.00 - State Land Acquisition Fund  
\$350,000.00 - Federal Land Water & Conservation Fund

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): High Ridge LLC

SSC Report: 01-13-03. Agency advised that development comes up to the trail within 15 feet and the proposed acquisition would provide protection of the view shed. Discussion ensued and Staff referred to Sub-committee for discussion.

SC Action: 01-21-03. Charles Garrett presented the transaction for review. He stated the estimated value was \$870,000.00 for the property. Agency advised that the property is very important for protection of the view shed. Ms. Ann Tidwell stated that development had started and the developer was asked to stop and take it off the market until the State could request approval to acquire the property. Agency reported that the source of funds are in place and if additional funds are needed the Friends of Radnor would be asked to make up the difference and the transaction would be brought back for additional approval. Sub-committee approved the request as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

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: Greene County – 172.50 +/- Acres with Improvements – Lick Creek Bottoms – Trans. No. 02-12-009 (CH)

Purpose: Acquisition in Fee to provide wetland protection.

Source of Funding: Wetland Acquisition Fund

Estimated Cost: Pending Appraisal

Estimated Title,  
Appraisal and  
Survey Fees: Pending Bid

Owner(s): Ben Crosby

SSC Report: 01-13-03. John Gregory, TWRA, advised that this request is part of the concept plan submitted to the Sub-committee approximately one and one-half years ago. Referred to Sub-committee with recommendation.

SC Action: 01-21-03. Charles Garrett presented the transaction for review and advised that the estimated value is \$370,000.00. John Gregory, TWRA, advised that the subject property adjoins land already owned and that no additional manpower or operating costs are required. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

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 – 115.61 +/- Acres – North Chickamauga Basin Area – Trans. No. 02-12-010 (CH)

Purpose: Acquisition in Fee for preservation of wetlands and enhancement of adjoining State property in the North Chickamauga Basin Area.

Source of Funding: North American Wetland Conservation Fund and Private Funds

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Heirs of Rogers

SSC Report: 01-13-03. Referred to Sub-committee with recommendation.

SC Action: 01-21-03. Charles Garrett presented the transaction for review and advised the estimated value is \$800,000.00. John Gregory, TWRA, stated the property adjoins State property and no State dollars would be required. Sub-committee approved the transaction as presented. Final action.



DEPARTMENT OF REVENUE

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: Fulton County – 5665 New Northside Drive, Atlanta, Georgia – Trans. No. 02-05-925 (JS)

Purpose: To provide office and related space for agency's out-of-state audit division.

Term: May 1, 2003 thru April 30, 2013 (10 yrs.)

Proposed Amount: 3,110 Square Feet  
Avg. Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$64,458.65 @\$20.73/sf  
Avg. Total Ann. Effective Cost: \$64,458.65 @\$20.73/sf

Current Amount: 3,110 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$58,527.15 @\$18.82/sf  
Total Annual Effective Cost: \$58,527.15 @\$18.82/sf

Type: New Lease – Advertisement – One (1) Non-conforming Proposal

Purchase Option: None – A multi-tenant facility and purchase is not possible

Lessor: RREEF America REIT Corp. G – Current Lessor

Comment: The proposed lease provides the (1) Lessor will make upgrades to the existing space at no additional cost to the State, (2) the State will reimburse Lessor, beginning with the second year of the lease term, its pro rata share of increases in operating expenses not to exceed ten (10) percent of the previous year's annual rent with calendar year 2003 as the base year, and (3) no cancellation during the first five years of the lease term and 180 days notice thereafter.

SSC Report: 01-13-03. After review and discussion, staff referred to Sub-committee with recommendation and requested additional information from the agency regarding the operating expenses over the last lease term.

**Department of Revenue – continued:**

SC Action: 01-21-03. Charles Garrett summarized the transaction. Secretary Adams asked if the Pension System property has been looked into as a potential site for the agency. Mr. Garrett stated he was not aware of any State property in Atlanta. Secretary Darnell stated that a visit to the property should be made to determine if it is a possibility for the agency. Sub-committee approved the transaction as presented subject to an effort to investigate the property owned by the Pension System as to its suitability and not proceed prior to informing the State Treasurer of their findings. 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: Sevier County – 115 Allensville Road, Sevierville, TN – Trans. No. 02-03-908 (JS)

Purpose: To provide office and related space for local operations.

Term: September 1, 2003 thru August 31, 2013 (10 yrs.)

Proposed Amount: 7,500 Square Feet  
Annual Contract Rent  
Incl. Utility Cost: \$120,000.00 @\$16.00/sf  
Est. Annual Janitorial Cost: \$ 8,250.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$128,250.00 @\$17.10/sf

Current Amount: 3,863 Square Feet  
Annual Contract Rent: \$36,350.83 @\$ 9.41/sf  
Est. Annual Utility Cost: \$ 5,408.20 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 4,249.30 @\$ 1.10/sf  
Total Annual Effective Cost: \$46,008.33 @\$11.91/sf

Type: New Lease – Advertisement – Lowest of (5) Proposals from (2) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None - Lease space is a component of a multi-use structure. Purchase option not possible.

Lessor: Sevier County Office Park Partnership

Comment: The proposed lease provides (1) the Lessor shall construct interior tenant improvements at no additional cost to the State, and (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-13-03. Referred to Sub-Committee with recommendation.

SC Action: 01-21-03. Charles Garrett summarized the transaction. After review and discussion, Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

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: Lake County – State Route 78, Tiptonville, TN – Trans. No. 02-02-908 (TH)

Purpose: To provide office and related space for the Departments of Human Services and Children's Services local operations

Term: December 1, 2003 thru November 30, 2013 (10 yrs.)

Proposed Amount: 5,000 Square Feet  
Annual Contract Rent: \$47,000.00 @\$ 9.40/sf  
Est. Annual Utility Cost: \$ 7,000.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 5,500.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$59,500.00 @\$11.90/sf

Current Amount: 3,700 Square Feet  
Annual Contract Rent: \$30,000.00 @\$ 8.11/sf  
Est. Annual Utility Cost: \$ 5,180.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 4,070.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$39,250.00 @\$10.61/sf

Type: New Lease – Advertisement – Second Lowest Proposal from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Jerrold Don Pedigo

Comment: The proposed lease provides (1) the Lessor will construct a 5,000 square foot office building including interior tenant build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-13-03. Referred to Sub-committee with recommendation.

SC Action: 01-21-03. Charles Garrett summarized the transaction. After review and discussion, Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

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: **Perry County – 113 Factory Street, Linden, TN – Trans. No. 02-02-916 (TH)**

Purpose: To provide office and related for the Departments of Human Services and Children's Services local operations.

Term: December 1, 2003 thru November 30, 2013 (10 yrs.)

Proposed Amount: **3,440 Square Feet**  
Annual Contract Rent: \$27,520.00 @\$ 8.00/sf  
Est. Annual Utility Cost: \$ 4,816.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 3,784.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$36,120.00 @\$10.50/sf

Current Amount: **2,077 Square Feet**  
Annual Contract Rent: \$12,462.00 @\$ 6.00/sf  
Est. Annual Utility Cost: \$ 2,907.80 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 2,284.70 @\$ 1.10/sf  
Total Annual Effective Cost: \$17,654.50 @\$ 8.50/sf

Type: New Lease – Advertisement – Lowest Conforming of (5) Proposals from (3) Proposers with (3) non-conforming

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Perry County multi-use government facility. Purchase not possible.

Lessor: Perry County

Comment: The proposed lease provides (1) the Lessor will construct 3,440 square feet of office space including interior tenant build-out at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-13-03. Referred to Sub-committee with recommendation.

SC Action: 01-21-03. Charles Garrett summarized the transaction. After review and discussion, Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

DISCUSSION ITEM

Discussion regarding a proposed one (1) Year Lease Agreement, at fair market value, with four one-year renewals, between the State, Lessor, and Metropolitan Government of Nashville, Lessee, of facilities located on the campus of the Tennessee Preparatory School (TPS) for operation by Lessee of a Magnet School Program to serve high school aged students.

SSC Report: 01-13-03. Charles Garrett introduced Ms. Jude A. White, Children's Services Legal Counsel, for a summary of the transaction. Ms. White summarized the history of discussion with Metropolitan (Metro) Government. She stated that one of the requirements in the Brian A. Settlement was that children in State custody be moved away from institutional care and that TPS is an institution. She stated the middle school was closed in the summer of 2002 and the high school December 2002. Ms. White also stated that Metro will separately meter the facilities and maintain the facilities and grounds as fair market value. Mr. Joe Edgens, Metro Schools, stated the facilities would be used as a Magnet School for the high school arts program. He stated the school needed to be in place by fall 2003. After further review and discussion, staff referred to Sub-committee for discussion.

SC Action: 01-21-03. Charles Garrett presented the transaction for review. He stated the lease is in its final stage. After review and discussion, Sub-committee approved the request as presented and subject to review and approval of the Comptroller's Office and Metro Council. Final action.

## STATE BUILDING COMMISSION

### MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on December 16, 2002.

### SBC BY-LAWS, POLICY AND PROCEDURES

- 1) Approved recommending to the full Commission the addition of the following item to, and compilation of, the By-Laws, Policy and Procedures of the State Building Commission.

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#### **16.01 APPROVAL OF GRANTS MADE BY DEPARTMENTS OR AGENCIES TO ANY MUNICIPALITY, COUNTY, TOWN OR CITY, OR UTILITY IN ORDER TO ASSIST IN PROVIDING UTILITY SERVICE FOR STATE PURPOSES.**

##### **A. BACKGROUND**

1. Departments or Agencies are authorized to participate in the construction of utility systems beneficial to the State of Tennessee subject to the approval of the State Building Commission. The head of the Department or Agency is hereby authorized to make grants, as funds are available, to any municipality, county, town or city, or utility in order to assist in providing utility service for State purposes. Such grant shall be for construction purposes only and shall be directly proportional to the benefits accruing to the state facility by the utility system. Utility systems are hereby defined as including water, sewerage, electric, gas and solid waste.

This policy sets forth the position of the State Building Commission on approval of such grants.

##### **B. GENERAL POLICIES**

1. It is the general policy of the State Building Commission to favor grants for construction of extensions of utility service upon terms that are fair and equitable to all parties. This would in the usual case include at least a partial recovery of the financial contribution of the Department or Agency to the project in the form of reduced water rates, rebate of tap-in fees, or otherwise, in accordance with the standard policies of the utility.
2. No approval will be granted unless the documents and information required by the following guidelines or reasons for absence, are presented. All deviations from the standard policies of the utility district must be fully justified.

##### **C. GUIDELINES**

1. No commitment for participation shall be made by the Department or Agency until approval has been granted by the State Building Commission.
2. The Department or Agency shall conduct a feasibility study in conjunction with the staff of the State Building Commission Executive Sub-Committee staff which shall consider available alternatives, including installation and operation of a wholly-owned, independent system, and a report of such study shall be provided to the State Building Commission. The Department or Agency shall obtain the financial statements and consider the financial condition of the utility.
3. The Department or Agency shall provide to the State Building Commission a written agreement between it and the utility covering construction of the extension, and the quality of service to be provided by the utility, setting forth the maximum amount of funds to be paid by the State, and containing safeguards to ensure that the project is completed at or before the payment of all State funds. If the rates for water purchased and maintenance to be charged to the Department or Agency are other than the standard rates charged by the utility, the agreement shall specify the method of computing such rates. The agreement shall contain such provisions as are required by regulations of the Department of Finance and Administration for service contracts to the extent applicable.
4. The Department or Agency shall provide to the State Building Commission the following, either
  - a. A copy of the written policy of the utility with regard to extension of utility services, or
  - b. A written statement from the chief operating officer of the utility (1) stating that there is no written policy on extension of utility services and (2) describing in detail the practice as it is then in effect for all persons or classes of persons; and
  - c. A written statement from the Head of the Department or Agency stating either that (1) the agreement between the Department or Agency and the Utility is at least as favorable to the Department or Agency as the generally applicable policies, or (2) the agreement is less favorable than the generally applicable policies, together with the justification for deviation from the standard policies of the utility.
5. Prior to submission of the project to the State Building Commission, the Department or Agency shall obtain the approval of the State Architect for the proposed engineering plans and estimated costs.
6. The Department or Agency shall provide to the State Building Commission a worksheet showing the computation of the costs to be paid by the Department or Agency in connection with the extension of utility services, and the rates to be charged for service to the Department or Agency if other than the standard rates for persons in the same category, together with the assumptions upon which such computations were based and the sources of such assumptions.



CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Shelby County**  
Trans.: Acquisition by Gift  
Provision: Waiver of Appraisal
- B. Agency: **University of Tennessee – Shelby County**  
Trans.: Acquisition by Gift  
Provision: Waiver of Appraisal
- C. Agency: **TN Board of Regents – Rutherford County**  
Trans.: Acquisition in Fee
- D. Agency: **Department of Agriculture – Marion County**  
Trans.: Disposal by Easement with Right-of-Entry  
Provision: Waiver of Advertisement
- E. Agency: **Department of Children’s Services – Overton County**  
Trans.: Lease Agreement
- F. Agency: **Department of Children’s Services – Rhea County**  
Trans.: Lease Agreement
- G. Agency: **Department of Children’s Services – Tipton County**  
Trans.: Lease Agreement
- H. Agency: **Department of Children’s Services – Gibson County**  
Trans.: Lease Agreement
- I. Agency: **Finance & Administration – Cannon County**  
Trans.: Lease Agreement for Human Services & Children’s Services

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Shelby County – 183' x 15' Alleyway – South of Madison Avenue, Memphis, TN – Trans. No. 02-12-012 (GM)

Purpose: Acquisition by Gift of an alleyway from the City of Memphis. The alley is not used by the public and is surrounded by University property. The property will be used as part of the building site for the construction of a parking garage.

Source of Funding: Gift

Estimated Cost: Gift

Estimated Title  
And Survey Fees: Pending Bid

Owner(s): City of Memphis

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. Approved as presented. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Shelby County – 0.299 +/- Acres – University of Tennessee at Memphis – Trans. No. 02-12-005 (GM)

Purpose: Acquisition by Gift of the rights necessary for construction of an above ground pedestrian walkway connecting the UT Dobbs building and UT owned 920 Baptist building.

Source of Funding: Gift

Estimated Cost: Gift

Estimated Title  
And Survey Fees: Pending Bid

Owner(s): Shelby County

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rutherford County – 0.19 +/- Acres with Improvements – 217 City View Drive, Murfreesboro, TN – Trans. No. 02-12-007 (LW)

Purpose: Acquisition in Fee of property recommended for acquisition in the Middle Tennessee State University's (MTSU) Master Plan.

Source of Funding: Institutional Plant Funds

Estimated Cost: Pending Appraisal

Estimated Title,  
Appraisal and  
Survey Fees: Pending Bid

Owner(s): Kenneth Carter

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. Approved as presented. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

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

Description: **Marion County – 50' Wide by 2.13 +/- Mile Long Gas Line Easement – Prentice Cooper State Forest – Trans. No. 02-12-004 (BM)**

Purpose: Disposal by Easement of an existing gas line that has been in place by permit since June 1950 and will expire April 2003.

Estimated Sale Price: Per Appraisal

Grantee: East Tennessee Natural Gas Company (ETNGC)

Comment: A major gas line that furnishes gas to East Tennessee and throughout the South.

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda and recommended two (2) appraisals.

SC Action: 01-21-03. 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: Overton County – 807 North Church Street, Livingston, TN – Trans. No. 02-08-910 (JS)

Purpose: To provide office and related space for local operations.

Term: October 1, 2003 thru September 30, 2013 (10 yrs.)

Proposed Amount:	<u>4,500 Square Feet</u>		
	Annual Contract Rent:	\$34,875.00	@ \$ 7.75/sf
	Est. Annual Utility Cost:	\$ 6,300.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,950.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$46,125.00	@ \$10.25/sf

Current Amount:	<u>1,365 Square Feet</u>		
	Annual Contract Rent:	\$11,315.85	@ \$ 8.29/sf
	Est. Annual Utility Cost:	\$ 1,911.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 1,501.50</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$14,728.35	@ \$10.79/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes - Years 1 thru 10

Lessor: Copeland & Jackson

Comment: The proposed lease provides for (1) the Lessor to construct a 4,500 square foot office building including tenant improvements at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or funding.

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. 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 and as required by TCA 12-2-115:

Location: Rhea County – 111 Fourth Avenue, Dayton, TN – Trans. No. 02-06-905 (JS)

Purpose: To provide office and related space for local operations.

Term: November 1, 2003 thru October 31, 2013 (10 yrs.)

Proposed Amount:	<u>5,500 Square Feet</u>		
	Annual Contract Rent:	\$51,225.00	@\$ 9.31/sf
	Est. Annual Utility Cost:	\$ 7,700.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,050.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$64,975.00	@\$11.81/sf

Current Amount:	<u>2,556 Square Feet</u>		
	Annual Contract Rent:	\$21,087.00	@\$ 8.25/sf
	Est. Annual Utility Cost:	\$ 3,578.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 2,811.60</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$27,477.00	@\$10.75/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – City of Dayton multi-use government facility. Purchase option not possible.

Lessor: City of Dayton

Comment: The proposed lease provides (1) the proposed Lessor will construct a 5,500 square foot office building, including interior tenant improvements at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. 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: Tipton County – 230 Industrial Road, Covington, TN – Trans. No. 01-10-919 (TH)

Purpose: To provide office and related space for local operations.

Term: June 1, 2003 thru May 31, 2013 (10 yrs.)

Proposed Amount: 5,959 Square Feet  
Annual Contract Rent  
Including Utility Cost: \$51,935.00 @ \$8.72/sf  
Est. Annual Janitorial Cost: \$ 6,554.90 @ \$1.10/sf  
Total Annual Effective Cost: \$58,489.90 @ \$9.82/sf

Current Amount: 5,959 Square Feet  
Annual Contract Rent  
Including Utility Cost: \$48,880.00 @ \$8.20/sf  
Est. Annual Janitorial Cost: \$ 6,554.90 @ \$1.10/sf  
Total Annual Effective Cost: \$55,434.90 @ \$9.30/sf

Type: New Lease – Advertisement – Lowest of (9) Proposals from (4) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: APC Warehouse, LLC – Current Lessor

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

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. 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: Gibson County – 802 Gibson Road, Trenton, TN – Trans. No. 02-04-909 (TH)

Purpose: To provide office and related space for local operations

Term: December 1, 2003 thru November 30, 2013 (10 yrs.)

Proposed Amount: 6,440 Square Feet  
Annual Contract Rent  
Including Utility Cost: \$59,780.00 @\$ 9.28/sf  
Est. Annual Janitorial Cost: \$ 7,084.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$66,864.00 @\$10.38/sf

Current Amount: 5,000 Square Feet  
Annual Contract Rent: \$18,000.00 @\$ 3.60/sf  
Est. Annual Utility Cost: \$ 7,000.00 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 5,500.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$30,500.00 @\$ 6.10/sf

Type: New Lease - Advertisement - Lowest of (6) Proposal from (4) Proposers with (1) Non-conforming

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Danny F. and Dinah L. Corley

Comment: The proposed lease provides (1) the Lessor will construct a 6,440 square foot office building including interior tenant build-out at no additional cost to the State, and (2) no cancellation during the first five years of the lease except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. Approved as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

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: Cannon County – 325 Bryant Lane, Woodbury, TN – Trans. No. 02-04-924 (RS)

Purpose: To provide office and related space for the Departments of Human Services and Children's Services.

Term: November 1, 2003 thru October 31, 2013 (10 yrs.)

Proposed Amount: 3,400 Square Feet

Annual Contract Rent:	\$30,900.04	@ \$ 9.09/sf
Est. Annual Utility Cost:	\$ 4,760.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,740.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$39,400.04	@ \$11.59/sf

Current Amount: 2,500 Square Feet

Annual Contract Rent:	\$18,900.00	@ \$ 7.56/sf
Est. Annual Utility Cost:	\$ 3,500.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 2,750.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$25,150.00	@ \$10.06/sf

Type: New Lease – Advertisement – Lowest and Only Proposal

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Bryant Lane Properties, Ltd. – Current Lessor

Comment: The proposed lease provides (1) the Lessor will construct a 900 square foot addition to the existing office building including interior tenant build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 01-13-03. Referred to Sub-committee for consent agenda.

SC Action: 01-21-03. Approved as presented. Final action.

APPROVED BY:

  
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Dave Goetz, Commissioner  
Department of Finance and Administration