

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JULY 19, 2004

The State Building Commission Executive Sub-committee met this day at 2:30 p.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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect	Jan Sylvis, Department of Finance and Administration
Georgia Martin, Department of Finance and Administration	Donna Kaukas, Comptroller's Office
Larry Kirk, Department of Finance and Administration	Mark Wood, Secretary of State's Office
Charles Garrett, Department of Finance and Administration	Cathy Higgins, Legislative Budget Office
Gloria Rittenberry, Department of Finance and Administration	King Moon, Johnson Controls, Inc.
Jurgen Bailey, Department of Finance and Administration	Ralph Mickle, Department of Mental Health & Developmental Disabilities
Janie Porter, Attorney General's Office	Nick Fielder, Department of Environment and Conservation
Genie Whitesell, Attorney General's Office	David Todd, Department of Agriculture
Dennis Raffield, THEC	Tom Giese, Department of Correction
George Brummett, Department of Finance and Administration	Carl Brown, Department of Human Services
Jerry Preston, Tennessee Board of Regents	Karen Hale, Comptroller's Office
Karen Hale, Comptroller's Office	Bob King, Department of Finance and Administration
John Gregory, Tennessee Wildlife Resources Agency	Bob Bumbalough, Department of Human Services
David Edmunds, Department of Finance and Administration	Commissioner Gina Lodge, Department of Human Services
Jeff Hoge, Department of Transportation	
George Criss, University of Tennessee	
Alvin Payne, University of Tennessee	
Fred Hix, Department of Mental Retardation	

Commissioner Goetz called the meeting to order at 2:33 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

TENNESSEE BOARD OF REGENTS

NORTHEAST STATE TECHNICAL COMMUNITY COLLEGE, BLOUNTVILLE, TENNESSEE

- 1) Approved a request for Delivery Order #2 and acknowledgment of the source of funding for **Performance Contracting** at Northeast State Technical Community College in Blountville, Tennessee.

Estimated Project Cost:	\$ 60,000,000.00
Estimated Delivery Order #2 Cost:	\$ 500,000.00
SBC Project No. 166/000-01-02	

VOLUNTEER STATE COMMUNITY COLLEGE, GALLATIN, TENNESSEE

- 1) Approved a request for a revision in funding from \$175,000.00 to \$200,000.00 (a \$25,000.00 increase) and acknowledgment of source of funding for **Mattox Building Roof Replacement** at Volunteer State Community College in Gallatin, Tennessee.

Revised Estimated Project Cost:	\$ 200,000.00
SBC Project No. 166/025-02-04	

UNIVERSITY OF TENNESSEE

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 12-2-114 and 12-2-115:

Location: **Knox County – 1521 White Avenue, Knoxville Place Apartments, Knoxville, TN – Trans. No. 04-07-903**

Purpose: To provide (3) furnished townhouses for out-of-town actors and artists for the Clarence Brown Theatre and the Department of Theatre.

Term: August 12, 2004 thru August 5, 2007 (3 yrs.)

Proposed Amount: 4,146 Square Feet (3 Units)

Annual Contract Rent:	\$50,400.00	@\$12.16/sf
Est. Annual Utility Cost:	\$ 5,804.40	@\$ 1.40/sf
Total Annual Effective Cost:	\$56,204.40	@\$13.56/sf

Current Amount: None

Type: New Lease - Negotiated

Lessor: Volunteer Student Housing, LLC (a subsidiary of the University of Tennessee Foundation)

Comment: The proposed lease provides for 150 days notice of termination. The Theatre Department historically rented University housing on Laurel Avenue that are currently being renovated and availability of University housing is questionable. Each unit contains approximately 1,382 square feet.

SSC Report: 7-12-04. Alvin Payne, University of Tennessee, stated that as part of agreements with theatre unions, housing must be provided within one-half mile radius of the Theatre. He advised that housing had been provided in the Laurel Apartments, but due to renovation planning, it is necessary to provide other housing for the out-of-town artists. Staff referred to Sub-committee with recommendation.

SC Action: 7-19-04. Charles Garrett summarized the transaction. Alvin Payne advised that the rate is the same as students would pay and that any profits will go back to the University. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF HUMAN 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: Putnam County – 269 South Willow Street, Cookeville, TN – Trans. No. 96-04-927 (RS)

Purpose: To provide temporary office and related space for county operations pending advertisement for a new lease to consolidate the County and District offices.

Term: August 1, 2004 thru July 31, 2005 (1 yr.)

Proposed Amount:	<u>8,134 Square Feet</u>		
	Annual Contract Rent:	\$50,400.00	@\$6.20/sf
	Est. Annual Utility Cost:	\$ 8,947.40	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,947.40</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$68,294.80	@\$8.40/sf

Current Amount:	<u>8,134 Square Feet</u>		
	Annual Contract Rent:	\$42,000.00	@\$5.16/sf
	Est. Annual Utility Cost:	\$ 8,947.40	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,947.40</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$59,894.80	@\$7.36/sf

Type: New Lease – Negotiated

FRF Rate: \$13.00 Per Square Foot

Purchase Option: None

Lessor: Joe B. Wilmoth, Current Lessor

Comment: The proposed lease provides the Lessor will make repairs to the lease space at no additional cost to the State and water and sewer to be furnished by the Lessor.

SSC Report: 7-12-04. Bob King, Real Property Management, summarized the transaction. Charles Garrett advised that a transaction to consolidate the Department's District and County operations was advertised and proposals will be opened on August 4, 2004 and that the proposed lease agreement will allow the time necessary to put a new lease in place. Robert Bumbalough, Assistant Commissioner, stated that the agency changed direction causing a delay in the advertising process and it may be possible to relocate to a new facility by the end of the proposed lease. Staff referred to Sub-committee with recommendation.

Department of Human Services – continued:

SC Action: 7-19-04. Chares Garrett summarized the transaction. He advised that in working closely with the agency the current lease has been in holdover for more than a year pending a proposal opening on August 4, 2004 for a new lease to consolidate the County and District offices in Cookeville. He stated the proposed lease will allow time for a new location to be determined and that the Lessor will make repairs to the space. Bob Bumbalough, Assistant Commissioner for Human Services, stated that due to budget concerns the Department changed direction causing the delay in the process. Mr. Garrett stated an extensive search for space in Cookeville determined that the amount of space needed to consolidate the operations was not available. He stated the proposed 1-year lease would provide the time necessary to acquire a new lease for the agency. Staff approved the transaction 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 and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description: Sullivan County – 0.468 +/- Acres – SR1, Kingsport, TN – Trans. No. 04-05-013 (BM)

Purpose: Disposal in Fee to an adjoining property owner for assemblage purposes.

Original Cost to State: \$5,770.00

Date of Original Conveyance: 1950

Grantor Unto State: C. M. Gatton and N. Gilbert Preston

Estimated Sale Price: Fair Market Value

Estimated Value: \$25,000.00

Grantee: C. M. Gatton

Comment: The proposed Grantee, C. M. Gatton, is not the only adjoining property owner. Efforts to reach the other adjoining owner have been unsuccessful.

SSC Report: 6-14-04. Jurgen Bailey summarized the transaction. He advised that the agency's attempt to contact the other adjoining property owner is unsuccessful. Staff deferred and recommended the agency contact the Tax Assessor's office to obtain the address where tax notices are being mailed in an effort to contact the other adjoining property owner.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. He stated that every effort has been made by the agency to contact the other adjoining property owner without success. Staff referred to Subcommittee with recommendation.

SC Action: 7-19-04. Charles Garrett summarized the transaction. He advised that every effort by the Department has been made to contact the second adjoining property owner without success. He stated that the agency's legal staff advised that the requirements of the law have been met. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

LAND ITEM

Review of a request to REVISE the PREVIOUS 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: Greene County – 1.0 +/- Acres – State Access Road, Greene Valley Development Center, Greeneville, TN – Trans. No. 03-12-013 (CH)

Purpose: Disposal by Lease to allow for construction of an Emergency Medical Service substation to provide emergency medical and ambulance services to eastern Greene County and the GVDC.

Term: Fifty (50) Years with two 25-Year Options to Renew

Consideration: Grant – Mutual Benefit

Lessee: Greene County

SSC Report: 1-12-04. Ralph Mickle, agency representative, advised that the transaction greatly benefits the GVDC. He stated that quicker access to emergency medical services will be greatly improved in transporting patients from building to building on campus or to a hospital. He stated the County will install utility services and construct the facility and the City of Tusculum will maintain the facility. Staff recommended that the transaction contain a reversion clause in the event the property is no longer used as an emergency medical services sub-station. Referred to Sub-committee with recommendation.

SC Action: 1-20-04. Charles Garrett summarized the transaction. Ralph Mickle, agency representative, advised that at Staff recommendation the State would receive a reduction in services rates as part of the consideration. He stated the proposed transaction would benefit the GVDC as well as eastern Greene County. Sub-committee approved the transaction as presented. Final action.

Comment: Request to remove the recommendation that "the State will receive a reduction in service rates as part of the consideration".

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction and requested a revision to the previous approval for removal of the rate provision from the proposed agreement. After review and discussion, Staff requested a letter from the agency regarding the services to be provided by Greene County to the Center and referred to Sub-committee with recommendation.

Department of Mental Health & Developmental Disabilities – continued:

SC Action: 7-19-04. Charles Garrett summarized the transaction and advised that the County requests the lease be revised to delete the provision that the State will receive a reduction in service rates as part of the consideration. He stated that the County intends to follow through with previously agreed upon billing arrangements. Assistant Commission Fred Hix stated the agency is in agreement with the County's request. Subcommittee approved the request to revise the previous approval as requested. Final action.

**DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES**

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: **Hamilton County – 238.73 +/- Acres – Moccasin Bend Mental Health Institute, Chattanooga, TN – Trans. No. 04-06-021 (BM)**

Purpose: Disposal in Fee of surplus property for use as a national park.

Original Cost to State: \$218,388.00 – 363.98 Acres

Date of Original Conveyance: November 1958

Grantor Unto State: Anne L. Carter

Estimated Sale Price: Grant – Public Purpose

Grantee: U.S. National Park Service

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. He stated that in 2003 the United State Congress passed Public Law 108-007 establishing as a unit of Chickamauga and Chattanooga National Military Park, the Moccasin Bend National Archeological District. Mr. Bailey also advised that the Act provided that the Secretary of the Interior may acquire state-owned land in the District only by donation, and that the State of Tennessee has recently signed a letter of intent to donate the subject property to the National Park Service. Nick Fielder, State Archeologist, stated that the property has evidence of Native American villages, camps, and burial grounds. Staff referred to Subcommittee for discussion.

SC Action: 7-19-04. Charles Garrett summarized the transaction. Subcommittee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

REPORT ITEM

Lease Agreement in Wayne, Lewis, and Hickman Counties between Sustainable Forests, LLC, Lessor, and the Tennessee Wildlife Resources Agency, Lessee, to lease land upon which to establish and operate facilities and areas for the protection, propagation, and harvest of wildlife, pursuant to TCA 70-5-108 and State Building Commission Policy I-3, C, Acquisition, Disposal, and Lease of Property. (CH)

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction and advised that the agency will lease 23,674 acres for wildlife protection and public hunting. He further advised that lease is a 3-year term with 90-day cancellation and \$72,990.00 annual rent. There being no action required, staff referred to Sub-committee for reporting purposes.

SC Action: 7-19-04. Charles Garrett summarized the transaction. Subcommittee acknowledged receipt of the report. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of a BOUNDARY SETTLEMENT and 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: **Dyer County – 9.98 +/- Acres –Thorny Cypress Wildlife Management Area – 02-11-003 (CH)**

Purpose: Boundary Settlement of a discrepancy between two surveys

Source of Funding: Wetland Acquisition Fund

Estimated Cost: \$2,435.00 Per Acre – Appraised Value

Owner(s): David Adcock

Comment: Executive Sub-committee gave approval on December 16, 2002 to purchase 22.68 Acres from Mr. Adcock. The State surveyed the property north of the Obion River. Mr. Adcock also had a survey of 42.65 acres. As a result of both surveys, there is a difference of 19.97 acres. An agreement between the parties was reached to settle for a difference of 9.98 acres. The State will acquire the 9.98 acres at the appraised price of \$2,435.00 per acre. It is also agreed between all parties that no center-fired rifles will be used on the subject property.

SSC Report: 05-17-04. Deferred. Consulting with Attorney General's Office to determine best course of action to settle this boundary dispute.

SSC Report: 6-4-04. Real Estate Management deferred the transaction.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. He advised that an indepth search of public records was performed in an effort to resolve the boundary dispute. He stated the title company recommended a boundary agreement and in consultation with the Attorney General's office it is agreed that the boundary agreement is a practical solution. Staff referred to Sub-committee with recommendation.

SC Action: 7-19-04. Charles Garrett summarized the transaction. He stated that the boundary agreement as recommended by the title company has the support of the Attorney General's office. He advised that the landowner is in agreement with the boundary settlement agreement. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF CORRECTION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE AMENDMENT 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 – 32.0 +/- Acres – Tennessee Prison for Women – Trans. No. 04-06-003 (BM)

Purpose: Disposal by Lease Amendment to the Nashville Rod and Gun Club for public use purposes only.

Term: Current Lease Term – Expires June 2042

Consideration: Grant – Public Purpose

Lessee: Nashville Rod and Gun Club, dba Tennessee Clay Target Complex

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. He advised the amendment would add 32 acres to the lease and would be used for development of an archery range and parking. Tom Giese, agency representative, stated the proposed amendment would not impact the operations of the facility. Staff referred to Sub-committee with recommendation.

SC Action: 7-19-04. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATEWIDE

- 1) Approved a request for Delivery Order #2 and acknowledgment of the source of funding for **Energy Savings Performance Contracting** at the following State parks: Norris Dam, Sycamore Shoals, Fall Creek Falls, Pickwick Landing, and Paris Landing, with project design and construction provided by Johnson Controls, Inc.

Estimated Cost for Delivery Order #2: \$1,000,000.00
SBC Project No. 529/000-02-03

CORDELL HULL STATE OFFICE BUILDING, NASHVILLE, TENNESSEE

- 1) Approved a request for a revision in funding from \$550,000.00 to \$695,000.00 (\$145,000.00 increase) of a project for **Roof Replacement** at Cordell Hull State Office Building, Nashville, and authorization to award a contract to Maxwell Roofing & Sheetmetal, Inc., in the amount of \$573,200.00, based on bids received June 8, 2004.

Revised Estimated Project Cost: \$695,000.00
SBC Project No. 460/011-01-03

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM

Discussion regarding the oversight of the lack of total contiguous space as provided in the advertised and negotiated lease agreement as previously approved on June 30, 2004, for the Department of Human Services, Disability Determination Services program, Davidson County.

SC Action: 7-19-04. Charles Garrett presented a Memorandum to File regarding the evaluation and negotiation for the lease agreement. Mr. Garrett requested the indulgence of the Subcommittee and summarized the process of evaluation and negotiation and the lack of contiguous space as required in the advertisement. He advised that in working closely with staff of the Comptroller and the Attorney General's office the issue is considered to be immaterial. Assistant Attorney General Janie Porter agreed that given the percentages the issue is immaterial. Commissioner Virginia Lodge advised that federal government officials visited the site and they were delighted with the space and that the space suits the agency's need. Mr. Garrett recommended continuing the processing of the lease agreement. Subcommittee agreed to the request and acknowledged the report and Memorandum to the File. Final action.

STATE BUILDING COMMISSION

EXECUTIVE SUBCOMMITTEE MEETING MINUTES

- 1) Approved the Minutes of the Executive Subcommittee meetings held on June 21 and June 30, 2004.

Following approval of the Consent Agenda, the meeting adjourned at 3:17 a.m.

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 – Hamilton County**
Transaction: Disposal of a Permanent Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- B. Agency: **Department of Safety – Weakley County**
Transaction: Lease Agreement
- C. Agency: **Secretary of State – Weakley County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- D. Agency: **Department of Agriculture – Fentress County**
Transaction: Acquisition in Fee
Provision: Revise Source of Funding
- E. Agency: **Department of Education – McMinn County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals
- F. Agency: **Department of Correction – Johnson County**
Transaction: Disposal by Easement
Provision: Waiver of Advertisement and One (1) Appraisal
- G. Agency: **TN Board of Regents – Rutherford County**
Transaction: Lease Agreement
- H. Agency: **TN Board of Regents – Rutherford County**
Transaction: Acquisition by Gift
Provision: Waiver of Appraisal
- I. Agency: **TN Board of Regents – Dyer County**
Transaction: Acquisition in Fee
- J. Agency: **TN Board of Regents – Montgomery County**
Transaction: Acquisition in Fee
Provision: Demolition of Improvement
- K. Agency: **TN Board of Regents – Montgomery County**
Transaction: Acquisition in Fee
Provision: Demolition of Improvement
- L. Agency: **Environment & Conservation – Coffee County**
Transaction: Acquisition in Fee

- M. Agency: **Environment & Conservation – Franklin County**
Transaction: Acquisition in Fee
- N. Agency: **Environment & Conservation – Davidson County**
Transaction: Acquisition in Fee
Provision: Revise Estimated Cost
- O. Agency: **Environment & Conservation – Moore County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- P. Agency: **Environment & Conservation – Moore County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- Q. Agency: **Environment & Conservation – Van Buren County**
Transaction: Acquisition by Gift
Provision: Waiver of Appraisal
- R. Agency: **Environment & Conservation – Claiborne, Davidson,
Montgomery, and Rutherford Counties**
Transaction: Acquisition by Gift
Provision: Waiver of Appraisal

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Hamilton County – 30' by 130' No-build Easement - East Third Street, University of Tennessee at Chattanooga, Chattanooga, TN – Trans. No. 04-06-009 (GM)

Purpose: Disposal by Permanent Easement to allow construction of a building adjacent to the west side of University property.

Estimated Sale Price: Grant – Public Benefit

Grantee: Blood Assurance, Inc. of Chattanooga, a non-profit corporation

Comment: The University's Master Plan anticipates the continued and future use of the property for parking and no adverse impact from the easement is expected.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Alvin Payne, University of Tennessee, stated the easement will not impact the University's use and will continue to be used for parking. He advised that Blood Assurance Inc. will expand its building to the property line and that the City requires a 30' setback in order to issue a permit and that the easement area will meet the City's requirement. He advised the expansion will be to allow Blood Assurance to perform laboratory work in its expanded facility rather than sending it to the CDC in Atlanta. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF SAFETY

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: Weakley County – East Capitol Drive, State route 22, Dresden, TN – Trans. No. 03-09-913 (TH)

Purpose: To provide office and related space for Driver License Issuance and TN Highway Patrol operations.

Term: June 1, 2005 thru May 31, 2015 (10 yrs.)

Proposed Amount: 5,000 Square Feet

Annual Contract Rent:	\$48,900.00	@ \$ 9.78/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:	\$61,400.00	@ \$12.28/sf

Current Amount: 936 Square Feet

Annual contract Rent		
Incl. Utility & Janitorial Cost:	\$ 7,200.00	@ \$7.70/sf
Total Annual Effective Cost:	\$ 7,200.00	@ \$7.70/sf

Type: New Lease – Advertisement – Lowest Conforming Proposal from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Pedigo-Weakley Properties, LP

Comment: The proposed lease provides (1) the Lessor will construct 5,000 square feet of office space including interior tenant improvements at no additional cost to the State, (2) an allowance of \$15.00 per square yard for the sole purpose of purchase of carpet tiles with review and approval of the carpet tiles by the State, (3) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter, and (4) the State's option to purchase.

SSC Report: 7-12-04. Bob King summarized the transaction and stated the proposed lease will provide space for both Driver License Issuance and the TN Highway Patrol. After review and discussion, staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Comptroller Morgan raised a question regarding purchase options. After review and discussion, Sub-committee approved the transaction as presented. Final action.

SECRETARY OF STATE

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: Weakley County – 542 North Lindell Street, Martin, TN – Trans. No. 04-02-907 (EN)

Purpose: To provide office, library, and related space for operations of the Reelfoot Regional Library.

Term: November 1, 2004 thru October 31, 2009 (5 yrs.)

Proposed Amount:	<u>5,300 Square Feet</u>		
	Annual Contract Rent:	\$26,400.00	@\$4.98/sf
	Est. Annual Utility Cost:	\$ 7,420.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,830.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$39,650.00	@\$7.48/sf

Current Amount:	<u>5,000 Square Feet</u>		
	Annual Contract Rent:	\$10,500.00	@\$2.10/sf
	Est. Annual Utility Cost:	\$ 7,000.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$23,000.00	@\$4.60/sf

Type: New Lease – Negotiated

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Thomas H. Taylor, Michael T. Taylor & Bryan T. Campbell

Comment: The proposed lease provides the Lessor will perform build-out and interior tenant alterations at no additional cost to the State and no cancellation during the entire lease term except for cause and/or funding.

SSC Report: 7-12-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Charles Garrett presented a revision to the originally negotiated lease. He advised that the lease term is revised from a 10-year term to a 5-year term. Sub-committee approved the revision as presented. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Request for APPROVAL to REVISE the SOURCE OF FUNDING in the acquisition of real property Fentress County, the Jim Creek Forest Legacy Area, as follows. Trans. No. 03-08-009 (CH).

Source of Funding: \$828,085.00 – Forest Legacy Funds
\$ 87,775.00 – State Land Acquisition Funds

SSC Report: 7-12-04. Jurgen Bailey summarized the request to revise the Source of Funding for purchase of the property as previously approved. He stated that State Land Acquisition Funds will be used to cover the administrative and closing costs. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF EDUCATION

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: McMinn County – 16.84 +/- Acres with Improvement and Inventory – McMinn County Technical School, Athens, TN – Trans. No. 04-06-006 (BM)

Purpose: Disposal in Fee of real estate, improvements and inventory to the local board of education

Original Cost to State: \$1.00

Date of Original Conveyance: 1963 and 1975

Grantor Unto State: McMinn County

Estimated Sale Price: Grant – Public Benefit

Grantee: McMinn County Board of Education

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. He advised there are no bonds outstanding on the property and the inventory is valued at \$19,000.00. Tom Fusco, agency representative, stated that there are three remaining schools to be conveyed to the local governments. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF CORRECTION

LAND ITEM

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

Description: **Johnson County – Transmission Line Guy Wire Supports – Northeast Correctional Complex – Trans. No. 04-06-004 (BM)**

Purpose: Disposal by Easement for installation of transmission line guy wire supports for TVA cross-country transmission lines.

Estimated Sale Price: \$1,650.00 – TVA Appraisal

Grantee: Tennessee Valley Authority

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. 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 – 880 Esther Lane, Murfreesboro, TN – Trans. No. 04-01-909

Purpose: To provide warehouse space for storage of surplus equipment, inventory, archive files, and transition space for renovation projects.

Term: July 1, 2004 thru June 30, 2009 (5 yrs.)

Proposed Amount: 21,816 Square Feet

Annual Contract Rent:	\$ 84,175.00	@\$3.86/sf
Est. Annual Utility Cost:	<u>\$ 30,542.40</u>	<u>@\$1.40/sf</u>
Total Annual Effective Cost:	\$114,717.40	@\$5.26/sf

Current Amount: 27,750 Square Feet

Annual Contract Rent:	\$ 73,937.50	@\$2.66/sf
Est. Annual Utility Cost:	<u>\$ 38,850.00</u>	<u>@\$1.40/sf</u>
Total Annual Effective Cost:	\$112,787.50	@\$4.06/sf

Type: New Lease – Advertisement – Only Proposal

Lessor: Charitable Remainder Unitrust, Current Lessor
Joseph M. Swanson, Trustee

SSC Report: 7-12-04. Jerry Preston summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. 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, with WAIVER of APPRAISAL, required interest in the following real property:

Description: Rutherford County – 14.34 +/- Acres – Motlow State Community College, Rutherford County Teaching Site, Smyrna, TN – Trans. No. 04-06-002 (LW)

Purpose: Acquisition in Fee for the proposed Rutherford County Teaching Site of Motlow State Community College, SBC Project No. 166/021-01-03.

Source of Funding: Gift (Estimated Value of Gift Property - \$1,000,000.00)

Estimated Cost: Gift

Owner(s): Town of Smyrna, TN

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Jerry Preston advised that the site was disclosed to the State Building Commission and that the project is in the Early Design Phase. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. 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: Dyer County – 2.7 +/- Acres with Improvements - Country Club Road, Dyersburg State Community College, Dyersburg, TN – Trans. No. 04-06-020 (LW)

Purpose: Acquisition in Fee for the Library and Learning Resource Center Addition and Renovation project, SBC Project No. 166/017-01-92

Source of Funding: Capital Outlay – SBC #166/017-01-92

Estimated Cost: \$308,000.00

Owner(s): Dyersburg State Community College Foundation

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. 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 and APPROVAL to DEMOLISH the House on the property:

Description: **Montgomery County – 0.18 +/- Acres with Improvement – 322 Ford Street, Clarksville, TN – Trans. No. 04-06-022 (LW)**

Purpose: Acquisition in Fee of property adjacent to Austin Peay State University and in the Master Plan. Property will be converted into campus parking.

Source of Funding: Unexpended Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Joyce Silva & John Harrison

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to approval of the TN Historical Commission.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. 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 and APPROVAL to DEMOLISH the House on the property:

Description: Montgomery County – 0.24 +/- Acres with Improvement – 400 Ford Street, Clarksville, TN – Trans. No. 04-06-023 (LW)

Purpose: Acquisition in Fee of property adjacent to Austin Peay State University and in the Master Plan. Property will be converted into campus parking.

Source of Funding: Unexpended Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Joyce Silva and John Harrison

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to approval of the TN Historical Commission.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND 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: **Coffee County – 5.27 +/- Acres – May Prairie State Natural Area – Trans. No. 04-06-010 (BM)**

Purpose: Acquisition in Fee of adjacent property to allow the completion of a much delayed restoration of natural diversity for this designated natural area.

Source of Funding: State Land Acquisition Funds

Estimated Cost: Fair Market Value

Owner(s): Brent Fann

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION for an EQUAL VALUE LAND EXCHANGE with WAIVER of ONE (1) APPRAISAL in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Franklin County – Equal Value Land Exchange – Tims Ford State Park – Trans. No. 03-09-010 (BM)**

Purpose: Property exchange to provide the Park with a critical access corridor to a remote portion of the park that is only accessible by water to park personnel.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Estimated Value: \$6,000.00

Owner(s): James and Beverly Tucker

Comment: Previous Sub-committee action on October 20, 2003 approved the acquisition of an easement at fair market value. The property owner does not want to sell an easement but wants to do a land exchange.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to REVISE the ESTIMATED COST as for the Acquisition of the following real property, not to exceed the appraised value for the property being acquired:

Description: **Davidson County – 47.56 +/- Acres – 1701 Baker’s Grove Road, Long Hunter State Park – Trans. No. 04-03-004 (BM)**

Purpose: Acquisition in Fee to alleviate potential negative impact on the Park and reduce security problems of development along Park boundaries.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value - \$380,000.00 Appraised Value

Estimated Value: \$279,800.00

Owner(s): Michael R. and Peggy D. Schroer or Third Party

SSC Report: 04-12-04. Jurgen Bailey summarized the transaction. Terry Bonham, agency representative, also advised that it may be necessary that a third party obtain an option on the property in order to act quickly. Staff referred to Sub-committee with recommendation.

SC Action: 04-19-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

Comment: Request to Revise the Previous Approval Cost from Not to Exceed \$350,000.00 to \$380,000.00 appraised value, an increase of \$30,000.00.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND 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 APPRAISALS with APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Moore County – 30' by 2,517.60' Existing Waterline Easement – Lost Creek, Tims Ford – Trans. No. 04-01-012 (BM)

Purpose: Disposal by Easement of an existing waterline easement to the local government.

Estimated Sale Price: Grant

Grantee: Metropolitan Lynchburg and Moore County

Comment: Jack Daniels Distillery has two water lines that run parallel across state property. There is no document in place that defines the terms and location of the water line.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND 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 APPRAISALS with APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Moore County – 30' by 2,517.60' Existing Waterline Easement – Lost Creek, Tims Ford – Trans. No. 04-06-012 (BM)

Purpose: Disposal by Easement of an existing waterline easement to Jack Daniels Distillery.

Estimated Sale Price: Grant

Grantee: Jack Daniels Distillery

Comment: Jack Daniels Distillery has two water lines that run parallel across state property. There is no document in place that defines the terms and location of the water line.

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: Van Buren County – 97.0 +/- Acres (4-mile 200 ft. wide) – Southwest of Spencer, TN – Trans. No. 04-06-011 (BM)

Purpose: Acquisition of Gift property that is a segment of the historic Trail of Tears.

Source of Funding: State Land Acquisition Funds

Estimated Cost: Gift

Owner(s): J. M. Huber Corporation

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

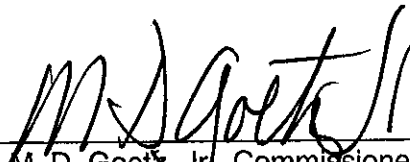
Acquisition by Gift of four (4) State Natural Areas (SNA). The properties were designated State Natural Areas in 1995 and have been under the ownership of the Nature Conservancy since that time. The Conservancy wishes to donate the following properties to the State of Tennessee.

No. 04-06-013	Claiborne County	Powell River Preservation	29.0 Acres
No. 04-06-014	Davidson County	Mt. View Cedar Glade Preserve	9.0 Acres
No. 04-06-015	Montgomery County	Barnetts Woods Preserve	40.0 Acres
No. 04-06-016	Rutherford County	Sunnybell Cedar Glade Preserve	32.0 Acres

SSC Report: 7-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 7-19-04. Sub-committee approved the transaction as requested. Final action.

Approved by: _____



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