

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JUNE 23, 2003

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in the Executive Conference Room of the 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

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
Charles Harrison, Comptroller's Office
Bob King, Department of Finance and Administration
Genie Whitesell, Attorney General's Office
Dennis Raffield, Tennessee Higher Education Commission
Jerry Preston, Tennessee Board of Regents
Karen Hale, Comptroller's Office
Pat Haas, Comptroller's Office
Mark Wood, Secretary of State's Office
Ralph Mickle, Department of Mental Health & Developmental Disabilities
Alvin Payne, University of Tennessee
George Criss, University of Tennessee
Nancy Blevins, Department of Finance and Administration

Reggie Reeves, Department of Environment and Conservation
Philisa Bennett, Department of Environment and Conservation
Joyce Hoyle, Department of Environment and Conservation
Tom Ech, Department of Environment and Conservation
George Brummett, Department of Finance and Administration
Representative Steve McDaniel
Fred Prouty, Tennessee Historical Commission
Greg Phelps, Military Department
John Gregory, TWRA
Ken Scalf, Department of Finance and Administration
Randall Jones, Department of General Services
Jim Tarp, Metro Water Services
Scott Potter, Metro Water Services

Commissioner Goetz called the meeting to order at 10:37 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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MILITARY DEPARTMENT

STATEWIDE

- 1) Mr. Fitts presented a request for approval of a revision in scope of a project for **Statewide Security Upgrades** to include the Volunteer Training Center at Smyrna and eliminating Nashville from the scope of the project. Treasurer Adams asked Colonel Phelps if the needs were less in Nashville. Colonel Phelps responded that the possibility of federal funding was better for Nashville. The Subcommittee then approved the request as presented.

Estimated Project Cost: \$995,000.00
SBC Project No. 361/000-09-02

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UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT CHATTANOOGA, TENNESSEE

- 1) Approved a project to **Demolish Siskin Chapel** at the University of Tennessee at Chattanooga, Tennessee.

Estimated Project Cost: \$10,000.00
SBC Project No. 540/005-02-03

TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Mr. Fitts presented a request for approval of a delivery order and acknowledgment of the source of funding **Performance Contracting** at Middle Tennessee State University in Murfreesboro, Tennessee. He explained that the ESCO, Siemens Building Technologies, proposed to improve lighting in 23 buildings, enhance a natural gas turbine in the Central Plant, adjust operations on co-generation systems, and improve the heating system in Saunders Fine Arts. Treasurer Adams discussed the project with Jerry Preston and asked if he was still happy with this process, and Mr. Preston responded "yes". The Subcommittee then approved the request as presented.

Estimated Project Cost:

\$ 10,000,000.00

Estimated Delivery Order Cost:

\$ 2,200,000.00

SBC Project No. 166/009-03-00

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: Shelby County –5396 Mendenhall Square, Memphis, TN – Trans. No. 03-02-906

Purpose: To provide classroom laboratory, library, student area, office and related space for the Southwest Tennessee Community College, Southeast Center.

Term: August 1, 2003 thru July 31, 2008 (5 yrs.)

Proposed Amount: 46,000 Square Feet
Annual Contract Rent: \$582,820.00 @\$12.67/sf
Est. Ann. Utility & Janitorial Cost: \$115,000.00 @\$ 2.50/sf
Est. Property Tax & Insurance Cost: \$ 23,000.00 @\$ 0.50/sf
Total Annual Effective Cost: \$720,820.00 @\$15.67/sf

Current Amount: 40,474 Square Feet
Annual Contract Rent: \$512,882.24 @\$12.67/sf
Est. Ann. Utility & Janitorial Cost \$101,187.76 @\$ 2.50/sf
Est. Common Area Maintenance, Insurance & Property Tax Cost: \$ 20,237.00 @\$ 0.50/sf
Total Annual Effective Cost: \$634,307.00 @\$15.67/sf

Type: Renewal – Advertisement – Only Proposal

Lessor: Belz Investco, G.P. – Current Lessor

Comment: The proposed lease provides a 90-day cancellation for convenience and reimbursement of increases and property tax and insurance.

SSC Report: 6/16/03. Jerry Preston advised that the current lease is expiring July 31. He stated that an advertisement resulted in one proposal from the current lessor. Mr. Preston also stated that the STCC Southeast Center is number one on the capital outlay list to be replaced with a permanent facility. Staff referred to Sub-committee with recommendation.

SC Action: 6/23/03. Charles Garrett summarized the transaction. Sub-committee was advised that the additional space is funded through grant funds. Jerry Preston stated a permanent facility, if funded, would be in the same area. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL for LESS THAN APPRAISED VALUE of interest in real property as required by TCA 4-15-102 and 12-2-112:

Description: Shelby County – 5.842 +/- Acres with Improvement – Memphis, TN – Trans. No. 03-05-013 (CH)

Purpose: Disposal in Fee of property surplus to agency need.

Original Cost to State: \$2,898,365.00

Date of Original Conveyance: 1992

Grantor Unto State: Gwatney Chevrolet

Sale Price: \$335,000.00

Appraised Value: \$470,000.00

Grantee: Loeb Brothers Realty, LP
Robert E. Loeb, Partner

SSC Report: 6/16/03. Jurgen Bailey, Real Estate Management, summarized the transaction. He stated the property has been appraised numerous times and advertised three times and no bids were received. Mr. Bailey stated the property is a major liability to the State and has problems with vandalism, rodents, broken showroom glass, etc. Mr. Bailey stated that Real Property Management is recommending disposal of the property at the offer received of \$335,000.00. Staff referred to Sub-committee for discussion.

SC Action: 6/23/03. Charles Garrett summarized the transaction and requested approval. Sub-committee approved the transaction as requested. Final action. Treasurer Adams stated that he would like to find out why the State bought this property in 1992 and then didn't use it. Mr. Garrett said he would find out and provide him with the information.

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: Lauderdale County – 5,460 +/- Acres – Anderson Tully Wildlife Management Area – Trans. No. 03-04-001 (CH)

Purpose: Acquisition in Fee of Phase II of Anderson Tully lands for the preservation of wetlands and wildlife management area.

Source of Funding: \$1,205,000.00 – North American Wetland Conservation
\$3,477,000.00 – Forest Legacy Program
\$1,729,094.00 – State Wetland Acquisition Funds

Estimated Cost: \$6,400,000.00

Estimated Value: \$6,400,000.00

Owner(s): The Nature Conservancy

SSC Report: 04-14-03. Referred to Sub-committee with recommendation.

SSC Report: 6/16/03. Referred to Sub-committee with recommendation.

SC Action: 6/23/03. Approved. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Roane County – 40 +/- Acres – Campbell Bend Barrens, Oak Ridge, TN – Trans. No.03-05-008 (LW)

Purpose: Acquisition of a Conservation Easement as a Gift for preservation of the oak barrens and the State threatened False Foxglove. Area to be incorporated into a planned residential development for limited to passive recreational use, such as hiking, nature photography and nature study.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Gift

Estimated Value: \$6,500.00

Estimated Title
And Survey Fees: Per Bid

Owner(s): Rarity Communities, Inc.

SSC Report: 6/16/03. Reggie Reeves, agency representative, summarized the project. He stated the property is within a designed subdivision as a natural area and title will be held by the developer who will donate the value of the property. Staff referred to Sub-committee with recommendation.

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Roane County – 25.0 +/- Acres – Crowder Cemetery Barrens, Oak Ridge, TN – 03-05-009 (LW)

Purpose: Acquisition of a Conservation Easement as a Gift for preservation of the oak barrens and rare endangered plants such as Tall Larkspur, Slender Blazing Star, Auricled Gerardia, & Prairie Goldenrod.. Area to be incorporated into a planned residential development for limited passive recreational use, such as hiking, nature photography and nature study.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Gift

Estimated Title
And Survey Fees: Per Bid

Owner(s): Rarity Communities, Inc.

SSC Report: 6/16/03. Reggie Reeves, agency representative, summarized the project. He stated the property is within a designed subdivision as a natural area and title will be held by the developer who will donate the value of the property. Staff referred to Sub-committee with recommendation

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: **Hardeman County – 83.0 +/- Acres – Davis Bridge Civil War Battlefield Site – Trans. No.03-06-001 (GM)**

Purpose: Acquisition in Fee to preserve and protect 83.0 +/- acres of the core battlefield. Battlefield is one of the 38 most significant Civil War sites in the nation as identified by the War Site Advisory Commission.

Source of Funding: \$123,000.00 - State Land Acquisition Fund
\$123,000.00 - American Battlefield Protection Program

Estimated Cost: Fair Market Value

Estimated Value: \$246,000.00 – January 2002 Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Civil War Preservation Trust

SSC Report: 6/16/03. Staff referred to Sub-committee with recommendation

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF MENTAL HEALTH
& DEVELOPMENTAL DISABILITIES

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: Hardeman County – 5.0 +/- Acres – Western Mental Health Institute, Bolivar, TN – Trans. No. 03-06-002 (CH)

Purpose: Disposal Lease Amendment to the current lease as follows:

1. Amend Paragraph 6, Reversion Clause – Remove the provision that If facility is not used for the stated operations for a period of “...twelve (12) month period...” and substitute “thirty-six (36) month period”
2. Amend Paragraph 9, Extension Period – Remove the provision for “...two additional five (5) year terms” and substitute “an additional twenty-five (25) term...”

Term: Twenty-five (25) years with an additional Twenty-five (25) year extension period

Consideration: Grant – Public Benefit

Lessee: Hardeman County

SSC Report: 6/16/03. Jurgen Bailey summarized the transaction. He advised that donations for the project have been slow. Further, Hardeman County is requesting a loan from the Department of Agriculture and the amendment would provide the instrument needed to secure the funding. Staff referred to Sub-committee for discussion.

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION
FOR DIVISION OF 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: **Hamblen County - 2.580 +/- Acres with Improvement - Lakeway Center, Morristown, TN - Trans. No. 03-05-007 (BM)**

Purpose: Disposal in Fee to the local non-profit operators for Developmental Disabilities services. Property will revert to the State should it cease to be used for developmental disability services.

Original Cost to State: \$280,000.00

Date of Original Conveyance: November 1986

Grantor Unto State: Tenn Rentals, Inc.

Estimated Sale Price: Grant -- Developmental Disabilities Services

Grantee: Lakeway Center for the Handicapped, Non-Profit Operators

SSC Report: 6/16/03. Referred to Sub-committee with recommendation

SC Action: 6/23/03. 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: Roane County -400 Race Street, Kingston, TN - Trans. No. 02-03-907 (JS)

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

Term: March 1, 2004 thru February 28, 2014 (10 yrs.)

Proposed Amount: 5,000 Square Feet
Annual Contract Rent: \$62,500.00 @\$12.50/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: \$75,000.00 @\$15.00/sf

Current Amount: 2,925 Square Feet
Annual Contract Rent: \$21,235.50 @\$ 7.26/sf
Est. Annual Utility Cost: \$ 4,095.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 3,217.50 @\$ 1.10/sf
Total Annual Effective Cost: \$28,548.00 @\$ 9.76/sf

Type: New Lease -- Advertisement -- 3rd Lowest Proposals from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes

Lessor: Hearthwood Properties #2, LLC
Larry D. Elliott, General Partner

Comment: The proposed lease provides (1) Lessor will construct a 5,000 square foot office building including 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 lack of funding and 180 days notice thereafter.

SSC Report: 6/16/03. Referred to Sub-committee with recommendation.

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

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

Location: Davidson County – 226 Capitol Boulevard, Nashville, TN – Trans. No. 03-04-908 (JS)

Purpose: Amendment to reduce the lease space occupied by the University of Tennessee and extend the lease term an additional five (5) year term and the end of the current lease term.

Term: July 1, 2003 thru August 31, 2009 (6 yrs., 2 mos.)

Proposed 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

Current Amount: 32,714 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$441,636.00 @ \$13.50/sf
Total Annual Effective Cost: \$441,636.00 @ \$13.50/sf

Type: Amendment No. 3 – 3,100 Square Feet Reduction

FRF Cost: \$18.00 Per Square Foot

Purchase Option: No – Multi-tenant Building

Lessor: Tennessee Municipal League

SSC Report: 05-12-03. Alvin Payne stated the University is reorganizing within and staff at the Murfreesboro Road location. He stated the University will vacate the 3,100 square feet it occupies under the lease. Charles Garrett stated the requested Lease Extension will allow the remaining agencies to continue working relationship with each other and remain in close proximity to other State agencies and the legislature. Staff referred to Sub-committee with recommendation.

**Finance & Administration – continued:
Davidson County**

- SC Action: 05-19-03. Larry Kirk summarized the transaction and requested approval. Commissioner Goetz brought up the District Attorney's General Conference (DAGC) need for space and wondered if the space being eliminated would suit the need. After discussion, Sub-committee deferred action pending consultation with the DAGC.
- SSC Report: 6/16/03. Charles Garrett stated that the DAGC is not on the same floor as the space University of Tennessee will be vacating. He stated the DAGC is occupying the entire 8th floor. Staff referred to Sub-committee with recommendation.
- SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

Discussion regarding BEST VALUE CONTRACTING.

- SSC Report: 05-12-03. Larry Kirk requested Staff referral to the Executive Sub-committee for discussion of Best Value Contracting (BVC). He stated the request is that Sub-committee approve a pilot project utilizing BVC methods and refer with recommendation to the State Building Commission for final approval of a pilot project. Staff referred to Sub-committee for discussion.
- SSC Report: 6/12/03. Larry Kirk summarized a request for approval of a concept for developing an RFP model for Best Value contracting. After review and discussion, Staff referred to Sub-committee for discussion.
- SC Action: 6/23/03. Mike Fitts stated that, in an effort toward quality construction, they have been investigating the concept of Best Value Contracting which is a process that, essentially, utilizes an RFP procedure which allows for value, quality, etc. rather than just low cost. He said he would like to go ahead and develop a task force to develop a concept that would be in the State's best interest and include representatives of the University of Tennessee, Tennessee Board of Regents, Capital Projects Management and SBC staff and come back to the Subcommittee for recommendation to the full Commission for approval. The next step would be to utilize the process on one or two pilot projects.

Treasurer Adams asked if the University of Tennessee and Board of Regents were interested in pursuing this, and is this different than pre-qualifying contractors. Mr. Fitts said that one form of Best Value Contracting is pre-qualifying although most federal models tend to do more of a combination wherein costs and qualifications are weighted or evaluated as the "best value" for the owner. Treasurer Adams asked if, in the other states, the award of contractors have been contested. Mr. Fitts said the indications he received from the federal government showed very little contesting of award. He said the National Park Service told him that they can't prove that they save money, but they can prove they are getting value for the money. He said he thought they would want to walk into this and not rush into it and do some more extensive research. He added that they would need construction industry input as well. Comptroller Morgan asked if this would allow the State to encourage use of disadvantage subcontractors and Mr. Fitts responded that, if that was preferred, it could be included in the concept. Secretary of State Darnell stated that the concept is intended to get you a better product, and he thought if they can find a balance, it is a good exercise. Larry Kirk stated that this was one way to do it and get rid of the 'bottom feeders'. After further discussion, the Subcommittee approved Mr. Fitts' recommendation.

DEPARTMENT OF FINANCE AND ADMINISTRATION

WAR MEMORIAL PLAZA, NASHVILLE, TENNESSEE

- 1) Approved a request for a revision in funding from \$625,000.00 to \$715,000.00 (\$90,000.00 increase) of a project for **Fountain Repairs** at War Memorial Plaza, and authorization to award a contract to Wasco, Inc., in the amount of \$620,000.00 based on bids received May 20, 2003.

Revised Estimated Project Cost: \$715,000.00
SBC Project No. 529/045-01-00

STATE BUILDING COMMISSION

MINUTES

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on May 19, 2003.

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Following approval of the Consent Agenda, the meeting adjourned at 11:10 a.m.

CONSENT AGENDA

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

- A. Agency: TN Board of Regents- Rutherford County
Transaction: Acquisition in Fee
- B. Agency: TN Board of Regents – Sullivan County
Transaction: Equal Value Exchange
Provision: Waiver of Advertisement and Appraisals
- C. Agency: TN Board of Regents – Montgomery County
Transaction: Acquisition n Fee
Provision: Revise Previous Approval
- D. Agency: Department of Transportation – Shelby County
Transaction: Disposal in Fee
Provision: Waiver of Advertisement
- E. Agency: TN Wildlife Resources Agency – Bradley County
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and One (1) Appraisal
- F. Agency: Mental Health & Developmental Disabilities – Davidson County
Transaction: Disposal by Lease
Provision: Revise Previous Approval
- G. Agency: Human Services & Children’s Services – Scott County
Transaction: Lease Agreement
- H. Agency: Human Services & Children’s Services – Haywood County
Transaction: Lease Agreement
- I. Agency: Post Conviction Defenders & Human Rights Commission – Davidson County
Transaction: Lease Agreement

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 – 0.26 +/- Acres with Improvement – 1914 Ragland, Murfreesboro, TN – Middle Tennessee State University – Trans. No. 03-05-002 (LW)

Purpose: Acquisition in Fee of property with the area recommended for acquisition in the Master Plan for MTSU.

Source of Funding: Institutional Funds (Rent Revenues)

Estimated Cost: Fair Market Value

Estimated Value: \$90,000.00

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Aubrey Reed

SSC Report: 6/16/03. Referred to Sub-committee for consent agenda.

SC Action: 6/23/03. Approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following EQUAL VALUE EXCHANGE of real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Sullivan County - 1.52 +/- Acres Northeast State Technical Community College (NSTCC) for 2.43 +/- Acres Tri-Cities Regional Airport Commission (TRAC), Blountville, TN - Trans. No.03-05-003 (LW)

Purpose: Exchange of NSTCC for TRAC property for construction of a new access road connecting Muddy Creek Road to Holston Drive.

Estimated Cost to State: \$543,000.00

Date of Original Conveyance: September 1994

Grantor Unto State: Sullins Eugene Sanders

Estimated Sale Price: Grant - Benefit of State and Public

Grantee: Tri-Cities Airport Authority, Adjoining Property Owner

Comment: Planned airport development will impact the existing access road with an incompatible mix of students, staff, and airport traffic use the airport road. A new proposed access road will relieve this problem and NSTCC will very much benefit from this exchange.

SSC: Report: 6/16/03. Referred to Sub-committee for consent agenda.

SC Action: 6/23/03. 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 and APPROVAL to DEMOLISH the existing structure:

Description: Montgomery County – 66' X 159' Lot and Improvement – 218 Castle Heights, Austin Peay State University, Clarksville, TN – Trans. No. 02-08-011 (CH)

Purpose: Acquisition in Fee of property in close proximity to the new dorms currently under construction for parking purposes and part of the APSU Master Plan.

Source of Funding: Land Acquisition

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Richard M. Collier

SSC Report: 9-16-02. Referred to Sub-committee for consent agenda and demolition of the existing structure subject to approval of the TN Historic Commission.

SC Action: 09-23-02. Approved the request as presented.

Revise Previous Approval: Request to REVISE PREVIOUS APPROVAL of an acquisition in Fee from property owner, Mr. Richard M. Collier, to acquire from the Austin Peay State University (APSU) Foundation.

SSC Report: 6/16/03. Jerry Preston reported that the APSU Foundation is working with the owner, Mr. Collier, to purchase the property for the University. Mr. Collier would like to dispose of the property quickly before leaving Tennessee and therefore, the Foundation has stepped in to purchase the property for the appraised amount of \$50,000. The Foundation will then sell the property to the the Tennessee Board of Regents for APSU at the same value. Jerry Preston requests that the previous approval to acquire the property from Mr. Collier be revised to reflect that the property will be acquired from the APSU Foundation. Staff referred to Sub-committee for consent agenda.

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Washington County – 0.274 +/- Acres – State of Franklin Road, Johnson City, TN – Trans. No. 03-05-001 (BM)

Purpose: Disposal in Fee of SR 381 surplus right-of-way.

Original Cost to State: \$162,400.00 – 2.203 Acres

Date of Original Conveyance: May 1993

Grantor Unto State: Keebler and Burleson

Estimated Sale Price: Fair Market Value

Estimated Value: \$75,000.00

Grantee: J. M. Cox, Jr.

Comment: Jim Allen is the only adjoining property owner to the State right-of-way. J. M. Cox, Jr., has an option to purchase Mr. Allen's property and desires to acquire the State right-of-way for assemblage purposes. Mr. Allen is agreeable to the State disposal of the right-of-way to Mr. Cox.

SSC Report: 6/16/03. Jurgen Bailey summarized the transaction. Agency representative stated that TDOT property would not be sold to Mr. Cox until Mr. Cox has purchased the property from Mr. Allen, the only adjoining property owner. Staff referred to Sub-committee for consent agenda subject to Mr. Cox acquiring the property from Mr. Allen.

SC Action: 6/23/03. Approved as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

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 and APPROVAL of a RIGHT-OF-ENTRY, as required by TCA 4-15-102 and 12-2-112.

Description: **Bradley County – 1.294 +/- Acres - Chickamauga Lake WMA and Lake Access – Trans. No. 03-05-006 (CH)**

Purpose: Disposal of a twenty foot Easement, with an eight foot construction easement to facilitate a larger gas transportation line to serve the Knoxville area.

Estimated Sale Price: \$1,250.00 - Appraised Value

Estimated Value: \$750.00

Grantee: Colonial Pipeline

Comment: The proposed easement would be an amendment to an existing easement to Colonial Pipeline.

SSC Report: 6/16/03. Referred to Sub-committee for consent agenda..

SC Action: 6/23/03. Approved as presented. Final action.

DEPARTMENT OF MENTAL HEALTH AND
DEVELOPMENTAL DISABILITIES

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 and APPROVAL to Execute a SUBORDINATION AGREEMENT:

- Description: Davidson County – 5.0 +/- acres - Lebanon Pike and Clover Bottom Development Center, Nashville, TN - Transaction No. 00-07-002(DR)
- Purpose: Disposal by lease for construction of 19 bed residential facility for mentally ill.
- Term: Seventy-five (75) Years
- Consideration: Grant – Public Benefit
- Lessee: Park Center
- Comment: Park Center has requested \$1,142,204.00 in HUD grants. HUD prefers that land be obtained before submission of grant. State and public benefit through cooperative services to be provided by Lessee.
- SSC Report: 8-14-00. Discussion centered around the benefit derived by the State relative to services provided by Park Center and a request was made to determine the extent of the financial impact to the State. Agency representative stated the facility will provide a 19 bed residential facility for the mentally ill being released from institutions. Staff referred to Sub-Committee for discussion.
- SC Action: 8-21-00. Charles Garrett requested deferral of the subject request pending further review. Sub-Committee concurred.
- SSC Report: 10-16-00. Charles Garrett introduced the transaction and recognized Deputy Commissioner Ben Dishman and Ralph Mickle, agency representative. Mr. Mickle stated the Park Center is a not-for-profit mental health service provider. He stated the Park Center will request a HUD grant for construction of the facility. He further stated the Department has partnered with Park Center for several years and provides a \$134,749.00 yearly grant to Park Center for housing and rental assistance, permanent housing and assisted living. Deputy Commissioner Dishman summarized the program and stated there would be no other cost to the State than the yearly grant from the

Department. He further stated the Park Center provides vocational training, shelter, rental assistance and is staffed twenty-four hours. Staff referred the request to Sub-Committee with recommendation contingent upon Park Center's receipt of the HUD grant and a reversion clause, at the State's option, that if the facility ceases to be used for the intended purpose it will revert to the State.

SC Action: 10-30-00. Charles Garrett summarized the transaction and introduced the agency's representative, Ralph Mickle. Mr. Mickle advised that the Park Center is applying for a HUD grant to construct the facility to provide housing for 19 mentally ill patients. He stated the project is similar to the Knights of Columbus agreement with the State. Commissioner Neel asked if the State would have architectural overview of the facility. Mr. Garrett responded "yes". Treasurer Adams asked if the five acres would be in the appropriate place, and Mr. Mickle advised that it would. Sub-Committee approved the project as presented. Final action.

Revise Previous Approval:

Request to REVISE PREVIOUS APPROVAL of a lease for construction of a 19 bed residential facility to a 14 bed facility with one (1) manager unit due to reduced funding from U.S. Housing and Urban Development (HUD).

SSC Report: 6/16/03. Referred to Sub-committee for consent agenda.

SC Action: 6/23/03. 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: Scott County – 104 Fire Hall Drive, Huntsville, TN – Trans. No. 02-10-910 (JS)

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

Term: March 1, 2004 thru February 28, 2014 (10 Yrs.)

Proposed Amount:	<u>8,500 Square Feet</u>		
	Annual Contract Rent:	\$68,000.04	@ \$ 8.00/sf
	Est. Annual Utility Cost:	\$11,900.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 9,350.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$89,250.04	@ \$10.50/sf

Current Amount:	<u>5,600 Square Feet</u>		
	Annual Contract Rent:	\$33,600.00	@ \$ 6.00/sf
	Est. Annual Utility Cost:	\$ 7,840.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,160.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$47,600.00	@ \$ 8.50/sf

Type: New Lease – Intergovernmental

FRF Rate: \$10.25 Per Square Foot

Purchase Option: No

Lessor: Scott County – current Lessor

Comment: The proposed lease provides the Lessor (1) will construct an addition of 2,900 rentable square feet to the existing building at no additional cost to the State, (2) install new carpet and paint interior of existing building, and (3) provides 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: 6/16/03. Referred to Sub-committee for consent agenda.

SC Action: 6/23/03. 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: Haywood County – 1200 South Dupree, Brownsville, TN – Trans. No. 02-11-904 (TH)

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

Term: July 1, 2003 thru June 30, 2008 (5 yrs.)

Proposed Amount:	<u>6,031 Square Feet</u>		
	Annual Contract Rent:	\$47,184.00	@ \$ 7.82/sf
	Est. Annual Utility Cost:	\$ 8,443.50	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,634.10</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$62,261.50	@ \$10.32/sf

Current Amount:	<u>6,031 Square Feet</u>		
	Annual Contract Rent:	\$47,184.00	@ \$ 7.82/sf
	Est. Annual Utility Cost:	\$ 8,443.50	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,634.10</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$62,261.50	@ \$10.32/sf

Type: Renewal – Advertisement – Lowest of (3) Proposals from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes

Lessor: Pedigo-Brownsville Properties, LP – Current Lessor
Jerrold Don Pedigo, General Partner

Comment: The proposed lease provides the Lessor will perform tenant improvements and repairs.

SSC Report: 6/16/03. Referred to Sub-committee for consent agenda.

SC Action: 6/23/03. 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: Davidson County – 530 Church Street, Nashville, TN – Trans. No. 02-11-907 (EN)

Purpose: To provide office and related space for operations of the Human Rights Commission and Post Conviction Defenders.

Term: July 1, 2003 thru June 30, 2008 (5 yrs.)

Proposed Amount:	<u>10,898 Square Feet</u>		
	Annual Contract Rent Including		
	Utility & Janitorial Cost:	<u>\$125,327.00</u>	<u>\$11.50/sf</u>
	Total Annual Effective Cost:	<u>\$125,327.00</u>	<u>\$11.50/sf</u>

Current Amount:	<u>10,898 Square Feet</u>		
	Annual Contract Rent Including		
	Utility & Janitorial Cost:	<u>\$119,833.08</u>	<u>@ \$10.99/sf</u>
	Total Annual Effective Cost:	<u>\$119,833.08</u>	<u>@ \$10.99/sf</u>

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

FRF Cost: \$18.00 Per Square Foot

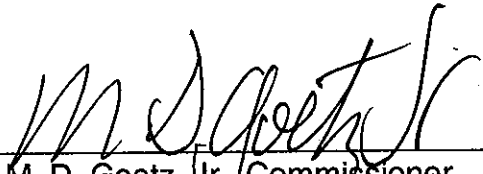
Purchase Option: No – Multi-tenant Building

Lessor: Cornerstone Partners, LP – Current Lessor
Tom Corcoran & Jim Maddox - Principles

Comment: Proposed lease provides a ninety (90) days cancellation for convenience and the Lessor will provide five (5) parking spaces.

SSC Report: 6/16/03. Referred to Sub-committee for consent agenda.

SC Action: 6/23/03. Approved as presented. Final action.

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