

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MAY 31, 2005

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

OTHERS PRESENT

Mike Fitts, State Architect
Charles Garrett, Department of Finance and Administration
Georgia Martin, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Jerry Preston, Tennessee Board of Regents
Mark Wood, Secretary of State's Office
Nancy Blevins, Department of Finance and Administration
Annette Crutchfield, Legislative Budget Analysis
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
George Brummett, Department of Finance and Administration
Dennis Raffield, THEC
Keith Robinson, Tennessee Board of Regents
Alvin Payne, University of Tennessee
David Gregory, Tennessee Board of Regents
John Cothorn, Middle Tennessee State University
Mike Gower, Middle Tennessee State University
Jan Sylvis, Department of Finance and Administration
Joseph White, Nashville Bureau Reporter
Mike Morrow, Department of Finance and Administration
Ralph Mickle, Department of Mental Health & Developmental Disabilities
Brooks Garland, Tennessee Wildlife Resources Agency
John Gregory, Tennessee Wildlife Resources Agency

Mike Baumstark, Department of Environment and Conservation
Fred Prouty, Tennessee Historical Commission
Virginia Betts, Department of Mental Health & Developmental Disabilities
Joe Carobene, Department of Mental Health & Developmental Disabilities
Cindy Tyler, Department of Mental Health & Developmental Disabilities
Cathy Posey, Department of Correction
Jeff Roberts, Department of Human Services
Tom Giese, Department of Correction
Ken Scalf, Department of Finance and Administration
Pat Haas, Bond Finance
Mary Margaret Collier, Bond Finance
Charles Peccolo, University of Tennessee

Commissioner Goetz called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM

Request for Conceptual Approval of the proposed Memphis Mental Health Institute based on the Term Sheet dated April 28, 2005.

SSC Report: 05-16-05. Charles Garrett introduced Joe Carobene, Deputy Commissioner, Department of Mental Health. Mr. Carobene advised the Project is a Governmental/Private Partnership to provide a Memphis Mental Health Institute for the State of Tennessee. After review and discussion, Staff referred to Sub-committee for discussion.

SC Action: 05-31-05. Charles Garrett introduced the project. He advised it is proposed as a private/government partnership project for construction of a new Memphis Mental Health Institute facility. He advised the request is for Sub-committee's recommendation for Conceptual Approval of the Plan and referral to the full State Building Commission on June 9. He then introduced Commissioner Virginia Trotter Betts of the Department of Mental Health and Developmental Disabilities.

Commissioner Betts thanked the Sub-committee for its considerations. Commissioner Betts began summarizing the project. She stated it is an innovative project in an effort to provide improved mental health care in the Shelby County/Memphis area. She identified the role of each partner in the project as University of Tennessee, Tennessee Department of Mental Health and Developmental Disabilities Shelby County Healthcare Authority, Methodist Healthcare, and Shelby County Government.

Commissioner Betts stated the benefits of the project will provide improved and expanded services and collaboration with the Memphis community. She stated Methodist Health Care will purchase the current Memphis Mental Health Institute at the corner of Poplar/Dunlap. Methodist and the \$12.5 million will be deposited in escrow for initial project costs concurrent with the securing of the long-term financing by the University of Tennessee, execution of a long-term lease between the State and UT, and approval of the State Building Commission. She stated the project will allow each of the partners to improve and expand its facilities and services to the community.

Treasurer Sims asked how this method benefits the project completion versus the traditional way. Commissioner Betts stated that Methodist Health Care system estimated an 18 month project completion as to the estimated three years of the State. Treasurer Sims stated he wanted it in the public record that the timing issue is driving the use of this method. Deputy Commissioner Joe Carobene stated the project schedule is being

developed at this time. Treasurer Sims also asked if the design approval will be approved by the State Building Commission. Commissioner Betts stated that it will be subject to the Commission and that Methodist Health Care has been advised of the omission.

Comptroller John Morgan asked who the contractor is or if Methodist will bid for a contractor. Deputy Commissioner Carobene stated Methodist is awaiting State Building Commission approval and that the bid process may lengthen the schedule. Charles Garrett stated that Methodist has a team it has worked with in the past and will want to work with the same team.

Treasurer Sims moved referral to the State Building Commission with recommendation for conceptual approval subject to the Commission being involved as outlined in 3b. in the Term Sheet. Secretary of State Darnell commented that if the 24-month schedule was not met, they might not look with favor on similar requests in the future. Subcommittee referred to the Commission without objection.

TENNESSEE BOARD OF REGENTS

EAST TENNESSEE STATE UNIVERSITY, JOHNSON CITY, TENNESSEE

- 1) Approved a request to reallocate funding on a project for **VA#6 Forensic Pathology Renovation** at East Tennessee State University, and authorization to award a construction contract in the amount of \$5,353,000.00 to the J. E. Green Company of Johnson City, based upon their low base bid submitted May 11th, 2005.

Estimated Project Cost: \$ 6,500,000.00
SBC Project No. 166/005-11-2002

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, with Waiver of Real Estate Management Fee, not to exceed the appraised value for the property being acquired:

Description: Greene County – 2.7 +/- Acres with Improvement – 215 North College Street, Greeneville, TN – Trans. No. 05-04-015 (LW)

Purpose: Acquisition in Fee of the Walter State Community College Greeneville/Greene County Higher Education Center.

Source of Funding: 2004-2005 State Appropriation – Lease Purchase and Replacement Fund

Estimated Cost: \$1,000,000.00

Owner(s): Walter State Community College Foundation

Comment: The facility is currently leasing space in the building as a satellite campus. The cost acquisition of \$1,000,000.00 will be returned to the WSCC by the Foundation for improvements to the facility.

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Jerry Preston provided the history of the facility and information regarding the criteria for ranking facilities for purchase as approved by the Board of Regents. Dennis Raffield, TN Higher Education Commission, voiced the Commission's support of the project. Staff referred to Sub-committee with recommendation.

SC Action: 05-31-05. Charles Garrett summarized the transaction. Jerry Preston advised that the Foundation offered the property to Walter State Community College for the original purchase price of \$1,000,000.00. He stated the property appraised at \$3,000,000.00. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

REPORT ITEM - 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 – 1991 Corporate Avenue, Memphis, TN**

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

Term: June 1, 2005 thru May 31, 2006 (1 yr.)

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

Current Amount: None

Type: New Lease - Negotiated

FRF Rate: \$17.00 Per Square Foot

Purchase Option: None – Multi-tenant

Lessor: JP Realty Partners, LTD
Mark D. Jordan, General Partner

Comment: The proposed lease provides (1) the Lessor shall make improvements at no additional cost to the State, (2) An allowance of \$12,500.00 to cover cost of electrical work and other tenant installation costs, and (3) no cancellation during the term of the lease except for cause and/or lack of funding.

SC Action: 05-02-05. After Staff review, Sub-committee approved the request as presented. Final action.

SSC Report: 05-16-05. Bob King summarized the transaction. Jeff Roberts, Assistant Commissioner, provided a summary of activities performed at the Service Center. After further review and discussion, Staff referred to Sub-committee for ratification of the negotiated lease agreement.

SC Action: 05-31-05. Charles Garrett summarized the transaction and requested ratification of the previous approval of May 2, 2005. Sub-committee ratified the lease agreement as previously approved. Final action.

BOARD OF PROBATION AND PAROLE

LEASE AGREEMENT

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

Location: Madison County – 416 East LaFayette Street, Jackson, TN – Trans. No. 95-11-902A (TH)

Purpose: To provide office and related space for local operations pending advertisement for a new lease.

Term: July 1, 2005 thru June 30, 2006 (1 yr.)

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

Current Amount: 14,026 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$91,309.33 @ \$6.51/sf
Total Annual Effective Cost: \$91,309.33 @ \$6.51/sf

Type: New Lease - Negotiated

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None – Multi-tenant

Lessor: John H. Allen and Charles H. Farmer – Current Lessor

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for discussion.

SC Action: 05-31-05. Charles Garrett summarized the transaction. He stated the proposed lease will allow the time necessary for advertisement for a new lease. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

SPECIAL ITEM

Request for Approval to provide a Letter of Agreement to Hold Title to the Civil War Preservation Trust (CWPT) that the State, Tennessee Historical Wars Commission (THWC), will hold title to property purchased by the DWPT for protection of a signification portion of the Civil War Battle of Chattanooga.

Description: Hamilton County – 36.0 +/- Acres – Billy Goat Hill, SW of Point Park National Military Park, Look Out Mountain

SSC Report: 05-16-05. Kim Kirk, Department Legal Counsel, summarized the request and advised the City of Chattanooga, under contract, will act as the primary caretaker with full responsibility of maintaining the site. She also stated there are no State dollars in the acquisition and that the Letter of Agreement to Hold Title is needed by the CWPT in order to apply for a Federal grant. Staff referred to Sub-committee with recommendation.

SC Action: 05-31-05. Charles Garrett presented the request and introduced Fred Prouty, Tennessee Wars Commission, to summarize the request and respond to any questions. Mr. Prouty stated the Letter of Agreement will allow the CWPT the necessary documentation to apply for matching funds. The CWPT will hold the title to the property until final approval of the Sub-committee. He stated there are no State funds in the project. Charles Garrett stated that all additional approval will be brought back for final approval. Sub-committee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

SPECIAL ITEM

Review of a request for Approval to Negotiate a Lawsuit Settlement and request that The Conservation Fund purchase and hold the property on behalf of the State until the State can accumulate the resources to purchase from The Conservation Fund.

Description: Obion County – 97.0 to 130.0 +/- Acres –Bonnie Hamilton and Jamie Hamilton, Sr. Property, Reelfoot Lake

SSC Report: 05-16-05. John Gregory, agency representative, requested permission to submit this request for approval to the Sub-committee and introduced Mr. Charlie Burnett, contracted by the Attorney General's office. Mr. Burnett summarized the history of the lawsuit and stated approval is needed now as the lawsuit is scheduled for trial June 13, 2005. He stated the approval would allow continuation toward a negotiated settlement in consultation with the State's attorney and agency and the Attorney General's office.

Staff referred to Sub-committee for discussion.

SC Action: 05-31-05. Charles Garrett presented the request for discussion and introduced John Gregory, agency representative. Mr. Gregory summarized the request. He stated the property owners have indicated a willingness to settle the lawsuit for \$2.0 million along with use of the home, fishing, and farming rights. He said the lawsuit will go to trial June 13, 2005 and that the Attorney General's office advises going ahead with the negotiated settlement. Secretary Darnell recommended approval of the settlement of \$2.0 million and bring back if anything different and approval to negotiate the other issues. Sub-committee approved the recommendation as presented by Secretary Darnell.

DEPARTMENT OF CORRECTION

NORTHEAST CORRECTIONAL COMPLEX, MOUNTAIN CITY, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding to **Upgrade Radio Communication System** at Northeast Correctional Complex in Mountain City, with design services to be provided by State authorized radio communications equipment vendor.

Estimated Project Cost: \$1,800,000.00
SBC Project No. 142/024-01-2005

STATE BUILDING COMMISSION

EXECUTIVE SUBCOMMITTEE MEETING MINUTES

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 25, 2005.

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Following approval of the Consent Agenda, the meeting adjourned at 11:20 a.m.

CONSENT AGENDA

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

- A. Agency: **Tennessee Board of Regents – Hamblen County**
Transaction: Lease Agreement – Walter State community College
- B. Agency: **Tennessee Board of Regents – Sullivan County**
Transaction: Lease Agreement – East TN State University
Provision: Waiver of Advertisement
- C. Agency: **Tennessee Foreign Language Institute – Davidson County**
Transaction: Lease Agreement
- D. Agency: **Secretary of State – Maury County**
Transaction: Lease Agreement – Blue Grass Regional Library
Provision: Waiver of Advertisement
- E. Agency: **Department of Children’s Services – Washington County**
Transaction: Lease Agreement
- F. Agency: **Department of Revenue – Shelby County**
Transaction: Lease Agreement
- G. Agency: **Labor & Workforce Development – Davidson County**
Transaction: Lease Agreement
- H. Agency: **Department of Human Services – Williamson County**
Transaction: Lease Agreement
- I. Agency: **Board of Probation & Parole – Knox County**
Transaction: Lease Agreement
- J. Agency: **Board of Probation & Parole – Sullivan County**
Transaction: Lease Agreement
- K. Agency: **Finance & Administration – Bradley County**
Transaction: Lease Agreement – Human Services & Children’s Services
- L. Agency: **Environment & Conservation – Madison County**
Transaction: Acquisition by Easement
Provision: Waiver of Appraisal
- M. Agency: **TN Wildlife Resources Agency – Cumberland County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals

- N Agency: **TN Wildlife Resources Agency – Fayette County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- O Agency: **Department of Transportation – Cocke County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals
- P Agency: **Department of Transportation – Monroe County**
Transaction: Disposal in Fee
- Q Agency: **Department of Transportation – Unicoi County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement
- R Agency: **Department of Transportation – Wilson County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals

TENNESSEE BOARD OF REGENTS

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: Hamblen County – 6057 West Andrew Johnson Hwy, Talbott, TN – Trans. No. 05-04-911

Purpose: To provide office, training and related space for the Walter State Community College Career Center.

Term: June 15, 2005 thru June 14, 2010 (5 yrs.)

Proposed Amount:	<u>13,000 Square Feet</u>		
	Annual Contract Rent:	\$ 92,649.76	@ \$ 7.13/sf
	Est. Annual Utility Cost:	\$ 18,200.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 14,300.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$125,149.76	@ \$ 9.63/sf

Current Amount:	<u>13,000 Square Feet</u>		
	Annual Contract Rent		
	Incl. Janitorial Cost:	\$105,730.00	@ \$ 8.13/sf
	Est. Annual Utility Cost:	<u>\$ 18,200.00</u>	<u>@ \$ 1.40/sf</u>
	Total Annual Effective Cost:	\$123,930.00	@ \$ 9.53/sf

Type: New Lease – Advertisement – Only Proposal

Lessor: Bill R. Greene – Current Lessor

SSC Report: 05-16-05. Jerry Preston summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

B.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

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

Location: **Sullivan County – 1241 Volunteer Parkway, Bristol, TN – Trans. No. 05-04-910**

Purpose: To provide educational space for East Tennessee State University Bristol Center's instructional television studies

Term: July 1, 2005 thru June 30, 2010 (5 yrs.)

Proposed Amount: 17,820 Square Feet

Annual Contract Rent:	\$132,000.00	@ \$ 7.41/sf
Est. Annual Utility Cost:	\$ 24,948.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 19,602.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$176,550.00</u>	<u>@ \$ 9.91/sf</u>

Current Amount: 17,820 Square Feet

Annual Contract Rent		
Incl. Janitorial Cost:	\$132,000.00	@ \$ 7.41/sf
Est. Annual Utility Cost:	<u>\$ 24,948.00</u>	<u>@ \$ 1.40/sf</u>
Total Annual Effective Cost:	<u>\$156,948.00</u>	<u>@ \$ 8.81/sf</u>

Type: Renewal - Negotiated

Lessor: Barker Brothers Corp. – Current Lessor

SSC Report: 05-16-05. Jerry Preston summarized the transaction and requested approval to waive advertisement. He stated that four classrooms/studios for instructional television have been custom built into the facility and includes fiber optics rooms, video rooms and other related facilities. He stated the cost to build and provide the required equipment for a new room is estimated to be \$45,000 to \$60,000 per room. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

TENNESSEE FOREIGN LANGUAGE INSTITUTE

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 – 227 French Landing, Nashville, TN – Trans. No. 04-12-910 (EN)**

Purpose: To provide office, classroom, and related space for educational purposes.

Term: September 1, 2005 thru August 31, 2010 (5 yrs.)

Proposed Amount: **5,016 Square Feet**
Annual Contract Rent
Incl. Utility & Janitorial Cost: **\$76,995.60** @**\$15.35/sf**
Total Annual Effective Cost: **\$76,995.60** @**\$15.35/sf**

Current Amount: **4,827 Square Feet**
Annual Contract Rent
Incl. Utility & Janitorial Cost: **\$64,633.53** @**\$13.39/sf**
Total Annual Effective Cost: **\$64,633.53** @**\$13.39/sf**

Type: New Lease – Advertisement Only Proposal

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant Property

Lessor: MHP Associates, LLC
R.C. Mathews, Chief Manager

Comment: The proposed lease provides (1) the Lessor shall make tenant improvements at no additional cost to the State and (2) no cancellation during the entire five year lease term except for cause and/or lack of funding.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. 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: **Maury County – 104 East 6th Street, Columbia, TN – Trans. No. 05-03-914 (EN)**

Purpose: To provide office and library related space for the Blue Grass Regional Library

Term: July 1, 2005 thru June 30, 2010 (5 yrs.)

Proposed Amount: 6,400 Square Feet
Annual Contract Rent: \$30,000.00 @\$4.69/sf
Est. Annual Utility Cost: \$ 8,960.00 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 7,040.00 @\$1.10/sf
Total Annual Effective Cost: \$46,000.00 @\$7.19/sf

Current Amount: 6,400 Square Feet
Annual Contract Rent: \$22,500.00 @\$3.52/sf
Est. Annual Utility Cost: \$ 8,960.00 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 7,040.00 @\$1.10/sf
Total Annual Effective Cost: \$38,500.00 @\$6.02/sf

Type: New Lease - Negotiated

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None

Lessor: Raymond C. Strickland and Patricia Dooley Strickland – Current Lessor

Comment: The proposed lease provides the Lessor will replace carpet and will be reimbursed \$5,500.00.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

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

Location: Washington County – 208 Quarry Road, Johnson City, TN – Trans. No. 05-02-904 (JS)

Purpose: To provide a residential facility of Male Juvenile Offenders

Term: July 1, 2005 thru June 30, 2010 (5 yrs.)

Proposed Amount:	<u>4,800 Square Feet</u>		
	Annual Contract Rent:	\$49,000.08	@\$\$10.21/sf
	Est. Annual Utility Cost:	\$ 6,720.00	@\$ 1.40/sf
	Annual Tenant Alteration Cost:	<u>\$ 796.80</u>	<u>@\$ 0.16/sf</u>
	Total Annual Effective Cost:	\$56,516.88	@\$11.77/sf

Current Amount:	<u>4,800 Square Feet</u>		
	Annual Contract Rent:	\$44,028.00	@\$ 9.17/sf
	Est. Annual Utility Cost:	\$ 6,720.00	@\$ 1.40/sf
	Total Annual Effective Cost:	\$50,748.00	@\$10.57/sf

Type: New Lease – Advertisement – Only Proposal

Purchase Option: None – Part of a Multi-tenant Property

Lessor: Paduch Enterprises
Peter A. Paduch, Partner

Comment: The proposed lease provides (1) the Lessor will make improvements and upgrades to the facility at no additional cost to the State, (2) Lessor shall install a covered sidewalk between this facility and the Observation and Assessment Center on behalf of the State and will be reimbursed by the State, upon receipt of an itemized invoice, in a lump sum payment not to exceed \$3,984.00, and (3) no cancellation during the entire lease term except for cause and/or lack of funding.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. 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: Shelby County – 3150 Appling Road, Bartlett, TN – Trans. No. 04-02-919 (TH)

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

Term: October 1, 2005 thru September 30, 2015 (10 yrs.)

Proposed Amount: 13,600 Square Feet
Annual Contract Rent: \$139,800.00 @\$10.28/sf
Est. Annual Utility Cost: \$ 19,040.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 14,960.00 @ \$ 1.10/sf
Total Annual Effective Cost: \$173,800.00 @\$12.78/sf

Current Amount: 13,600 Square Feet
Annual Contract Rent: \$159,900.00 @\$11.76/sf
Est. Annual Utility Cost: \$ 19,040.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 14,960.00 @ \$ 1.10/sf
Total Annual Effective Cost: \$194,900.00 @\$14.26/sf

Type: New Lease – Advertisement – Lowest of (11 Proposals from (7) Proposers (Four - non-conforming)

FRF Rate: \$17.00 Per Square Foot

Purchase Option: Yes – Years (1) thru (10)

Lessor: Pedigo-Manchester Properties, LP – Current Lessor

Comment: The proposed lease provides (1) the Lessor will make tenant repairs at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding, and (3) the State's Option to Purchase.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

G.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

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 – 2206-2262 Metrocenter Boulevard, Nashville, TN – Trans. No. 04-11-909 (JS)

Purpose: To provide office and related space for the State-wide Unemployment Insurance Call Center.

Term: January 1, 2006 thru December 31, 2015 (10 yrs.)

Proposed Amount: 35,866 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$505,531.22 @\$14.09/sf
Avg. Annual Effective Cost: \$505,531.22 @\$14.09/sf

Current Amount: 23,866 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$274,457.04 @\$11.40/sf
Total Annual Effective Cost: \$274,457.04 @\$11.40/sf

Type: New Lease – Advertisement – Lowest and Only Proposal from (1) Proposer

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant Complex

Lessor: Amulet Associates, LP – Current Lessor - David Alpert, General Partner

Comment: The proposed lease provides (1) Lessor will construct interior build-out in 12,000 square feet of the additional space 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 lack of funding and 180 days notice thereafter.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction 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: Williamson County – 1405-A Brookwood Avenue, Franklin, TN – Trans. No. 05-01-911 (RS)

Purpose: To provide office, shop and warehouse space for the Williamson County Tennessee Rehabilitation Center.

Term: December 1 2005, thru November 30, 2008 (3 yrs)

Proposed Amount:	<u>10,601 Square Feet</u>		
	Avg. Annual Contract Rent:	\$68,906.50	@\$6.50/sf
	Est. Annual Utility Cost:	<u>\$11,661.10</u>	@\$1.10/sf
	Avg. Annual Effective Cost:	\$80,567.60	@\$7.60/sf

Current Amount:	<u>10,601 Square Feet</u>		
	Avg. Annual Contract Rent:	\$60,955.75	@\$5.75/sf
	Est. Annual Utility Cost:	<u>\$11,661.10</u>	@\$1.10/sf
	Avg. Annual Effective Cost:	\$72,616.85	@\$6.85/sf

Type: New Lease - Intergovernmental

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None

Lessor: Williamson County – Current Lessor

Comment: The proposed lease provides (1) the Lessor will provide water and sewer utilities, (2) Lessor will make repairs at no additional cost to the State, and (3) no cancellation during the entire lease term except for cause and/or lack of funding. Clients of the TRC perform janitorial services.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

BOARD OF PROBATION AND PAROLE

LEASE AGREEMENT

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

Location: Knox County – 1426 Elm Street, Knoxville, TN – Trans. No. 05-01-902 (JS)

Purpose: To provide office and related space for local operations

Term: July 1, 2005 thru June 30, 2015 (10 yrs.)

Proposed Amount: 18,256 Square Feet
Annual Contract Rent
Incl. Utility Cost: \$163,128.00 @\$ 8.94/sf
Est. Annual Janitorial Cost: \$ 20,081.60 @\$ 1.10/sf
Total Annual Effective Cost: \$183,209.60 @\$10.04

Current Amount: 18,256 Square Feet
Annual Contract Rent
Incl. Utility Cost: \$137,250.00 @\$ 7.52/sf
Est. Annual Janitorial Cost: \$ 20,081.00 @\$ 1.10/sf
Total Annual Effective Cost: \$157,331.60 @\$ 8.62/sf

Type: New Lease – Advertisement – Lowest of (2) Proposals from (1) Proposer

FRF Rate: \$14.00 Per Square Foot

Purchase Option: Yes – Years (1) thru (10)

Lessor: BOSK Properties LLC - Scott M. Kehne, President

Comment: The proposed lease provides (1) the Lessor will make 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 lack funding, and (3) the State's Option to Purchase.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

BOARD OF PROBATION AND PAROLE

LEASE AGREEMENT

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

Location: Sullivan County – 1329 Highway 394, Blountville, TN – Trans. No. 04-05-902 (JS)

Purpose: To provide office and related space for area operations

Term: January 1, 2006 thru December 31, 2015 (10 yrs)

Proposed Amount: 5,619 Square Feet
Annual Contract Rent: \$56,052.00 @\$ 9.97/sf
Est. Annual Utility Cost: \$ 7,866.60 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 6,180.90 @ \$ 1.10/sf
Total Annual Effective Cost: \$70,099.50 @\$12.47/sf

Current Amount: 5,619 Square Feet
Annual Contract Rent: \$54,552.00 @\$ 9.71/sf
Est. Annual Utility Cost: \$ 7,866.60 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 6,180.90 @ \$ 1.10/sf
Total Annual Effective Cost: \$68,599.50 @\$12.21/sf

Type: New LEASE – Advertisement – Lowest of (2) Proposals from (1) Proposer

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Complex

Lessor: David K. Quillen – Current Lessor

Comment: The proposed lease provides (1) the Lessor will make 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: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND 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: **Bradley County – 950 Star Vue Drive, Cleveland, TN – Trans. No. 04-08-908 (JS)**

Purpose: To provide office and related space for local operations of the Department of Human Services and the Board of Parole

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

Proposed Amount: 17,234 Square Feet

Annual Contract Rent:	\$ 99,000.00	@\$5.74/sf
Est. Annual Utility Cost:	\$ 24,127.60	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 18,957.40</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$142,085.00	@\$8.24/sf

Current Amount: 16,000 Square Feet

Annual Contract Rent:	\$111,111.00	@\$6.94/sf
Est. Annual Utility Cost:	\$ 22,400.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 17,600.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$151,111.00	@\$9.44/sf

Type: New Lease – Advertisement – Lowest of (13) Proposals from (6) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years (1) thru (10)

Lessor: PAR Enterprises - Joe Rogers, Jr., Managing Partner

Comment: The proposed lease provides (1) the Lessor will construct a 1,234 square foot addition to the existing building including interior tenant improvements and make improvements and upgrades to the existing building at no additional cost to the State, (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, and (3) the State's Option to Purchase.

SSC Report: 05-16-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to EXERCISE OPTION to ACQUIRE EASEMENTS, with WAIVER of APPRAISAL, as required interest in the following real property:

Description: Madison County – 405.90 +/- Acres – Tennessee River – Trans. No. 05-04-014 (BM)

Purpose: Acquisition by Easements and implementation of the General Design Memorandum of the West Tennessee Tributaries Project of the Corp of Engineers and to allow the West Tennessee Basin Authority to provide and maintain drainage.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Various Owners

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction 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 APPRAISALS and with APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: **Cumberland County – 0.21 +/- Acres – Mount Roosevelt Wildlife Management Area – Trans. No. 05-04-010 (CH)**

Purpose: Disposal by Easement to provide access to the private property that has been recognized by the State and the property owner for over twenty years and needs to be recognized in a recorded easement.

Estimated Sale Price: Grant – Public Benefit

Grantee: Larry Sherrill and Tim Burton

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction 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 APPRAISALS and with APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Fayette County – 0.40 +/- Acres – Highway 385, Piperton, TN - Trans. No. 05-04-009 (CH)

Purpose: Disposal by Easement along a new highway in the City of Piperton. Easement will be for power, water, communication lines, gas, and sewer lines.

Estimated Sale Price: Grant – Public Benefit

Grantee: City of Piperton

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee 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 APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Cocke County – 3.593 +/- Acres – Excess Right-of-Way, Newport, TN – Trans. No. 05-04-011 (CH)**

Purpose: Disposal in Fee of surplus right-of-way to allow infrastructure improvements for development purposes by the City of Newport, TN.

Date of Original Conveyance: 1992

Grantor Unto State: Emily Crowe

Estimated Sale Price: Grant – Public Purpose

Grantee: City of Newport

Comment: Agency request a reversionary clause in the deed stating that should this property cease to be used for public purposes the property will revert to the Department of Transportation.

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee 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 as required by TCA 4-15-102 and 12-2-112:

Description: **Monroe County - 0.923 +/- Acres - SR68 Excess Right-of-Way, Madisonville, TN - Trans. No. 05-04-006 (CH)**

Purpose: Disposal in Fee of surplus right-of-way with the following in the deed that the State will not be responsible for any contamination clean-up of this property when sold. A previous Monitoring Well Abandonment Report for the facility is closed.

Original Cost to State: \$73,600.00 and \$80,000.00 (2 Tracts)

Date of Original Conveyance: October 1990 and May 1991

Grantor Unto State: Watson and Stephens

Estimated Sale Price: Fair Market Value

Grantee: Highest Bid

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee 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 as required by TCA 4-15-102 and 12-2-112:

Description: Unicoi County – 8.92 +/- Acres – Interstate 26 Excess Right-of-Way, Erwin, TN – Trans. No. 05-04-008 (GM)

Purpose: Disposal in Fee and release of the reversionary clause in the deed to Unicoi County. The release will allow the County to purchase the property at fair market value and sell to a prospective buyer.

Date of Original Conveyance: 1995 with Reversion Clause

Estimated Sale Price: Fair Market Value

Grantee: Unicoi County

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee 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 APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Wilson County – 3.696 +/- Acres – Interstate 40 Excess Right-of-Way, Belinda Parkway, Mt. Juliet, TN – Trans. No. 05-04-007 (LW)**

Purpose: Disposal in Fee for public use only with reversion clause to allow the City to improve the area with landscaping, sidewalks and streetscaping. The area is encumbered with easement for cross-country natural gas transmission pipelines and has no development potential.

Date of Original Conveyance: 1984


Grantor Unto State: Belinda City, TN

Estimated Sale Price: Grant – Public Purpose

Grantee: City of Mt. Juliet

SSC Report: 05-16-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-31-05. Sub-committee approved the transaction as presented. Final action.

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