

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

NOVEMBER 19, 2007

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, 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	Alexia Poe, Gaylord
Georgia Martin, State Architect's Office	Geoffrey Woodward, Gaylord
Alan Robertson, State Architect's Office	Ginger Schuette, Gaylord
Charles Garrett, Real Property Administration	Charles Wray, Gaylord
Jurgen Bailey, Real Property Administration	
Charles Harrison, Comptroller's Office	
Janie Porter, Attorney General's Office	
Genie Whitesell, Attorney General's Office	
Pat Haas, Bond Finance	
John Carr, Finance & Administration	
Mark Cherpack, Finance & Administration	
Jerry Preston, Tennessee Board of Regents	
Nancy Blevins, Finance & Administration	
George Criss, University of Tennessee	
Annette Crutchfield, Legislative Budget	
Fred Denson, Military Department	
Robert Johnson, Military Department	
Bob King, Real Property Administration	
Allen Kovash, Veterans Affairs	
Dan Samuels, Veterans Affairs	
Bill Finney, Real Property Administration	
Andrea Maholland, Finance & Administration	
Jan Sylvis, Finance & Administration	
Dennis Raffield, THEC	
Bob Bumbalough, Dept of Safety	
Jim Gordon, Children's Services	
Greg Holmes, Veterans Home Board	
Dwight Hedge, Dyer County Schools	
Dick Lodge, Gaylord	

Commissioner Goetz called the meeting to order at 10:47 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

MILITARY DEPARTMENT

HOUSTON BARRACKS, NASHVILLE, TENNESSEE

- 1) Mr. Fitts stated that the Commission had referred to the Subcommittee, with authority to act, a request for approval of a revision in scope of a project for **Rehab Building 102** at Houston Barracks, Nashville, to include renovation of portion of Building 110 (USPFO).

Comptroller Morgan asked for the distinction between and source of funding for salaries of employees. Colonel Robert Johnson stated that the employees who work in both buildings are under the same title status. He said 99% of employees are in Title 32 status, and they remain that way unless they are activated by the President. Fred Denson, General Counsel, was recognized. He explained that the Guardsmen are under command and control of the Adjutant General and the Governor until they are activated by the President. He said every Guardsman is funded by the federal government in Title 32, whereas Reserves fall under Title 10. Comptroller Morgan asked if the USPFO project is funded by federal or State funds, and Colonel Johnson replied, "a combination of both". Comptroller Morgan stated that federal use of a building is considered tax exempt. He added that, due to the lack of clarity, he would like to approve the request to go forward, but asked the Department to converse with Mary Margaret Collier, Bond Finance, and the Bond Council in New York to clearly establish how the State needs to finance it. Secretary of State Darnell stated that he had a question regarding the 5% rule when Guardsmen are notified of their mobilization but don't leave immediately. Mr. Denson replied that it would be a very small number on that compound and for a very short period of time. After hearing that statement, Comptroller Morgan said that, in his opinion, it would be de minimis and, as such, not violate the IRS rule. After discussion, the Subcommittee approved the request as presented by Comptroller Morgan.

Estimated Project Cost: \$1,178,000.00
SBC Project No. 361/067-01-2007

MILITARY DEPARTMENT

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: **Dyer County – 8.0 acres – Improved with an armory facility located in Newbern, TN. Trans. No. 06-04-012 / 07-01-028**

Purpose: Disposal in fee of property no longer needed by the TN Army National Guard due to changes to force structure. Dyer County Schools will use it for a JROTC program, a satellite transportation site, and an Alternative School.

Original Cost to State: Gift

Date of Original Conveyance: September 11, 1972

Grantor unto State: City of Newbern

Estimates Sale Price: Based on Bids

Grantee: Dyer County School System

Comment: We received one bid on this property of \$112,500.00 from the Dyer County School System, the Military made a counter offer of \$138,000.00. Property appraised at \$625,000.00.

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 11-19-07. Charles Garrett presented the transaction. Colonel Robert Johnson was recognized and added that it needs a new roof, which will cost approximately \$225,000. Mr. Garrett commented that the transaction would clear the State of any further obligation. Subcommittee approved the request without objection.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Approved a request to conduct a limited rebid on a project for **Hesler Biology Building Renovation** at the University of Tennessee, Knoxville, Tennessee.

Estimated Project Cost: \$28,700,000.00

SBC Project No. 540/009-03-1996

TENNESSEE BOARD OF REGENTS

STATEWIDE

- 1) Mr. Fitts presented a request for approval of a Delivery Order and acknowledgment of sources of funding for **Performance Contracting** at Tennessee Technological University in Cookeville, Tennessee. Comptroller Morgan asked if new buildings were being designed with energy performance measures in mind. Mr. Fitts responded that they were. He said that budget constraints may not always allow them to include all energy savings measures into a particular project. Jerry Preston responded that they always consider maintenance issues and energy savings measures, and they try to look at life cycle costs at both cases, and to factor all of these things into the design.

Commissioner Goetz asked about a hard standard. Mr. Preston stated that there is an ongoing SBC project to develop sustainable design guidelines for State projects. Mr. Fitts commented that they currently reference energy standards as a requirement, but the sustainable design guidelines are likely to be more stringent than the referenced standards. He added that they are encouraging designers to meet current standards and incorporate good sustainable design concepts. Treasurer Sims asked when they envisioned the guidelines to be ready, and Mr. Fitts replied "early next year". After discussion, the request was approved as presented.

Estimated Project Cost:	\$ 60,000,000.00
Estimated Delivery Order #12 Cost:	\$ 2,110,000.00
SBC Project No.	166/000-01-2002

DEPARTMENT OF VETERANS AFFAIRS

WEST TENNESSEE VETERANS CEMETERY, MEMPHIS, TENNESSEE

- 1) Approved a request to cancel a project for **Resurfacing Roads** at West Tennessee Veterans Cemetery, Memphis, Tennessee.

Estimated Project Cost: \$700,000.00
SBC Project No. 682/000-02-2007

- 2) Approved a request for a revision in scope and funding and acknowledgment of the source of funding from \$310,000.00 to \$1,010,000.00 (\$700,000.00 increase) of a project for **Drainage/Erosion Control & Roadbed Upgrade** at West Tennessee Veterans Cemetery, Memphis, Tennessee.

Revised Estimated Project Cost: \$1,010,000.00
SBC Project No. 682/000-01-2006

MIDDLE TENNESSEE STATE VETERANS HOME, MURFREESBORO, TENNESSEE

- 1) Approved a request for a revision in scope and funding and acknowledgment of the source of funding from \$1,400,950.00 to \$1,631,950.00 (\$231,000.00 increase) of a project for **Renovation and Repairs** at Middle TN State Veterans Home, Murfreesboro, and approval to perform the added work by change order and adjust the base contract amount, subject to release by Commissioner Goetz.

Revised Estimated Project Cost: \$1,631,950.00
SBC Project No. 680/000-01-2005

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: **Shelby County – 3040 Walnut Grove Road- Memphis TN – Trans. No. 06-07-907 (AL)**

Purpose: To provide office space for county operations

Term: July 1, 2008 thru June 30, 2018 (10 yrs)

Proposed Amount: 10,114 Square Feet
Annual Contract Rent: \$189,637.50 @\$18.75/sf
Est. Annual Utility Cost: \$ 14,159.60 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 11,125.40 @\$ 1.10/sf
Total Annual Effective Cost: \$214,922.50 @\$21.25/sf

Current Amount: 4,000 Square Feet
Annual Contract Rent Incl.
Utility & Janitorial Cost: \$60,000.00 @\$15.00/sf
Total Annual Effective Cost: \$60,000.00 @\$15.00/sf

Type: New Lease -- Advertised -- Negotiated -- No proposals received.

FRF Rate: \$18.00 per square foot

Purchase Option: No

Lessor: CP Union, LLC, current lessor, new location

Comment: No proposals were received. Proposed lease was negotiated with current Lessor for a new location and provides that Lessor shall provide 10,114 of net rentable office space to include interior build-out at no additional cost to the State. Proposed location is a single tenant building of block and brick construction with approximately 80 parking spaces. The lease term is ten (10) years with no cancellation for convenience.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 11-19-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

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: Williamson County – 1810 Columbia Highway, Franklin, TN – Trans. No. 07-01-911 (RS)

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs)

Proposed Amount: 10,076 Square Feet
Annual Contract Rent: \$227,993.41 @ \$22.63/sf
Est. Annual Utility Cost: \$ 11,083.60 @ \$1.10/sf
Est. Annual Janitorial Cost: \$ 11,083.60 @ \$1.10/sf
Total Annual Effective Cost: \$250,160.61 @ \$24.83/sf

Current Amount: 3,923 Square Feet
Annual Contract Rent: \$36,680.00 @ \$9.35/sf
Est. Annual Utility Cost: \$ 5,492.20 @ \$1.40/sf
Est. Annual Janitorial Cost: \$ 4,315.30 @ \$1.10/sf
Total Annual Effective Cost: \$46,487.50 @ \$11.85/sf

Type: New Lease – Advertised – Negotiated - Received one (1) proposal from one (1) proposer.

FRF Rate: \$18.00 per square foot

Purchase Option: No – Multi-tenant property

Lessor: 143 – K Partners

Comment: Lease has ten (10) year term with a 3% annual escalation in rent with no purchase option and no cancellation except for cause or lack of funding. Lessor is responsible for utility cost for water.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for discussion.

SC Action: 11-19-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

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: **Unicoi and Greene County-10,000+/- acres located along Rocky Fork Road Transaction No. 07-10-026 RJ)**
- Purpose: Land is currently leased by TWRA. Want to acquire for recreational purposes. Rocky Fork acquisition.
- Funding: Heritage Conservation Trust Fund
The Conservation Fund
The Southeast Appalachian Highlands Conservancy
- Comment: The Southeast Appalachian Highlands Conservancy will spend \$6 million granted to them from the Heritage Conservation Trust Fund to fund Rocky Fork acquisition. The Conservation Fund will also contribute additional private dollars up to \$2 million for the benefit of TWRA on this acquisition.
- SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred this to Subcommittee for discussion.
- SC Action: 11-19-07. Charles Garrett presented the transaction and John Gregory, TWRA, was recognized. Commissioner Goetz asked if they were biting off a \$39 million cost in the future. Mr. Gregory responded that the Conservation Fund was; not the State. Secretary of State Darnell asked if the State was going to be obligated beyond the \$6 million, and was told "no". Treasurer Sims commented that it gets a little confusing when money is appropriated to one group and then granted back to another group. Commissioner Goetz asked that the Heritage Group explain this transaction to them next month. After discussion, the request was approved as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM

METROPOLITAN NASHVILLE TOURIST DEVELOPMENT ZONE (TDZ) APPLICATION

Discussion of Metropolitan Nashville's application seeking certification of the Opryland Tourist Development Zone (TDZ) and the expanded Opryland Convention Center as a Qualified Public Use Facility (QPUF). Complete copies of the application have been distributed to all members of the Executive Subcommittee and to all staff members. Department of Finance and Administration counsel has determined that this application meets all the criteria of the Convention Center and Tourism Development Financing Act of 1998 and amended by the General Assembly in the 2007 session. The Department of Finance and Administration will ask the Executive Subcommittee on November 19, 2007 to recommend this application to the State Building Commission on December 13, 2007.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 11-19-07. Charles Garrett presented the transaction, which was to certify the Opryland Tourist Development Zone (TDZ) and the expanded Opryland Convention Center as a Qualified Public Use Facility (QPUF). Geoffrey Woodward of Gaylord was recognized and made a presentation to the Committee. It was determined that both the QPUF and TDZ fulfilled all the requirements as set forth in TCA 7-88-103, et. seq. as amended in 2007. After discussion, the Subcommittee concurred with the staff's recommendation to refer the item to the full Commission for approval with their recommendation.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SPECIAL ITEMS

- 1) Mike Fitts presented a request for discussion of the lease between the State of Tennessee and the Lorraine Civil Rights Museum Foundation. Representative Barbara Cooper was recognized and distributed documents for the members' review and discussion. She thanked the Committee for their consideration and patience to allow citizens to engage in the preservation of the **National Civil Rights Museum** in Memphis. Secretary of State Darnell commented that her proposed ten year lease was problematic to him.

Comptroller Morgan stated that more funding needs to be available for capital maintenance and improvements, and that it was time for things to be refurbished. He said the fund-raising that has been done has just kept the doors open. He said there is no operating appropriation by the State, and that it is operating on admissions and donations. He said their history is they can supplement the operating budget on an annual basis. He added that, for capital improvements, it is easier to raise money if you can tell the donors that you can assure them it is going to maintain its character for a period of time. He added that the Foundation is in a better position to raise long term capital funds if they can go to donors and tell them a specific improvement is the beneficiary of their gift. He added that the tax credit issue is not on the table right now, and could be dealt with later, if need be. He said the current situation is complicated because there is split ownership. He noted that a short term lease environment made it more difficult to raise money for long term assets.

Treasurer Sims complimented Representative Cooper on her efforts. He said he didn't think the Foundation made a case that they need the lease longer than 20 years, and that the community won on that issue. He said if it weren't for the community, they would be looking at a 50 year lease, or more, rather than discussing a 20 year lease. Treasurer Sims added that any lease needs to include an inspection process and report back to the SBC. He said he thought the Foundation should consider changes to open up membership and meetings, but that they need to reconnect and reestablish the trust with the community. He said they understand they need to be more cognizant, and he was committed to doing that.

Secretary of State Darnell stated that Representative Cooper's and the community's efforts had moved the discussion and were beginning to come to a resolution. He said the Board realizes they have work to do to re-ingratiate themselves to the community, and they would do what they need to do. Treasurer Sims said that the staff should make sure that audit issues are properly included in the lease, as well as inspection processes, with appropriate reports back to the SBC. He said there are other issues such as Board members. He asked Commissioner Goetz to come up with a Memorandum of Understanding that would target efforts to improve the Board and its functions and responsibilities. He added that the current lease extension expires December 31, and he would like to work toward finalizing this no later than the December 17 Subcommittee and, if necessary, call a special meeting in December.

- 2) Mr. Fitts gave an update on progress at the **Tennessee Residence**. He went over a spreadsheet detailing SBC action dates, funding and sources of funding for current projects at the Residence. He said that the T.C.A. is vague about the State needing to submit plans to a local Planning Commission. He said that he didn't believe that the State was subject to local zoning laws, and had sovereign immunity rights. Commissioner Goetz said it makes sense to not allow that process to be a barrier, and that they must make sure that the Planning Commission understands that they have 30 days to respond. He added that, if they disapprove it, it will require the project to come back to the SBC for approval. Secretary of State Darnell suggested that they file plans with the Planning Commission with a letter stating they don't believe they are subject to the local zoning laws, and they might consider submitting to Metro as well. The Subcommittee thanked Mr. Fitts for the update.

SBC Project No. 460/028-01-2007

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on October 22, 2007.

Following approval of the Consent Agenda, the meeting adjourned at 12:52 p.m.

CONSENT AGENDA

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

- A. Agency: University of Tennessee – Knox County
Transaction: Appraisal
- B. Agency: Tennessee Board of Regents – Washington County
Transaction: Lease Amendment
- C. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in Fee
- D. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
- E. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
- F. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
- G. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
- H. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee
- I. Agency: Board of Probation and Parole – Dyer County
Transaction: Disposal in Fee
- J. Agency: Department of Finance and Administration for Community Services Agency – Shelby County
Transaction: Lease Agreement
- K. Agency: Department of Human Services – Putnam County
Transaction: Lease Agreement
- L. Agency: Department of Finance and Administration – Knox County
Transaction: Donation in Fee

- M. Agency: **Department of Finance and Administration for Mental Retardation Services – Greene County**
Transaction: Acquisition in Fee
- N. Agency: **Department of Finance and Administration for Mental Retardation Services – Greene County**
Transaction: Acquisition in Fee
- O. Agency: **Department of Finance and Administration for Mental Retardation Services – Greene County**
Transaction: Acquisition in Fee
- P. Agency: **Department of Financial Institutions for Comptroller of the Treasury – Davidson County**
Transaction: Lease Amendment
- Q. Agency: **Tennessee Wildlife Resources Agency-Smith County**
Transaction: Disposal by Lease
- R. Agency: **Department of Environment and Conservation-Henry County**
Transaction: Acquisition in Fee
- S. Agency: **University of Tennessee – Knox County**
Transaction: Demolitions
- T. Agency: **Tennessee Board of Regents – Rutherford & Shelby Counties**
Transaction: Demolitions
- U. Agency: **Tennessee Wildlife Resources Agency – Obion County**
Transaction: Demolition

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, and SURVEY of the following real property:

Description: Knox County - 132.97 +/- acres located at 8432 Nubbin Ridge Road in Knoxville, TN Trans. No. 07-10-028 (FB)

Purpose: UT requests approval to perform due diligence and inspection of property (i.e., Survey and Environmental Inspections) to see if the property is acceptable as a future gift.

Source of Funding UT

Estimated Cost Lowest Bid

Estimated Title, Appraisal, and Survey Fees Lowest Bid

Owner: Christine Hayworth

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LEASE AMENDMENT

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

Location: Washington County – Adjacent to East Tennessee State University – Johnson City - Trans. No. 07-10-900

Purpose: To provide space for increase in parking area.

Term: December 28, 1973 thru December 27, 2023 (50 yrs)

Proposed Amount: 4.61 acres
Contract rent for entire lease term: \$1.00

Current Amount: 4.32 acres
Contract rent for entire lease term: \$1.00

Comment: Amendment to add .29 acres to existing parking lot for Northeast Regional Public Health. The new parking lot, which will accommodate 40 more parking spaces, will be constructed and maintained by the Tennessee Department of Public Health, bearing no expense to the TBR and also allowing ETSU staff and students to use the parking when not in use by the Health Department. Lease term is 50 years with one 50 year renewal option, cancellable 60 months prior to termination.

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

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 – 0.21 +/- acres - 1611 Elrod Street , Murfreesboro, TN
Trans. No. 07-10-014 (BW)

Purpose: Property is in MTSU master plan acquisition area.

Source of Funding Institutional / Auxiliary rental

Estimated Cost Fair Market Value

Estimated Title, Appraisal, and Survey Fees Pending Bids

Owner(s) Robert E. & Mary Scott Corlew

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

D.

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: Montgomery County – 0.29 +/- acres - 518 York Street, Clarksville, TN, Trans. No. 07-10-010

Purpose: Property to be used as green space and future expansion

Source of Funding Campus Plant Funds 2008

Estimated Cost Fair Market Value

Estimated Title, Appraisal, and Survey Fees Pending Bids

Owner(s) Michael Taylor

Comment: Demolition approved pending Historical Commission approval.

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

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: Montgomery County - 0.29 +/- acres - 251 Helen Street, Clarksville, Tn, Trans. No. 07-10-011

Purpose: Property to be used as green space and future expansion.

Source of Funding Campus Plant Funds 2008

Estimated Cost Fair Market Value

Estimated Title, Appraisal, and Survey Fees Pending Bids

Owner(s) Michael Taylor

Comment: Demolition approved pending Historical Commission approval.

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

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:	<u>Montgomery County – 0.29 +/- acres, Lot 35, Helen Street, Clarksville, TN, Trans. No. 07-10-012</u>
Purpose:	Property to be used as green space and future expansion.
Source of Funding	Campus Plant Funds 2008
Estimated Cost	Fair Market Value
Estimated Title, Appraisal, and Survey Fees	Pending Bids
Owner(s)	Michael Taylor
SSC Report:	11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	11-19-07. Subcommittee approved the request as presented.

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: Montgomery County – 0.29 +/- acres, Lot 37, Helen, Street Clarksville, Tn, Trans. No. 07-10-013

Purpose: Property to be used as green space and future expansion.

Source of Funding Campus Plant Funds 2008

Estimated Cost Fair Market Value

Estimated Title Appraisal and Survey Fees Pending Bids

Owner(s) Michael Taylor

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

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: **Shelby County – 1.78 +/- acres - 644 & 656 Alabama Avenue, Memphis, Tn 37801, Trans. No. 07-10-027**

Purpose: Acquire two vacant (damaged) former apartment buildings, demolish the buildings, and use the property for future expansion of the TTC campus.

Source of Funding Campus Funds / Grant

Estimated Cost \$ 150,000.00

Estimated Title, Appraisal, and Survey Fees Pending Bids

Owner: City of Memphis (Robert Lipscomb)

Comment: Requesting acceptance of appraisal from the City of Memphis. Demolition approved pending Historical Commission approval.

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

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

Location: Dyer County – 1995 St. John Avenue, Dyersburg, TN – Trans. No. 07-04-919 (AL)

Purpose: To provide office space for county operations

Term: January 1, 2008 thru December 31, 2018 (10 yrs)

Proposed Amount: 4,800 Square Feet
Annual Contract Rent: \$33,552.00 @\$6.99/sf
Est. Annual Utility Cost: \$ 6,720.00 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 5,280.00 @\$1.10/sf
Total Annual Effective Cost: \$45,552.00 @\$9.49/sf

Current Amount: 4,800 Square Feet
Annual Contract Rent: \$32,400.00 @\$6.75/sf
Est. Annual Utility Cost: \$ 6,720.00 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 5,280.00 @\$1.10/sf
Total Annual Effective Cost: \$44,400.00 @\$9.25/sf

Type: New Lease – Advertised – Received five (5) proposals from two (2) proposers.

FRF Rate: \$14.00 per square foot

Purchase Option: No – Multi-tenant property

Lessor: Lee Hastings & Dennis Miller, current lessor

Comment: Lease has ten (10) year term with 180 day notice for cancellation for convenience after the fifth (5th) year.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
for
COMMUNITY SERVICES AGENCY

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 – 1407 Union Avenue- Memphis, TN – Trans. No. 07-06-902 (AL)**

Purpose: To provide office space for county operations.

Term: August 1, 2008 thru July 31, 2013 (5 yrs)

Proposed Amount: 15,359 Square Feet
Annual Contract Rent Incl
Annual Utility & Janitorial Cost: \$207,346.50 @\$13.50/sf
Total Annual Effective Cost: \$207,346.50 @\$13.50/sf

Current Amount: 15,359 Square Feet
Annual Contract Rent Incl.
Utility & Janitorial Cost: \$222,705.50 @\$14.50/sf
Total Annual Effective Cost: \$222,705.50 @\$14.50/sf

Type: New Lease – Advertised – Received one (1) proposal from one (1) proposer, the same being the current lessor.

FRF Rate: \$18.00 per square foot

Purchase Option: No - Multi-tenant property

Lessor: G & IV Mid-Memphis Tower, LLC

Comment: Proposal is for a five (5) year term with a ninety (90) day cancellation for convenience. Lease is a full service lease to include utilities and janitorial services.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

DEPARTMENT OF HUMAN SERVICES

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: Putnam County – Summerfield Road, Cookeville, TN – Trans. No. 07-09-906

Purpose: To provide office/shop/warehouse space for Tennessee Vocational Rehab Center

Term: July 1, 2008 thru June 30, 2018 (10 yrs.)

Proposed Amount:	<u>20,500 Square Feet</u>		
	Annual Contract Rent:	\$241,404.00	@\$11.78/sf
	Est. Annual Utility Cost:	\$ 28,700.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 22,550.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$292,654.00	@\$14.28/sf

Current Amount:	<u>9,504 Square Feet</u>		
	Annual Contract Rent Incl. Janitorial Cost:	\$39,500.00	@\$4.16/sf
	Est. Annual Utility Cost:	<u>\$13,306.00</u>	<u>@\$1.40/sf</u>
	Total Annual Effective Cost:	\$52,806.00	@\$5.56/sf

Type: New Lease – Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option:

Lessor: Putnam County Executive

Comment: This lease was previously approved by SBC 9/27/07. Lessor has not signed original lease and wishes to make the following modifications: 1) Remove paragraph 15 clause Termination for Convenience, and 2) Paragraph 12A, lessor will not be responsible for providing light bulbs and air filters.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

FINANCE AND ADMINISTRATION

LAND ITEM

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

Description: **Knox County- 0.166+/- acres located at 719 Locust Street by Supreme Court Bldg. Knoxville, Tn. (Transaction No. 07-10-031 (JB))**

Purpose: Donation in Fee of East-West Alley bisecting the Tennessee State Supreme Court tract in Knoxville.

Funding: Grant

Grantor: City of Knoxville

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION
For
MENTAL RETARDATION SERVICES

LAND ITEM

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

Description: Greene County-2.69+/- acres located Stone Dam Road In Chuckey, TN
Transaction No. 07-10-022 (JB)

Purpose: Acquisition in Fee for Mental Retardation homes.

Funding: SBC #346-000-05-2005 (Bonds)

Owner: Orville & Lisa Cutshall

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

DEPARTMENT OF FINANCE AND ADMINISTRATION
For
MENTAL RETARDATION SERVICES

LAND ITEM

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

Description: Greene County-3.96+/- acres located In Chuckey, Tn. Transaction No. 07-10-023 (JB)

Purpose: Acquisition in Fee for Mental Retardation homes.

Funding: SBC #346-000-05-2005 (Bonds)

Owner: Charles and Mary Jo Susong
Jerry Hall and Linda Hall

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION
for
MENTAL RETARDATION SERVICES

LAND ITEM

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

Description: **Greene County-1.71+/- acres located in Chuckey, Tn. Transaction No. 07-10-024 JB)**

Purpose: Acquisition in Fee for Mental Retardation homes.

Funding: SBC #346-000-05-2005 (Bonds)

Owner: Charles and Mary Jo Susong
Jerry Hall and Linda Hall

SSC Report: 11-13-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCIAL INSTITUTIONS
for
COMPTROLLER OF THE TREASURY

LEASE AMENDMENT

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

Location: Davidson County – 414 Union Street, Suite 1100A - Nashville, TN – Trans. No. 07-11-902 (JS)

Purpose: To provide office space for county operations.

Term: January 1, 2008 thru December 31, 2017 (10 yrs)

Proposed Amount: 35,897 Square Feet
Annual Average Contract Rent Incl
Annual Utility & Janitorial Cost: \$605,766.00 @\$16.87/sf
Total Annual Average Effective Cost: \$605,766.00 @\$16.87/sf

Current Amount: 35,526 Square Feet
Annual Average Contract Rent Incl.
Utility & Janitorial Cost: \$599,324.00 @\$16.87/sf
Total Annual Average Effective Cost: \$599,324.00 @\$16.87/sf

Type: Lease Amendment

FRF Rate: \$18.00 per square foot

Purchase Option: No - Multi-tenant property

Lessor: Parkway Properties, LP

Comment: Current lease provides space for Financial Institutions and Comptroller of the Treasury. This amendment adds 371 square feet of space in Suite 1100-A for Comptroller of the Treasury. All other terms and conditions remain the same and in full force.

SSC Report: 11-13-07. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL BY LEASE for the rental of real property as required by TCA 12-2-112: WITH WAIVER OF APPRAISALS AND ADVERTISEMENT.

Description: **Smith County-4.5 acres located in Gordonsville .Transaction No. 07-10-025 (RJ)**

Purpose: TWRA wishes to lease the land to Gordonsville for 50 Years for public recreation at no cost. Primary use of Property is to allow access to Caney Fork River.

Funding: Grant

Lessee: Town of Gordonsville

Comment: TWRA had SBC approval to acquire tract from current owner. Owner refused state's appraised offer. Town of Gordonsville has stepped in and is acquiring property and then conveying it to the State at fair market value. TWRA will be able to allow access and lease to Gordonsville for recreational purposes.

SSC Report: 11-13-07. Jurgen Bailey summarized transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

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, and DEMOLISH ANY BUILDINGS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Henry County – 333.2 +/- acres – Paris Landing State Park, Paris, TN – Trans. No. 07-08-019 (RJ)**

Purpose: Acquisition in Fee to add Camp Hazelwood Girl Scout to Paris Landing State Park will greatly enhance the recreational opportunities in the area.

Source of Funding: State Land Acquisition Funds - \$425,000.00
Heritage Conservation Trust Fund - \$500,000.00
Land & Water Acquisition Fund - \$575,000.00

Estimated Cost: Fair Market Value

Owner(s): Girl Scouts of America Reelfoot Council

SSC Report: 09-17-07. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 09-24-07. Charles Garrett presented the transaction. Subcommittee approved the request as presented without objection.

FURTHER APPROVAL REQUEST;

Henry County has indicated that it will acquire the Girl Scout tract on behalf of the State since we cannot close by December 31, 2007. They are requesting the purchase price (\$1,500,000) and any expenses incurred on their behalf in acquiring this property. Current owner has an appraisal for \$2,000,000. The State will be able to acquire this property before June 30th, 2007.

SSC Report: 11-13-07. Charles Garrett summarized the request. Because of Federal appraisal requirements the State could not close with Girl Scouts by December and requested approval to allow Henry County to step in and acquire for the State. Staff referred to Sub-Committee on the consent agenda.

SC Action: 11-19-07. Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

THE UNIVERSITY OF TENNESSEE AT KNOXVILLE

- 1) Approved a project to **Demolish Residential Structure** located at 1819 Andy Holt Avenue, Knoxville, Tennessee.

Estimated Project Cost: \$5,000.00
SBC Project No. 540/009-30-2007

- 2) Approved a project to **Demolish Structure No. 50165300** located at the University of Tennessee Institute of Agriculture, Knoxville, Tennessee.

Estimated Project Cost: \$1,000.00
SBC Project No. 540/009-31-2007

- 3) Approved a project to **Demolish Structure** located at 2201 Terrace Avenue, Knoxville, Tennessee.

Estimated Project Cost: \$5,000.00
SBC Project No. 540/009-32-2007

- 4) Approved a request to demolish structures located at the Davis Farm site in Walland, Tennessee, in support of the proposed **Dairy Farm Relocation** project at the University of Tennessee, Knoxville, Tennessee.

Estimated Project Cost: \$12,000,000.00
SBC Project No. 540/009-22-2003

TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Approved a request to demolish four dormitories located at Middle Tennessee State University in support of the **Science Facilities Improvements** project at the Middle Tennessee State University, Murfreesboro, Tennessee.

Estimated Project Cost:	\$120,820,000.00
Estimated Planning Cost:	\$ 16,820,000.00
<i>SBC Project No.</i>	<i>166/009-09-2006</i>

UNIVERSITY OF MEMPHIS, MEMPHIS, TENNESSEE

- 1) Approved a project for **Prescott Church Demolition** at the University of Memphis, Memphis, Tennessee.

Estimated Project Cost:	\$150,000.00
<i>SBC Project No.</i>	<i>166/007-13-2007</i>

TENNESSEE WILDLIFE RESOURCES AGENCY

REELFOOT LAKE, OBION COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Old Residence** located at Reelfoot Lake, Obion County, utilizing force account labor to do the work.

Estimated Project Cost: \$3,300.00
SBC Project No. 220/017-02-2007

Approved by:

A handwritten signature in black ink, appearing to read "M.D. Goetz, Jr.", is written over a horizontal line.

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