

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

APRIL 25, 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

John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

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
Karen Hale, 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
George Brummett, Department of Finance and Administration
Dennis Raffield, THEC
Ken Scalf, Department of Finance and Administration
Keith Robinson, Tennessee Board of Regents
Tom Moore, Department of Safety

Don Nicholson, Department of Safety
Alvin Payne, University of Tennessee
John LeCroy, Department of Environment and Conservation
Michael Stagg, Historic Rugby, Inc.
Reggie Reeves, Department of Environment and Conservation
Bob King, Department of Finance and Administration

Comptroller Morgan 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.

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: Washington County – 4717 Lake Park Drive, Johnson City, TN – Trans. No. 04-04-917 (JS)

Purpose: To provide office and related space for Driver License Issuance, and Commercial Vehicle Testing operations.

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

Proposed Amount:

<u>5,035 Square Feet & Test Pad</u>		
Annual Contract Rent:	\$190,455.00	@\$37.83/sf
Est. Annual Utility Cost:	\$ 7,049.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,538.50</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$203,042.50	@\$40.33/sf

Current Amount: None

Type: New Lease – Advertisement – Second Lowest of (10 Proposals from (4) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: Yes – After 1st Year

Lessor: CDP5, a Tennessee General Partnership
J. M. Cox, Jr. General Partner

Comment: The proposed lease provides the following:

1. Lessor will construct 5,035 rentable square feet of office space for Driver License Issuance and Commercial Vehicle Testing operations.
2. Lessor will construct a 240 foot by 240 foot asphalt commercial test pad, and automobile and commercial 18 wheel tractor trailer vehicle paved and striped parking area.

3. No cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.
4. The State's Option to Purchase after the first year of the lease term

SSC Report: 04-18-05. Bob King summarized the transaction. Charles Garrett advised the project is a special use facility and is a priority for purchase. Staff referred to Sub-committee with recommendation.

SC Action: 04-25-05. Charles Garrett summarized the information presented to the Members. He stated the facility has unique criteria in that the Commercial Vehicle Testing component is a factor in land cost, etc. Secretary Darnell stated that the State should look into purchasing the facility. Mr. Garrett advised that the Option to Purchase during the first year will be looked at and this facility is a priority for purchase. Deputy Commissioner Moore expressed appreciation to the Sub-committee for its consideration. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: **Hamblen County – 160.0 +/- Acres, Spoone Farm – Panther Creek State Park, Morristown, TN – Trans. No. 05-03-008 (GM)**

Purpose: Acquisition of a Conservation Easement to protect the creek view shed from rapidly expanding residential development and to preserve the adjoining working Spoone farm in its present state through the U. S. Department of Agriculture's Farm and Ranch Land Protection Program.

Source of Funding: \$250,000.00 – Federal Funds – U.S. Department of Agriculture
\$125,000.00 – State Land Acquisition Fund
\$125,000.00 – Private (Landowner Contribution)

Estimated Cost: \$500,000.00

Owner(s): Irene Spoone

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 04-25-05. Charles Garrett summarized the transaction. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: **Morgan County – 320.0 +/- Acres – Historic Rugby, TN – Trans. No. 05-03-009 (GM)**

Purpose: Acquisition in Fee to provide a buffer for the Historic Rugby District from residential development and protection of several species of plants.

Source of Funding: \$260,280.00 – State Land Acquisition Fund
\$251,780.00 – Federal Funds (Land & Water Conservation Funds)

Estimated Cost: Fair Market Value

Owner(s): Historic Rugby, Inc.

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 04-25-05. Charles Garrett summarized the transaction. Secretary of State Darnell questioned why the State would want to buy this property if it was already in the possession of Historic Rugby, Inc. (HRI). Reggie Reeves replied that HRI was not in a position to buy long term or that, in some cases, the State cannot buy land fast enough and it becomes necessary for a third party to intervene. Comptroller Morgan responded to Mr. Reeves that it is a good practice to advise the Subcommittee prior to any proposed advance purchase being planned by a third party for property in which the State has a future interest to purchase. After discussion, Sub-committee approved the request as recommended. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

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

Location: Hamilton County – 1105 East 10th Street, Chattanooga, TN – Trans. No.

Purpose: To provide space for the Workforce Aging Management Program (WAMP), Chattanooga State Technical Community College (CSTCC).

Term: August 1, 2005 thru October 31, 2006

Proposed Amount: 10,000 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$100,000.00 @\$10.00/sf
Total Annual Effective Cost: \$100,000.00 @\$10.00/sf

Current Amount: 10,000 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$100,000.00 @\$10.00/sf
Total Annual Effective Cost: \$100,000.00 @\$10.00/sf

Type: Renewal

Lessor: Southeast Local Development Corporation – Current Lessor

Comment: The proposed lease provides (1) connection, service and support to the High Speed Broadband Internet system, (2) telephone service, office furnishings, and repairs and renovations needed for immediate use, and (3) renewal on a year to year basis until November 2008 contingent on obtaining grant funds.

The WAMP initiative is focused on ensuring that the nation maintains a readily available technical workforce while contribution the economic development of the Appalachian Region. CSTCC has been awarded a third year grant for the WAMP from the Federal Department of Labor, Health and Human Services and Education Appropriation.

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 04-25-05. Charles Garrett summarized the transaction. Sub-committee approved the transaction as recommended. 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 with Waiver of Real Estate Management Fee, not to exceed the appraised value for the property being acquired:

Description: Knox County – 4.62 +/- Acres with 17,144 Square Foot Improvement – 901 Liberty Street, Tennessee Technology Center at Knoxville – Trans. No. 05-03-014 (LW)

Purpose: Acquisition in Fee property and improvements for the TTC's Diesel Technology Truck Drive and Surgical Technology programs. The facility is currently a leased location and will expire June 30, 2005.

Source of Funding: 166/000-01-2004 Statewide Lease Purchases and Replacements

Estimated Cost: \$1,050,000.00 – Appraised Value

Owner(s): James Allen and Mary Anne McNutt

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 04-25-2005. Charles Garrett summarized the transaction. Sub-committee approved the request as recommended. Final action.

TENNESSEE BOARD OF REGENTS

STATEWIDE

- 1) Approved a request for Delivery Orders #6 (East Tennessee State University) and #7 (Chattanooga State Technical Community College) and acknowledgment of the sources of funding for **Performance Contracting** at facilities, Statewide.

Estimated Project Cost: \$ 60,000,000.00
Estimated new Delivery Order cost: 5,480,000.00
SBC Project No. 166/000-01-2002

DISCUSSION OF BIDS

- 1) Approved a request for a revision in funding and acknowledgment of the source of funding from \$620,000.00 to \$880,000.00 (an \$260,000.00 increase) for **Airplane Hangar New Construction** at **Middle Tennessee State University** in Murfreesboro, and authorization to award a construction contract to Medical Construction Group of Nashville, Tennessee, in the amount of \$756,500.00 based upon the low Base Bid plus Alternate #1 received April 6, 2005.

Revised Estimated Project Cost: \$ 880,000.00
SBC Project No. 166/009-04-2003

- 2) Approved a request to reallocate funding for **McCord Building Renovation** at **Austin Peay State University** in Clarksville, and authorization to award a construction contract to RCR Building Corporation of Nashville, Tennessee, in the amount of \$6,070,000.00 based upon the low Base Bid received April 6, 2005.

Estimated Project Cost: \$ 7,428,500.00
SBC Project No. 166/003-01-2000

- 3) No action required regarding the April 13, 2005 bidding of **Central Plant Repairs** at **Pellissippi State Technical Community College** in Knoxville, Tennessee.

Estimated Project Cost: \$ 260,000.00
SBC Project No. 166/032-02-2004

- 4) Deferred action regarding the April 13, 2005 bidding of **College Center Safety Corrections** at **Walters State Community College** in Morristown, Tennessee.

Estimated Project Cost: \$ 2,816,000.00
SBC Project No. 166/023-01-1999

UNIVERSITY OF TENNESSEE

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: **Shelby County - 2.94 +/- Acres with Improvement - 549 South Goodwyn Street, Memphis, Tn - Trans. No. 05-04-005 (GM)**
- Purpose: Disposal in Fee of the University of Tennessee Health Science Center, Chancellor's Residence.
- Comment: The University also is requesting approval to seek and identify a new residence and do the necessary due diligence, appraisals, home inspections, termite survey, property survey, etc. to be able to report back to Sub-committee with a recommended course of action.
- SSC Report: 04-18-05. Alvin Payne advised that proceeds from the sale of the current residence will be used to purchase a new residence closer to the campus. He stated the current residence needs approximately \$700,000.00 repairs and renovations. Mr. Payne further requested approval to do due diligence in identifying a new residence and bring back to Sub-committee with a recommendation. Staff referred to Sub-committee for discussion.
- SC Action: 04-25-05. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes from the Executive Subcommittee meeting held on March 21, 2005.

* * * * *

Following approval of the Consent Agenda, the meeting adjourned at 11:05 a.m.

CONSENT AGENDA

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

- A. Agency: **Comptroller of the Treasury – Coffee County**
Transaction: Lease Agreement
- B. Agency: **Department of Human Services – Robertson County**
Transaction: Lease Agreement
- C. Agency: **Department of Human Services – Sullivan County**
Transaction: Lease Agreement
- D. Agency: **Department of Children's Services – Davidson County**
Transaction: Lease Agreement - 535 Metroplex Drive, Nashville, TN
- E. Agency: **Finance & Administration – Sequatchie County**
Transaction: Lease Agreement for Human Services & Children's Services
- F. Agency: **Department of Health – Davidson County**
Transaction: Lease Agreement – 227 French Landing
- G. Agency: **Department of Health – Davidson County**
Transaction: Lease Agreement – 220 Athens Way
- H. Agency: **Mental Health & Development Disabilities – Hamilton County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- I. Agency: **Finance & Administration Mental Retardation Services – Greene County**
Transaction: Disposal by Lease
Provision: Waiver of Appraisals
- J. Agency: **Department of Military – Davidson County**
Transaction: Disposal in Fee
- K. Agency: **Tennessee Wildlife Resources Agency – Meigs County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- L. Agency: **Tennessee Wildlife Resources Agency – Madison County**
Transaction: Acquisition by Gift
Provision: Waiver of Appraisal
- M. Agency: **Department of Agriculture – Stewart County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals

Consent Agenda – continued:

- N. Agency: **Environment & Conservation – White County**
Transaction: Acquisition in Fee
- O. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee – 208 Castle Heights, Clarksville, TN
- P. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee – 204 Castle Heights, Clarksville, TN
- Q. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee – 212 Castle Heights, Clarksville, TN
- R. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee – 803 Parham Drive, Clarksville, TN
- S. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition Fee – 811 Parham Drive, Clarksville, TN
- T. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee – Farris Drive, Clarksville, TN
- U. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in Fee – 215 Womack Lane, Murfreesboro, TN
- V. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in Fee - 215 City View Drive, Murfreesbor, TN
- W. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- X. Agency: **Tennessee Bureau of Investigation – Knox County**
Transaction: Obtain Appraisal and Option to Purchase
- Y. Agency: **Finance & Administration**
Transaction: Obtain Appraisal

COMPTROLLER OF THE TREASURY

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: Coffee County – 110 Mitchell Boulevard, Tullahoma, TN – Trans. No. 04-11-905 (RS)

Purpose: To provide office and related space for the Division of Property Assessment

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

Proposed Amount:	<u>3,000 Square Feet</u>		
	Annual Contract Rent:	\$27,000.00	@ \$ 9.00/sf
	Est. Annual Utility Cost:	\$ 3,300.00	@ \$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,300.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$33,600.00	@ \$11.20/sf

Current Amount:	<u>3,000 Square Feet</u>		
	Annual Contract Rent:	\$21,600.00	@ \$ 7.20/sf
	Est. Annual Utility Cost:	\$ 3,300.00	@ \$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,300.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$28,200.00	\$ 9.40/sf

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

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Building

Lessor: Commercial Properties – Current Lessor

Comment: The proposed lease provides (1) water and sewer utilities to be furnished by Lessor, (2) Lessor to make improvements and repairs at no additional cost to the State, (3) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

B.

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: Robertson County – 809 North Mabel Street, Springfield, TN – Trans. No. 04-08-910 (RS)

Purpose: To provide office and related space for county operations

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

Proposed Amount:	<u>6,521 Square Feet</u>		
	Annual Contract Rent:	\$58,800.00	@\$ 9.02/sf
	Est. Annual Utility Cost:	\$ 9,129.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,173.10</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$75,102.50	@\$11.52/sf

Current Amount:	<u>6,521 Square Feet</u>		
	Annual Contract Rent:	\$58,900.00	@\$ 9.03/sf
	Est. Annual Utility Cost:	\$ 9,129.40	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,173.20</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$75,202.50	@\$11.53/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (2) Proposers

FRF Rate: \$13.50 Per Square Foot

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

Lessor: Pedigo Equities, LP – Current Lessor

Comment: The proposed lease provides (1) the Lessor will make improvements and 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 180 days notice thereafter, and (3) State's Option to negotiate purchase during the term of the lease.

SSC Report: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. 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: Sullivan County – 1060 Wilcox Court, Kingsport, TN – Trans. No. 04-03-908 (JS)

Purpose: To provide office and related space for county operations

Term: April 1, 2006 thru March 31, 2016 (10 yrs.)

Proposed Amount: 16,600 Square Feet

Annual Contract Rent:	\$133,965.00	@\$ 8.07/sf
Est. Annual Utility Cost:	\$ 23,240.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 18,260.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$175,465.00	@\$10.57/sf

Current Amount: 12,188 Square Feet

Annual Contract Rent:	\$ 70,080.00	@\$ 5.75/sf
Est. Annual Utility Cost:	\$ 17,063.20	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 13,406.80</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$100,550.00	@\$ 8.25/sf

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

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Complex

Lessor: J. Fred Brooks

Comment: The proposed lease provides (1) the Lessor will construct 16,600 square feet of office space 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 notice thereafter.

SSC Report: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. 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: Davidson County – 535 Metroplex Drive, Building B, Nashville, TN – Trans. No. 05-01-913 (JS)

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

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

Proposed Amount: 12,690 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$174,487.50 @\$13.75/sf
Total Annual Effective Cost: \$174,487.50 @\$13.75/sf

Current Amount: None

Type: New Lease – Negotiated

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant

Lessor: Papermill Associates

Comment: The proposed lease was negotiated to provide space for the Davidson County Community Service Agency staff that will convert to State employees on July 1, 2005. These employees are currently in free space provided by Metropolitan Government at the Howard School office complex and must vacate by July 1.

SSC Report: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

E.

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: Sequatchie County – 1845 Old York Highway East, Dunlap, TN – Trans. No. 04-02-913 (RS)

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

Term: October 1, 2005 thru September 30, 2010 (5 yrs.)

Proposed Amount:	<u>7,016 Square Feet</u>		
	Annual Contract Rent:	\$62,400.00	@ \$ 8.89/sf
	Est. Annual Utility Cost:	\$ 9,822.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,717.60</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$79,940.60	@ \$11.39/sf

Current Amount:	<u>3,177 Square Feet</u>		
	Annual Contract Rent:	24,000.00	@ \$ 7.55/sf
	Est. Annual Utility Cost:	\$ 4,447.80	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,494.70</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$31,942.50	@ \$10/05/sf

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

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Year (1) Only

Lessor: Kenneth W. Nix – Current Lessor

Comment: The proposed lease provides (1) the Lessor will construct a 3,839 square foot addition to the existing building, including interior tenant alterations, at no additional cost to the State, (2) make repairs and improvements to the existing space at no additional cost to the State and (3) the State's Option to Purchase during the first year of the lease term.

SSC Report: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF HEALTH

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 Drive, Nashville, TN – Trans. No. 04-07-904A (EN)

Purpose: To provide office and related space for the Bureau of Health Licensure and Regulation operations.

Term: September 1, 2005 thru August 31, 2015 (10 yrs.)

Proposed Amount: 39,434 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$589,617.17 @\$14.95/sf
Avg. Annual Effective Cost: \$589,617.17 @\$14.95/sf

Current Amount: None – State owned

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

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant

Lessor: MHP Associates, LLC

Comment: The proposed lease provides (1) the Lessor will make tenant improvements and alterations 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: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF HEALTH

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 – 220 Athens Way, Nashville, TN – Trans. No. 04-07-904B (EN)**

Purpose: To provide office and related space for the Bureau of Health Licensure and Regulation operations.

Term: September 1, 2005 thru August 31, 2015 (10 yrs)

Proposed Amount: 21,662 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$340,364.18 @\$15.71/sf
Avg. Annual Effective Cost: \$340,364.18 @\$15.71/sf

Current Amount: None – State owned

Type: New Lease – Advertisement – Lowest Proposal from (2) Proposers and (1) Proposal Withdrawn

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant

Lessor: USAA Real Estate Company

Comment: The proposed lease provides (1) the Lessor will make tenant improvements and alterations at no additional cost to the State, (2) Lessor will provide magnetic access cards for building access after normal business hours, (3) State shall annually reimburse Lessor its prorated share of utility costs in excess of the State's estimated cost of \$1.40 per square foot, (4) State will reimburse the Lessor property taxes exceeding \$0.80 per square foot based on the 2004 tax year, and (5) no cancellation during the first five years of the lease term except for cause and/or lack of funding. At the end of 5th year the State may cancel for convenience upon 180 days notice. Cancellation for convenience may be exercised one time only.

SSC Report: 04-18-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF MENTAL HEALTH AND MENTAL DISABILITIES

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

Description: Hamilton County – 4.95 +/- Acres – Bank of Tennessee River, Tennessee Mental Hospital, Chattanooga, TN – Trans. No. 05-03-022 (JB)

Purpose: Disposal by Easement to provide for bank stabilization along the Tennessee River

Estimated Sale Price: Grant -- Public Purpose

Grantee: U.S. National Park Service

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES

LAND ITEM

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

Description: Greene County – 285.0 +/- Acres – Greene Valley Developmental Center – Trans. No. 05-03-006 (BM)

Purpose: Disposal by Lease for farming purposes pending advertisement.

Term: Five (5) Years with (5) Year Option to Renew and 60-day cancellation provision

Consideration: Highest Bid

Lessee: Successful Bidder

Comment: The subject property appraised for \$7,000.00 per year in 2000 and is currently being leased for \$12,000.00 per year. The current lease will expire April 30, 2005.

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF MILITARY

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: **Davidson County – 11.09 +/- Acres – Tennessee Army National Guard Site, Powell Avenue, Nashville, TN – Trans. No. 05-03-001 (LW)**

Purpose: Disposal in Fee of storage yard for surplus and dilapidated equipment. Storage yard has been relocated to the Air National Guard facility in Smyrna, Tennessee.

Original Cost to State: Grant

Date of Original Conveyance: August 1949

Grantor Unto State: U. S. Government

Estimated Sale Price: Fair Market Value

Grantee: Successful Bidder

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. 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 APPROVAL of RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Meigs County – 0.10 +/- Acres – Big Springs Wildlife Management Area – Trans. No. 05-03-018 (CH)

Purpose: Disposal by Easement to provide area for equipment approach for county bridge improvements.

Estimated Sale Price: Grant – Public Purpose

Grantee: Meigs County Highway Department

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: Madison County – 17.3 +/- Acres – Spring Creek Wetland Site – Trans. No. 05-03-021 (CH)

Purpose: Acquisition as Gift adjoining property for hunting and wildlife habitat management.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): U. S. Silica

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF AGRICULTURE

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

Description: **Stewart County – 0.90 +/- Acres (20' X 1,950') – SR 233, Stewart State Forest, Cumberland City, TN – Trans. No. 05-03-002 (BM)**

Purpose: Disposal by Easement to allow installation of a public waterline from Cumberland City to Carlisle, TN

Estimated Sale Price: Grant -- Public Purpose

Grantee: Cumberland City, TN

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: **White County – 5.0 +/- Acres – Burgess Falls State Park – Trans. No. 05-03-010 (GM)**

Purpose: Acquisition in Fee for park expansion and to limit encroachment of a residential development.

Source of Funding: \$40,000.00 – State Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): John and Frances Sergio, Trustees

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. 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 Improvements:

Description: Montgomery County – 0.37 +/- Acres with Improvements – 208 Castle Heights, Austin Peay State University, Clarksville, TN – Trans. No. 05-03-011 (LW)

Purpose: Acquisition in Fee of property and improvement within the area for acquisition in the APSU land acquisition master plan and will be converted into parking lots.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Richard Moseley

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to the Tennessee Historical Commission letter.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. 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 Improvements:

Description: **Montgomery County – 0.22 +/- Acres with Improvements – 204 Castle Heights, Austin Peay State University, Clarksville, Tn – Trans. No. 05-03-012 (LW)**

Purpose: Acquisition in Fee of property and improvement within the area for acquisition in the APSU land acquisition master plan and will be converted into parking lots.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Richard Moseley

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to the Tennessee Historical Commission letter.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. 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 Improvements:

Description: Montgomery County – 0.30 +/- Acres with Improvements – 212 Castle Heights, Austin Peay State University, Clarksville, Tn – Trans. No. 05-03-013 (LW)

Purpose: Acquisition in Fee of property and improvement within the area for acquisition in the APSU land acquisition master plan and will be converted into parking lots.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Richard Moseley

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to the Tennessee Historical Commission letter.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Montgomery County – 0.30 +/- Acres – 803 Parham Drive, Austin Peay State University, Clarksville, Tn – Trans. No. 05-03-015 (BM)

Purpose: Acquisition in Fee of property and improvement within the area for acquisition in the APSU land acquisition master plan and will be converted into parking lots.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Thomas Sallee

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Montgomery County – 0.176 +/- Acres – 811 Parham Drive, Austin Peay State University, Clarksville, Tn – Trans. No. 05-03-016 (BM)

Purpose: Acquisition in Fee of property within the area for acquisition in the APSU land acquisition master plan and will be converted into parking lots.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Thomas Sallee

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Montgomery County – 1.20 +/- Acres – Farris Drive, Austin Peay State University, Clarksville, Tn – Trans. No. 05-03-017 (BM)

Purpose: Acquisition in Fee of property within the area for acquisition in the APSU land acquisition master plan and will be converted into parking lots.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Thomas Sallee

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Rutherford County - 0.506 +/- Acres - 215 Womack Lane, Middle Tennessee State University, Murfreesboro, TN - Trans. No. 05-03-020 (LW)

Purpose: Acquisition in Fee of a vacant lot within the area for acquisition in the MTSU land acquisition master plan for future expansion.

Source of Funding: Institutional Auxiliary Funds

Estimated Cost: Fair Market Value

Owner(s): Ronnie Dale Nichols, Sr.

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Rutherford County – 1.30 +/- Acres with Improvement – 215 City View Drive, Middle Tennessee State University, Murfreesboro, TN – Trans. No. 05-04-001 (LW)

Purpose: Acquisition in Fee of property and improvement that is within the area for acquisition in the MTSU land acquisition master plan for future expansion.

Source of Funding: Institutional Auxiliary Funds

Estimated Cost: Fair Market Value

Owner(s): Horace B. Reed, Jr.

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BOARD OF REGENTS

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

Description: **Shelby County – 0.052 +/- Acres – Riverbluff and Cuba-Millington Road, University of Memphis – Trans. No. 05-03-019 (LW)**

Purpose: Disposal by Easement to provide electrical and water utilities to the Meeman Biological Field Station Quarters that is under construction.

Estimated Sale Price: Grant – State Purpose

Grantee: City of Memphis on behalf of Memphis Light, Gas and Water

SSC Report: 04-18-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

TENNESSEE BUREAU OF INVESTIGATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN an OPTION to PURCHASE and APPRAISAL in the following real property:

Description: Knox County – 5.0 +/- Acres – Part of Lot 10, East Pointe Commercial Park, Knoxville, TN

Purpose: Option to Purchase property for a Forensic Laboratory Facility. The purchase price is \$825,000.00 for the period of May 1, 2005 to October 30, 2005. The Option will be subject to proper zoning, a clean environmental report, a fair market value appraisal, and proper utilities to the proposed facility. Agency officials have reviewed the site and stated that it meets the need for the purpose intended.

SSC Report: 04-18-05. Charles Garrett summarized the transaction and advised the option will be a no cost option based on appraisal. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SPECIAL ITEM

Review of a request for APPROVAL to OBTAIN APPRAISAL in the following Lease Property pursuant to TCA 4-3-1009 specifying State acquisition of leased facilities and in accordance with Qualifying Criteria and Procedural Requirements for Acquisition of Leased Facilities.

1. Department of Safety, TN Highway Patrol & Driver License Issuance
Sumner County - 855 Bluejay Way, Gallatin, Tennessee

2. Tennessee Bureau of Investigation
Madison County - 25 Executive Drive, Jackson, Tennessee

SSC Report: 04-18-05. Charles Garrett summarized the transaction. He advised the two lease locations are part of the \$100 Million Dollar Bond Program and that both are in the current year budget for acquisition. He stated an appraisal will determine fair market value and that approval to acquire will be brought back for final approval. Staff referred to Sub-committee for consent agenda.

SC Action: 04-25-05. Sub-committee approved the transaction as recommended. Final action.

Approved by:



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