

Minutes
STATE BUILDING COMMISSION
Executive Subcommittee
April 25, 2011

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

Chairman Mark Emkes, Commissioner, Department of Finance and Administration
Vice-Chairman Tre Hargett, Secretary of State
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

OTHERS PRESENT

Bob Oglesby, State Architect
Alan Robertson, State Architect's Office
Georgia Martin, State Architect's Office
Jurgen Bailey, Real Property Administration
Melanie Buchanan, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Terry Mason, Comptroller's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
Josh Stites, Treasurer's Office
Bruce Davis, Legislative Budget Office
John Carr, Department of Finance & Administration
Dick Tracy, Tennessee Board of Regents
Robbi Stivers, University of Tennessee
Mike Morrow, Department of Finance and Administration
Felenceo Hill, Department of Finance and Administration
Cindy Liddell, State & Local Finance
Sean Tierney, THEC
Scott Boelscher, THEC
Diane Uhler, Tennessee Board of Regents
Gordon Martin, Tennessee Wildlife Resources Agency

Dwight Hensley, Tennessee Wildlife Resources Agency
Lola Potter, Department of Finance and Administration
Bryan Ries, Comptroller's Office
Murray Crow, Department of Environment and Conservation
Stan Boyd, Department of Environment and Conservation
Fred Hix, Department of Intellectual & Developmental Disabilities

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CONSENT AGENDA

Commissioner Emkes called the meeting to order at 10:35 a.m. Treasurer Lillard brought up the issue regarding the waiver of appraisals on Items B & E, and when it was appropriate to waive one appraisal. Comptroller Wilson stated he had a bias towards two appraisals if it was more than \$1 million (an arbitrary number), but the burden would be to show that there was a good reason to waive one appraisal.

Regarding Item B, Robbi Stivers was recognized. He stated that when appraisals are procured, they are done from a State-approved appraisers list. He said the statute specifically talks about having two appraisals on disposals, but doesn't mention acquisitions. Jurgen Bailey stated that the SBC Policy & Procedure requires two appraisals for acquisitions unless otherwise approved by the SBC. He said that on less complicated transactions, it is discussed with the agency to see if two appraisals are needed in order to save the State the cost of a second appraisal. Regarding Item E, Dick Tracy was recognized and stated that the owner was getting their own appraisal with TBR pursuing a second one. He agreed that the larger transactions should generally have two appraisals.

After discussion, Commissioner Emkes stated it sounded like they were in agreement to move forward with these transactions with the understanding that staff will review and formalize a minimum amount for when a second appraisal is necessary, or circumstances when it would not be necessary to do two appraisals. With that understanding, Subcommittee approved the following real property transactions which had been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: **University of Tennessee – Hamilton County**
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one (1) appraisal

- B. Agency: **University of Tennessee – Hamilton County**
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one (1) appraisal

- C. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one (1) appraisal

- D. Agency: **Tennessee Board of Regents – Washington County**
Transaction: Acquisition in fee
Provision: Waiver of appraisals

- E. Agency: **Tennessee Board of Regents – Hamilton County**
Transaction: Report item
Provision: Appraisal came in below estimated cost

- F. Agency: **Department of Agriculture – Clay County**
Transaction: Disposal by lease
Provision: Waiver of advertisement & appraisals

- G. Agency: Department of Agriculture – Cumberland County
Transaction: Disposal by lease
Provision: Waiver of advertisement & appraisals
- H. Agency: Department of Safety – Dyer County
Transaction: Lease agreement
- I. Agency: Department of Intellectual & Developmental Disabilities – Hamilton County
Transaction: Lease agreement
- J. Agency: Department of Intellectual & Developmental Disabilities – Greene County
Transaction: Disposal by lease
Provision: Waiver of appraisals

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER of ADVERTISEMENT AND ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 0.34 +/- acres – 720 McCallie St., Chattanooga, TN – Trans. No. 11-03-004 (Baugh)

Purpose: Acquisition in fee to acquire this property for UT at Chattanooga. Property is in the Master Plan.

Source of Funding: The University of Tennessee / Auxiliary funds

Estimated Cost: \$875,000

Owner(s): John C. Thornton – previous UT Board of Trustee

Comment:

- Property acquired by current owner on Jan. 22, 2008.
- Purchase price \$714,500.
- Tax assessor's value \$703,000.
- Improvement square footage 6,000 sf.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Robbi Stivers stated that the office building is in excellent condition and will be used by their General Counsel's office and Human Resource Office. The building was built in 1995 and has many modern upgrades. John C. Thornton was previously a UT Trustee. Staff referred to Subcommittee with recommendation.

ESC Action: 04/25/2011. Jurgen Bailey presented the transaction. Comptroller Wilson asked whether Mr. Thornton was a member of the U.T. Board of Trustee when he acquired the property, and was told "no". Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

Jackson State Community College, Jackson, Madison County, Tennessee

Requested Action: **Approval of a revision in funding to award a contract**

Project Title: Student Parking Pavement Repairs

Project Description: Remove damaged asphalt of student parking lot and repave and re-stripe as needed.

SBC Number: 166/019-01-2010

Revised Estimated Cost: \$259,000.00

| | | | | |
|---------------------------|------------------------|-----------------|-----------------|----------------|
| Source of Funding: | | <u>Original</u> | <u>Increase</u> | <u>Revised</u> |
| | Campus Plant Funds (A) | 214,000.00 | 45,000.00 | 259,000.00 |

Comment: The increase in funding is needed to award a contract to Martin Paving Company, Inc. in the amount of \$208,621.50, based on bids received 3/30/2011. Three bids were received for the work.

Previous SBC Action: 07/08/2010 SBC Approved project
 07/23/2010 ESC Selected designer (Atkins Buchner Price Architects)
 04/14/2011 SBC Referred to Subcommittee with authority to act

Minutes: 04/25/2011 ESC Approved a revision in funding to award a contract

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 and WAIVER of REM FEE and WAIVER of ONE APPRAISAL, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Cannon County – 939.86 +/- acres – Short Mountain, Woodbury, TN – Trans. No. 09-12-013 (Jackson)**

Purpose: Acquisition in fee of land owned and confiscated by the U S Marshal's office. This land is part of the Roller Young Drug case. State will pay off a bank lien to acquire property.

Source of Funding: TWRA Auxiliary funds - \$100,000
Heritage Conservation Trust Fund - \$60,000

Owner(s): U. S. Marshal Services

SSC Report: 1-19-10. Jurgen Bailey summarized the transaction. Acquisition of eight (8) tracts of land confiscated by U. S. Marshal to be conveyed to the State if the bank lien of \$154,000-\$160,000 is paid off. Fair Market Value is \$1.3 million. Staff referred to Sub Committee for consent agenda.

SC Action: 01-25-10. Subcommittee approved the request as presented.

Further approval requested:

Amending original approval to add two additional tracts to conveyance for additional 55.30 acres for a total of 995.16 acres. The two tracts were originally to be retained by the U. S. Marshall's Office but they have requested that we accept all ten (10) tracts. One of these tracts has an underground fuel storage tank that will need to be removed before closing and the second tract is a land locked tract of land. TWRA has worked with TDEC and EPA to remove the fuel storage tank and will continue to work with these agencies to clean up the site.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Gordon Martin, TWRA, stated that the underground tank has been removed with Federal Grant Funds. One of the tracts of land is 53 acres and is currently landlocked. The second 1.5 acre tract had the underground tank that has since been removed. It was previously an old country store with a gas station. Staff referred to Subcommittee with recommendation.

ESC Action: 04/25/2011. Jurgen Bailey presented the transaction. Commissioner Emkes asked if the annual operating expenses would increase. Gordon Martin responded that they currently have personnel in the area that will pick up this additional land at no additional expense. Subcommittee approved adding the two additional tracts to conveyance for a total of 995.16 acres.

DEPARTMENT OF FINANCE AND ADMINISTRATION

Statewide

Requested Action: **Approval to award a contract to the best evaluated proposer** and to revise the title from Direct Order Contracting to Job Order Contracting

Project Title: Job Order Contracting

Project Description: Job Order Contracting provides the State with a method by which alterations, changes, repairs, renovations, maintenance projects, and related work are accomplished at State facilities on a work order basis.

SBC Number: 529/000-10-2010

Estimated Project Cost: \$3,500,000.00 per contract year (maximum)

Source of Funding: \$ 875,000.00 Facilities Revolving Fund (A)
\$2,625,000.00 Various Departmental Funds (A/O)

Comment: Proposals will be opened and evaluated on April 11, 2011. Existing contract expires June 30, 2011. The new contract is for two years with three one year options, for a maximum of five years.

Job Order Contracting is a method of contracting for facility construction work, repair, renovation and alteration that specifies an indefinite quantity of deliverable services for which cost estimates are provided by one general contractor. The majority of projects are typically funded by various departmental funds. Projects with a work order value exceeding \$100,000 require SBC approval.

Previous SBC Action: 10/14/2010 SBC Approved issuance of RFP
 04/14/2011 SBC Referred to the Subcommittee with authority to act.

Minutes: 04/25/2011 ESC Approved awarding a contract to Double R Construction LLC

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 21, 2011.

Designer Selections

- 1) Reporting acknowledged of designer name change from "SSR-Eilers" to "Smith Seckman Reid, Inc." on all current State projects.

- 2) Approved the following designer selections for projects approved by the State Building Commission.

a) **Reelfoot Lake State Park**
(Airpark Inn Demolition)
Estimated Project Cost: \$540,000.00
SBC Project No. 126/084-01-2011
Designer: **BURR & COLE CONSULTING ENGINEERS**

b) **Davy Crockett Tower – Nashville**
(Interior Renovations Phase 3)
Estimated Project Cost: \$3,500,000.00
SBC Project No. 529/077-01-2011
Designer: **MCFARLIN HUITT PANVINI INC**

c) **University of Tennessee Chattanooga**
(Pedestrian Mall Phase 2)
Estimated Project Cost: \$2,300,000.00
SBC Project No. 540/005-01-2011
Designer: **ROSS FOWLER**

There being no further business, the meeting adjourned at 10:48 a.m.

UNIVERSITY OF TENNESSEELAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER of ADVERTISEMENT AND ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 0.16 +/- acres – 825 McCallie St., Chattanooga, TN – Trans. No. 11-03-003 (Baugh)

Purpose: Acquisition in fee to acquire this property for UT at Chattanooga for Military Science Program. Property is in the Master Plan.

Source of Funding: The University of Tennessee/ Auxiliary funds

Estimated Cost: \$165,000

Owner(s): Eras Mines

Comment:

- Property acquired by current owner on Sept. 28, 2001.
- Purchase price \$78,907.97.
- Tax assessor's value \$121,700.
- Improvement square footage 2,544 sf.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Robbi Stivers stated that the building was built in 1965 but was recently renovated and in good shape. It will be used for office space and possibly their Military Science Department. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

UNIVERSITY OF TENNESSEELAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER of ADVERTISEMENT AND ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 0.97 +/- acres (3 parcels) – 801 McCallie St., (0.32 ac), 817 McCallie St., (0.16 ac), Oak St., (0.49 ac), Chattanooga, TN – Trans. No. 11-03-005 (Baugh)

Purpose: Acquisition in fee to acquire this property for UT at Chattanooga. Property is in the Master Plan.

Source of Funding: The University of Tennessee / Auxiliary funds

Estimated Cost: \$1,355,000 (all 3 tracts together)

Owner(s): American Red Cross

Comment:

- Property acquired by current owner 801 McCallie St., Jan. 1, 1970; 817 McCallie St., July 18, 1988; Oak St., Sept. 2, 1969.
- Purchase price 801 McCallie St., \$240,000; 817 McCallie St., \$23,000; Oak St., unknown.
- Tax assessor's value information unavailable for all 3 tracts.
- Improvement square footage 801 & 817 McCallie St., 16,000 sf. together; Oak St., is unimproved.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Robbi Stivers stated that this warehouse space is in pretty rough shape but the University at some point will likely do demolition on the improvements and use it for parking. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented following the discussion recorded on page 3.

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, and WAIVER of ADVERTISEMENT AND ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rutherford County – 0.67 +/- acres – 2739 Middle Tenn. Blvd., Murfreesboro, TN – Trans. No. 08-08-021 (Maholland)

Purpose: Acquisition in fee to acquire this property for MTSU. Property is located between 2 parcels that have already been acquired from MTSU. Property is one of the "62" properties in the Master Plan.

Source of Funding: Auxiliary / Rental Income funds

Estimated Cost: \$275,000

Owner(s): MTSU Foundation

Comment:

- Property acquired by MTSU Foundation Jan. 17, 2011 due to that MTSU was unable to acquire the property from the owners due to funding at that time.
- Purchase price \$275,000.
- Tax assessor's value \$34,500 for land & \$143,800 for improvements for total of \$178,300.
- Improvement square footage 2,287 sf.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTSLAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY AND EXERCISE OPTION to ACCEPT as GIFT and WAIVER OF APPRAISALS required interest in the following real property.

Description: **Washington County – 143.93+/- acres, Valleybrook Farm Property, Pickens Road, Johnson City, TN – Trans. No. 11-02-006 (Woodard)**

Purpose: Acquisition in fee to acquire this property by gift for additional teaching facilities. Project is in the Master Plan.

Funding: Gift Property

Estimated Value: \$1,685,000

Owners: East Tennessee State University Foundation

Comments: Tax Assessor's Value – \$1,685,000.
ETSU Foundation acquired property by Gift in 2010.
Waiver of Appraisals requested.
Improvements: 72,000 sq. feet of office space; 24,500 sq. ft. barn space.
Phrase 1 was done on the property and problem's was found. Landfill on backside of the property, groundwater contamination, old well, and 55 gal drums on the property (have been removed already). Property was used for a dairy farm. TDEC will follow up on the Phrase 1 problems.

SSC Report: 03/14/2011. Jurgen Bailey summarized the transaction. Dick Tracy stated that the property will be used for Research programs, fossil storage, and office space and conference center. Staff deferred until April.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. TDEC and Johnson City have tested the property and found no contamination. The landfill was closed in 1994 and has been monitored for contamination. On March 17, 2011 no environmental issue was found and the campus is okay with the property. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction 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, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Hamilton County – 3701 Amnicola Highway (14.98 +/- acre), Chattanooga, TN – Trans. No. 10-12-016 (Baugh)**

Purpose: Acquisition in fee to acquire the property and improvements for future expansion Chattanooga State Community College. Property is in the Master Plan.

Source of Funding: 2011 Special Capital Outlay funds & Chattanooga State Community College funds

Estimated Cost: \$7,000,000

Owner(s): Olan Mills

Comments: Olan Mills acquired property in 1972 and paid \$322,000 for land only. Tax Assessor's value is \$5,985,900.00.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. The property will be purchased with the Special Capital Outlay funds. The gift funds will be used for renovation and other costs. Staff referred to Subcommittee with recommendation.

SC Report: 01-24-11. Jurgen Bailey presented the transaction. Treasurer Lillard asked if there was a policy for waiving one appraisal, particularly since the value involved should justify two appraisals. Dick Tracy responded that they have an older appraisal from 2008, and was requesting getting one more appraisal. With that understanding, Treasurer Lillard made a motion to approve the request, which was seconded, and passed without objection.

Correction/ change that needs to be made:

- Address is 4325 Amnicola Highway, Chattanooga, TN
- The acres is 21.20+/- acres

SSC Report: 02-14-2011. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 02-22-11. Subcommittee approved the transaction as presented.

Report Item:

Per SBC Policy 8.01 (A) appraisal came in below estimated cost of \$7,000,000. Fair Market Value is \$6,850,000. The owner has agreed to that value and has accepted and signed an option with the State in that amount.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented following the discussion recorded on page 3.

DEPARTMENT OF AGRICULTURELAND ITEM

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

Description: **Clay County – 0.9 +/- acres – Pilot Knob Fire Lookout Tower, Celina, TN – Trans. No. 11-03-006 (Jackson)**

Purpose: Disposal by lease for the Division of Forestry is requesting a Declaration of Abandonment for this property. The agency no longer uses the property for its intended use as stated in the deed dated February 20, 1959. The land and improvements will revert back to Vassie Poindexter, Raymond Williams and Mattie Williams.

Term: Declaration of Abandonment

Consideration: N/A

Lessee: Vassie Poindexter, Raymond Williams and Mattie Williams

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Jere Jeter, Agriculture, stated that due to advances in firefighting capabilities these fire towers are no longer needed by the Department and will revert to their former owners. There will be no requests for future fire towers to be built. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

DEPARTMENT OF AGRICULTURELAND ITEM

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

Description: **Cumberland County – 12 +/- acres – Latana Fire Lookout Tower, Crossville, TN – Trans. No. 11-03-007 (Jackson)**

Purpose: Disposal by lease for the Division of Forestry is requesting a Declaration of Abandonment for this property. The agency no longer uses the property for its intended use as stated in the deed dated February 14, 1941. The land and improvements will revert back to G. E. Harrison or his heirs.

Term: Declaration of Abandonment

Consideration: N/A

Lessee: G. E. Harrison or his heirs

SSC Report: 04/18/11. Jurgen Bailey summarized the transaction. Jere Jeter, Agriculture, stated that due to advances in firefighting capabilities these fire towers are no longer needed by the Department and will revert to their former owners. There will be no requests for future fire towers to be built. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

DEPARTMENT OF SAFETYLEASE 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 – 180 Highway 51 Bypass, Dyersburg, TN – Trans. No. 10-08-915 (Lotspiech)

Purpose: To provide office space for DLI & THP staff of sixteen (16).

Term: January 1, 2012 thru December 31, 2021 (10 years)

Proposed Amount: 5,841 Square Feet

| | | |
|------------------------------|--------------------|----------------------|
| Annual Contract Rent: | \$65,280.00 | @\$11.18 / sf |
| Est. Annual Utility Cost: | \$10,221.75 | @\$ 1.75 / sf |
| Est. Annual Janitorial Cost: | <u>\$ 6,425.10</u> | <u>@\$ 1.10 / sf</u> |
| Total Annual Effective Cost: | \$81,926.85 | @\$14.03 / sf |

Current Amount: 1,400 SF Modular unit Includes Utility & Janitorial Cost: \$1.00 per year

Type: New lease – advertised – received twelve (12) proposals from five (5) proposers; three (3) proposals from one (1) proposer were non-conforming related to the square footage. Approval to accept the 2nd lowest proposal due to that the 1st proposer withdrawing his proposal.

Advertising Range: Within the city limits of Dyersburg

FRF Rate: \$14.00

Source of Funding: 349.02 - Drivers License Issuance: 3,300 sf @ \$14 = \$46,200; 100% State
349.03 Highway Patrol: 2,541 sf @ \$14 = \$35,600; 100% State

Lessor: Lee Hastings

Comment: The proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter. Lessor to provide a build to suit facility of 5,841 square feet of net rentable office space to include interior tenant build-out per lease agreement.
The property and modular unit will revert to Dyer County.
County paid for all utilities and janitorial services on the modular unit.
This needed increase of space is for 16 staff. The breakdown of staff to space is 12 staff in open workstations (50 sq ft), 4 staff in hard wall space (1 @140 sq. ft and 2 @

120 sq. ft and 1 @ 150 sq. ft), 1 evidence room (100 sq. ft), 1 break room/conference room (400 sq ft), 1 file/supply room (350 sq ft), 1 hearing room (150 sq ft), 1 reconciliation room (120 sq ft), 1 telecom closet (80 sq ft), 1 secured storage room (80 sq. ft), 1 trooper suite (560 sq. ft), 1 testing room (350 sq. ft), 1 application process area (550 sq. ft), 1 photo area (100 sq. ft), 1 waiting room (600 sq. ft) and 30% for circulation (hallways, entrance area, etc.) (1,287 sq.ft).

SSC Report: 04/18/2011. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

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DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES

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: Hamilton County – 5721 Marlin Road, Suites 3703, 3800, 3900 & 4404, Chattanooga, TN – Trans. No. 10-04-904 (Smith)

Purpose: To provide office space for 26 employees.

Term: July 1, 2011 thru June 30, 2021 (10 yrs)

Proposed Amount: 5,662 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$69,359.50 @\$12.25 / sf
Total Annual Effective Cost: \$69,359.50 @\$12.25 / sf

Current Amount: 5,662 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$67,094.70 @\$11.85 / sf
Total Annual Effective Cost: \$67,094.70 @\$11.85 / sf

Type: New lease – advertised – Received fifteen (15) proposals from five (5) proposers. Requesting to reject 1st, 2nd & 3rd proposals from the same proposer at the same location due to the proposer changing his mind on the space and indicated that the space he had originally proposed was the wrong space. The new space he was offering us did not meet the square footage and requirements that was in the proposal package. The current owner is the 4th lowest proposal and the agency is pleased with the current space.

Advertising Range: Within the city limits of Chattanooga

FRF Rate: \$18.00

Source of Funding: 344.22 - East Tennessee Regional Office: 5,562 sf @ \$18 = \$101,916; 100% Interdepartmental from TNCare (TNCare funding is 50% Fed, 50% State)

Lessor: Osborne Building Corporation, current lessor

Comment: Proposed lease has a 180-day cancellation clause from the effective commencement date. Lease includes janitorial & utilities at no additional cost to the State. Lessor to provide 5,662 square feet of net rentable office space to include minor interior tenant alterations per lease agreement. This needed increase of space is for 26 staff. The

breakdown of staff to space is 22 staff in open workstations (50 sq ft.), 4 staff in hard wall space (120 sq. ft.), 1 break room (180 sq. ft.), 1 conference room (275 sq. ft.), 1 file/supply room (350 sq. ft.), 1 telecom closet (80 sq. ft.), 1 equipment room (100 sq. ft.), 2 interview room (100 sq. ft. each), 1 waiting room (325 sq. ft), 1 training room (245 sq. ft.) and 30% for circulation (hallways, entrance area, etc.) (1,193 sq.ft).

SSC Report: 04/18/2011. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

DEPARTMENT OF INTELLECTUAL DISABILITIES SERVICESLAND 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 – 280 +/- acres – Greenville, TN – Trans. No. 11-02-023 (Jackson)**

Purpose: Disposal by lease to lease State owned property for Agriculture purposes farming only and to keep the land maintain.

Term: Five years with five year renewal with a 60-day cancellation.

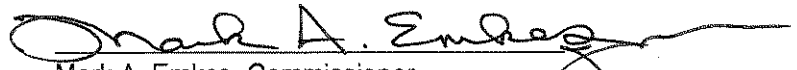
Consideration: Highest bidder

Lessee: To be determined.

SSC Report: 04/18/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 04/25/2011. Subcommittee approved the transaction as presented.

Approved:



Mark A. Emkes, Commissioner
Department of Finance and Administration