

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JANUARY 20, 2009

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer
Tre Hargett, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Charles Harrison, Comptroller's Office
Jurgen Bailey, Real Property Administration
Bob King, Real Property Administration
Dottie Hagood, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Mark Cherpack, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Trish Whitlock, Tennessee Board of Regents
Pat Gregory, Tennessee Board of Regents
Nathan Burton, Treasurer's Office
John Carr, Department of Finance & Administration
Russ Deaton, THEC
Mark Wood, Secretary of State's Office
John Gregory, Tennessee Wildlife Resources Agency
Mike Morrow, Department of Finance and Administration
Cindi Liddell, Bond Finance
Annette Crutchfield, Legislative Budget
Lola Potter, Department of Finance and Administration
Steve Norris, Mental Retardation Services
Fred Hix, Mental Retardation Services

Tim Schwarz, Department of Finance and Administration
Fred Prouty, TN Historical Commission
Jim Fyke, Department of Environment and Conservation
Bill Avant, Department of Environment and Conservation
Beverly Woodard, Real Property Administration
Karen Hale, Comptroller's Office

Commissioner Goetz called the meeting to order at 10:36 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

CONSENT AGENDA

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

- A. Agency: **Board of Regents – Montgomery County**
Transaction: Acquisition in fee

- B. Agency: **Board of Regents – Knox County**
Transaction: Acquisition in fee

- C. Agency: **Board of Regents – Davidson County**
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals

- D. Agency: **Board of Regents – Carter County**
Transaction: Lease agreement
Provision: Waiver of advertisement

- E. Agency: **Department of Safety – Madison County**
Transaction: Lease agreement
Provision:

Commissioner Goetz suggested that staff do a presentation of the Facilities Revolving Fund to the new members at the next Subcommittee meeting.

TENNESSEE BOARD OF REGENTS

DISCUSSION OF BIDS

- 1) **Southwest Tennessee Community College, Memphis**
(Macon Cove Mechanical & Electrical Upgrade)
SBC Project No. 166/033-01-2007
Bid Date 01-14-2009
SBC Action: Referred to Subcommittee with authority to act
SC Action: No action required; bids within target

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: Washington County – 329 State of Franklin Road, Johnson City, TN – Trans. No. 09-01-901

Purpose: To provide office and classrooms space.

Term: April 1, 2009 thru March 31, 2039 (30 yrs.)

Proposed Amount: 9,993 Square Feet
New built to suit building contract cost
– SBC project #166/005-10-2005 \$2,974,000.00

Current Amount: None

Type: New Lease

Lessor: Medical Education Assistance Corporation (MEAC)

Comment: The new Cardiology Building, SBC project 166/005-10-2005, is being built with funds provided to ETSU by MEAC; therefore this building will be provided to MEAC at no additional lease cost. MEAC will maintain the building and pay all utilities.

SSC Report: 01-12-09. Bob King presented the transaction. Jerry Preston stated that the termination requirement for the above subject lease agreement is one year for both the state and lessee. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the transaction. Jerry Preston was recognized and stated that MEAC is a non-profit 501c(3) group of doctors who teach at the College of Medicine. He said MEAC has given them the money to build the building, and TBR will lease it back to them for 30 years. Commissioner Goetz commented that if they leave, the property and improvements revert back to the State. After discussion, Subcommittee approved the request as presented.

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 as required by TCA 4-15-102 and 12-2-112.

Description: **Anderson County – 2.0+/- acres – Fork Mountain City, TN – 08-12-008 (RJ)**

Purpose: Disposal by easement to provide for a gas well, pipeline and access as needed on the Sundquist Wildlife Management Area.

Estimated Sale Price: \$500 per well

Grantee: Knox Energy

Comment: Well site AH – 1005

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Mineral rights are not owned by the State. Agreement was in place at the time State purchases property outlining fee transfers for mineral extraction. Company has agreed to use easements in lieu of fee transfers. Staff referred to Subcommittee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the transaction. After discussion, 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 WAIVER OF APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Stewart County – 7.22 +/- acres – Battle of Fort Donelson, Dover, TN – Trans. No. 08-12-019 (FB)**

Purpose: Acquisition by easement for protection of battlefield from commercial development.

Source of Funding: Grant of Conservation easement

Estimated Cost: All costs paid by Civil War Preservation Trust

Owner(s): Civil War Preservation Trust

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the transaction. After discussion, 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Grundy County – 2590 +/- acres – Savage Gulf, Tracy City, TN – Trans. No. 07-05-019 (FB)**

Purpose: Acquisition in fee for the State requested that a third party, The Conservation Fund, enter into negotiations for the acreage that has been identified as critical pieces of land protecting boundary and view shed integrity.

Source of Funding: State Land Acquisition Fund - \$2,500,000
Heritage Conservation Trust Fund - \$3,500,000
Private Funds - \$500,000

Estimated Cost: \$6,830,000

Estimated Title, Appraisal and Survey Fees: Fair Market Value

Owner(s): The Conservation Fund

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Approval is subject to F & A's review and approval of the \$5.2 million appraisal & property owner accepting the appraised value instead of the negotiated cost. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

Further request: Request approval to acquire 610 +/- additional acres at Savage Gulf at \$1,200 per acres – total cost to State \$6.1 million.

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the transaction. He stated that, in November of 2008, they requested approval to acquire 2590 acres. He said the original budget for the acquisition was \$6.5 million, and the appraisal came in at \$5.45 million. He said the owners of the property wanted to clear \$6.1 million, so they agreed to sell an additional 610 acres at \$1,200 per acre (appraised value). Mr. Bailey said that the total cost for the 3200 acres will be \$6,182,000, which is within the \$6.5 million budget. Comptroller Wilson asked about the role of The Conservation Fund. After discussion, the Subcommittee approved the request to purchase 3,200 acres at \$6.1 million.

DEPARTMENT OF FINANCE & 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, and DEMOLISH OF BUILDING required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Davidson County – 803 Saunders Court, Nashville, TN – Trans. No. 08-12-004 (BW)

Purpose: Acquisition in fee to construct three (3) Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$100,000

Owner(s): Marvin Rediker

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – Lot 3 (4.5 +/- acres) & Lot 4 (4.6 +/- acres) Brunswick Road, Arlington, TN – Trans. No. 08-12-007 (BW)

Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$107,800

Owner(s): Gerald D. Lawson, Jr. & Gerald D. Lawson, Sr.

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – Lot 3A (0.5916 +/- acres) & Lot 3B (3.5830 +/- acres) 11005 Highway 70, Arlington, TN – Trans. No. 08-12-013 (BW)

Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$265,000

Owner(s): Billy & Elizabeth Ledford

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – Lot 12 (2.16 +/- acres) Shelby Meadows Subdivision, Arlington, TN – Trans. No. 08-12-020 (JB)

Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$47,500

Owner(s): Trustmark National Bank

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

- Description: **Shelby County – Lot 13 (2.16 +/- acres) Shelby Meadows Subdivision, Arlington, TN – Trans. No. 08-12-021 (JB)**
- Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes
- Source of Funding: SBC – #346-000-05-2005 / GO Bonds
- Estimated Cost: \$47,500
- Owner(s): Trustmark National Bank
- SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.
- SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – Lot 5 (2.0 +/- acres) Shelby Meadows Subdivision, Arlington, TN – Trans. No. 08-12-022 (JB)**

Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$42,000

Owner(s): Trustmark National Bank

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – Lot 3 (2.0 +/- acres) Shelby Meadows Subdivision, Arlington, TN – Trans. No. 08-12-023 (JB)

Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$42,000

Owner(s): Trustmark National Bank

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

DEPARTMENT OF FINANCE & 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – Lot 17 (2.0 +/- acres) Shelby Meadows Subdivision, Arlington, TN – Trans. No. 08-12-024 (JB)**

Purpose: Acquisition in fee for construction of four bedroom Mental Retardation Group Homes

Source of Funding: SBC – #346-000-05-2005 / GO Bonds

Estimated Cost: \$45,000

Owner(s): Trustmark National Bank

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 01-20-09. Jurgen Bailey presented the next eight transactions and stated that they were related. Secretary Hargett questioned how the State decides when purchasing land in certain subdivisions. Treasurer Lillard asked if the local governments had been notified of these group home acquisitions. Commissioner Steve Norris was recognized. He said that the consent decree regarding Arlington requires that a minimum of twelve homes be built within a 4-mile radius. He said that they work with a local real estate agent who identifies sites to look at and added that the City of Arlington and County are familiar with what they are doing. Commissioner Norris stated that these are nice structures, built to blend into a setting, and they are making every effort to integrate these homes. Secretary Hargett stated that he didn't want to have an entire subdivision made up of group homes. Commissioner Norris responded that he didn't think they had any other lots in that particular subdivision. He said they will build additional homes outside the radius in order to facilitate the closing of Arlington, and that the City of Arlington is aware of this. Treasurer Lillard questioned the use of two lots comprising of two acres and was told that the lots will hold two homes of 4,000 square feet each, plus parking for staff. While acknowledging that staff has been sensitive to the issue, both the Treasurer and Secretary of State expressed their concern over the impact of these homes on the community. After further discussion, Subcommittee approved the eight transactions as presented.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on December 22, 2008.

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There being no further business, the meeting adjourned at 11:09 a.m.

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 – 704 Robb Avenue, Clarksville, TN – Trans. No. 08-12-009 (AM)

Purpose: Acquisition in fee for future campus expansion and in the APSU Master Plan.

Source of Funding: Campus Plant Funds

Estimated Cost: \$9,000

Owner(s): Maurice Morgan

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 01-20-09. 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, and DEMOLISH THE HOUSE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Knox County – 0.057+/- acres – 3429 Knott Avenue, Knoxville, TN - Trans. No. 08-12-011 (AM)

Purpose: Acquisition in fee to acquire property for future student parking. This site will benefit the Pellissippi State Tech. Community College.

Source of Funding: Campus Plant Funds

Estimated Cost: \$62,000 (per appraisal)

Owner(s): Charles S. & Deborah G. Levan

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 01-20-09. Subcommittee approved the request as presented.

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.

Description: **Davidson County – Nashville State Community College, 120 White Bridge Rd., Nashville, TN – Trans. No. 08-12-025 (BW)**

Purpose: Disposal by easement to provide a permanent easement for communication lines.

Estimated Sale Price: Gift

Grantee: A T & T

SSC Report: 01-12-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 01-20-09. Subcommittee approved the request as presented.

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: **Carter County – 386 Highway 91, Elizabethton, TN – Trans. No. 09-01-900**

Purpose: To provide classrooms, offices and research center and work rooms.

Term: January 1, 2009 thru December 31, 2013 (5 yrs.)

Proposed Amount: 12,396 Square Feet
Annual Contract Rent: \$100,656.00 @\$ 8.12/sf
Est. Annual Utility Cost: \$ 17,354.40 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 13,635.60 @\$ 1.10/sf
Total Annual Effective Cost: \$131,646.00 @\$10.62/sf

Current Amount: 12,396 Square Feet
Annual Contract Rent: \$100,656.00 @\$ 8.12/sf
Est. Annual Utility Cost: \$ 17,354.40 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 13,635.60 @\$ 1.10/sf
Total Annual Effective Cost: \$131,646.00 @\$ 10.62/sf

Type: New Lease

Purchase Option: No

Lessor: Carter County Tomorrow

Comment: The proposed lease provides a 90-day State cancellation clause

SSC Report: 01-12-09. Bob King presented the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 01-20-09. Subcommittee approved the request as presented.

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: Madison County – 3008 Greystone, Jackson, TN – Trans. No. 08-01-903 (AL)

Purpose: To provide office space for county operation

Term: July 1, 2009 thru June 30, 2014 (5 yrs)

Proposed Amount: 3,851 Square Feet

| | | |
|------------------------------|--------------------|-------------------|
| Annual Contract Rent: | \$60,400.00 | \$15.69/sf |
| Est. Annual Utility Cost: | \$ 5,391.40 | \$ 1.40/sf |
| Est. Annual Janitorial Cost: | <u>\$ 4,236.10</u> | <u>\$ 1.10/sf</u> |
| Total Annual Effective Cost: | \$70,027.50 | \$18.19/sf |

Current Amount: State space own by Safety (warehouse for seized vehicles)

Type: New Lease – 2nd advertised / negotiated – 1st advertisement received only one (1) proposal / 2nd advertisement received three (3) proposals from two (2) proposers. Negotiated price with the lowest proposal from the 2nd advertisement.

FRF Rate: \$18.00

Purchase Option: No

Lessor: Wolfe Development, LLC

Comment: Proposed lease provides the following: Lessor shall provide office space of 3,851 rsf and shall include all build outs at no additional cost to the State and proposed lease has 90 day cancellation except for cause and/or lacking of funding.

SSC Report: 01-12-09. Bob King presented the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 01-20-09. Subcommittee approved the request as presented.

Approved by:

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

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