

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JULY 24, 2006

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Mark Wood, Secretary of State's Office
Jerry Preston, Tennessee Board of Regents
Pat Haas, Bond Finance
Dennis Raffield, THEC
Mike Baumstark, Department of Environment and Conservation
Reggie Reeves, Department of Environment and Conservation
George Brummett, Department of Finance and Administration
Annette Crutchfield, Legislative Budget
Alvin Payne, University of Tennessee
Mike Morrow, Department of Finance and Administration
Diane Uhler, Tennessee Board of Regents
Deborah Boshears-Davis, Department of Education
Ralph Barnett, Department of Education
Patricia Chatman, THDA
Lynn Miller, THDA
Terry Bonham, Department of Environment and Conservation

Bonnie Gamble, Department of Environment and Conservation
Steve Norris, Mental Retardation Services
Robbi Stivers, University of Tennessee
Mary Margaret Collier, Comptroller's Office
Brooks Garland, TWRA
Gordon Martin, TWRA
Bob Bumbalough, Department of Safety
Bob King, Department of Finance and Administration
Karen Hale, Comptroller's Office
Mike Williams, Department of Transportation
Dennis Cook, Department of Transportation

Commissioner Goetz called the meeting to order at 10:38 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

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

Location: Knox County – 2563 Martin Luther King Jr. Ave, Knoxville, TN – Trans. No. 06-04-911 (JS)

Purpose: To provide office space for colleges of Business, Nursing, Law & Architecture

Term: January 1, 2007 thru December 31, 2016 (10 yrs)

Proposed Amount: 4,000 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$48,600.00 @\$12.15/sf
Total Annual Effective Cost: \$48,600.00 @\$12.15/sf

Current Amount: None

Type: New Lease – Advertisement – Received two proposals from one proposer.

FRF Rate: \$14.00 per square foot

Purchase Option: No – multi tenant

Lessor: Pacesetters, Inc.

Comment: The proposed lease provides (1) Lessor will construct a new built-to-suit facility including tenant improvements at no additional cost to the State, (2) Lessor to provide utilities & janitorial services at no additional cost to the State, and (3) proposed lease has no cancellation for the first five (5) years, except for cause or lack of funding, and 180-day thereafter.

SSC Report: 07-17-06. Bob King summarized the transaction. Robbi Stivers presented the importance of this lease. Space may be 3,600 sf @ \$13.50 /sf. Staff referred to Subcommittee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

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, required interest in the following real property, WAIVER of ADVERTISEMENT and APPRAISALS not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 50 +/- acre site with one mile oval auto test tract & 9,293 square feet vehicle test building - located near the Chickamauga Dam, Chattanooga, TN - Trans. No. 06-06-009 (GM)

Purpose: Acquisition by Easement for hydrogen based energy research program.

Source of Funding: Federal Transit Agency (FTA)
Congestion Mitigation for Air Quality (CMAQ)
US Department of Energy (DOE)
University of Tennessee

Estimated Cost: Easement: \$139,000.00 initial non-recurring fee
Future Improvements: \$330,000.00

Owner(s): Tennessee Valley Authority (TVA)

Comment: Four 10-year renewal options (total of 50 years)

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. Commissioner Goetz asked what funds would be used when improvements are made. Alvin Payne responded that either grant or gift funds would be used, and no State funds. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Tennessee

- 1) Approved a request for a reallocation of funding and a change in source of funding for the **Student Health, Wellness, and Recreation Facility** for Middle Tennessee State University in Murfreesboro, Tennessee.

Estimated Project Cost: \$21,500,000.00
SBC Project No. 166/009-02-2003

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: Shelby County – Directors Plaza 1, Bldg. 6, 3035 Directors Row, Memphis, TN – Trans. No. 06-07-914

Purpose: To provide office, classrooms, computer labs, and a library for the Whitehaven Center of Southwest Tennessee Community College.

Term: August 1, 2006 thru July 31, 2011 (5 yrs)

Proposed Amount: 29,812 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$317,040.00 @\$10.63/sf
Total Annual Effective Cost: \$317,040.00 @\$10.63/sf

Current Amount: 29,812 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$296,629.40 @\$9.95/sf
Total Annual Effective Cost: \$296,629.40 @\$9.95/sf

Type: New Lease – Renewal

FRF Rate: \$17.00 per square foot

Purchase Option: No

Lessor: Directors Commons, LLC, current lessor

Comment: The proposed lease provides (1) Lessor to be responsible for utilities & janitorial services at no additional cost to the State, and (2) proposed lease has no cancellation except for cause and/or lack of funding.

SSC Report: 07-17-06. Bob King summarized the transaction. Jerry Preston presented the transaction and stated that this space falls under the unique space criteria. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF EDUCATION

LAND ITEM

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

Description: **White County – White County Vocational Center, Sparta, TN - Trans. No. 06-06-016 (FB)**

Purpose: Disposal in Fee to transfer property to White County

Date of Original Conveyance: December 1973

Grantor Unto State: White County

Grantee: White County School System

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Ralph Barnett, Assistant Commissioner, stated that along with the building and inventory, the Department of Education will grant White County \$100,000.00 per the Education Appropriations Act of 1984. An additional \$400,000.00 grant will be given to the County from Education's operating funds to upgrade ADA & Fire Codes at the facility over the next two years. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. Commissioner Goetz asked why the Department was granting money beyond \$100,000. Ralph Barnett responded that this commitment was needed in order for the school system to accept the building and bring it up to code. Secretary Darnell asked how many had been built, and was told approximately 125. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: **Obion County – 119 +/- acres – Samburg, TN – Trans. No. 05-09-013 (RJ)**

Purpose: Acquisition in Fee to protect the shoreline of Reelfoot Lake and to improve access for recreation.

Source of Funding: TWRA – Capital Project Appropriations

Estimated Cost: Fair Market Value

Owner(s): The Conservation Fund/Rex Boner

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. This acquisition will also settle an ongoing lawsuit. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction and stated that this settles all outstanding lawsuits. Comptroller Morgan asked if they were going to pay them more than they have in it. He said if the appraisal was to come back higher, then he would like it to come back to them. Secretary Darnell commented that the transaction was entered into with the understanding that they would be reimbursed for acting on the State's behalf, and if they paid more than fair market value for the property, the State should pay them on that basis. Subcommittee approved the request as presented and discussed.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL to WETLAND MITIGATION CREDITS, required interest in the following WETLANDS, and WAIVER OF ADVERTISEMENT & APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Johnson County – 18+/- Credits - Shady Valley, TN – Trans. No. 06-06-017 (BW)**

Purpose: Acquisition of Mitigation Credits to offset unavoidable wetland impacts due to highway construction within the Upper Tennessee River watershed, including all or part of the East TN Counties: Anderson, Blount, Campbell, Grainger, Greene, Hamblen, Hancock, Jefferson, Johnson, Knox McMinn, Monroe, Polk, Roane, Sevier, Sullivan, Unicoi, Union & Washington.

Source of Funding: Federal Highway Funds

Estimated Cost: \$15,814.00 per credit (Total cost \$284,652.00)

Owner(s): The Nature Conservancy

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction and the following two items as one request. Secretary Darnell stated that he recalled discussing owning their own wetland bank. Dennis Cook was recognized from the Department. He said, even though they own one bank in Madison County, they have found it cheaper and with less manpower to buy credits from private banks, rather than owning their own. Secretary Darnell asked if the bank has to be in the same area where the project is, and was told it needed to be in the same watershed. After discussion, Subcommittee approved the three transactions as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL to WETLAND MITIGATION CREDITS, required interest in the following WETLANDS, and WAIVER OF ADVERTISEMENT & APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Warren County – 22.28 +/- Credits - McMinnville, TN – Trans. No. 06-06-018 (BW)**

Purpose: Acquisition of Mitigation Credits to offset unavoidable wetland impacts due to construction of Warren County, State Route 1 (US-70) from Centertown to Spring Valley Road.

Source of Funding: Federal Highway Funds

Estimated Cost: \$13,464.00 per credit (Total cost \$300,000.00)

Owner(s): MRW Properties, LLC

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 07-24-06. Subcommittee approved the transaction as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL to WETLAND MITIGATION CREDITS, required interest in the following WETLANDS, and WAIVER OF ADVERTISEMENT & APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Rutherford County – 25 +/- Credits - Eagleville, TN – Trans. No. 06-06-019 (BW)**

Purpose: Acquisition of Mitigation Credits to offset unavoidable wetland impacts due to highway construction within the Lower Cumberland River watershed, including all or part of the Middle TN Counties: Bedford, Cheatham, Davidson, Dickson, Marshall, Robertson, Rutherford, Sumner, Williamson, and Wilson.

Source of Funding: Federal Highway Funds

Estimated Cost: \$17,000.00 per credit (Total cost \$425,000.00)

Owner(s): Harpeth Wetland Bank, LLC

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 07-24-06. Subcommittee approved the transaction 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: Dickson County – 250 +/- acres – Montgomery Bell State Park, Burns, TN – Trans. No. 06-06-010 (FB)

Purpose: Acquisition by Easement to prevent development and preserve integrity of the park.

Source of Funding: State Land Acquisition Fund - \$250,000.00
US Dept. of Agriculture - \$500,000.00
Landowner - \$250,000.00

Estimated Cost: \$1,000,000.00

Estimated Title, Appraisal and Survey Fees: Pending Appraisals

Owner(s): Clarence Duke & John W. Duke, Trustee

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction presented by Terry Bonham of TDEC. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Subcommittee approved the transaction 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: Morgan County – 123 +/- acres – Rugby State Natural Park, Rugby, TN – Trans. No. 06-06-012 (FB)

Purpose: Acquisition in Fee to protect buffer for Historic Rugby and a connected, integrated trail system to the Rugby Natural Area.

Source of Funding: Department of Transportation

Estimated Cost: \$250,000.00

Owner(s): Barbara Staggs – Historic Rugby, Inc.

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Reggie Reeves presented the importance of this transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. 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: White County – 200 +/- acres – Lost Creek State Natural Area, Sparta, TN – Trans. No. 06-06-013 (FB)

Purpose: Acquisition in Fee to preserve land in and adjacent to Scott's Gulf on the Cumberland Plateau and to preserve greenway access from the Bridgestone/Firestone Centennial Wilderness to Fall Creek Falls.

Source of Funding: State Land Acquisition Fund

Estimated Cost: \$500,000.00

Owner(s): James & Lillian C. Rylander

Comment: The property includes a waterfall and three caves.

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Terry Bonham & Stuart Carroll, Park Ranger presented the purpose of the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF MENTAL HEALTH

LAND ITEM

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

Description: **Davidson County – 6.238 +/- acres – Donelson Pike, Nashville, TN – Trans. No. 06-06-004 (FB)**

Purpose: Disposal by Lease Amendment to extend the lease term for an additional 30 years.

Term: November 1, 2026 thru October 31, 2056

Consideration: For services rendered to the State of Tennessee

Lessee: Progress, Inc.

SSC Report: 07-17-06. Charles Garrett summarized the transaction. Pat Wallace & Donna Goodaker from Progress, Inc. were present to answer any questions. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM

Acquisition in Fee of approximately 5.51 +/- acres located along Jefferson Street, adjacent to Bicentennial Mall in Nashville, Tennessee.

Purpose: Protect Integrity of Bicentennial Mall.

Owners: Various

Funding: Chapter 338 Public Acts 2003 as Amended in 2006

Services Required: Appraisal, Title, Survey, Relocation Consultant and potential condemnation services from AG's office.

SSC Report: 07-17-06. Charles Garrett summarized the proposed acquisition and stated that he will be reporting on the progress of the transaction. Project cost approximately \$ 8-10 million. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett summarized the proposed acquisition on Jefferson Street. He stated that the acquisitions are bounded on the north by Jefferson Street, on the east by Fourth Avenue North, on the south by Jackson Street, and on the west by the Bicentennial Mall property. He also stated that each transaction will be brought back to the Subcommittee for final acquisition approval. After general discussion, the Subcommittee approved the appraisal, title, relocation and potential condemnation services required for these transactions as requested.

DEPARTMENT OF FINANCE & ADMINISTRATION
FOR MENTAL RETARDATION SERVICES

DISCUSSION ITEM

THDA is providing the Department of Mental Retardation Services (DMRS) with funds for the development of 4-person homes in the Memphis area for mentally retarded and handicapped individuals. DMRS released an RFP to identify non-profit entities that are qualified to provide care services for Tennesseans in this special population. Two qualified proposers were identified.

The proposed homes will be located in established neighborhoods. Proposers submitted both architectural plans and candidate residential lots for review and approval by DMRS and Real Property Administration. The homes will be constructed by local contractors and inspected by RPA personnel throughout construction. Houses will be designed in compliance with State and local codes, and specific DMRS requirements.

The floor plans vary in order to accommodate available subdivision lots, and range between 2,300 and 2,600 square feet. Depending on the land and construction costs for each house, DMRS hopes to have 9 or 10 houses built during this phase. The budget from funds provided by THDA is currently \$3 million. The State will purchase completed homes, which will be operated by the qualified non-profit entities under contract to the State.

SSC Report: 07-17-06. Charles Garrett summarized the transaction. Mr. Garrett introduced Pat Chatman and Lynn Miller from THDA, who provided an update on the project. Riverview – Kansas and HELPING CDC were the successful non-profit proposers. THDA and DMRS are working with these two companies on the building layout. Staff referred to Sub-Committee with recommendation.

SC Action: 07-24-06. Charles Garrett gave the Subcommittee an update regarding the development of four-person homes in the Memphis area for mentally retarded and handicapped individuals. He asked if they would like each house to be brought back for their approval. He proposed a fiscal report be made to the Subcommittee to let them know how they were doing. Secretary Darnell stated that he didn't see any reason to bring back individual products; approval of the prototype was enough. However, he said, if there was something unusual, they could approve that on an individual basis. Secretary Darnell then commended staff for their hard work and for overcoming a lot of hurdles to get where they were. Commissioner Goetz asked at what point does the \$3 million get tapped out, and Mary Margaret Collier responded that they can build 8 to 9 houses within that amount. Steve Norris commented that these houses will also be sprinklered and have special lighting. Commissioner Goetz stated that this concept saves operational funds and is an important part for what needs to be done. Secretary Darnell responded that it makes economic sense, and he moved approval of the process as discussed, subject to the notification of Commissioner Goetz's approval. The motion was seconded and passed without objection.

DEPARTMENT OF SAFETY

DISCUSSION ITEM

The Department of Safety urgently needs to expand Driver License Services, in response to both public criticism of current services and to meet anticipated changes in Driver License Issuance requirements. The needed state-wide expansion includes increases in the number of Driver License Issuance (DLI) stations, as well as increase in staffing levels at current facilities.

Phase One includes emergency leased space for seven DLI stations that are required immediately in the following locations: Shelby Co. (Mid-town Memphis), Fayette Co. (Oakland), Rutherford Co. (Laverne), Hamilton Co. (Red Bank), Obion Co. (Union City), Fentress Co. (Jamestown) and Robertson Co. (Springfield).

Phase Two, advertising for permanent facilities in the above counties, is in progress.

SSC Report: 07-17-06. Charles Garrett summarized the transaction. Staff referred to Subcommittee for recommendation.

SC Action: 07-24-06. Charles Garrett gave the Subcommittee a report on the urgent need to expand Driver License Services. The Subcommittee authorized establishing seven (7) new Drivers License Issuance Stations by setting up one-year emergency leases and then advertising for permanent facilities at the same seven locations. Individual transactions will be brought back to the State Building Commission, if required by statute. Treasurer Sims commented that they were pursuing a lease option with a purchase option. He said his perception is, over time, it doesn't make sense to own these facilities due to demographics. He said this is almost a continual cycle, and the State will not be married to a site. Subcommittee thanked Mr. Garrett for the report.

DEPARTMENT OF FINANCE & ADMINISTRATION

DISCUSSION ITEM

Parkway Towers currently houses eight State agencies under a lease agreement that expires in January 2007. The following agencies are located in the building: THDA, Probation & Parole, THEC, TSAC, Labor & Workforce Development, Foreign Language Institute, F&A/OIR, and Registry of Election Finance.

Approval for Waiver of Advertisement and for an 18-Month Extension for Probation & Parole, THEC, TSAC, F & A OIR, Reg. Election Finance. These agencies will be moving into State space when available. Approval for a 9-Month Extension for Labor & Workforce until moving to a new administrative facility in Metro Center currently under construction.

Approval to advertise for THDA for a five year lease with 90-day cancellation. THDA will be moving to the Davy Crockett Tower following completion of extensive renovations.

SSC Report: 07-17-06. Charles Garrett summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 07-24-06. Charles Garrett presented the above transaction for discussion. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

DISCUSSION ITEM

The Enterprise Resource Planning Solution Group (ERP), now commonly known as Team Edison, is charged with the mission of incorporating best business practices and best software programs to improve the way all of State government does business. The ERP changes will involve the basic operating structure of State government, and will affect virtually every State employee. The lease between the State and 162 3rd Avenue Associates commenced July 1, 2005 and expires December 31, 2007.

SSC Report: 07-17-06. Charles Garrett summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 07-24-06. Charles Garrett presented the transaction and requested approval of a lease extension for three years based upon the same terms. Subcommittee approved the request as presented.

STATE BUILDING COMMISSION

MINUTES OF MEETING

- 1) Approved the Minutes, as amended, of the Executive Subcommittee meeting held on June 19, 2006.

Following approval of the Consent Agenda, the meeting adjourned at 11:25 a.m.

CONSENT AGENDA

Approved Items A-E, which had been reviewed and recommended for approval by Sub-Committee staff, and based upon Mr. Fitts' recommendation, also approved Item F below:

- A. Agency: University of Tennessee– Hamilton County
Transaction: Disposal by Easement
Provision: Waiver of Advertisement and One (1) Appraisal & Approval

- B. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Disposal by Easement
Provision: Waiver of Advertisement and One (1) Appraisal & Approval

- C. Agency: Finance & Administration for Human & Children' Services – Unicoi County
Transaction: Lease Agreement

- D. Agency: Tennessee Wildlife Resources Agency – Anderson County
Transaction: Disposal by Easement

- E. Agency: Environment & Conservation – Grundy County
Transaction: Acquisition by Easement

- F. Agency: University of Tennessee at Chattanooga
Transaction: Demolition of Siskin Memorial Building (part of Athletic Training Facility project)
SBC Project No. 540/005-06-2004

UNIVERSITY OF TENNESSEE

LAND 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: Hamilton County – Barr Building – 739 McCallie Avenue, Chattanooga, TN – Trans. No. 06-06-014 (GM)

Purpose: Disposal by Lease to provide 2,900 rentable sq. ft. on the second floor

Term: Five (5) years with renewal option of seven additional one-year periods.

Consideration: Community Research Council (CRC) will compensate UTC annually in the amount of \$1,943.00 or \$0.67 per sq. ft. for janitorial expenses (if provide by UTC) and pay \$50,000.00 capital improvement costs.

Lessee: Community Research Council

Comment: Provides public policy research and analysis

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-24-06. Subcommittee approved the transaction 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 APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description: **Rutherford County – 1303 Old Fort Parkway, Murfreesboro, TN – Trans. No. 06-06-006 (BW)**

Purpose: Disposal by Easement for the installation of a water line and meter for Rutherford County Center, currently under construction on the property. The easement is approximately 30 ft wide and covers approximately 0.75 acres.

Grantee: City of Murfreesboro Water & Sewer

Comment: SBC Project No. 300/000-010-04
GHP no. 04101.00

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-24-06. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
FOR HUMAN & 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: Unicoi County – 724 Ohio Avenue, Erwin, TN – Trans. No. 06-01-911 (JS)

Purpose: To provide office space for county operations

Term: July 1, 2007 thru June 30, 2017 (10 yrs)

Proposed Amount:	<u>4,628 Square Feet</u>		
	Annual Contract Rent:	\$47,090.00	@\$10.18/sf
	Est. Annual Utility Cost:	\$ 6,479.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,090.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$58,659.00	@\$12.68/sf

Current Amount:	<u>3,428 Square Feet</u>		
	Annual Contract Rent:	\$29,400.00	@\$ 8.58/sf
	Est. Annual Utility Cost:	\$ 4,799.20	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 3,770.80</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$37,970.00	@\$11.08/sf

Type: New Lease – Advertisement – Received only one proposal from the current lessor

FRF Rate: \$12.50 per square foot

Purchase Option: No – Investment Property

Lessor: Jan Hendren Parsley, current lessor

Comment: The proposed lease provides (1) Lessor shall construct an additional 1,200 square feet including tenant improvements at no additional cost to the State, (2) proposed lease has no cancellation for the first five (5) years except for cause or lack of funding, and with 180 days written notice thereafter.

SSC Report: 07-17-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-24-06. Subcommittee approved the transaction as presented.

D.

TENNESSEE WILDLIFE RESOURCES AGENCY

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT and APPROVAL of RIGHT TO ENTRY 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 for each site– Sundquist WMA, New River City, TN – Trans. No. 06-06-007 (RJ)

Purpose: Disposal by Easement for gas wells, pipelines and road access. Well numbers are AD 1025 and AD 1027.

Estimated Sale Price: License Funds

Grantee: Knox Energy Company, Joe Congelton

SSC Report: 07-17-06. Jurgan Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 07-24-06. Subcommittee approved the transaction 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 – 18.18 +/- acres – Tracy City, TN – Trans. No. 06-06-011 (FB)**

Purpose: Acquisition by Easement to minimize negative affects from the residential development and preserve the view shed looking into the park.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Gift

Owner(s): Monette Anthony Development, Inc.

SSC Report: 07-17-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 07-24-06. Subcommittee approved the transaction as presented.

UNIVERSITY OF TENNESSEE

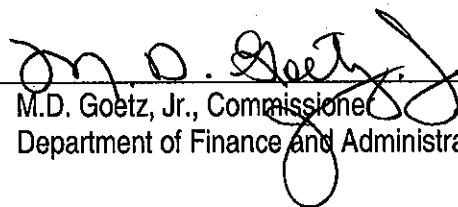
UNIVERSITY OF TENNESSEE AT CHATTANOOGA, TENNESSEE

- 1) Approved a request to demolish the **Siskin Memorial Building** at the University of Tennessee Chattanooga, with demolition costs to be covered under the new Athletic Training Facility project.

SBC Project No.

540/005-06-2004

Approved by: _____


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