

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JUNE 20, 2005

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dale Sims, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Charles Garrett, Department of Finance and Administration
Georgia Martin, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Loretta Baltz, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Jerry Preston, Tennessee Board of Regents
Mark Wood, Secretary of State's Office
Nancy Blevins, Department of Finance and Administration
Annette Crutchfield, Legislative Budget Analysis
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
George Brummett, Department of Finance and Administration
Dennis Raffield, THEC
Alvin Payne, University of Tennessee
David Gregory, Tennessee Board of Regents
Mike Morrow, Department of Finance and Administration
Mike Baumstark, Department of Environment and Conservation
Ralph Mickle, Department of Mental Health & Developmental Disabilities

Cindy Tyler, Department of Mental Health & Developmental Disabilities
Tom Giese, Department of Correction
Pat Haas, Bond Finance
Mary Margaret Collier, Bond Finance
Charles Peccolo, University of Tennessee
Quenton White, Department of Correction
Jim Milborn, GRW Engineers
Carolyn Slaughter, Department of Correction
Martha Staley, Department of Finance and Administration
Greg Steck, Department of Finance and Administration
Ruse Tucker, Department of Environment and Conservation
Don Nicholson, Department of Safety
Bob King, Department of Finance and Administration
Chris Gingles, Department of Mental Health & Developmental Disabilities

Commissioner Goetz called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

TENNESSEE BOARD OF REGENTS

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: Washington County – 30 +/- acres with improvements – Innovation Park at ETSU, Johnson City, TN – Trans. No.05-05-013 (LW)

Purpose: Disposal in Fee for execution of Master Plan Agreement to develop Med Tech corridor with a focus on University related medical uses.

Original Cost to State: Gift

Date of Original Conveyance: July 1953

Grantor Unto State: United States Veterans Administration

Estimated Sale Price: Gift

Grantee: City of Johnson City

Comment: Reversionary interest was released by Grantor on April 19, 2001.

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Jerry Preston from TBR summarizes the history of the University Innovation Park and that this transaction is the Middle Anchor Master Plan. Staff referred to Sub-committee with recommendation.

SC Action: 06-20-05. Charles Garrett summarized the transaction. Jerry Preston presented the history of the transaction. Mr. Preston stated that the University would be in partnership with the City and the deed restrictions would be the same as in the Master Plan. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Ford Street Buildings Demolition** at Austin Peay State University in Clarksville, with design services to be provided by regional consultants.

Estimated Project Cost: \$70,000.00
SBC Project No. 166/003-05-2005

Discussion of Bids

- 1) Jackson State Community College, Jackson
(Campus Quadrangle Pavilion)
SBC Project No. 166/019-03-2004
Bid date: 8-Jun-05
SBC Action: Referred to Subcommittee with authority to act
SC Action: No action required

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, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 0.87 +/- acres with improvements – 36 Morningside Place, Memphis, TN – Trans. No. 05-06-002 (GM)

Purpose: Acquisition in Fee of new Chancellor's residence, University of Tennessee Health Science Center.

Source of Funding: Proceeds from sale of current Chancellor's residence and gift funds necessary to make up any different.

Estimated Cost: Fair Market Value

Owner(s): Charles H. & Rachel W. Gray

Comment: University also requests authorization to execute a lease or lease/purchase agreement, in the interim pending final closing on the property.

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 06-20-05. Charles Garrett summarized the transaction. Alvin Payne was recognized and gave the Sub-Committee a report concerning the previously approved disposal of the current Chancellor's residence at 549 South Goodwyn Street. He said that the residence has been appraised for \$1,000,000 and Finance and Administration is in the process of disposing of the property. Mr. Payne indicated that the University had identified a new suitable residence for the UTHSC Chancellor located at 36 Morningside Place, which had appraised at \$1,325,000. He added that, while a termite inspection did not indicate any problems, the seller would be required to address the homeowner inspection issues.

Mr. Payne requested that, in the event the University was unsuccessful in purchasing 36 Morningside Place, they be authorized to acquire another property, up to \$1,400,000. He added that the purchase price would be based on an appraisal and the transaction would be subject to the review of the appropriate Sub-Committee staff. Mr. Payne indicated that the University would utilize the proceeds from the sale of the current house and gift funds to acquire the new residence. Comptroller Morgan asked about the lease/lease purchase agreement. Mr. Payne indicated that the lease/lease purchase agreement is an effort to facilitate relocating the new Chancellor as soon as possible, and not a finance mechanism. The Sub-Committee approved the transaction as presented. Final action.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Approved a request for a revision in scope and funding from \$12,705,000.00 to \$13,727,000.00 (\$1,022,000.00 increase) for **Fraternity Houses Renovations & Additions** at the University of Tennessee Knoxville to include renovation of the Lambda Chi Alpha fraternity house, with the selection of a designer referred to the Subcommittee, with authority to act.

Revised Estimated Project Cost: \$13,727,000.00
SBC Project No. 540/009-37-2004

DEPARTMENT OF ENVIRONMENT & CONSERVATION

SPECIAL ITEM:

SSC Report:

6-13-05. Mike Baumstark presented this transaction the American Timberland Purchasing Option, Fiery Gizzard Trail in Grundy County. The Conservation Fund has the resources and experience to move quickly and working with land owners to secure the property. Congress has made a special appropriation of \$ 2 million for this acquisition of the Fiery Grizzard Trail. State will match with \$1 million from the State Land Acquisition Fund. The agency requested that the State Building Commission permit us to use The Conservation Fund to secure the Fiery Grizzard complex with the understanding that the project would have to be brought back before the Executive Sub-committee for approval when the project boundaries are defined. Staff referred Sub-committee with recommendation.

SC Action:

06-20-05. Charles Garrett introduced Mike Baumstark to summarize the transaction. Mr. Baumstark stated that all the funds are in place and stated an easement will be needed on the trail. Sub-committee approved The Conservation Funds in expediting negotiations as requested. Final action.

DEPARTMENT OF CORRECTION

SOUTHEAST TENNESSEE STATE REGIONAL CORRECTION FACILITY, BLEDSOE COUNTY, TN

- 1) Tom Giese was recognized who reminded the Subcommittee that, on June 9, 2005, the Commission had referred to them, with authority to act, a request for approval of a revision in scope and utility development cost from \$15,000,000.00 to \$20,000,000.00 (\$5,000,000.00 increase) to include authorization of grants for utility construction to Sequatchie Valley Electric Cooperative and the City of Dayton, on a project for **Southeast Tennessee State Regional Correctional Complex** at Bledsoe County, Tennessee.

Mr. Giese commented that, according to the engineers on the project, wells of that capacity are not developable in that area. Charles Garrett added that Pikeville is currently on a well system, and they frequently go down low and the water quality is not good. Commissioner Goetz asked if Pikeville would be contributing to the cost of running the waterline and was told, not initially, but they would later incur tap fees. Commissioner White stated that the Department was trying to secure federal dollars to assist them in this effort and that they had made some contact with Congressman Davis who is interested. He said he was also waiting to hear back from the Department of Economic and Community Development and explore with Rural Development to determine if there are any dollars available.

Secretary of State Darnell asked if this included sewer, and was told "no, just water". He said that it sounds like, whether they paid or not, the Department still needs to run the water line, and that he didn't know how to get around this issue, because they have to have water. He then made a motion to approve the request; Comptroller Morgan seconded, and the motion was approved without objection.

Estimated Project Cost:	\$144,000,000.00
Revised Utility Development Cost:	\$ 20,000,000.00
<i>SBC Project No. 142/013-02-2004</i>	

BRUSHY MOUNTAIN CORRECTION COMPLEX, MORGAN COUNTY, TENNESSEE

- 1) The Subcommittee approved a request for a revision in the source of funding and acknowledgment of the source of funding on a project for **Facility Expansion** at Brushy Mountain Correction Complex, Morgan County, and approval of an agreement between the University of Tennessee and Department of Finance and Administration for the provision of archaeological services.

Estimated Project Cost:	\$131,400,000.00
<i>SBC Project No. 142/028-01-2003</i>	

DEPARTMENT OF FINANCE & ADMINISTRATION

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: Davidson County – 162 – 3rd Avenue, Nashville TN – Trans. No. 05-06-900

Purpose: To provide office and related space for the newly created Division of Enterprises Resource Planning in the Department of Finance and Administration.

Term: July 1, 2005 thru December 31, 2007 (2 yrs. 6 months)

Proposed Amount: 40,000 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$584,301.60 @\$14.61/sf
Total Annual Effective Cost: \$584,301.60 @\$14.61/sf

Current Amount: None

Type: New Lease – Negotiated

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None

Lessor: 162 – 3rd Avenue Associates, LLC.

Comment: The proposed lease provides (1) lessor will make interior improvements at no additional cost to the State, (2) lessor will provide 47 parking spaces with the option for 8 additional parking spaces at \$125.00 each per month, (3) interior partitions and improvements provided at direct cost and (4) no cancellation during the entire lease term except for cause and/or lack of funding.

SSC Report: 06-13-05. Charles Garrett summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 06-20-05. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

BUREAU OF TENNCARE

LEASE AGREEMENT

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

Location: Davidson County – 310 Great Circle Road, Nashville, TN – Trans. No. 03-02-917 (EN)

Purpose: Lease Amendment No. 3 to delete the Termination for Convenience, Paragraph 5, in its entirety and a reduction in the Annual Rent.

Term: July 1, 2005 thru March 15, 2020 (14 yrs., 9 months)

Proposed Amount:	<u>211,280 Square Feet</u>		
	Annual Contract Rent:	\$2,178,900.00	@\$10.31/sf
	Est. Annual Utility Cost:	\$ 295,792.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 232,408.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$2,707,100.00	@\$12.81/sf
Current Amount:	<u>211,280 Square Feet</u>		
	Annual Contract Rent:	\$2,222,400.00	@\$10.52/sf
	Est. Annual Utility Cost:	\$ 295,792.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 232,408.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$2,750,600.00	@\$13.02/sf

Type: Amendment No. 3 - Negotiated

FRF Rate: \$18.00 per square foot

Purchase Option: Yes – Years 1 thru 15

Lessor: Hearthwood Properties #4, LLC

Comment: The proposed amendment provides (1) a rent reduction, and (2) no cancellation during the lease term except for cause and/or lack of funding.

SSC Report: 06-13-05. Charles Garrett summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 06-20-05. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF MENTAL HEALTH & DEVELOPMENTAL DISABILITIES

MEMPHIS MENTAL HEALTH INSTITUTE, MEMPHIS, TENNESSEE

- 1) Mr. Fitts distributed a letter from Commissioner Betts regarding the selection of designers for the new replacement facility for the Memphis Mental Health Institute. Commissioner Goetz asked if the recommended designers had done work with the State before and if they have a good track record, and was told "yes" to both questions. Comptroller Morgan made a motion to approve the selection of the joint venture of TRO/The Ritchie Organization and Allen & Hoshall, Inc.

Charles Garrett noted that it was their plan to be back to the Executive Subcommittee on July 25 with a staff recommended development agreement. Secretary of State Darnell said that this was the first experience that they have had where the architect/engineer has not worked directly for the State. He said they need to have some presence for protection before payments are made. He added that they need to be assured that they are getting the construction according to plans and specifications.

After further discussion, Comptroller Morgan's motion was approved without objection.

SBC Project No. 344/013-01-2005

STATE BUILDING COMMISSION

EXECUTIVE SUBCOMMITTEE MEETING MINUTES

- 1) Approved the Minutes of the Executive Subcommittee meeting held on May 27, 2005.

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Following approval of the Consent Agenda, the meeting adjourned at 11:10 a.m.

CONSENT AGENDA

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

- A. Agency: University of Tennessee at Martin - Weakley County
Transaction: Acquisition in Fee
- B. Agency: Department of Transportation - Pickett County
Transaction: Disposal by Lease
Provision: Waiver of Advertisement
- C. Agency: Tennessee Wildlife Resources Agency - Cocke County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal
- D. Agency: Tennessee Wildlife Resources Agency - Jackson County
Transaction: Acquisition in Fee
- E. Agency: Tennessee Wildlife Resources Agency - Knox County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal
- F. Agency: Environment & Conservation - Campbell County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal
- G. Agency: Department of Finance & Administration - Davidson County
Transaction: Disposal by Lease
Provision: Waiver of Advertisement & Appraisals
- H. Agency: Department of Children's Services - Davidson County
Transaction: Lease Agreement
- I. Agency: Department of Children's Services - Bradley County
Transaction: Lease Agreement
- J. Agency: Department of Safety - Gibson County
Transaction: Lease Agreement
- K. Agency: Department of Tennessee Housing Development Agency - Davidson
Transaction: Lease Agreement

A.

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, not to exceed the appraised value for the property being acquired:

Description: Weakley County - 1.8 +/- acres - University of Tennessee at Martin, Martin, TN - Trans. No. 05-05-007 (GM)

Purpose: Acquisition in Fee for campus expansion of property within the University Master Plan.

Source of Funding: Land Acquisition Account

Estimated Cost: Fair Market Value

Owner(s): Tennessee Tau & Educational Association, Inc.(SAE)

SSC Report: 6-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

B.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Pickett County - .717 +/- acres - surplus excess Right-of-Way - State Route 11 - Dale Hollow Lake - Byrdstown, TN - Trans. No. 05-05-005 (LW)

Purpose: Disposal by Lease to adjoining property owner for parking purposes.

Term: Fifteen (15) Years

Consideration: Fair Market Value

Lessee: Sunset Marina & Resort, Adjoining landowner

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Marina will be responsible to maintain drainage flow and construct a fence as a buffer. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: Cocke County – 0.177 +/- acres –located on US Hwy. 25E - Newport, TN – Trans. No. 05-05-008 (CH)

Purpose: Acquisition in Fee for boat ramp parking expansion.

Source of Funding: Federal funds – 75 %
State funds – 25 %

Estimated Cost: Gift

Owner(s): B. J. Ray

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

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: Jackson County – 119 +/- acres – Dodson Branch Highway - Gainesboro, TN – Trans. No. 05-05-009 (CH)

Purpose: Acquisition in Fee for fishing access to Roaring River & protection of the Riparian Zone from future negative impacts, and to provide hunting & wildlife viewing.

Source of Funding: Federal Wallup-Breaux – 75%
State Fishing License - 25%

Estimated Cost: Fair Market Value

Owner(s): Jack Smith

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: Knox County – 0.386 +/- acres – Knoxville, TN – Trans. No. 05-05-010 (CH)

Purpose: Acquisition in Fee for access to boat ramp.

Source of Funding: State and Federal Boating Funds

Estimated Cost: Gift

Owner(s): Tommy Cowan & Ralph Moore

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Campbell County – 6.0 +/- acres – London Avenue - Indian Mountain State Park – Jellico, TN – Trans No. 05-05-004 (GM)

Purpose: Acquisition in Fee by Gift to expand the area for the day use facilities and firm up the boundaries of Indian Mountain State Park.

Estimated Cost: Gift

Owner(s): City of Jellico

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

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: **Davidson County – Magnet School, Tennessee Preparatory School – Nashville, TN – Trans No. 05-06-003 (GM)**

Purpose: Amend existing lease for one (1) year. Lease Term August 1, 2005 to July 31, 2006.

Term: June 1, 2003 to July 31, 2004 with option to extend one (1) year four (4) times. Potential five (5) year term.

Consideration: Mutual Benefits

Lessee: Metropolitan Government of Nashville & Davidson County

SSC Report: 06-13-05. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

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

Location: Davidson County – 2416 Plum Street (Tallman Building), Nashville, TN – Trans. No. 05-03-912 (JS)

Purpose: To provide office, living & classroom space for Boys Group Home.

Term: August 1, 2005 thru July 31, 2010 (5 yrs.)

Proposed Amount: 5,530 Square Feet
Annual Contract Rent \$79,225.08 @\$14.32/sf
Incl. Janitorial Cost:
Est. Annual Utility Cost: \$ 7,742.00 @ \$ 1.40/sf
Total Annual Effective Cost: \$86,997.08 @ \$15.73/sf

Current Amount: 5,530 Square Feet
Annual Contract Rent @\$12.33/sf
Incl. Janitorial Cost: \$68,196.00
Est. Annual Utility Cost: \$ 6,912.00 @ \$ 1.25/sf
Total Annual Effective Cost: \$75,108.00 @\$13.58/sf

Type: New Lease – Advertisement – Only Proposal from (1) proposer

Purchase Option: Yes – Years 1 thru 5

Lessor: Hearthwood Properties #3, LLC, Current Lessor

Comment: The proposed lease provides (1) the Lessor will make tenant improvements and alterations at no additional cost to the State, (2) no cancellation except for cause and/or lack of funding, and (3) State's Option to Purchase.

SSC Report: 06-13-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

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

Location: Bradley County – Lots 14 & 15, Commerce Drive, NE – Cleveland, TN – Trans. No. 05-04-906 (JS)

Purpose: To provide office space for local operations

Term: July 1, 2006 thru June 30, 2016 (10 yrs.)

Proposed Amount:	<u>16,000 Square Feet</u>		
	Annual Contract Rent:	\$145,120.00	@ \$ 9.07/sf
	Est. Annual Utility Cost:	\$ 22,400.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 17,600.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$185,120.00	@ \$11.57/sf

Current Amount:	<u>7,933 Square Feet</u>		
	Annual Contract Rent:	\$ 60,530.50	@ \$ 7.63/sf
	Est. Annual Utility Cost:	\$ 11,106.20	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,726.30</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$ 80,363.00	@ \$10.13/sf

Type: New Lease – Advertisement – Lowest of 16 Proposals from 8 Proposers.

FRF Rate: \$10.25 per square foot

Purchase Option: No – multi tenant

Lessor: Williams Family Properties

Comment: The proposed lease provides (1) the lessor will construct 16,000 square foot of office space including tenant alterations at no additional cost to the State, and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days notice thereafter.

SSC Report: 06-13-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

DEPARTMENT OF TENNESSEE HOUSING DEVELOPMENT AGENCY

LEASE AGREEMENT

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

Location: Davidson County – 104 Cude Lane, Suite 162, Madison, TN – Trans. No. 04-01-926 (JS)

Purpose: To provide office related space the Section 8 – Rental Assistance Program.

Term: January 1, 2006 thru December 31, 2010 (5 yrs)

Proposed Amount: 4,117 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$66,901.20 @ \$16.25/sf
Total Annual Effective Cost: \$66,901.20 @ \$16.25/sf

Current Amount: 2,000 Square Feet
Annual Contract Rent incl. Utility &
Janitorial Cost: \$30,000.00 @ \$15.00/sf
Total Annual Effective Cost: \$30,000.00 @ \$15.00/sf

Type: New Lease – Advertisement / Negotiated – Second lowest proposals received from 2 proposers.

FRF Rate: \$18.00 Per Square Foot

Purchase Option: No – Multi tenant

Lessor: Woodis Holding Group, LLC

Comment: The proposed lease provides (1) the lessor will renovated interior space of 4,117 square foot of office space including tenant alterations at no additional cost to the State and (2) no cancellation except for clause and/or lack of funding. The lowest proposal was an industrial warehouse office space and was not within walking distance of a bus stop as requested.

SSC Report: 06-13-05. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

K.

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: Gibson County – 2211 Highway 45 West – Trenton, TN – Trans. No. 04-08-908 (TH)

Purpose: To provide office space for Drivers License & Tennessee Highway Patrol

Term: May 1, 2006 thru April 30, 2016 (10 yrs.)

Proposed Amount: 4,800 Square Feet

Annual Contract Rent:	\$45,450.00	@ \$ 9.47/sf
Est. Annual Utility Cost:	\$ 6,720.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,280.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$57,450.00	@ \$11.97/sf

Current Amount: One (1) acre of land

Annual Contract Rent	\$1.00 per year
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Type: New Lease – Advertisement Lowest of (2) Proposals from (2) Proposers

FRF Rate: \$10.25 Per Square Foot


Purchase Option: Yes – Years 1 thru 10

Lessor: Danny & Dinah Corley

Comment: The proposed lease provides (1) the lessor will construct 4,800 square foot of office space including tenant alterations at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days notice thereafter and (3) State's Option to Purchase.

SSC Report: 06-13-05. Bob King summarized the transaction. Charles Garrett stated that this is a candidate for purchase and is place in next Budget. Staff referred to Sub-committee for consent agenda.

SC Action: 06-20-05. Sub-committee approved the transaction as presented. Final Action.

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