

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MAY 27, 2008

The State Building Commission Executive Subcommittee met this day at 8:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

John Morgan, Comptroller of the Treasury

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, Assistant State Architect
Charles Garrett, Real Property Administration
Charles Harrison, Comptroller's Office
Mark Wood, Secretary of State's Office
Jurgen Bailey, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Jerry Preston, Tennessee Board of Regents
John Carr, Finance & Administration
Cindy Liddell, Bond Finance
Sandi Thompson, Bond Finance
Annette Crutchfield, Legislative Budget
Mike Baumstark, Department of Environment and
Conservation
Robert Greene, Department of Education
Deborah Davis, Department of Education
Bill Finney, Real Property Administration
Cindy Tyler, Department of Mental Health and
Developmental Disabilities
Andrew Smith, THEC

Russ Deaton, THEC
Stephanie Steele, THEC
Karen Hale, Comptroller's Office

Commissioner Goetz called the meeting to order at 8:35 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 had been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **University of Tennessee – Knox County**
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals
- B. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Waiver of Real Estate Management Fees
- C. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals
- D. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in fee
Provision: Demolish Improvement
- E. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
- F. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
- G. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
- H. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee
- I. Agency: **Department of Children’s Services – Cocke County**
Transaction: Lease Agreement
- J. Agency: **Finance & Administration for THEC & TSAC – Davidson County**
Transaction: Lease Agreement
- K. Agency: **Finance & Administration – Knox County**
Transaction: Amendment #2

- L. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Demolition of Houses – Marion Street and Robb Avenue
SBC No. 166/003-02-2008

- M. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Demolition of Building – Forbes Street
SBC No. 166/003-03-2008

DEPARTMENT OF CHILDREN'S SERVICES

WOODLAND HILLS DEVELOPMENTAL CENTER, NASHVILLE, TENNESSEE

- 1) Approved a request for a revision in source of funding of a project for **Female Violent Offender Facility** at Woodland Hills Developmental Center, Nashville, Tennessee.

Estimated Project Cost: \$6,450,000.00
SBC Project No. 144/002-01-1999

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: **Blount County – 2.735 +/- acres – Pellissippi State Technical Community College Center, Alcoa, TN – Trans. No. 08-04-013 (BW)**

Purpose: Disposal in fee and approval of disposal of three easements on the PSTCC property; permanent drainage construction easement; permanent slope easement and a temporary construction easement. TDOT is also constructing a retaining wall at the side of the Center to protect the property because of the close proximity of the new road to the campus buildings.

Original Cost to State: \$10.00

Date of Original Conveyance: January 27, 1997

Grantor Unto State: Blount County

Estimated Sale Price: \$520,000.00

Grantee: TDOT

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Jerry Preston presented the transaction in more detail. Staff referred to Sub-Committee with recommendation.

SC Action: 05-27-08. Charles Garrett presented the transaction. Secretary of State Darnell asked if the Board was transferring this property to the City. Jerry Preston responded that part of the Right of Way would be State owned and the other part would be owned by the City of Alcoa. He also stated that TBR will donate the easement to the TDOT road project and that TBR will be on this property for approximately two years before moving to their new site. Treasurer Sims asked if this was the campus that they intend to sell and use the proceeds for the new campus. Mr. Preston responded "yes". He stated that TDOT may pay TBR the value for the transfer of the 2.735 +/- acres Right of Way and easements, but that the money would be donated back to the project. By TBR donating the Right of Way, the County, which originally gave the property to the TBR, will release the existing reversionary clause on the remaining acreage so that TBR will have the right to sell the property and apply the proceeds to the new site. After discussion, Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

DISCUSSION ITEM: Grundy and Marion Counties: Trans. No. 08-04-019 (JB)

The Fiery Gizzard Trail is surrounded by approximately 6000 acres of property owned by an investment section of Regions Bank. Regions Bank is divesting themselves of their land holdings and has approached The Conservation Fund about purchasing their property at Salvage Gulf. Regions Bank has said they need to know if we are interested in pursuing negotiations by June 1, 2008.

The Department of Environment and Conservation considers this property to be critical to the protection and management of the Fiery Gizzard trail. The acquisition would also provide a view shed and much needed watershed critical to the South Cumberland State Park and the surrounding communities.

The Department would like to request approval for The Conservation Fund to explore the purchase possibilities with Regions Bank. Once a purchase price is established, the Department would bring the project back to the State Building Commission to request approval to acquire the property. No commitment would be made to Regions Bank or The Conservation Fund until the Building Commission approved the project.

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Mike Carlton, State Park Manager and Mike Baumstark presented the transaction in more detail. Staff referred to Sub-Committee for discussion.

SC Action: 05-27-08. Charles Garrett stated the request was being deferred due to the property being sold.

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 & Marion Counties – 1,213.18 +/- acres – Fiery Gizzard Trail, Tracy City, TN – Trans. No. 08-04-007 (FB)

Purpose: Acquisition in fee to protect the existing Fiery Gizzard Trail and view shed from development, provide public ownership of trail corridor and enhance current land base.

Source of Funding: Special Federal Funds

Estimated Cost: \$1,587,253.00

Owner(s): The Conservation Fund

Comments: Requesting administrative cost in the amount of \$10,119.00 to cover title work, recording fees, real estate taxes and other costs associated with acquiring the property.

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 05-27-08. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

MONTGOMERY BELL STATE PARK, BURNS, TENNESSEE

- 1) Mike Fitts stated that bids had been received on April 24, 2008 for **Replacement of Cabins** at Montgomery Bell State Park, which had come in over budget. He said the matter needed to go back to the full Commission to add funds from the Pickwick project. Subcommittee acknowledged Mr. Fitts' request.

SBC Project No.

126/054-01-2005

DEPARTMENT OF MENTAL HEALTH and
DEVELOPMENTAL DISABILITIES

LAND ITEM

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

Description: **Knox County: 1.679 +/- acres composed of 1.122 +/- acres permanent utility easement and .557 +/- acres permanent storm drainage easement. Located at Lakeshore Mental Health Institute in Knoxville, TN. Trans. No. 07-12-018 (FB)**

Purpose: Grant a utility and storm drainage easement for construction of a new YMCA facility.

Estimated Sale Price: Grant for public purpose

Grantee: City of Knoxville

SSC Report: 01-14-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Report: 01-22-08. At Charles Garrett's request, this item was deferred.

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Cindy Tyler & Ralph Mickle presented the transaction in more detail. Staff referred to Sub-Committee with recommendation.

SSC Report: Staff members from the Department of Mental Health (MHDD), F&A and the Comptroller's office, in consultation with the Attorney General's office, have reviewed all documents related to this Easement request. As well as the City of Knoxville's conceptual plan for use of the Lakeshore Mental Health property. Their conceptual plan calls for the City of Knoxville and Lakeshore Park to (ultimately) sublet the premises to the Knoxville YMCA for the construction and operation of a recreational facility. Specifically, the plan provides that upon completion of the construction, the YMCA will donate the building to the City of Knoxville, who will then lease the property to Lakeshore Park who, in turn, will sublease it to the YMCA for the operation of the recreational facility. All utilities will be new and provided by the City of Knoxville. There will be no use of any existing Lakeshore Mental Health Institute utilities for the construction of the new recreational facility. Based on their review of documents and the City's conceptual plan, Staff and the Attorney General's office have determined that the City of Knoxville's plan as set out above is consistent with the intent of the Lakeshore Master Plan that the property be used for a public recreational purpose. Furthermore, the parties concur that the City will receive more than fair value for the

Department of Mental Health and Developmental Disabilities – continued:

property. Therefore, Staff recommends approval of the requests from Knox County for utility and storm drainage easements.

SC Action:

05-27-08. Charles Garrett presented the transaction. Treasurer Sims stated that it was his understanding that the Legislative delegation and City officials had all come together into agreement. Mr. Garrett commented that this action would not affect the bond status. After discussion, the Subcommittee approved the transaction as presented.

DEPARTMENT OF EDUCATION

ALVIN C. YORK INSTITUTE, JAMESTOWN, TENNESSEE

- 1) Charles Garrett began a discussion regarding a request to **Demolish Original High School** at Alvin C. York Institute, Jamestown, Tennessee. He stated that this project had gone from a reasonable transaction to one that was not fun to deal with any more. He said the York representatives had raised roughly \$150,000 and had asked him to request \$350,000 from the State to stabilize the building. He commented that no one wants to be accountable or responsible for liability, and that all the stabilizing will do is maintain the roof. After stabilization, hazardous material would have to be removed, costing another \$500,000. Mr. Garrett said that the Department of Education wants the building taken down, and local inspectors were coming out to condemn it. He added that the community realizes the structure is a danger, and the Department of Education said if they cannot get the building down, they will need to fund portable classrooms. He said all the consultants have said it is a hazard, is in the way of future expansion, and there is no real use for it should it be renovated. The Historical Commission said, in order to raise money, it could take years. He said the options are: (1) we can ask the State for \$350,000, plus more money, and noted that their consultants and engineers do not want to be responsible for stabilizing it; (2) the Board of Regents had said they could use it, but only if it was renovated for them.

Treasurer Sims commented that, at the previous meeting, there was an engineering firm who attested to the ability to stabilize the structure and asked if they are now not willing to stand behind it. He said that, as we move forward, he wanted to make the engineer's position clear for the record. Mr. Garrett stated that they have had three studies stating the same thing. Even so, he said that there are about 50 people supporting it. Commissioner Goetz asked where the local community was 28 years ago, and that therein lay the responsibility.

Secretary of State Darnell said that the York people were told if they would do some things, the State could wait. He said he thought they made a good faith effort, but it may not be enough. Commissioner Goetz commented that they haven't raised enough money to stabilize the building. He asked if there were portions of the school that were in danger. Assistant Commissioner Greene responded that one building is nine feet away and that this building is 40 feet high and they have had to empty four classrooms in the adjacent building. Treasurer Sims commented that even if they were to go forward with this, the Department could not put kids in those classrooms. Commissioner Greene said it could only happen if they can find a firm to guarantee the safety, and they can't find one to do the work. Treasurer Sims said they have to consider the additional expenses to house the kids. Secretary of State Darnell asked what it cost to demolish the building, and was told "\$500,000". He questioned spending the same amount to stabilize it.

Commissioner Goetz asked where the County government was, and if they ever signed a contract to absolve people from doing the work. Mr. Garrett commented that City Codes was supposed to condemn it that day. Commissioner Greene said they are trying to do a master plan and this building will use up a lot of funding. Treasurer Sims said he gathered there was some hesitation on approving

the request and asked if they could take it up next week. He said they haven't been briefed since January. Secretary of State Darnell said he would like those folks to be allowed to come and talk about all these issues, and they need to know the dollar amount they need to come up with. Commissioner Goetz said if they want to preserve it, we need to see their commitment. Treasurer Sims said he would like to accommodate the people and give them an opportunity to come forward and explain how they can resolve this, allowing one last attempt to plead their case. He said he was committed to giving a decision, but not that day. Commissioner Greene complimented Charles Garrett's involvement in the matter. Subcommittee agreed to meet again at a special-called meeting.

SBC Project No. 168/001-01-2008

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ONE APPRAISAL as required by T.C.A. 4-15-102 and 12-2-112: Also REQUESTING APPROVAL to CANCEL LEASE with the HASSEL CHARITABLE FOUNDATION.

Description: **Wayne County – 450+/- acres – Bear Trace Golf Course located at Ross Creek, 110 Airport Road, Clifton, TN – Trans. No. 07-03-003 (JB)**

Purpose: Disposal in Fee

Sale Price: \$2,150,000.00

Grantee: Newburg Properties, Inc / Fred H. Gillham, Sr.

Comment: Property owned by Hassel Charitable Foundation under Deed of Trust will also be sold along with State owned property.

SSC Report: 2-19-08. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 02-25-08. Charles Garrett presented the transaction. Subcommittee discussed the issue surrounding the value of the escrow account and the building currently being utilized by Tennessee Board of Regents. Without objection, the request was approved as presented.

After approval, Treasurer Sims discussed the need for the Commission to be able to apply special treatment for special property projects, such as the instant case, which would allow the Subcommittee to not be restricted by their normal commercial process. He referenced projects, such as Chancellors' residences, that might fall in such a category. They asked Mr. Garrett if he would look into the matter.

SC Action: 05-27-08. Charles Garrett brought up a request from the floor. He stated that this transaction's closing was set for May 29, 2008 provided the State would accept \$100,000 less for the property due to liens and leases on the property that had not been previously disclosed. Mr. Garrett recommended that they close the transaction for \$2,050,000. Subcommittee approved his recommendation.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 21, 2008.

There being no further business, the meeting adjourned at 9:10 a.m.

UNIVERSITY OF TENNESSEE

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: **Knox County – Cherokee Campus & Agriculture Plant Science Experiment Station Properties, Knoxville, TN – Trans. No. 08-04-014 (FB)**

Purpose: University proposes a disposal of two easements: one – 20 foot permanent easement and two – 50 foot construction easement for two greenway trails.

Estimated Sale Price: Mutual Benefit

Grantee: Knox County

S&S Report: 05-12-08. Charles Garrett summarized the transaction. Alvin Payne presented the transaction in more detail. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: **Shelby County – 3596 Watauga Avenue, Memphis, TN – Trans. No. 08-02-018 (AM)**

Purpose: Acquisition in fee for the future enhancement of the University's Master Plan.

Source of Funding: State Appropriation Funds / G O Bonds

Estimated Cost: \$147,000.00

Owner(s): Nancy N. Smith & Ronald M. Norton

Comment: The property will be rented until needed for future expansion.

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 05-27-08. 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 APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Shelby County - .47 +/- acres on Central Ave., Memphis, TN - Trans. No. 08-04-005 (AM)**

Purpose: Disposal by easement for the approval to enter into an easement with the city of Memphis to dispose of 1,095 sf of our property for the construction, installation and maintenance of a traffic signal at the corner of Central Ave. and Deloach Ave. at the University of Memphis

Estimated Sale Price: N/A

Grantee: City of Memphis

Comment: The signal light is very important for the safety of students, faculty & citizens that park in one of the 1,900 parking space across the street.

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Montgomery County – 257 Forbes Ave., Clarksville, TN – Trans. No. 08-04-008 (AM)

Purpose: Acquisition in fee for the approval to acquire the property and demolish the building for the benefit of Austin Peay State University parking. University's Master Plan.

Source of Funding: Campus Plant Funds

Estimated Cost: \$36,000.00

Owner(s): Howard Hand II

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Rutherford County – 1815 Jordan Ave., Murfreesboro, TN – Trans. No. 08-04-009 (AM)

Purpose: Acquisition in fee to purchase & lease the house until needed for future campus expansion. University's Master Plan.

Source of Funding: Auxiliary Funds

Estimated Cost: \$175,000.00

Owner(s): Daniel J. O'Lannerghy

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: **Rutherford County – 2431 - 2437 Middle Tenn Blvd., Murfreesboro, TN – Trans. No. 08-04-010 (BW)**

Purpose: Acquisition in fee to purchase & lease the house until needed for future campus expansion. Property in the University Master Plan.

Source of Funding: 2007-2008 Auxiliary Plant Funds

Estimated Cost: \$410,000.00

Owner(s): J. C. Hankins

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Rutherford County – 2411 - 2417 Middle Tenn Blvd., Murfreesboro, TN – Trans. No. 08-04-011 (BW)

Purpose: Acquisition in fee to purchase & lease the house until needed for future campus expansion. Property in the University Master Plan.

Source of Funding: 2007-2008 Auxiliary Plant Funds

Estimated Cost: \$300,000.00

Owner(s): J. C. Hankins

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Subcommittee-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: **Rutherford County – 2423 - 2425 Middle Tenn Blvd., Murfreesboro, TN – Trans. No. 08-04-012 (BW)**

Purpose: Acquisition in fee to purchase the property and, if necessary, demolish the house due to fire damage. Property is in the University Master Plan.

Source of Funding: 2007-2008 Auxiliary Plant Funds

Estimated Cost: \$100,000.00

Owner(s): J. C. Hankins

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Jerry Preston stated the cost of the fire damage is approximately \$30,000 - \$40,000. Owner informed that he intends to demolish the house. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

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: Cocke County – 613 West Broadway, Newport, TN – Trans. No. 07-12-906 (JS)

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2018 (10 yrs)

Proposed Amount: 9,387 Square Feet
Annual Contract Rent: \$ 86,100.00 @\$ 9.17/sf
Est. Annual Utility Cost: \$ 13,141.80 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 10,325.70 @\$ 1.10/sf
Total Annual Effective Cost: \$109,567.50 @\$11.67/sf

Current Amount: 1,500 Square Feet
Annual Contract Rent Incl. Utility Cost: \$7,800.00 @\$5.20/sf
Est. Annual Janitorial Cost: \$1,650.00 @\$1.10/sf
Total Annual Effective Cost: \$9,450.00 @\$6.30/sf

Type: New Lease – Received three (3) proposals from three (3) proposers

FRF Rate: \$14.00 per square foot

Purchase Option: No – Multi tenant

Lessor: Hommel Enterprises

Comment: Ten (10) year lease for an existing building. Lessor will renovate interior space of 9,387 square foot of office space including tenant alterations at no additional cost to the State. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter.

SSC Report: 05-12-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION for THEC & TSAC

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 – 404 James Robertson Parkway, Various Suites, Nashville, TN - Trans. No. 07-12-905 (JS)

Purpose: To provide office space for county operations

Term: August 1, 2008 thru July 31, 2018 (10 yrs)

Proposed Amount: 35,890 Square Feet
Annual Contract Rent Inc. Utility & Janitorial Cost: \$589,478.20 @\$16.42/sf
Total Annual Effective Cost: \$589,478.20 @\$16.42/sf

Current Amount: 35,890 Square Feet
Annual Contract Rent Inc. Utility & Janitorial Cost: : \$580,341.13 @\$16.17/sf
Total Annual Effective Cost: \$580,341.13 @\$16.17/sf

Type: New Lease – Received two (2) proposals from two (2) proposers.

FRF Rate: \$18.00 per square foot

Purchase Option: No - mult tenant

Lessor: Parkway Towers Mezz, LLC

Comment: Ten (10) year lease for an existing building. Lessor will renovate interior space of 35,890 square foot of office space including tenant alterations at no additional cost to the State. No cancellation for the first five (5) years except for cause and/ or lack of funding and 180 days thereafter.

SSC Report: 05-12-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AMENDMENT

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: Knox County – 501 Main Street, Knoxville, TN – Trans. No.

Purpose: To provide office space for the Attorney General

Term: Upon receipt of the COO thru June 30, 2013 (with two (2) five (5) year options)

Proposed Amount: 50,000 Square Feet
Annual Contract Rent Incl. Utilities &
Janitorial Cost: \$580,796.00 @\$11.62/sf
Total Annual Effective Cost: \$580,796.00 @\$11.62/sf

Current Amount: 46,000 Square Feet- July 1, 2003 – June 30, 2008
Annual Contract Rent Inc. Utilities &
Janitorial Cost: \$552,000.00 @\$12.00/sf
Total Annual Effective Cost: \$552,000.00 @\$12.00/sf

Current Amount: 46,000 Square Feet- July 1, 2008 – June 30, 2013
Annual Contract Rent Inc. Utilities &
Janitorial Cost: \$828,000.00 @\$18.00/sf
Total Annual Effective Cost: \$828,000.00 @\$18.00/sf

Type: Amendment #2

FRF Rate: \$18.00

Purchase Option: No

Lessor: Samuel J. Furrow

Comment: Current lease provides space for Supreme Court. This amendment adds 4,000 square feet of space in the western section known as the Historic United States Post Office for the Attorney Generals offices. Lessor shall provide six (6) parking spaces at the Bank of America Parking Garage up to annual maximum of \$5,112. All other terms and conditions remain the same and in full force.

Department of Finance and Administration – continued:

- SSC Report: 05-12-08. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.
- SC Action: 05-27-08. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project for **Demolition of Houses** located at 261, 269 and 273 Marion Street and 608 Robb Avenue, adjacent to the Austin Peay State University campus in Clarksville, Tennessee.

Estimated Project Cost: \$66,600.00
SBC Project No. 166/003-02-2008

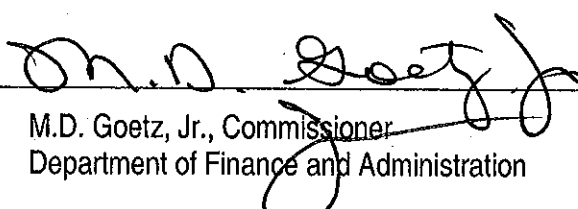
TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project for **Demolition of Building** located at 257 Forbes Street, adjacent to the Austin Peay State University campus in Clarksville, Tennessee.

Estimated Project Cost: \$20,000.00
SBC Project No. 166/003-03-2008

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