

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

NOVEMBER 29, 2004

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
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Dwight Hensley, Department of Environment and Conservation
Nick Fielder, Department of Environment and Conservation
David Todd, Department of Agriculture
Lou Bervoets, Department of Agriculture
David Dunn, Hanscomb
David Edmunds, Department of Finance and Administration
Keith Robinson, Tennessee Board of Regents
Mark Sharp, Heery International
Jerry Preston, Tennessee Board of Regents
Cliff Steger, Department of Finance and Administration
Kem Allen, Department of Environment and Conservation

Mike Baumstock, Department of Environment and Conservation
King Moon, Johnson Controls, Inc.
Annette Crutchfield, Legislative Budget Analysis
April Orange, Governor's Office
Jim Fyke, Department of Environment and Conservation
Tom Moore, Department of Safety
Don Nicholson, Department of Safety
Mike Morrow, Department of Finance and Administration
Bob Woolf, Department of Finance and Administration
Genie Whitesell, Attorney General's Office
George Brummett, Department of Finance and Administration
Mark Wood, Secretary of State's Office
Tim Schwarz, Department of Environment and Conservation
Dennis Raffield, THEC

Commissioner Goetz called the meeting to order at 10:45 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATEWIDE

- 1) Approved the selection of Hanscomb Faithful & Gould, Inc. as a result of the RFP process for **Management Assistance** to assist the State's procurement agencies with the administration of capital initiatives.

SBC Project No. 529/000-09-03
SBC Project No. 166/000-05-03

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a request for a revision in the source of funding for **Soccer Field Construction** at Austin Peay State University in Clarksville, Tennessee.

Estimated Project Cost: \$ 250,200.00
SBC Project No. 166/003-06-04

TENNESSEE STATE UNIVERSITY, NASHVILLE, TENNESSEE

- 1) Approved a request to issue Request for Proposals for a construction manager for the **Avon Williams Campus Improvements** at Tennessee State University in Nashville, as a pilot project for an alternative project delivery system, with the RFP documents to be reviewed and approved by staff.

Estimated Project Cost: \$ 18,000,000.00
SBC Project No. 166/001-05-01

SYSTEMWIDE

- 1) Approved a request to allocate funding for **Management Assistance** by transfer of funds from the predecessor project 166/000-02-99.

SBC Project No. 166/000-05-03

EAST TENNESSEE STATE UNIVERSITY, JOHNSON CITY, TENNESSEE

- 1) Approved a request to allocate funding, acknowledgment of the source of funding and authorization to proceed with the project for **VA#6 Forensic Pathology Renovation** at East Tennessee State University, Johnson City, Tennessee.

Estimated Project Cost: \$6,500,000.00
SBC Project No. 166/005-11-02

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: **Carter County – 25.0 +/- Acres – Elizabethton, TN - Trans. No. 04-10-008 (CH)**

Purpose: Acquisition in Fee to provide for a cold water fish hatchery.

Source of Funding: TWRA License Fund

Estimated Cost: Fair Market Value

Estimated Value: \$198,000.00

Owner(s): City of Elizabethton

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. John Gregory, agency representative, advised that an extensive study completed for TWRA indicates a need for a new cold-water fish hatchery. He stated that environmental issues at the site will be resolved between the TN Department of Environment and Conservation, the EPA, and TWRA to insure the State will have no future liability. Staff referred to Sub-committee for discussion.

SC Action: 11-29-04. Charles Garrett summarized the transaction. Mr. Garrett stated the site has a natural spring fed water supply. He also advised the property has some environmental issues that are being addressed by TWRA and the Department of Environment and Conservation. He advised that the TWRA Foundation will hold the title until environmental issues have been resolved. John Gregory, agency representative, stated a study indicated a need for a cold-water fish hatchery and that the current demand for trout exceeds the capacity to produce. Sub-committee approved the transaction as requested. 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: **Shelby County – 286.0 +/- Acres – Bompreszi Tract, Eagle Lake Wildlife Management Area – 04-10-014 (CH)**

Purpose: Acquisition in Fee for wetland preservation and wildlife management purposes.

Source of Funding: \$339,000.00 – Wetland Acquisition Fund
\$ 50,000.00 – Federal NAWCA Grant

Estimated Cost: Fair Market Value

Owner(s): Tennessee Parks and Greenway

Comment: The Bompreszi family will retain a house and 16.0 +/- acres.

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. John Gregory, agency representative, stated that grant funds are in place. Staff referred to Sub-committee with recommendation.

SC Actin: 11-29-04. Charles Garrett summarized the transaction. He advised the property adjoins an existing refuge and that the Bompreszi family will retain 16 +/- acres and house. Treasury Secretary Sims and Secretary of State Darnell disclosed that they are members on the Board of Tennessee Parks and Greenways. Property must be acquired at fair market value. Sub-committee approved the transaction as requested. Final action

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 and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112 and MODIFICATION of the BUY-BACK AGREEMENT:

Description: **Anderson, Scott, Campbell Counties – 20.0 +/- Acres – Sundquist Wildlife Management Area – Trans. No. 04-10-007 (CH)**

Purpose: Disposal by Easement for gas wells and gas transportation line. The easement will revert when extraction is complete, the site closed, and approved by the TN Department of Environment and Conservation.

Estimated Sale Price: Mineral Interest Retained

Grantee: Knox Energy

Comment: The mineral rights at the Wildlife Management Area (WMA) are not owned by the State. The agency requests a system of granting easements rather than the purchase of scattered sites in fee by mineral rights owners be established.

SSC Report: 11-15-04/ Jurgen Bailey summarized the transaction. He stated the mineral rights were owned by third parties and were not included in the conveyance to the State at the time of acquisition. He stated that the buy-back provision for mining operations provided for fee disposal and reacquisition of mineral rights. John Gregory requests that easements be the instrument of conveyance. Staff referred to Sub-committee for discussion.

SC Action: 11-29-04. Charles Garrett summarized the transaction. He advised that mineral rights were owned by third parties and were not included in the conveyance to the State at the time of acquisition. He stated that the buy-back provision for mining operations provided for fee disposal and reacquisition of mineral rights. He advised that staff and the agency recommend that future mining operation requests be conveyed by easement rather than a fee disposal. John Gregory, agency representative, stated that access to the mineral sites was provided in the original agreement. Commissioner Goetz asked John Gregory to inquire as to the record of Knox Energy to determine if there are any outstanding violations and report back to the Committee.

Sub-committee deferred action pending the agency's report.

DEPARTMENT OF AGRICULTURE

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: **Henderson County – 379.0 +/- Acres – Dutchman Branch Shiloh Road, Natchez Trace State Forest – Trans. No. 04-10-005 (PS)**

Purpose: Acquisition in Fee of an in-holding in the Forest System. The proposed acquisition will enhance and protect the forest, recreational, and hunting value to State property.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Estimated Value: \$1,200,000.00

Owner(s): Dennis Beecham

Comment: The subject property is being actively marketed for sale and for development.

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 11-29-04. Charles Garrett summarized the transaction. Mr. Garrett advised that the agency will pay fair market value for the property. Sub-committee approved the request. Final action.

DEPARTMENT OF ENVIRONMENT AND 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: Sumner County – 132.0 +/- Acres – Castalian Springs – Trans. No. 04-10-015 (LW)

Purpose: Acquisition in Fee for preservation of a Mississippian Mound Center of significant archeological and historic value. The property is adjacent to the Wynnewood State Historic Site and is one of the few remaining Mound Centers in the Nashville Basin.

Source of Funding: \$295,750.00 – State Land Acquisition Fund
\$295,750.00 – Federal Grant – Land & Water Conservation Fund

Estimated Cost: Fair Market Value

Estimated Value: \$591,500.00

Owner(s): Estate of Leon H. Shoulders

Comment: The Division of Archaeology strongly supports acquisition of the site.

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Nick Fielder, State Archeologist, stated the site consists of multiple Indian burial sites and has other archeological significance. He stated the Bledsoe Historic Association has expressed interest in operating the site. Staff referred to Sub-committee with recommendation.

SC Actin: 11-29-04. Charles Garrett summarized the transaction. Nick Fielder, State Archeologist, made a brief presentation about the significance of the property. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND 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: **Wilson County – 100.0 +/- Acres – Trans. No. 04-10-009 (GM)**

Purpose: Acquisition in Fee to provide protection of the Tennessee coneflower and a population of leafy prairie-clover.

Source of Funding: \$ 95,250.00 – State Land Acquisition Fund
\$285,750.00 – Federal Grant – US Fish & Wildlife Service

Estimated Cost: Fair Market Value

Estimated Value: \$381,000.00

Owner(s): Marcus Ray Lane

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 11-29-04. Charles Garrett summarized the transaction. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

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 12-2-114(b)(4) and 12-2-115:

Location: Madison County – 362 Carriage House Drive, Jackson, TN – Trans. No. 92-06-918 (TH)

Purpose: Office and related space for the Jackson Environmental Assistance Center pending construction of a build-to-suit facility.

Term: December 1, 2004 thru January 31, 2006 (1 yr., 2 mos.)

Proposed Amount: 14,400 Square Feet

Annual Contract Rent:	\$132,000.00	@ \$ 9.17/sf
Est. Annual Utility Cost:	\$ 20,160.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 15,840.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$168,000.00	@ \$11.67/sf

Current Amount: 14,400 Square Feet

Annual Contract Rent:	\$117,000.00	@ \$ 8.13/sf
Est. Annual Utility Cost:	\$ 20,160.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 15,840.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$153,000.00	@ \$10.63/sf

Type: New Lease – Negotiated

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None

Lessor: W.F.M. Partners, LP, Current Lessor

SSC Report: 11-15-04. Bob King summarized the transaction. He advised that the proposed lease will provide space for continued operations pending completion of the new facility. Staff referred to Sub-committee for discussion.

SC Action: 11-29-04. Charles Garrett summarized the transaction. Mr. Garrett advised the proposed lease will provide the necessary time for a new facility to be constructed. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

STATEWIDE

- 1) Approved a request for Delivery Order #3 for **Energy Savings Performance Contracting** at Henry Horton State Park and Pinson Mounds State Park, with design and construction provided by Johnson Controls, Inc.

Estimated Delivery Order #3 Cost:

\$ 1,940,000.00

SBC Project No.

126/000-03-04

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: **Bradley County – James Asbury Adkinson Road, Cleveland, TN – Trans. No. 02-12-912 (RS)**

Purpose: To provide office and related space for the Driver License Issuance and TN Highway Patrol operations.

Term: September 1, 2005 thru August 31, 2015 (10 yrs)

Proposed Amount: 6,000 Square Feet

Annual Contract Rent:	\$71,896.00	@\$11.98/sf
Est. Annual Utility Cost:	\$ 8,400.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$86,896.00	@\$14.48/sf

Current Amount: 1,920 Square Feet

Annual Contract Rent:	\$10,200.00	@\$ 5.31/sf
Est. Annual Utility Cost:	\$ 2,688.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 2,112.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$14,424.00	@\$ 7.51/sf

Type: New Lease Advertisement/Negotiated – Lowest of (7) Proposals from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years (1) thru (10)

Lessor: James F. Williams

Comment: The proposed lease provides (1) the Lessor shall construct a 6,000 square foot office building including interior tenant build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease term and 180 days notice thereafter, and (3) the State's Option to Purchase.

SSC Report: 11-15-04. Bob King summarized the transaction. Mr. King advised that the transaction was advertised twice and he provided a history of the two advertisements. He stated the proposed lease meets the location requirements that the agency requested and is also a candidate for purchase. Staff referred to Subcommittee for discussion.

SC Action: 11-29-04. Charles Garrett presented an information paper and provided a summary of the transaction. After review and discussion, Sub-committee approved the transaction as requested. Final action.

STATE BUILDING COMMISSION

MINUTES OF MEETING OF THE EXECUTIVE SUBCOMMITTEE

- 1) Approved the Minutes of the meeting of the State Building Commission Executive Subcommittee meeting held on October 25, 2004.

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Following approval of the Consent Agenda, the meeting adjourned at 11:35 a.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **Tennessee Wildlife Resources Agency – Cumberland County**
Transaction: Equal Value Land Exchange
Provision: Waiver of Advertisement and (1) Appraisal
- B. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in Fee
Provision: Demolition of Improvement
- C. Agency: **University of Tennessee – Hamilton County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- D. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition in Fee
Provision: Demolition of Improvement
- E. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in Fee
- F. Agency: **Department of Transportation – Coffee County**
Transaction: Disposal by Lease - Renewal
Provision: Waiver of Advertisement and Appraisals
- G. Agency: **Environment & Conservation – DeKalb County**
Transaction: Disposal by Lease - Amendment
- H. Agency: **Environment & Conservation – Warren County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- I. Agency: **Department of Safety – Wayne County**
Transaction: Lease Agreement
- J. Agency: **Department of Human Services – Giles County**
Transaction: Lease Agreement
- K. Agency: **Department of Human Services – Bedford County**
Transaction: Lease Agreement
- L. Agency: **Finance & Administration – Grainger County**
Transaction: Lease Agreement - Human Services & Children's Services
- M. Agency: **Finance & Administration – Claiborne County**
Transaction: Lease Agreement – Human Services & Children's Services
- N. Agency: **Finance & Administration – Lawrence County**
Transaction: Lease Agreement – Human Services & Children's Services

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and ACQUIRE a EQUAL VALUE LAND EXCHANGE, with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Cumberland County – Equal Value Land Exchange – Mt. Roosevelt Wildlife Management Area and Rockwood Airport – Trans. No. 04-10-006 (CH)**

Purpose: Land Exchange to unify boundaries of both the airport property and the WMA and to allow the airport to better control vegetation in and around the airport, and to eliminate an area used for target shooting that impacts safety at the airport. Land received by the State will be more compatible with wildlife recreation than the airport property located between a main highway and airport property.

Source of Funding:

Estimated Cost: Equal Land Exchange

Owner(s): City of Rockwood and/or U.S. General Services Administration

Comment: Agency has 3-tracts of land that adjoin the airport and separate from other State-owned property. City of Rockwood has a tract that joins TWRA property that will be exchanged for the 3-tracts owned by TWRA.

SSC report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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 with APPROVAL for DEMOLITION of the IMPROVEMENT:

Description: **Knox County – 0.18 +/- Acres with Improvement – University of Tennessee, Knoxville, TN – Trans. No. 04-10-012 (GM)**

Purpose: Acquisition in Fee for campus purposes and within the Master Plan for acquisition.

Source of Funding: Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): William H. Hunt

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Alvin Payne, University representative, stated that the site will be used for parking until needed for future building projects. Staff referred to Sub-committee for consent agenda subject to demolition review by the TN Historical Commission.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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 and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Hamilton County – 330 +/- Square Feet – Scrappy Moore Field, University of Tennessee at Chattanooga, Chattanooga, TN – Trans. No. 04-10-013 (GM)

Purpose: Disposal by Permanent Easement for installation of a storm water pipe to prevent runoff contributing to flooding and erosion related problems to Scrappy Moore Field and the Tennessee River Park property.

Estimated Sale Price: Grant – Mutual Benefit

Grantee: Waterchase Condominium Association

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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, with APPROVAL for DEMOLITION of the Improvement, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 0.22 +/- Acres with Improvement – 754 Robb Avenue, Austin Peay State University, Clarksville, TN – Trans. No. 04-09-012 (LW)**

Purpose: Acquisition in Fee of property within the Master Plan area for acquisition for parking purposes.

Source of Funding: Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): John J. Traylor and Yvonne F. Benson

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda subject to demolition review by the TN Historical Commission.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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 – 0.640 +/- Acres (2 Lots) with Improvement – 807 North Tennessee Boulevard, Murfreesboro, TN – Trans. No. 04-11-001 (LW)

Purpose: Acquisition in Fee of property within the Middle Tennessee State University Master Plan. The house will be rented until needed for campus expansion and the vacant lot will be converted into parking.

Source of Funding: Institutional Auxiliary Fund

Estimated Cost: Fair Market Value

Estimated Value: \$220,000.00

Owner(s): John D. Constantine

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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

Description: Coffee County – 12.988 +/- Acres – I-24 and SR 55 Interchange, Manchester, TN – Trans. No. 04-10-004 (BM)

Purpose: Disposal by Lease Renewal to the County Board of Education for science and nature studies by teachers and students.

Term: Renewal – 15 Years with 30 day cancellation

Consideration: Grant – Public Purpose

Lessee: Coffee County Board of Education

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL by LEASE AMENDMENT required interest in the following real property:

Description: **DeKalb County – 55.0 +/- Acres – Edgar Evins State Park Marina – Trans. No. 04-10-010 (GM)**

Purpose: Lease Amendment to provide expansion of harbor limits and clearly identify harbor limits. The proposed amendment will give the Marina an additional 55.0 acres of harbor.

Source of Funding:

Estimated Cost: Grant – Mutual Benefit

Owner(s): U.S. Corps of Engineers

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

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 and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Warren County – 5,700 Linear Feet – Rock Island State Park – Trans. No. 04-10-011 (GM)

Purpose: Disposal of a Permanent Easement for installation of a natural gas pipeline across Park property.

Estimated Sale Price: Grant – Public and Mutual Benefit

Grantee: Middle Tennessee Natural Gas Utility District.

Comment: The Utility District has agreed to provide connections for gas service to the cabins at the park in exchange for the easement area.

SSC Report: 11-15-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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: Wayne County – 530 Highway 64 East, Waynesboro, TN – Trans. No. 04-05-901 (TH)

Purpose: To provide office and related space for TN Highway Patrol operations.

Term: January 1, 2005 thru December 31, 2014 (10 yrs.)

Proposed Amount: 980 Square Feet

Annual Contract Rent		
Incl. Utility Cost:	\$10,200.00	@\$10.41/sf
Est. Annual Janitorial Cost:	<u>\$ 1,078.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$11,278.00	@\$11.51/sf

Current Amount: 980 Square Feet

Annual Contract Rent		
Incl. Utility Cost:	\$ 7,800.00	@\$ 7.96/sf
Est. Annual Janitorial Cost:	<u>\$ 1,078.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$ 8,878.00	@\$ 9.06/sf

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

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: Wilburn Hunt, Current Lessor

Comment: The proposed lease provides 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: 11-15-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF HUMAN 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: **Giles County – 625 East Madison St., Pulaski, TN – Trans. No. 04-02-911 (RS)**

Purpose: To provide office and related space for county operations.

Term: December 1, 2005 thru November 30, 2015 (10 yrs)

Proposed Amount: **5,283 Square Feet**

Annual Contract Rent:	\$58,113.00	@\$11.00/sf
Est. Annual Utility Cost:	\$ 7,396.20	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,811.30</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$71,320.50	@\$13.50/sf

Current Amount: **4,166 Square Feet**

Annual Contract Rent:	\$25,121.42	@\$ 6.03/sf
Est. Annual Utility Cost:	\$ 5,832.40	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 4,582.60</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$35,536.42	@ 8.53/sf

Type: New Lease – Advertisement – Only Conforming of (3) Proposals from (2) Proposers
(Two Proposals non-Conforming)

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Brindley Construction

Comment: Proposed lease provides (1) the Lessor will construct a 5,283 square foot office building to include interior tenant build-out 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: 11-15-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF HUMAN 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: Bedford County – 1618 Railroad Avenue, Shelbyville, TN – Trans. No. 04-10-903

Purpose: To provide office and shop space for vocational training of clients of the Shelbyville TN Rehabilitation Center

Term: July 1, 2005 thru June 30, 2015 (10 yrs)

Proposed Amount:	<u>15,500 Square Feet</u>		
	Annual Contract Rent:	\$133,733.60	@ \$ 8.63/sf
	Est. Annual Utility Cost:	<u>\$ 21,700.00</u>	@ \$ 1.40/sf
	Total Annual Effective Cost:	\$155,433.60	@ \$10.03/sf

Current Amount:	<u>10,860 Square Feet</u>		
	Annual Contract Rent:	\$ 1.00	
	Est. Annual Utility Cost:	<u>\$15,204.00</u>	@ \$1.40/sf
	Total Annual Effective Cost:	\$15,205.00	@ \$1.40/sf

Type: New Lease - Intergovernmental

Lessor: Bedford County

Comment: The current facility is in much need of repair and the agency has occupied this facility since approximately the 1976. The proposed lease contains the following provisions:

- 1) The Lessor will construct 15,500 square foot office, shop, and warehouse including interior build-out at no additional cost to the State,
- 2) No cancellation during the entire lease term except for cause and/or lack of funding,
- 3) Clients will perform janitorial services,
- 4) State shall have the option to renew for an additional ten-year term at the reduced annual rent of \$53,493.44 at \$3.45 per square foot.

SSC Report: 11-15-04. Bob King summarized the transaction. He stated the proposed lease is consistent with previously approved leases. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

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: Grainger County – 8421 Rutledge Pike, Rutledge, TN – Trans. No. 04-01-913 (JS)

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's Services

Term: January 1, 2006 thru December 31, 2015 (10 yrs)

Proposed Amount:	<u>5,400 Square Feet</u>		
	Annual Contract Rent:	\$54,000.00	@\$10.00/sf
	Est. Annual Utility Cost:	\$ 7,560.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,940.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$67,500.00	@\$12.50/sf

Current Amount:	<u>4,332 Square Feet</u>		
	Annual Contract Rent:	\$24,000.00	@\$5.54/sf
	Est. Annual Utility Cost:	\$ 6,064.80	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,765.20</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$34,830.00	@\$8.04/sf

Type: New Lease – Advertisement – Lowest of (8) Proposals from (3) Proposers (Five Proposals non-Conforming)

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Property

Lessor: Dirk A. Daniel

Comment: The proposed lease provides (1) the Lessor will construct a 5,400 square foot office building including interior tenant improvements at no additional cost to the State and (2) no cancellation for the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 11-15-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

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: Claiborne County – 310 Court Street, Tazewell, Tn – Trans. No. 04-01-911 (JS)

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's Services.

Term: March 1, 2005 thru February 28, 2015 (10 yrs.)

Proposed Amount: 6,700 Square Feet

Annual Contract Rent:	\$48,994.50	@\$7.31/sf
Est. Annual Utility Cost:	\$ 9,380.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 7,370.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	<u>\$65,744.50</u>	<u>@\$9.81/sf</u>

Current Amount: 5,600 Square Feet

Annual Contract Rent:	\$35,000.00	@\$6.25/sf
Est. Annual Utility Cost:	\$ 7,840.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,160.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	<u>\$49,000.00</u>	<u>@\$8.75/sf</u>

Type: New Lease – Advertisement – Lowest of (9) Proposals from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: BAHT Properties, LP, Current Lessor

Comment: The proposed lease provides (1) the Lessor will provide an additional 1,100 square feet of existing space and make interior tenant improvements 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: 11-15-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

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: Lawrence County – Crews Street, Lawrenceburg, TN – Trans. No 04-05-919 (RS)

Purpose: To provide office and related space for the Departments of Human Services and Children's Services local operations.

Term: January 1, 2006 thru December 31, 2015 (10 yrs.)

Proposed Amount:	<u>12,700 Square Feet</u>		
	Annual Contract Rent:	\$124,920.00	@ \$ 9.84/sf
	Est. Annual Utility Cost:	\$ 17,780.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 13,970.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$156,670.00	@ \$12.34/sf

Current Amount:	<u>7,000 Square Feet</u>		
	Annual contract Rent:	\$33,600.00	@ \$ 4.84/sf
	Est. Annual Utility Cost:	\$ 9,800.00	@ \$ 1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,700.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$51,100.00	@ \$ 7.30/sf

Type: New Lease – Advertisement – Lowest of (5) Proposals from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

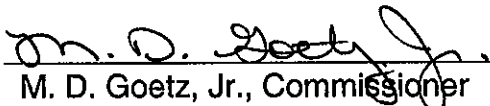
Purchase Option: Yes – Years (1) thru (10)

Lessor: Pedigo-Lawrenceburg Properties, LP

Comment: The proposed lease provides (1) the Lessor will construct a 12,700 square foot office building to include interior tenant build-out 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) the State's Option to Purchase.

SSC Report: 11-15-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 11-29-04. Sub-committee approved the transaction as requested. Final action.

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