

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

OCTOBER 20, 2003

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in House Hearing Room 29, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
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
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Mark Wood, Secretary of State's Office
Dennis Raffield, THEC
Pat Haas, Bond Finance
George Brummett, Department of Finance and Administration
Peggy Wilson, Department of Health
Annette Crutchfield, Legislative Budget Analysis
Karen Hale, Comptroller's Office
Bob Bumbalough, Department of Human Services
John Boynton, Department of Transportation
Carolyn Smith, Department of Transportation
Amy Primm, Department of Finance and Administration

Sherri Sharp, TennCare
Terry Bonham Department of Environment and Conservation
Mike Baumstark, Department of Environment and Conservation
Alvin Payne, University of Tennessee
Judy Gayle, Department of Human Services
Mary Margaret Collier, Comptroller's Office
Ken Scalf, Department of Finance and Administration
Jan Sylvis, Department of Finance and Administration
Karen Hale, Comptroller's Office
Eddie Nikazy, Department of Finance and Administration
Bob King, Department of Finance and Administration
Gerald Real, Secretary of State

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.

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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: Knox County – 4.41 +/- Acres – 5607 Middlebrook Pike, Knoxville, TN – Trans. No. 03-09-007 (GM)

Purpose: Acquisition in Fee for relocation of transportation services and a future material storage facility for the University's Library collections.

Source of Funding: Acquisition Auxiliary Funds

Estimated Cost: Fair Market Value

Estimated Value: \$550,000.00

Owner(s): City of Knoxville

Comment: Subject property adjoins the University's Middlebrook Pike building.

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, introduced the transaction. Alvin Payne, University of Tennessee, summarized the transaction. He stated the proposed transaction would also provide resolution to a deed discrepancy with the City regarding the original conveyance to the State. He stated Executive Subcommittee approval received in 1999 was for 6.0 acres and the deed to the State was 4.42 acres. Discussion ensued regarding the value and that the University paid for the original at the appraised value of 6.0 acres. After further review and discussion, Staff referred to Sub-committee with recommendation.

SC Action: 10-20-03. Charles Garrett introduced the transaction. Alvin Payne, University of Tennessee, summarized the request. He requested approval of the transaction and advised that this approval would resolve the discrepancy in the original conveyance of 10.41 acres to the State. After review and discussion, Sub-committee approved the transaction as requested. Final action.

UNIVERSITY OF TENNESSEE

CLYDE YORK 4-H CAMP, CROSSVILLE, TENNESSEE

- 1) Approved a project to **Demolish Building #6121** at the Clyde York 4-H Center in Crossville, Tennessee.

Estimated Project Cost: \$5,000.00
SBC Project No. 540/001-02-03

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Sullivan County – 2.712 +/- Acres – Right-of-Way State Route 34, Bristol, TN – Trans. No. 03-09-013 (LW)

Purpose: Disposal in Fee to the only adjoining landowner of surplus right-of-way for construction of a corporate headquarters of Bristol Motor Speedway, Inc

Original Cost to State: \$40,334.00

Date of Original Conveyance: January 1992 and March 1993

Grantor Unto State: Joseph Hicks and Robert Harr

Estimated Sale Price: Fair Market Value

Estimated Value: \$25,000.00 Minimum

Grantee: Bristol Motor Speedway, Inc., Only Adjoining Property Owner

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. He stated the Bristol Motor Speedway, Inc., will construct a 36,000 square foot corporate headquarters facility on the site. Staff referred to Sub-committee for discussion.

SC Action: 10-20-03. Charles Garrett presented and summarized the transaction. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Sullivan County – 7.652 +/- Acres – Right-of-Way State Route 34, Bristol, TN -- Trans. No. 03-09-014 (LW)

Purpose: Disposal Lease Amendment – Amend current lease to reflect disposal in fee to current Lessee of 2.712 +/- Acres.

Term: January 1, 2001 thru December 31, 2016

Consideration: Pro-rated based on Disposal in Fee of 2.712 Acres from Leased Area – All other terms and conditions remain the same

Lessee: Bristol Motor Speedway, Inc., Only Adjoining Property Owner

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for discussion.

SC Action: 10-20-03. Charles Garrett presented and summarized the transaction. Sub-committee approved the request as presented. 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: Madison County – 34.1 +/- Acres with Improvement – Pinson Mounds State Park, Pinson, TN – Trans. No. 03-09-011 (LW)

Purpose: Acquisition in Fee of property adjoining the Park to provide protection against loss of visual integrity at the park entrance and solidify the southern boundary of the park.

Source of Funding: Land Acquisition Fund

Estimated Cost: Fair Market Value

Estimated Value: \$91,000.00

Owner(s): Reelfoot Girl Scouts Council

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Terry Bonham, agency representative, advised that the property is important to the integrity to the park entrance. He also advised that the house on the property could be used as the ranger's residence. The current residence has been condemned and the ranger is currently residing off-site. Staff asked if any modifications will be required so it could be occupied. Mr. Bonham stated the house appears to be in good condition and may require only minimum improvements. Staff stated it needs to be disclosed up front if it will come forward as a project. Staff referred to Sub-committee with recommendation.

SC Action: 10-20-03. Charles Garrett presented and summarized the transaction. Terry Bonham, agency representative, stated the house is part of the deal and it is in good shape. He stated an assessment would be made to determine any cost but stated it would probably be minimal cost. 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: Obion County – 1419 North Morgan Street, Union City, TN – Trans. No. 03-06-909 (TH)

Purpose: To provide office and shop space for operations of the Tennessee Rehabilitation Center.

Term: July 1, 2004 thru June 30, 2014 (10 yrs)

Proposed Amount:	<u>12,600 Square Feet</u>		
	Annual Contract Rent:	\$115,140.00	@\$ 9.14/sf
	Est. Annual Utility Cost:	\$ 17,640.00	@\$ 1.40/sf
	Total Annual Effective Cost:	\$132,780.00	@\$10.54/sf

Current Amount:	<u>11,430 Square Feet</u>		
	Annual Contract Rent		
	Including Utility Cost:	\$1.00	
	Total Annual Effective Cost:	\$1.00	

Type: New Lease -- Negotiated -- Intergovernmental

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: County of Obion and City of Union City

Comment: The proposed lease provides the Lessor (1) will construct a 12,600 office and shop/warehouse facility, including interior tenant build-out in accordance with plans and specifications approved by the State, (2) no cancellation during the first five years of the lease except for cause and/or lack of funding and 180 days notice thereafter and (3) State's option to renew for an additional ten year period with the annual rent of \$37,800.00 at \$3.00 per square foot. Janitorial services are performed by clients of the Center. Funding for the facility is 70 percent federal and 30 percent local.

SSC Report: 10-13-03. Bob King summarized the transaction and requested referral. Staff referred to Sub-committee for discussion.

SC Action: 10-20-03. Charles Garrett presented the transaction. He advised no State dollars are in the project. Sub-committee approved the request as presented. Final action.

BUREAU OF TENNCARE

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 – Great Circle Road, Nashville, TN – Trans No 03-02-917 (EN)

Purpose: To provide office and related space to consolidate the Bureau of TennCare into one facility.

Term: December 1, 2004 thru November 30, 2019 (15 yrs.)

Proposed 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:	\$ 232,408.00	@\$ 1.10/sf
	Total Annual Effective Cost:	\$2,750,600.00	@\$13.02/sf

Current Amount:	<u>123,445 Square Feet</u>		
	Avg. Annual contract Rent		
	Incl. Utility & Janitorial Cost:	<u>\$1,819,611.20</u>	@\$14.98/sf
	Total Annual Effective Cost:	\$1,819,611.20	@\$14.98/sf

Type: New Lease – Advertisement – Second Lowest of 10 Conforming Proposals – 12 Proposals received from 9 Proposers and 2 Proposals being non-conforming

FRF Rate: \$18.00 Per Square Foot

Purchase Option: Yes

Lessor: Hearthwood Properties #2, LLC

Comment: The proposed lease provides the Lessor will construct a 211,280 square foot office facility in accordance with plans approved by the State and no cancellation during the first eight (8) years of the lease except for cause and/or lack of funding and 180 days notice thereafter. The proposed lease will also contain provisions for construction oversight by the Division of Capital Projects and Real Property Management in addition to the oversight provided by local codes authorities and the State Fire Marshall's Office. The proposed lease will consolidate the Bureau into one facility from four different locations.

SSC Report: 10-13-03. Charles Garrett summarized the transaction and requested referral. Staff referred to Sub-committee with recommendation.

Bureau of TennCare – continued:

SC Action: 10-20-03. Charles Garrett presented an Information Paper and summarized the transaction. He advised that the Federal government was contacted regarding federal participation in the potential purchase of the facility. Jan Sylvis, Chief of the Division of Accounts, stated that the Federal government's initial decision was to not participate in the purchase of the facility. After review and discussion, Subcommittee approved the transaction as requested. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

OAK RIDGE NATIONAL LABORATORY, OAK RIDGE, TENNESSEE

- 1) Mr. Fitts presented a request for approval of the Takeover Agreement between the surety and the State on the Oak Ridge National Laboratory project. He stated the full Commission had referred this request to the Subcommittee, with authority to act, and that staff and the Attorney General's Office had reviewed the Agreement and recommended approval. After discussion, the Subcommittee approved the request without objection.

SBC Project No. 529/094-01-01

STATE BUILDING COMMISSION

MINUTES OF THE STATE BUILDING COMMISSION EXECUTIVE SUBCOMMITTEE

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on September 22, 2003.

Following approval of the Consent Agenda, the meeting adjourned at 11:15 a.m.

CONSENT AGENDA

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

- A. Agency: **Department of Health –Madison County**
Transaction: Disposal by Lease Amendment
Provision: Waiver Advertisement and Appraisals
- B. Agency: **Environment & Conservation – Warren County**
Transaction: Acquisition by Lease
- C. Agency: **Environment & Conservation – Sumner County**
Transaction: Acquisition by Lease
- D. Agency: **Environment & Conservation – Decatur County**
Transaction: Acquisition of a Gift
Provision: Waiver of Appraisal
- E. Agency: **Environment & Conservation – Franklin County**
Transaction: Acquisition by Easement
- F. Agency: **Environment & Conservation – Washington County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- G. Agency: **Financial Institutions – Davidson County**
Transaction: Lease Amendment
- H. Agency: **Financial Institutions – Rutherford County**
Transaction: Lease Agreement
- I. Agency: **Department of Human Services – Wilson County**
Transaction: Lease Agreement
- J. Agency: **Department of Human Services – Carroll County**
Transaction: Lease Agreement
- K. Agency: **Department of Children’s Services – Carroll County**
Transaction: Lease Agreement
- L. Agency: **Department of Children’s Services – Hamilton County**
Transaction: Lease Amendment

DEPARTMENT OF HEALTH

LAND ITEM

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

Description: **Madison County -- 65 Ridgecrest Drive, Jackson, TN -- Trans. No. 03-09-008 (LW)**

Purpose: Disposal by Lease Amendment to allow for relocation of Lessee from 765 West Forest Avenue to 65 Ridgecrest Drive. All other terms and conditions remain the same.

Term: May 31, 1960 thru May 30, 2059 (99 Years)

Consideration: Grant – Public Benefit

Lessee: West Tennessee Hearing and Speech Center, Inc.

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: **Warren County – 165.0 +/- Acres – Along Caney Fork River, Rock Island State Park – Trans. No. 03-09-002 (GM)**

Purpose: Renewal of a lease for public recreation purposes. Renewal lease will replace an expiring 30-year lease.

Term: Renewal - 20 Years

Source of Funding: Grant

Estimated Cost: Grant – Public Benefit

Owner(s): U.S. Department of the Army, Corps of Engineers

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: Sumner County – 164.0 +/- Acres – Old Hickory Lake, Bledsoe State Park – Trans. No. 03-09-003 (GM)

Purpose: Renewal of a lease for public recreation purposes. Renewal lease will replace an expiring 30-year lease.

Term: Renewal - 30-Years

Source of Funding: Grant

Estimated Cost: Grant – Public Benefit

Owner(s): U.S. Department of the Army, Corps of Engineers

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

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

Description: Decatur County – 202.74 +/- Acres – Carroll Cabin Barrens Natural Area – Trans. No. 03-09-012 (BM)

Purpose: Acquisition in Fee by Gift for protection and preservation of the Natural Area.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Weyerhaeuser Company

Comment: Previous Sub-committee action of June 25, 2001 approved the acquisition of subject property as a conservation easement. The property owner is now willing to donate the property in fee to the State.

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and ACQUIRE by EASEMENT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Franklin County – 0.11 +/- Acres – Tims Ford State Park – Trans. No. 03-09-010 (BM)**

Purpose: Acquisition by Easement to provide ingress and egress by land to this area of the Park which is currently only accessible by water.

Source of Funding: Land Acquisition Fund

Estimated Cost: Fair Market Value

Estimated Value: \$4,000.00

Owner(s): James and Beverly Tucker

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

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: **Washington County – 0.25 +/- Acres with Improvements – Chester Inn Historic Site, Jonesboro, TN – Trans. No. 03-09-004 (BM)**

Purpose: Disposal by Lease renewal to allow for the continued preservation and management of the State-owned Chester Inn Historic Site.

Term: Renewal - 5-Years

Consideration: Grant – State Benefit

Lessee: National Association for the Preservation and Perpetuation of Storytelling (NAPPS)

SSC Report: 10-13-03. Jurgen Bailey, Real Estate Management, summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCIAL INSTITUTIONS

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 - 511 Union Street, Nashville, TN Trans. No. 03-09-911 (EN)**

Purpose: To provide office and related space for the Department's new Consumer Affairs section.

Term: November 1, 2003 thru April 30, 2007 (3 yrs., 6 mos.)

Proposed Amount: 24,111 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$425,559.15 @\$17.65/sf
Avg. Total Ann. Effective Cost: \$425,559.15 @\$17.65/sf

Current Amount: 20,600 Square Feet
Avg. Annual Contract Rent
Incl. Utility & Janitorial Cost: \$333,980.00 @\$17.65/sf
Avg. Total Ann. Effective Cost: \$333,980.00 @\$17.65/sf

Type: Amendment No. 2 – 3,511 Additional Office space

FRF Rate: \$18.00 Per Square Foot

Purchase Option: No –Multi-tenant

Lessor: Nashville City Center, LP

SSC Report: 10-13-03. Charles Garrett summarized the transaction and requested referral. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCIAL INSTITUTIONS

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: Rutherford County –1800 South Rutherford, Murfreesboro, TN – Trans. No. 02-12-901 (RS)

Purpose: To provide office and related space for the Department's Middle Tennessee Field Office

Term: December 1, 2003 thru November 30, 2008 (5 yrs.)

Proposed Amount: 4,473 Square Feet

Annual Contract Rent:	\$60,800.00	@\$13.59/sf
Est. Annual Utility Cost:	\$ 4,920.30	@\$ 1.10/sf
Est. Annual Janitorial Cost:	\$ 4,920.30	@\$ 1.10/sf
Total Annual Effective Cost:	\$70,640.60	@\$15.79/sf

Current Amount: 3,060 Square Feet

Annual Contract Rent Incl.		
Utility and Janitorial Cost:	\$39,780.00	@\$13.00/sf
Total Annual Effective Cost:	\$39,780.00	@\$13.00/sf

Type: New Lease – Advertisement – Second Lowest of (4) Proposals from (2) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: No – Multi-tenant Facility

Lessor: Thomas G. Hyde

Comment: The proposed lease provides the Lessor will (1) provide interior build-out and tenant alterations in accordance with plans and specifications approved by the State at no additional cost to the State, (2) no cancellation during the lease term except for cause and/or lack of funding and (3) water and sewer furnished by the Lessor.

SSC Report: 10-13-03. Bob King summarized the transaction and requested referral. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. 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: Wilson County – 712 North Cumberland Street, Lebanon, TN – Trans. No. 03-04-902 (RS)

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

Term: January 1, 2004 thru December 31, 2008 (5 yrs.)

Proposed Amount: 7,000 Square Feet

Annual Contract Rent:	\$60,000.00	@\$ 8.57/sf
Est. Annual Utility Cost:	\$ 9,800.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 7,700.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$77,500.00</u>	<u>@\$11.07/sf</u>

Current Amount: 7,000 Square Feet

Annual contract Rent:	\$57,060.00	@\$ 8.15/sf
Est. Annual Utility Cost:	\$ 9,800.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 7,700.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$74,560.00</u>	<u>@\$10.65/sf</u>

Type: New Lease – Advertisement – Lowest Proposal – Eight Conforming Proposals, One non-conforming and One withdrawn from Four Proposers

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Hayes-Jackson Properties, Current Lessor
Michael Hayes Co-owner

Comment: The proposed lease provides the Lessor (1) will make interior improvements and repairs at no to the existing lease space at no additional cost to the State and (2) no cancellation during the entire lease term except for cause and/or lack of funding.

SSC Report: 10-13-03. Bob King summarized the transaction and requested referral. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. 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: **Carroll County – 20810 Main East, Huntingdon, TN – Trans. No. 02-04-921 (TH)**

Purpose: To provide office and related space for Departmental local operations.

Term: November 1, 2004 thru October 31, 2014 (10 yrs.)

Proposed Amount: **6,363 Square Feet**

Annual Contract Rent:	\$36,000.00	@\$5.66/sf
Est. Annual Utility Cost:	\$ 8,908.20	@\$1.40/sf
Est. Annual Janitorial Cost:	\$ <u>6,999.30</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$51,907.50	@\$8.16/sf

Current Amount: **3,461 Square Feet**

Annual contract Rent:	\$16,785.85	@\$4.85/sf
Est. Annual Utility Cost:	\$ 4,845.40	@\$1.40/sf
Est. Annual Janitorial Cost:	\$ <u>3,807.10</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$25,438.35	@\$7.35/sf

Type: New Lease – Advertisement – Lowest of (5) Proposals from (5) Proposers (one Non-conforming)

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – May be considered in the future

Lessor: James and Doris Wiseman, Current Lessor

Comment: The proposed lease provides the Lessor will (1) renovate the existing building in accordance with State's plans and specifications at no additional cost to the State and (2) no cancellation during the first five years of the lease except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 10-13-03. Bob King summarized the transaction and requested referral. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. 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: **Carroll County – 20800 Main East, Huntingdon, TN – Trans. No. 02-02-924 (TH)**

Purpose: To provide office and related space for Departmental local operations.

Term: November 1, 2004 thru October 31, 2014 (10 yrs.)

Proposed Amount: 4,239 Square Feet

Annual Contract Rent:	\$28,800.00	@\$6.80/sf
Est. Annual Utility Cost:	\$ 5,934.60	@\$1.40/sf
Est. Annual Janitorial Cost:	\$ 4,662.90	@\$1.10/sf
Total Annual Effective Cost:	\$39,397.50	@\$9.30/sf

Current Amount: 2,473 Square Feet

Annual contract Rent:	\$11,994.05	@\$4.85/sf
Est. Annual Utility Cost:	\$ 3,462.20	@\$1.40/sf
Est. Annual Janitorial Cost:	\$ 2,720.30	@\$1.10/sf
Total Annual Effective Cost:	\$18,176.55	@\$7.35/sf

Type: New Lease – Advertisement – Lowest of (5) Proposals from (5) Proposers (one Non-conforming)

FRF Rate: \$10.25 Per Square Foot

Purchase Option: No – May be consider in the future

Lessor: James and Doris Wiseman, Current Lessor

Comment: The proposed lease provides the Lessor will (1) renovate the existing building in accordance with State's plans and specifications at no additional cost to the State and (2) no cancellation during the first five years of the lease except for cause and/or lack of funding.

SSC Report: 10-13-03. Bob King summarized the transaction and requested referral. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. 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 AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hamilton County – 744 McCallie Avenue, Suite 317 Chattanooga, TN – Trans. No. 03-07-910 (JS)**

Purpose: To provide office and related space for the CPS Special Assist Team.

Term: November 1, 2003 thru October 31, 2007 (4 yrs.)

Proposed Amount: 7,965 Square Feet
Avg. Ann. Contract Rent:
Incl. Utility & Janitorial Cost \$70,351.92 @\$8.83/sf
Avg. Annual Effective Cost: \$70,351.92 @\$8.83/sf

Current Amount: 6,085 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$53,244.00 @\$8.75/sf
Total Annual Effective Cost: \$53,244.00 @\$8.75/sf

Type: Amendment No. 1 – 1,880 Additional Office Space @ \$9.10 Per Square Foot

FRF Rate: \$16.00 Per Square Foot

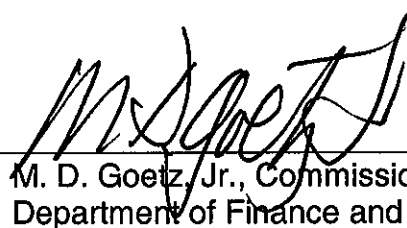
Purchase Option: No – State owned

Lessor: University of Tennessee at Chattanooga (UTC)

SSC Report: 10-13-03. Bob King summarized the transaction and requested referral. Staff referred to Sub-committee for consent agenda.

SC Action: 10-20-03. Sub-committee approved the transaction as presented. Final action.

Approved by: _____



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