

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

OCTOBER 23, 2006

The State Building Commission Executive Subcommittee met this day at 3:00 p.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Charles Harrison, Comptroller's Office
Georgia Martin, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
John Gregory, TN Wildlife Resources Agency
Jerry Preston, Tennessee Board of Regents
Dennis Raffield, THEC
George Brummett, Department of Finance and Administration
Annette Crutchfield, Legislative Budget
Alvin Payne, University of Tennessee
Mike Morrow, Department of Finance and Administration
Pat Haas, Bond Finance
Mark Wood, Secretary of State's Office
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Bob King, Department of Finance and Administration
Harvey Freeman, Department of Finance and Administration
Helen Ford, Board of Probation & Paroles
Jacquelyn Baker, Board of Probation & Paroles

Debra Hudson, Board of Probation & Paroles
Gary Tullock, Board of Probation & Paroles
Mike Baumstark, Department of Environment and Conservation
Jim Fyke, Department of Environment and Conservation
Lynn Miller, THDA
Patricia Chatman, THDA

Comptroller Morgan called the meeting to order at 3:50 p.m. and requested action on the following matters as presented by Assistant Commissioner Charles Garrett.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

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

Location: Tipton County – 1999 Highway 51 South, Covington, TN – Trans. No. 10-10-903

Purpose: To provide office and classroom space for training

Term: December 1, 2006 thru November 30, 2007 (1 yr)

Proposed Amount:	<u>7,372 Square Feet</u>		
	Annual Contract Rent:	\$73,720.00	@\$10.00/sf
	Est. Annual Utility Cost:	\$10,320.80	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,109.20</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$92,150.00	@\$12.50/sf

Current Amount:	<u>9,615 Square Feet</u>		
	Annual Contract Rent:	\$ 91,342.50	@\$ 9.50/sf
	Est. Annual Utility Cost:	\$ 13,461.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 10,576.50</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$115,380.00	@\$12.00/sf

Type: New Lease - Negotiated

FRF Rate: \$12.50 per square foot

Purchase Option: No

Lessor: Baptist Memorial Hospital – Tipton Co., current lessor

Comment: The proposed lease contains a 120-day cancellation clause for convenience by either party. Option to renew at the end of the each lease term for four years. Rental rate cost is to be determined by the appraisal each term.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

University of Tennessee – continued:

SC Action: 10-23-06. Charles Garrett presented the transaction. After discussion, the Subcommittee approved a one-year lease with four one-year options, for a total maximum term of five years. Each party would have a 120-day cancellation provision. An appraisal will be obtained each option year and, if the original \$10.00 per square foot rate does not increase, then the Subcommittee will not need to approve the option year. If the appraisal indicates that a rate increase is appropriate, then the Subcommittee will have to approve the execution of the option.

UNIVERSITY OF TENNESSEE

LAND ITEM:

The State Building Commission Executive Sub-Committee on April 25, 2005 approved the disposal of the property located at 549 Goodwyn Street in Memphis. This property was previously designed as The University of Tennessee Health Science Center Chancellor's residence.

Real Property conducted two sealed bid processes concerning the property. A minimum bid of \$1,000,000 was established for this bid process based on appraisals obtained. The first bid opening was August 11, 2005 with no bids received. A second sealed bid process was conducted, with no minimum bid being required, on October 6, 2006. This bid process produced three bids with the high bid of \$575,000.00.

Based on the two bid processes and the marketing of the property, UT request approval to sell the property for \$575,000 the highest bid received. The University is obligated, as previously approved, to make up the differential in the sale price of 549 Goodwyn Street and the price of the new residence with gift funds.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Charles Garrett summarized the transaction and stated that the University was requesting approval to sell the property for \$575,000, the highest bid they had received. Alvin Payne indicated that there had been another individual express interest in the property potentially at a higher amount. Secretary Darnell asked Alvin Payne if there was any reason why the University had to accept the bid of \$575,000 if there exists a bonafide bid exceeding that amount, and Mr. Payne responded "no". Secretary Darnell then made a motion to approve the acceptance of \$575,000, or greater, for the property. The motion was seconded and passed without objection.

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, REQUEST WAIVER of REAL ESTATE MANAGEMENT FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Washington County – 1.277 +/- acres & 10,153 sq. ft. building – 104 Dillon Court, Gray, TN – Trans. No. 06-09-005 (BW)

Purpose: Acquisition in Fee to purchase the building & property for off-site campus teaching.

Source of Funding: Land Purchase and Replacement Funds

Estimated Cost: \$998,000 or \$923,467

Estimated Title, Appraisal and Survey Fees: Fair Market Value

Owner(s): Tittle and Tittle Construction Co., Inc.

Comment: If a 12 month notice is provided prior to purchase, the last 12 months rental payments of \$74,553.00 would be deducted from the purchase price.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Subcommittee approved the transaction as presented.

SECRETARY OF STATE for
TENNESSEE ETHICS COMMISSION

LEASE AGREEMENT

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

Location: Davidson County – Sun Trust Bank, 4th Avenue North & Church Street, Nashville, TN – Trans. No.

Purpose: To provide office space for Ethics Commission

Term: November 1, 2006 thru October 31, 2007 (1 yr)

Proposed Amount: 2,841 Square Feet
Annual Contract Rent Incl. Annual
Utility & Janitorial Cost: \$49,717.50 @\$17.50/sf
Total Annual Effective Cost: \$49,717.50 @\$17.50/sf

Current Amount: None

Type: New Lease – Negotiated

Parking: An addition to the rent there is a cost for one (1) parking space at \$150.00 monthly - \$1,800.00 yearly.

FRF Rate: \$18.00 per square foot

Purchase Option: No – multi tenant

Lessor: SunTrust Bank

Comment: Proposed lease has no cancellation except for cause and/or lack of funding. Lessor to provide utilities & janitorial services at no additional cost to the State.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Subcommittee approved the transaction as presented.

BOARD OF PROBATION & PAROLE

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: Shelby County – 4029 Knight Arnold Road, Memphis, TN – Trans. No. 06-01-902 (AL)

Purpose: To provide emergency office space.

Term: November 1, 2006 thru October 31, 2007 (1 yr.)

Proposed Amount: 2,480 Square Feet

Annual Contract Rent Incl. Annual		
Utility Cost:	\$42,160.00	@\$17.00/sf
Est. Annual Janitorial Cost:	<u>\$ 2,728.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$44,888.00	@\$18.10/sf

Current Amount: None

Type: New Lease – Negotiated

FRF Rate: \$17.00 per square foot

Purchase Option: No – multi tenant

Lessor: Cocaine Alcohol Awareness Program, Inc.

Comment: The proposed lease provides (1) Lessor shall renovate 2,480 sq. ft. of existing building include exterior & interior tenant build-out at no additional cost to the State, (2) proposed lease has no cancellation except for cause and/or lack of funding and (3) Lessor to provide utilities at no additional cost to the State.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Subcommittee approved the transaction as presented.

BOARD OF PROBATION & PAROLE

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: Shelby County – 3973 Knight Arnold Road, Memphis, TN – Trans. No. 06-01-902 (AL)

Purpose: To provide office and related space for Sex Offender Unit.

Term: November 1, 2007 thru October 31, 2012 (5 yr.)

Proposed Amount: 5,125 Square Feet
Annual Contract Rent Incl. Annual
Utility Cost: \$87,125.00 @\$17.00/sf
Est. Annual Janitorial Cost: \$ 5,637.50 @\$ 1.10/sf
Total Annual Effective Cost: \$92,762.50 @\$18.10/sf

Current Amount: 2,480 Square Feet
Annual Contract Rent Incl. Annual
Utility Cost: \$42,160.00 @\$17.00/sf
Est. Annual Janitorial Cost: \$ 2,728.00 @\$ 1.10/sf
Total Annual Effective Cost: \$44,888.00 @\$18.10/sf

Type: New Lease – Advertised – No proposals received – Negotiated with current lessor

FRF Rate: \$17.00 per square foot

Purchase Option: No – multi tenant

Lessor: Cocaine Alcohol Awareness Program, Inc., current lessor

Comment: The proposed lease provides (1) Lessor shall renovate 5,125 sq. ft. of existing building include exterior & interior tenant build-out at no additional cost to the State, (2) proposed lease has 90-day cancellation and (3) Lessor to provide utilities at no additional cost to the State.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM:

Requesting approval to allow Bowater, Inc. to acquire an appraisal from American Forestry Management to complete an in-depth market study and determine a per acre value on 3,000+/- acres for the State to acquire those properties located in multiple counties. In addition, requesting waiver of one appraisal is also requested.

The State of Tennessee and Bowater, Inc. are partnering in a unique opportunity to conserve 3,000+/- acres. Bowater, Inc. will be selling many of its real estate holdings by auction in the near future. State officials are working with Bowater, Inc. to delay critical tract in order to acquire them in the near future. These 3,000 acres include:

1. Stinging Fork-632 acres which is area surrounding pocket wilderness being donated.
2. Piney River-53 acres of buffer area.
3. Laurel Snow-300+ additional acres.
4. Possum Creek-1,299 additional acres. (Bowater will reserve harvest rights for 6 years)
5. Fall Creek Falls-707+ additional acres.

Real Property Management will review the appraisals submitted by Bowater, Inc. for accuracy and determine if it reflects fair market value. If it is determined that an outside consultant is needed to rectify the value then one will be hired. The final value determined will be brought back to sub committee for final approval to acquire.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Commissioner Fyke stated the approximate cost for the 3,000 acres would be \$4.2 million. Funds will be coming out of unspent bond fund dollars and Heritage Trust Funds. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Charles Garrett presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM:

The Department is currently in the process of acquiring a number of environmentally sensitive tracts of land. Several of these tracts are under immediate threat of development and require the ability to act quickly to avoid being lost for public use.

The Department of Environment and Conservation is requesting permission to utilize a third party to acquire and hold the threatened properties until such time as the Department can prepare an acquisition package for consideration of the State Building Commission. Two properties currently in immediate danger are Fiery Gizzard in Grundy County and properties adjacent to the newly acquired Pogue Creek Natural area in Fentress County.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Commissioner Fyke presented the importance of this transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 10-23-06. Charles Garrett presented the transaction. He stated that the request was for approval to proceed forward with the Nature Conservancy acquiring the two threatened properties on behalf of the State at appraised value. Commissioner Fyke commented that the Department has \$3 million available and was looking for some assistance from outside parties (non-profits) in acquiring these sensitive areas. Commissioner Fyke stated that the Nature Conservancy would be able to acquire these tracts more quickly than the State when they become available. Subcommittee approved the request as presented.

TENNESSEE BUREAU OF INVESTIGATION

LAND ITEM

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

Description: **Knox County - New proposed TBI Lab-Strawberry Plains, TN- Transaction No. 05-09-001 (JB)**

Purpose: Requesting approval to dispose of various utility easements and access in order to develop the new TBI Lab.

Grantees: City of Knoxville, Knoxville Utility Board, etc.

Source of Funding: Grant for public purpose and State's benefit.

SC Action: 10-23-06. Charles Garrett brought this request up from the floor. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
for MENTAL RETARDATION SERVICES

DISCUSSION ITEM

Discussion of the methodology of using THDA grant construction loans to provide residential facilities for adult citizens that require services from the Division of Mental Retardation Services (DMRS).

SSC Report: 09-12-05. Charles Garrett summarized the transaction. The goal was to construct 4 units within the city of Memphis, 4 in Shelby County and 4 in Greene County by July 2006. The facilities would all be design and constructed according to the same specifications. F&A would provide consulting and architectural services. The homes would be located in the neighborhood of the resident's family members. Caregivers would not be living at the homes, but would provide 24-hour assistance in 8-hour shifts. THDA would offer grants to non-profit construction organizations, with funding provided by a bond issue of up to \$3.0m. Upon completion of each project, DMRS would purchase the property, thus reimbursing THDA who would then re-cycle the money into the next project. Patricia Chatman of THDA stated that her office would evaluate and process the proposals to ensure compliance with THDA standards.

The Bureau of TennCare will pay DMRS \$15,000 per resident, or \$60,000 per unit of four, toward the purchase price of the homes. Staff referred to Sub-Committee for discussion.

SC Action: 09-23-05. Charles Garrett summarized the proposed transaction as shown above. Deputy Commissioner Steve Norris said that this was a very important step to a long-term solution. He said they are under pressure to move people from MR facilities into the community, and they probably will spend \$2 million a year on renovations and \$2.5 million in housing subsidies. Secretary of State Darnell commended Mary Margaret Collier for her work. He added that it has been a pleasure to see the cooperation of the various agencies and THDA, and it is one of those issues where everyone has pulled their load and that this was an innovative way to make this thing work. Mr. Garrett asked how did they want them to proceed and did they want them to go the full SBC. Comptroller Morgan said he thought they needed to recommend approval to the full Commission. The Subcommittee then approved Comptroller Morgan's recommendation.

SC Action: 10-23-06. Charles Garrett brought up from the floor a request for approval to waive the bond requirement relative to residential facilities for the Division of Mental Retardation Services. Mr. Garrett stated that SBC policy requires bonds for projects exceeding \$100,000 and he requested they be waived for these housing units. Treasurer Sims asked if the State could lose if the contractor defaulted. Mr. Garrett responded that the non-profit construction organization would be responsible. Subcommittee approved Mr. Garret's request without objection.

STATE BUILDING COMMISSION

MINUTES OF SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on September 25, 2006.

BY-LAWS, POLICY AND PROCEDURES OF THE STATE BUILDING COMMISSION

- 1) Subcommittee approved recommending to the full Commission the following revisions in bold under Paragraph 2(B) of Attachment 4 of the *SBC By-laws, Policy & Procedures* with regard to TWRA's Procedure for Crop Leases:

2. ADVERTISEMENT

- A. Land without legal access does not have to be advertised.
- B. All other land to be crop leased will be advertised at least two (2) times in a two-week period in a local publication.
 - (1) **All bids will be sealed and not opened until the advertised bid opening date.**
 - (2) The terms, conditions, **sealed** bid opening date and person to contact for further information is to appear in the advertisement.
 - (3) **Sealed** bid opening to be no sooner than ten (10) days from the last advertisement excluding Saturdays, Sundays and holidays.

Following approval of the Consent Agenda, the meeting adjourned at 4:15 p.m.

CONSENT AGENDA

Approved the following Real Property transactions, which have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: University of Tennessee – Shelby County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal

- B. Agency: University of Tennessee – Shelby County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal

- C. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal

- D. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in Fee

- E. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in Fee

- F. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
Provision: Request Demolition

- G. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
Provision: Request Demolition

- H. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal by Easement
Provision: Waiver of Appraisals

- I. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in Fee

- J. Agency: Tennessee Board of Regents – Shelby County
Transaction: Lease Agreement
Provision: Waiver of Advertisement

- K. Agency: Board of Probation & Parole – Montgomery County
Transaction: Lease Agreement

- L. Agency: **F & A for Mental Retardation Services – Hamilton County**
Transaction: Lease Agreement
- M. Agency: **Department of Human Services – Cocke County**
Transaction: Lease Agreement
- N. Agency: **F & A for Human Services / Children’s Services – McNairy County**
Transaction: Lease Agreement
- O. Agency: **Department of Education – Fentress County**
Transaction: Disposal in Lease
Provision: Waiver of Advertisement & Appraisals
- P. Agency: **Department of Environment & Conservation – Franklin County**
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisal
- Q. Agency: **Department of Environment & Conservation – Davidson County**
Transaction: Acquisition in Fee
- R. Agency: **Department of Environment & Conservation – Sumner County**
Transaction: Acquisition in Fee
- S. Agency: **Department of Environment & Conservation – Sumner County**
Transaction: Acquisition by Lease
Provision: Waiver of Appraisal
- T. Agency: **Tennessee Wildlife Resources Agency – Washington County**
Transaction: Acquisition by Lease
- U. Agency: **Tennessee Wildlife Resources Agency – Anderson & Scott Counties**
Transaction: Disposal by Easement
- V. Agency: **University of Tennessee – Knox County**
Transaction: Demolish Residences – 540/009-16-2006
- W. Agency: **Tennessee Wildlife Resources Agency – Greene County**
Transaction: Demolish Structures – 220/020-05-2006

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Shelby County – 1.22 +/- acres – 899 Madison Avenue, Memphis, TN – Trans. No. 06-09-009 (GM)

Purpose: Acquisition in Fee for construction of new College of Pharmacy building.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Memphis Bioworks Foundation

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Shelby County – 0.36 +/- acres – Monroe Avenue, Memphis, TN – Trans. No. 06-09-010 (GM)

Purpose: Acquisition in Fee for construction of new Regional Biocontainment Laboratory building

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Memphis Bioworks Foundation

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request 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, WAIVER OF APPRAISAL not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 3.0 +/- acres – 2880 Sharp Top Road, Palmyra, TN – Trans. No. 06-09-006 (BW)

Purpose: Acquisition in Fee to construct an observatory to benefit Austin Peay State University Physics & Astronomy Department.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Spencer Buckner

Comment: The owner wishes to donate the property to APSU for the observatory.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request 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: Shelby County – 0.39 +/- acres with a house – 3604 Midland Avenue, Memphis, TN – Trans. No. 06-09-007 (BW)

Purpose: Acquisition in Fee to purchase the property for further enhancement of the University's Master Plan.

Source of Funding: Local Land Acquisitions Funds

Estimated Cost: \$229,200.00

Owner(s): Clifton W. Wooley residuary Trust for John C. Wooley

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request 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 – 1807 Jordon Avenue, Murfreesboro, TN – Trans. No. 06-09-015 (BW)

Purpose: Acquisition in Fee for property that will be rented until needed for future expansion within the Master Plan.

Source of Funding: Property Rental Auxiliary Funds

Estimated Cost: Fair Market Value

Owner(s): Max Griffen Wright, Jr.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request 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, REQUEST DEMOLITION APPROVAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 0.17 +/- acres improved with a house that been converted into 3 apartments – 220 Marion Street, Clarksville, TN – Trans. NO. 06-09-016 (LW)

Purpose: Acquisition in Fee for use as parking and/or new housing after demolition within the Master Plan.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Patrick J. Rey

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request 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, REQUEST DEMOLITION APPROVAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 0.18 +/- acres improved with a house – 608 Robb Avenue, Clarksville, TN – Trans. No. 06-09-017 (LW)

Purpose: Acquisition in Fee for use as parking and/or new housing within the Master Plan.

Source of Funding: Campus Plant Funds

Estimated Cost: Fair Market Value

Owner(s): Ben Stevens

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Shelby County – 8 foot wide easement to Carpenter Student Housing complex, Poplar Avenue, Memphis, TN – Trans. No. 06-09-018 (BW)

Purpose: Disposal by Easement to construct, install electric & gas lines across 12 adjoining parcels of a student housing complex.

Estimated Sale Price: Grant for Mutual Benefit

Grantee: City of Memphis, Memphis Lights, Gas and Water

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request 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 – 1819 Jordan Avenue, Murfreesboro, TN – Trans. No. 06-10-001 (BW)

Purpose: Acquisition in Fee to acquire and rent the house until it is needed for the future expansion within the Master Plan.

Source of Funding: Rental Property Auxiliary Funds

Estimated Cost: Fair Market Value

Owner(s): T. R. James

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LEASE AMENDMENT

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

Location: Shelby County – 500 Winchester Blvd., Collierville, TN – Transaction No. 06-10-900

Purpose: To provide classroom & office space for the University of Memphis

Term: January 1, 2007 thru December 31, 2007 (1 year)

Proposed Amount: 19,800 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$184,428.00 @ \$9.31/sf
Total Annual Effective Cost: \$184,428.00 @ \$9.31/sf

Current Amount: 19,800 Square Feet
Annual Contract Rent Incl. Utility &
Janitorial Cost: \$176,616.00 @ \$ 8.92/sf
Total Annual Effective Cost: \$176,616.00 @ \$ 8.92/sf

Type: Amendment #8 – Negotiated (Amendments 1 thru 6 was never done thru Staff Sub-Committee it was handled by BOR)

Lessor: Carrier Corporation

Comment: Request approval for this Amendment to the lease because of lack of no proposal responses to the advertisement.

SSC Report: 10-16-06. Bob King summarized the transaction. Jerry Preston stated that BOR would re-advertise. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

K.

BOARD OF PROBATION & PAROLE

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: Montgomery County – 100 Providence Blvd., Clarksville, TN – Trans. No. 05-08-907 (RS)

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

Term: October 1, 2007 thru September 30, 2017 (10 yrs.)

Proposed Amount:	<u>7,320 Square Feet</u>		
	Annual Contract Rent:	\$ 82,350.00	@\$11.25/sf
	Est. Annual Utility Cost:	\$ 10,248.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,052.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$100,650.00	@\$13.75/sf

Current Amount:	<u>6,970 Square Feet</u>		
	Annual Contract Rent:	\$ 60,000.00	@\$ 8.61/sf
	Est. Annual Utility Cost:	\$ 9,758.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 7,667.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$ 77,425.00	@\$11.11/sf

Type: New Lease – Advertised – Received Four (4) proposals from three (3) proposers (one (1) non-conforming)

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: Boot Hill Holdings, Inc.

Comment: The proposed lease provides (1) Lessor shall renovate 7,300 sq. ft. of existing building include exterior & interior tenant build-out at no additional cost to the State and (2) proposed lease has no cancellation for the first five years except for cause and/or lack of funding and 180-day thereafter.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION for
MENTAL RETARDATION SERVICES

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: Hamilton County – 5721 Marlin Road, Building 6100, Suites 3703, 3800, 3900 & 4404, Chattanooga, TN – Trans. No. 05-04-923 (RS)

Purpose: To provide office space

Term: December 1, 2006 thru December 31, 2008 (2 yrs., 1 mon)

Proposed Amount: 5,662 Square Feet
Annual Contract Rent Incl Annual
Utility & Janitorial Cost: \$67,094.70 @ \$11.85/sf
Total Annual Effective Cost: \$67,094.70 @ \$11.85/sf

Current Amount: 4,070 Square Feet
Annual Contract Rent Incl. Annual
Utility & Janitorial Cost: \$48,245.10 @ \$11.85/sf
Total Annual Effective Cost: \$48,245.10 @ \$11.85/sf

Type: Amendment #2 – additional 1,592 sq. ft. which is Suite 3900

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: Osborne Building Corporation, current lessor

Comment: The proposed amendment provides (1) increase of rent for the remainder of the lease term, (2) Lessor to provide additional Suite and (3) all other terms and conditions remain the same.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

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: **Cocke County – 307 Heritage Blvd., Newport, TN – Trans. No. 06-03-921 (JS)**

Purpose: To provide office space for county operations

Term: January 1, 2007 thru December 31, 2011 (5 yrs.)

Proposed Amount: **8,676 Square Feet**

Annual Contract Rent Incl. Annual		
Utility Cost:	\$ 95,000.04	@\$10.95/sf
Est. Annual Janitorial Cost:	<u>\$ 9,543.60</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$104,543.64	@\$12.05/sf

Current Amount: **8,676 Square Feet**

Annual Contract Rent Incl. Annual		
Utility Cost:	\$68,604.04	@\$7.91/sf
Est. Annual Janitorial Cost:	<u>\$ 9,543.60</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$78,147.64	@\$9.01/sf

Type: New Lease – Advertised – Received only one (1) proposal from the current lessor

FRF Rate: \$12.50 per square foot

Purchase Option: No – Multi-tenant

Lessor: Office Retail Partnership, current lessor

Comment: The proposed lease provides (1) Lessor will make improvements at no additional cost to the State, (2) lease has a 90-day State cancellation and (3) Lessor is to provide utilities.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION for
HUMAN & CHILDREN'S SERVICES

LEASE AGREEMENT

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

Location: McNairy County – 855 East Poplar, Selmer, TN – Trans. No. 06-02-902 (AL)

Purpose: To provide office and related space for county operations

Term: January 1, 2008 thru December 31, 2017 (10 yrs.)

Proposed Amount:	<u>8,700 Square Feet</u>		
	Annual Contract Rent:	\$ 79,920.00	@ \$ 9.19/sf
	Est. Annual Utility Cost:	\$ 12,180.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 9,570.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$101,670.00	@ \$11.69/sf

Current Amount:	<u>6,016 Square Feet</u>		
	Annual Contract Rent:	\$45,900.00	@ \$ 7.63/sf
	Est. Annual Utility Cost:	\$ 8,422.40	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 6,617.60</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$60,940.00	@ \$ 10.13/sf

Type: New Lease – Advertised – Received three (3) proposals from two (2) proposers

FRF Rate: \$12.50 per square foot

Purchase Option: Yes - negotiable

Lessor: Pedigo-Selmer Properties, LP, current lessor

Comment: The proposed lease provides (1) Lessor will add addition of 2,684 sf to the existing building and make repairs & improvements at no addition cost to the State and (2) proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180-days thereafter.

SSC Report: 10-16-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

DEPARTMENT OF EDUCATION

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: **Fentress County – 1.0 +/- acres – Jamestown, TN – Trans. No. 06-09-021 (FB)**

Purpose: Disposal by Lease to amend current lease to include one additional acre for use as a walking trail.

Term: Until March 15, 2072

Consideration: Mutual Benefits

Lessee: City of Jamestown

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & 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 ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description: **Franklin County – 0.14 +/- acres – Turkey Creek boat ramp, Winchester, TN – Trans. No. 06-09-011 (GM)**

Purpose: Disposal by Easement to provide additional lighting at Turkey Creek boat ramp

Estimated Sale Price: Mutual Benefits

Grantee: Duck River Electric Membership Corporation

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Davidson County – 16.79 +/- forest acres – Radnor Lake area, Nashville, TN – Trans. No. 06-09-012 (LW)

Purpose: Acquisition in Fee to protect watershed, view shed, blood root plants & wildlife at Radnor Lake.

Source of Funding: State Land Acquisition Fund

Estimated Cost: Fair Market Value

Owner(s): Friends of Radnor Lake and City of Oak Hill

Comment: Departments of Agriculture & TWRA support this project.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Sumner County – 10.45 +/- acres & improvements of house – State Route 25, Castalian Springs, TN – Trans. No. 06-09-013 (FB)

Purpose: Acquisition in Fee of the Hawthorne Hill property which is the oldest privately owned masonry building in Middle Tennessee.

Source of Funding: State Land Acquisition Fund

Estimated Cost: \$179,000.00

Owner(s): C. Tracy Parks

Comment: This is a most important request presented by the Tennessee Historical Commission.

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Sumner County – 5.47 +/- acres – Bledsoe Creek Park, Gallatin, TN – Trans. No. 06-09-014 (FB)

Purpose: Acquisition by Lease to add additional 5.47 acres of water area with an elevated boardwalk and foot bridge for recreation purposes.

Source of Funding: State Parks Funds

Estimated Cost: Grant for Public Purpose

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

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCE 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: Washington County – 1.0 +/- acres – Johnson City Road / Lancaster Road, Johnson City, TN – Trans. No. 06-09-019 (RJ)

Purpose: Acquisition by Lease for a 99 year lease to acquire a site for boat storage.

Source of Funding: TWRA Funds

Estimated Cost: Gift

Owner(s): Johnson City, Phil Pindzola

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCE 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 as required by TCA 4-15-102 and 12-2-112.

Description: Anderson & Scott Counties – 2.0 +/- acres – New River City, TN – Trans. No. 06-09-020 (RJ)

Purpose: Disposal by Easement to provide easements for 2 gas wells, pipelines and road access on Sunquist WMA. Wells No's. AD-1035 & AD-1038.

Consideration: \$210.00 annually for both site

Grantee: Knox Energy

SSC Report: 10-16-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 10-23-06. Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE, KNOXVILLE, TENNESSEE

- 1) Approved a project to **Demolish Residential Structures** located at the following addresses, subject to approval by the Tennessee Historical Commission:

1821 Andy Holt Avenue
1812 Melrose Avenue
1800 Lake Avenue
1804 Lake Avenue
1218 White Avenue
2023 Terrace Avenue

Estimated Project Cost: \$50,000.00
SBC Project No. 540/009-16-2006

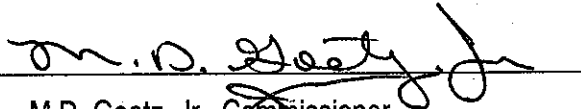
TENNESSEE WILDLIFE RESOURCES AGENCY

LICK CREEK WILDLIFE MANAGEMENT AREA, GREENE COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Several Structures** at the Lick Creek Wildlife Management Area/Refuge in Greene County, Tennessee, at no cost to the State.

Estimated Project Cost: \$0.00
SBC Project No. 220/020-05-2006

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