

# FY 2019

STATE PROPERTIES COMMISSION

## PORTFOLIO REPORT




REAL PROPERTY REAL SOLUTIONS

CREDITS: The Fiscal Year 2019 State Properties Commission Portfolio Report is published on behalf of the State Property Officer and Executive Director of the Commission, Marty W. Smith.  
Written, compiled, and edited by Morgan Smith-Williams, Frank Smith, Andre Elam, Clark Wong, Russell Morgan, Jamiel Jones, and Lindsey Sprewell.

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# FY 2019

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# ABOUT THE COMMISSION

*The State Properties Commission (SPC) was created in 1964, under Governor Carl Sanders, to aid the State of Georgia with acquiring and disposing of State-owned real property and real property interests.*

With the creation of the State Property Officer under Governor Sonny Perdue, as well as legislation through the 2005 Georgia General Assembly that realigned the management of the State's capital assets, the State Properties Commission was designated as Georgia's real estate portfolio manager. As such, the Commission's primary focus is to provide accountability in the stewardship of the State's Real Property Assets for the citizens of Georgia.

Since 2005, SPC is in charge of increasing the utilization and efficiency of workplace environments, executing lease and land transactions on behalf of State agencies, and maximizing the value of the State's assets.



## Vision

To be the national leader in State real estate portfolio management by exemplifying stewardship, accountability and integrity.

## Mission

To advise, guide and maximize Georgia's real estate portfolio by applying industry best practices in asset, space and transaction management.

## Values

Stewardship • Accountability • Integrity • Leadership

# LEADERSHIP

## Board Members



**Governor Brian Kemp**  
Board Chairman



**Alan Skelton**  
State Accounting Officer, Board Vice Chairman



**Brad Raffensperger**  
Secretary of State, Board Secretary



**Lynne Riley**  
State Treasurer, Board Member

**S. Michael Howell**

Citizen Member appointed by Speaker of the House

**Karl Lutjens**

Citizen Member appointed by Lieutenant Governor

**Phil Carlock**

Citizen Member appointed by the Governor

## State Properties Commission

**Marty Smith**

State Property Officer  
Executive Director, SPC

**Gerald Pilgrim**

Chief of Staff

**Lisa Sharpton**

Director, Human Resources

**April King**

Chief Financial Officer

**Alisa Pereira**

Director, Legal Services

**Alan Perry**

Chief Technology Officer

**Morgan Smith-Williams**

Director, Marketing &  
Communications

**Frank Smith**

Deputy Executive Director

**Clark Wong**

Land Manager

**Morris Srochi**

Leasing Manager

**Russell Morgan**

Asset Manager

# YEAR IN REVIEW



**Marty Smith**  
State Property Officer  
Executive Director,  
State Properties Commission

As the State's real estate portfolio manager, our charge is to find ways to derive the most value out of our assets. In Fiscal Year 2019, the State Properties Commission planted the foundation for investments decades into the future.

The Commission successfully negotiated a new agreement with CSX Corporation authorizing their continued use of the Western & Atlantic Railroad, valued at \$1.2 billion over a 50-year lease period, starting January 1, 2020. Railroads are a major part of Georgia's freight infrastructure, and the Port of Savannah and the Hartsfield-Jackson Atlanta International Airport both depend on Georgia's railroads to ship goods into the interior of the country. CSX's operation of the Western & Atlantic Railroad generate \$1.1 billion in public benefits and supports approximately 1,800 jobs yearly. We were also proud to have supported the efforts to revitalize the area where Atlanta was born as the terminus of the Western & Atlantic railroad line. The Commission successfully marketed and sold a 9.3-acre tract in Atlanta's Gulch area to developer CIM Group, which is strategically important to the \$5 billion Centennial Yards project.

Our continuous improvement means agencies can rest assured that the Commission is prepared to support their growth through unmatched expertise and customer service. The Governor's and the Legislature's support of multi-year contracting allows the agencies to receive the best market rental rates – in fact, the State avoided over \$54 million in costs during this fiscal year.

Recent hurricane activity has had a devastating effect on Georgia's prized beaches; in order to protect and prevent future damage to coastal structure, the Commission granted mineral leases at both Sea Island and Tybee Island for beach nourishments. Beach nourishment replaces sand that is lost through erosion. By creating a wider beach with new sand, it becomes possible to prevent future damage to coastal structures. The new sand interacts with the waves in the surf zone to reduce the impact of very high tides and storm surges.

Through Governor Kemp's strong leadership, we are leading our industry through innovation and will continue to make significant strides to support Georgia's growth for years to come.



**Frank Smith**  
Deputy Executive Director,  
State Properties Commission

# FY 2019

## PORTFOLIO SUMMARY

**Overview**

**Highlights**

**Revenue**

**Assets by County**

# OVERVIEW

*The State Properties Commission is organized in four distinct divisions: Space Management, Asset Management, Land, and Leasing.*

## Space Management Division

Space Management maximizes the utilization of space to create efficient work environments. SPC has developed space standards based on industry and public sector criteria to accomplish the following objectives:

- Increase occupancy
- Decrease vacancy
- Improve the value of State owned and leased space
- Provide the most cost-efficient work space for State entities

## Asset Management Division

The strategic function that manages the State's real estate assets to provide the maximum value to the State. The Asset Management Division (AM) is responsible for collaborating with agencies to develop 4-year real property plans based on staff projections, budget, existing locations and operational plans. Additionally, AM maintains the State's real property database (BLLIP); provides project management on select SPC deals and evaluates space utilization of leased and owned space.

## Land Division

All acquisitions or dispositions of the State's real property must come through SPC. The Commission assures that all acquisitions and dispositions of land in the State's name meet the legal, policy, and process requirements of the State. Properties owned by the Board of Regents are excluded. Acquisitions into the State include fee simple interests, conservation easements, access and other easements, and ground leases. Dispositions from the State include temporary revocable licenses, permanent easements, short or long-term ground leases and fee simple conveyances.

## Leasing Division

SPC offers an array of leasing services to State entities in commercial or state-owned leased space. Services range from locating and procuring new lease locations to renewing or renegotiating existing agreements, as well as managing the State's lease inventory. The Division's responsibilities and functions include leasing assistance to State entities in both State and commercially owned facilities.

# 2019 HIGHLIGHTS

## **14,802 Total Buildings in the portfolio**

10,037	State of Georgia
3,487	Board of Regents
1,095	Georgia Department of Transportation
183	Community Service Boards

## **2,277 Total Leases in the portfolio**

1,189	SPC Managed
709	Agency Managed
379	Board of Regents Managed

**830,320**

**Total State owned and  
leased acres of land**

**\$36,696,547,714**

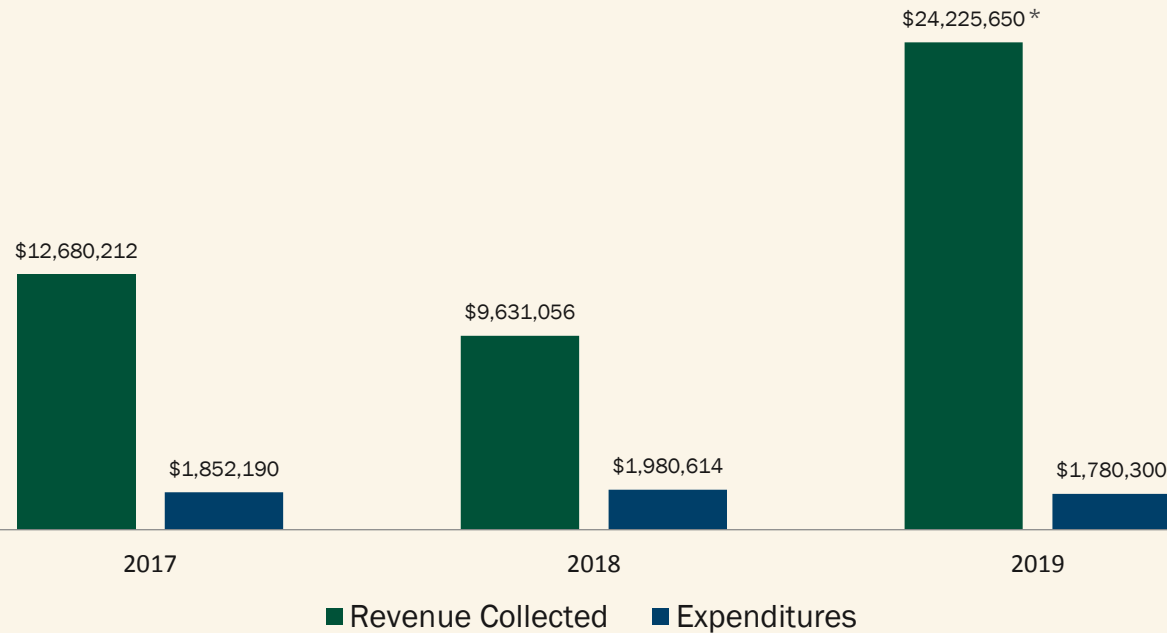
**Total insured value of  
buildings in portfolio**



*Mackey Branch Waterfall*

# REVENUE

## SPC Revenue Collected vs. SPC Expenditures



Total revenue collected and deposited into State treasury vs. total expenditures.

Includes staff, surveys, appraisals and other operating expenses.

\*2019 revenue includes \$15M GULCH property sale

TYPE OF REVENUE		AMOUNT
<b>Breakdown of Revenue Collected in FY 2019 by Type</b>	36% Land Leases	\$8,658,398.19
	2% Easements & Revocable License Agreements	\$480,431.00
	62% Sales	\$15,086,820.65

# ASSETS BY COUNTY

The following totals include the Department of Transportation, Board of Regents, and Community Service Boards.

County	Number of Buildings	Number of Leases	Total State Owned Acreage	Total State Leased Acreage	Total State Owned & Leased Acreage
Appling	33	8	4,973.37	0.00	4,973.37
Atkinson	6	5	4,534.10	0.00	4,534.10
Bacon	18	7	19.23	0.00	19.23
Baker	4	5	6,449.27	0.00	6,449.27
Baldwin	521	70	5,301.46	1.22	5,302.67
Banks	13	2	3,332.42	0.00	3,332.42
Barrow	196	8	1,859.15	0.00	1,859.15
Bartow	179	18	2,851.23	3,455.00	6,306.23
Ben Hill	30	9	42.26	0.00	42.26
Berrien	29	6	9,040.96	0.00	9,040.96
Bibb	272	53	2,325.72	0.00	2,325.72
Bleckley	68	6	631.22	4,304.74	4,935.96
Brantley	10	3	6,714.10	0.00	6,714.10
Brooks	9	4	4.63	0.00	4.63
Bryan	87	11	23,035.60	2.00	23,037.60
Bulloch	185	49	3,673.91	0.00	3,673.91
Burke	62	9	10,088.40	0.00	10,088.40
Butts	162	9	1,373.60	0.00	1,373.60
Calhoun	33	1	6,836.32	0.55	6,836.87
Camden	83	9	5,688.07	0.00	5,688.07
Candler	17	3	16.30	0.00	16.30
Carroll	143	28	766.75	0.00	766.75
Catoosa	19	7	47.64	0.00	47.64

County	Number of Buildings	Number of Leases	Total State Owned Acreage	Total State Leased Acreage	Total State Owned & Leased Acreage
Charlton	62	7	37.63	145.00	182.63
Chatham	487	56	33,487.87	0.00	33,487.87
Chattahoochee	6	4	4.48	0.00	4.48
Chattooga	98	5	1,299.20	0.00	1,299.20
Cherokee	14	15	40.52	9,213.70	9,254.22
Clarke	709	45	5,214.62	36.42	5,251.03
Clay	65	8	545.09	0.00	545.09
Clayton	127	36	501.17	0.00	501.17
Clinch	22	4	337.02	0.00	337.02
Cobb	141	44	869.43	0.00	869.43
Coffee	117	19	5,334.59	0.00	5,334.59
Colquitt	63	11	1,755.71	0.00	1,755.71
Columbia	133	12	137.45	2,871.70	3,009.15
Cook	41	10	633.10	0.00	633.10
Coweta	73	17	2,803.17	0.00	2,803.17
Crawford	10	3	2.23	0.00	2.23
Crisp	169	12	1,562.91	0.00	1,562.91
Dade	89	6	3,560.56	3.00	3,563.56
Dawson	102	5	21,765.14	0.00	21,765.14
Decatur	88	15	8,930.56	17,023.00	25,953.56
DeKalb	357	138	3,628.76	0.00	3,628.76
Dodge	100	12	610.45	0.00	610.45
Dooly	47	2	3,457.37	0.00	3,457.37

County	Number of Buildings	Number of Leases	Total State Owned Acreage	Total State Leased Acreage	Total State Owned & Leased Acreage
Dougherty	118	48	16,520.62	0.00	16,520.62
Douglas	78	12	2,060.63	0.00	2,060.63
Early	62	10	2,346.34	0.00	2,346.34
Echols	4	2	4.01	0.00	4.01
Effingham	14	10	5,800.44	843.00	6,643.44
Elbert	153	10	232.93	1,527.72	1,760.65
Emanuel	122	18	9,843.27	1,634.12	11,477.39
Evans	40	5	421.57	3.00	424.57
Fannin	13	5	18.73	0.00	18.73
Fayette	3	15	3.15	0.00	3.15
Floyd	205	18	4,036.24	0.00	4,036.24
Forsyth	31	13	141.55	0.00	141.55
Franklin	179	6	497.28	393.12	890.40
Fulton	381	124	1,478.52	5.23	1,483.75
Gilmer	23	10	2,971.30	2,141.60	5,112.91
Glascok	4	2	3.86	0.00	3.86
Glynn	236	32	32,557.14	1.60	32,558.74
Gordon	82	10	1,339.74	0.00	1,339.74
Grady	15	5	58.56	0.00	58.56
Greene	27	10	2,601.21	0.00	2,601.21
Gwinnett	103	83	585.70	0.00	585.70
Habersham	156	8	1,470.09	0.00	1,470.09
Hall	156	82	2,099.59	0.00	2,099.59
Hancock	44	4	895.34	0.00	895.34
Haralson	16	5	102.72	0.00	102.72
Harris	183	4	12,165.97	4,746.38	16,912.35
Hart	60	8	986.65	0.00	986.65
Heard	2	3	903.22	9,999.56	10,902.78
Henry	42	17	127.99	0.00	127.99

County	Number of Buildings	Number of Leases	Total State Owned Acreage	Total State Leased Acreage	Total State Owned & Leased Acreage
Houston	122	27	15,814.16	0.00	15,814.16
Irwin	19	2	7,192.05	0.00	7,192.05
Jackson	7	3	806.07	0.00	806.07
Jasper	73	4	6,142.62	0.00	6,142.62
Jeff Davis	24	5	10,314.83	0.00	10,314.83
Jefferson	22	9	741.41	0.34	741.75
Jenkins	72	3	3,802.11	0.00	3,802.11
Johnson	44	2	203.25	0.00	203.25
Jones	35	7	235.11	0.00	235.11
Lamar	54	18	282.74	0.00	282.74
Lanier	25	4	16.64	0.00	16.64
Laurens	88	22	9,193.53	0.00	9,193.53
Lee	59	7	890.40	0.00	890.40
Liberty	29	8	913.69	0.00	913.69
Lincoln	73	7	3.86	669.00	672.86
Long	29	3	25,301.89	0.00	25,301.89
Lowndes	223	47	3,172.60	0.00	3,172.60
Lumpkin	108	27	668.45	0.00	668.45
Macon	64	2	1,148.62	0.00	1,148.62
Madison	45	2	1,500.71	0.00	1,500.71
Marion	24	1	10,313.86	0.00	10,313.86
McDuffie	57	8	637.05	12,539.00	13,176.05
McIntosh	219	5	62,868.36	0.00	62,868.36
Meriwether	159	10	15,094.60	654.05	15,748.65
Miller	12	4	4,687.49	0.00	4,687.49
Mitchell	54	12	1,687.70	6.84	1,694.54
Monroe	185	14	2,025.63	0.00	2,025.63
Montgomery	56	1	114.08	0.00	114.08
Morgan	190	5	6,078.78	0.00	6,078.78

County	Number of Buildings	Number of Leases	Total State Owned Acreage	Total State Leased Acreage	Total State Owned & Leased Acreage
Murray	134	8	3,712.12	22.68	3,734.80
Muscogee	210	62	1,960.55	0.00	1,960.55
Newton	84	9	988.95	0.00	988.95
Not Georgia	62	0	1,519.09	0.00	1,519.09
Oconee	68	9	1,565.81	0.00	1,565.81
Oglethorpe	32	3	391.42	0.00	391.42
Paulding	50	14	15,368.81	75.50	15,444.31
Peach	123	9	2,892.76	0.00	2,892.76
Pickens	17	5	154.88	0.00	154.88
Pierce	12	4	2.00	2.37	4.37
Pike	35	5	566.71	0.00	566.71
Polk	26	9	3,465.93	0.00	3,465.93
Pulaski	52	2	6,153.86	2.90	6,156.76
Putnam	235	8	15,641.28	0.00	15,641.28
Quitman	1	4	2.00	0.00	2.00
Rabun	96	4	5,050.52	0.00	5,050.52
Randolph	13	7	17.91	0.00	17.91
Richmond	349	31	1,952.07	5.30	1,957.37
Rockdale	56	24	1,247.61	110.53	1,358.15
Schley	3	2	2.21	0.00	2.21
Screven	30	9	2,149.97	11,457.60	13,607.57
Seminole	63	4	3.86	2,892.07	2,895.93
Spalding	146	31	1,085.53	0.00	1,085.53
Stephens	26	11	61.10	0.00	61.10
Stewart	74	2	6,697.93	0.00	6,697.93
Sumter	174	24	1,904.78	0.00	1,904.78
Talbot	25	4	13,946.12	1,198.42	15,144.54
Taliaferro	97	1	2,357.42	0.00	2,357.42
Tattnall	414	13	13,988.93	0.00	13,988.93

County	Number of Buildings	Number of Leases	Total State Owned Acreage	Total State Leased Acreage	Total State Owned & Leased Acreage
Taylor	28	3	2,760.41	0.00	2,760.41
Telfair	53	5	11,998.35	0.00	11,998.35
Terrell	22	5	93.15	2.69	95.84
Thomas	85	28	4,249.88	0.00	4,249.88
Tift	332	25	4,218.76	0.00	4,218.76
Toombs	63	15	5,780.90	80.44	5,861.34
Towns	60	1	503.53	0.00	503.53
Treutlen	24	4	2,920.33	0.00	2,920.33
Troup	54	19	1,609.76	0.00	1,609.76
Turner	21	4	33.14	0.00	33.14
Twiggs	9	4	313.17	206.45	519.61
Union	138	9	317.44	866.51	1,183.95
Upson	62	9	370.79	1,294.11	1,664.90
Walker	95	15	22,805.42	0.00	22,805.42
Walton	41	6	468.45	0.00	468.45
Ware	268	18	31,167.59	5.05	31,172.64
Warren	6	3	3.00	0.00	3.00
Washington	129	13	1,591.49	0.00	1,591.49
Wayne	69	11	21,334.12	3.03	21,337.15
Webster	4	4	4,363.93	0.00	4,363.93
Wheeler	120	1	8,461.08	0.00	8,461.08
White	218	5	2,069.64	5,599.96	7,669.60
Whitfield	72	17	231.94	0.00	231.94
Wilcox	44	2	317.47	0.00	317.47
Wilkes	33	8	39.36	8,005.00	8,044.36
Wilkinson	14	3	1,946.60	0.00	1,946.60
Worth	7	4	1,195.69	0.00	1,195.69
<b>TOTALS</b>	<b>14,802</b>	<b>2,277</b>	<b>726,268.88</b>	<b>104,051.49</b>	<b>830,320.37</b>

# FY 2019

## BUILDINGS PORTFOLIO

### Highlights

**Agencies with Most Square  
Footage for Owned Buildings**

**Top Primary Use Types for  
State Owned Buildings**

**Breakdown of State Owned  
Buildings by Age**

# 2019 HIGHLIGHTS

*SPC is responsible for the acquisition and disposition of all state buildings and for maintaining a comprehensive inventory of all owned buildings in the portfolio; their size, use and other key criteria.*

**Each agency**  
is responsible  
for the maintenance  
and operation of  
state buildings in  
their custody











The state-owned  
building portfolio  
consists of  
**14,802**  
buildings



*Department of Revenue, Albany*

# STATE OWNED BUILDINGS

## Top 10 Agencies with Most Gross Square Footage for Owned Buildings

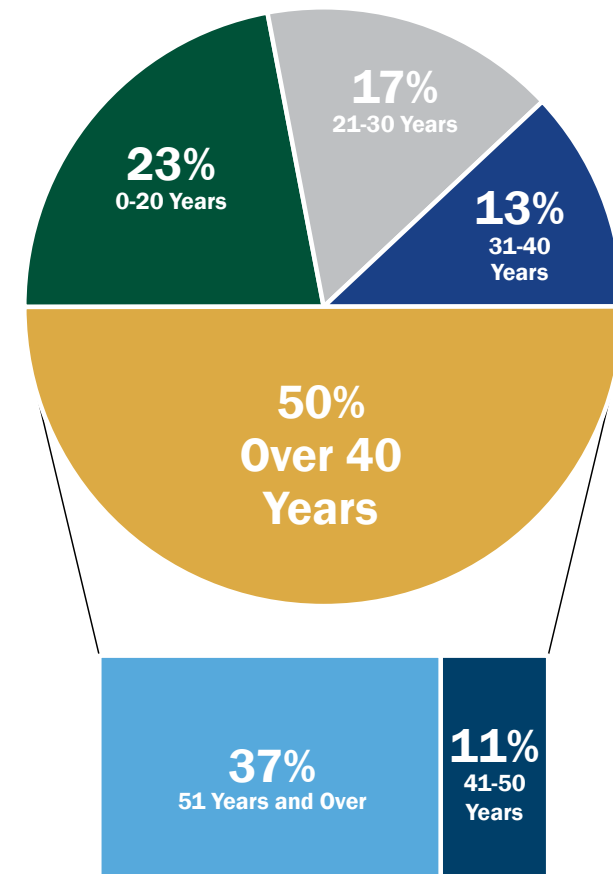
SQ FT			SQ FT		
80,041,502.93	1	 UNIVERSITY SYSTEM OF GEORGIA	4,836,825.00	6	 GEORGIA WORLD CONGRESS CENTER
13,761,235.00	2	 <b>GEORGIA</b> DEPARTMENT OF CORRECTIONS	4,771,469.00	7	 Department of Behavioral Health and Developmental Disabilities
13,033,990.00	3	 <b>Technical College</b> System of Georgia	4,424,737.50	8	 <b>Georgia Ports</b> Authority
7,625,236.86	4	 <b>GEORGIA</b> DEPARTMENT OF NATURAL RESOURCES	4,391,153.00	9	 <b>GDA</b> GEORGIA DEPARTMENT OF AGRICULTURE
7,047,820.07	5	 <b>GEORGIA</b> BUILDING AUTHORITY	3,120,098.00	10	 <b>GDOT</b> Georgia Department of Transportation

# STATE OWNED BUILDINGS

## Top 10 Primary Use Types for State Owned Buildings

	USE TYPE	BUILDINGS
1	Warehouse, storage, shop, maintenance	4,758
2	Residence, house, apartment, dormitory	1,433
3	Classroom, faculty, library, training	1,067
4	Office	965
5	Comfort station, bathhouse, welcome center	411
6	Student services, recreation, event, entertainment	308
7	Land	262
8	Laboratory	246
9	Athletic facility	227
10	Medical, clinical	183

## Breakdown of State Owned Buildings by Age



# FY 2019

## SPACE PORTFOLIO

### Highlights

Primary Use Type Requests

Space Action Request Types

Space Standards for  
Administrative Office Space

Comparison of Georgia's  
Space Standards to  
Public & Private Sector

# 2019 HIGHLIGHTS

*SPC's Space Management Division offers a full range of professional space planning services to State entities in meeting their space needs.*

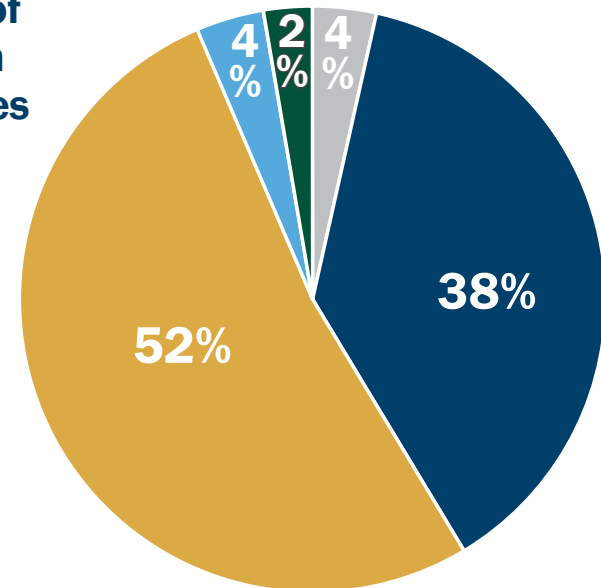
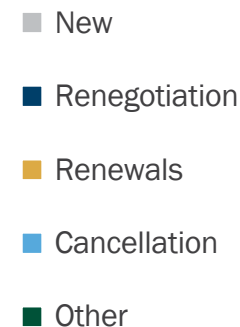
For those State entities submitting requests for administrative space, Space Management not only develops space utilization programs to determine square footage requirements, but also prepares schematic floor plans and design intent drawings that can steer workspace layout and construction.

In FY 2019, the SPC Commission received 936 space requests from state agencies. The use and transaction types of space requested are illustrated in the two charts below.

	USE TYPE	PERCENTAGE
<b>Percentage by Primary Use Type Requests Submitted to SPC During FY 2019</b>	Administrative/Office	81%
	Classroom/Faculty Offices	4%
	Classroom/Training Rooms	2%
	Towers	5%
	Warehouse/Storage	1%
	Other Uses	7%

**Received and processed 936 space action requests from State agencies**

**Percentage of Space Action Request Types Submitted to SPC During FY 2019**



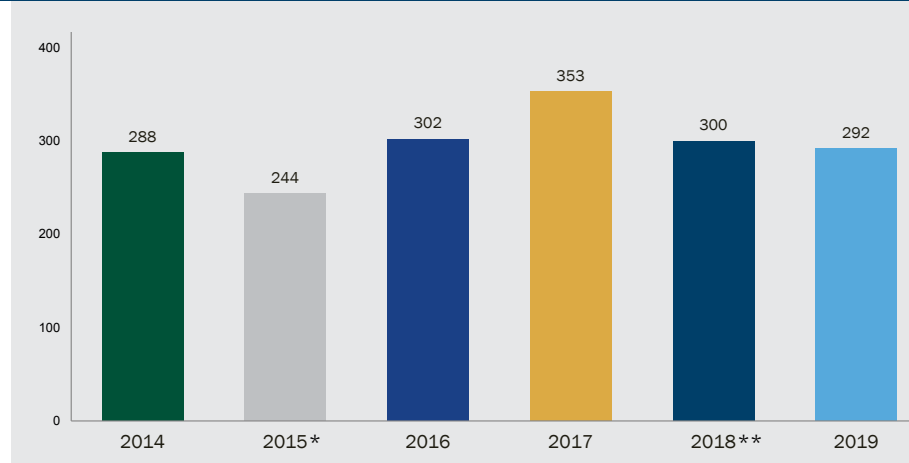
# SPACE STANDARDS

## Space Standards for Administrative Office Space

SPC tracks the square footage per employee in leased space to drive efficiency in space utilization. The chart illustrates the average square footage of space per employee from 2014 to 2019.

\*Space standards were revised in 2015.

\*\*Includes circulation and common space.



## Comparison of Georgia's Space Standards to Public & Private Sector (in square feet)

	OFFICE	CUBICLE
Georgia	120-220 SF	49-64 SF
Virginia	120-196 SF	48-96 SF
Kansas	110-400 SF	45-100 SF
Massachusetts	100-200 SF	42-100 SF
GSA (Federal)	250-300 SF	64-200 SF
Private Sector Corporate	120-225 SF	20-48 SF

# FY 2019

## LEASE PORTFOLIO

**Highlights**

**Total Leases**

**Multi-Year Leases**

**Cost Avoidance with Multi-Year Leases**

**Executed Multi-Year Leases**

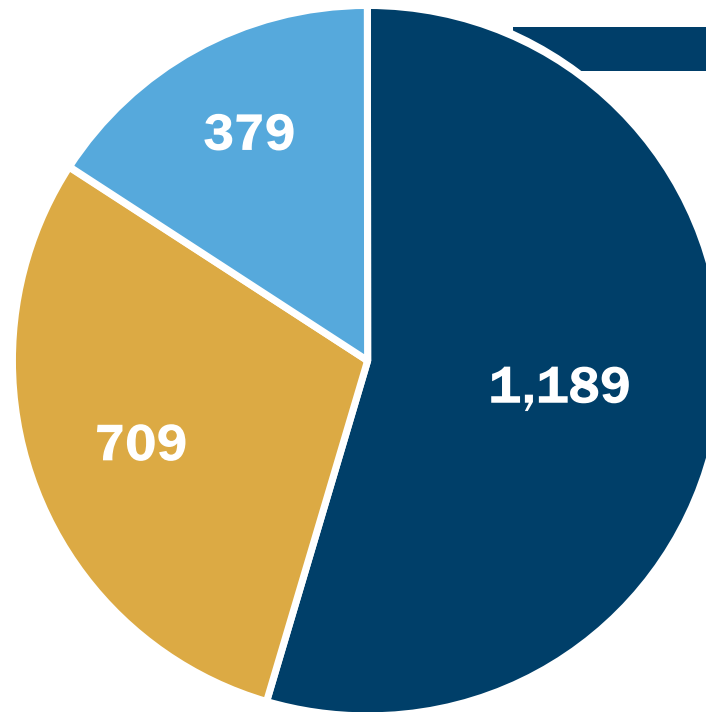
**Key Performance Indicators**

# 2019 HIGHLIGHTS

*The leasing of administrative space for use by State entities is also within the purview of SPC. The Leasing Division provides management and oversight of the State's leased property portfolio, as well as leasing assistance to State entities in both State and commercially owned facilities.*

Lease portfolio  
consists of  
**2,277**  
leases, of  
which SPC  
manages **1,189**

Multi-year lease  
agreements'  
cost avoidance  
was over  
**\$54M**  
for FY 2019



## FY 2019 Total Leases

- Leases Managed by SPC
- Agency Managed Leases
- Board of Regents Managed Leases

**SPC completed  
16 new multi-year  
lease agreements  
in FY 2019**

# MULTI-YEAR LEASES

*Since the ratification of the Constitutional Amendment in November 2012, which authorized SPC to enter in Multi-Year Leases (MYLs), SPC and the Georgia State Financing and Investment Commission (GSFIC) work together to safeguard Georgia's AAA credit rating. For FY 2019, GSFIC set a total MYL contract obligation limit of \$215 million.*

In FY 2019, SPC executed 16 multi-year leases that together, totaled 563,035 rentable square feet.

**SPC's total contract obligation is \$161,664,159, and the agency has avoided \$53,689,780 in costs.**



*Department of Revenue, Albany*



*Department of Revenue, Albany*



*Department of Human Services, Canton*



*Department of Human Services, Canton*

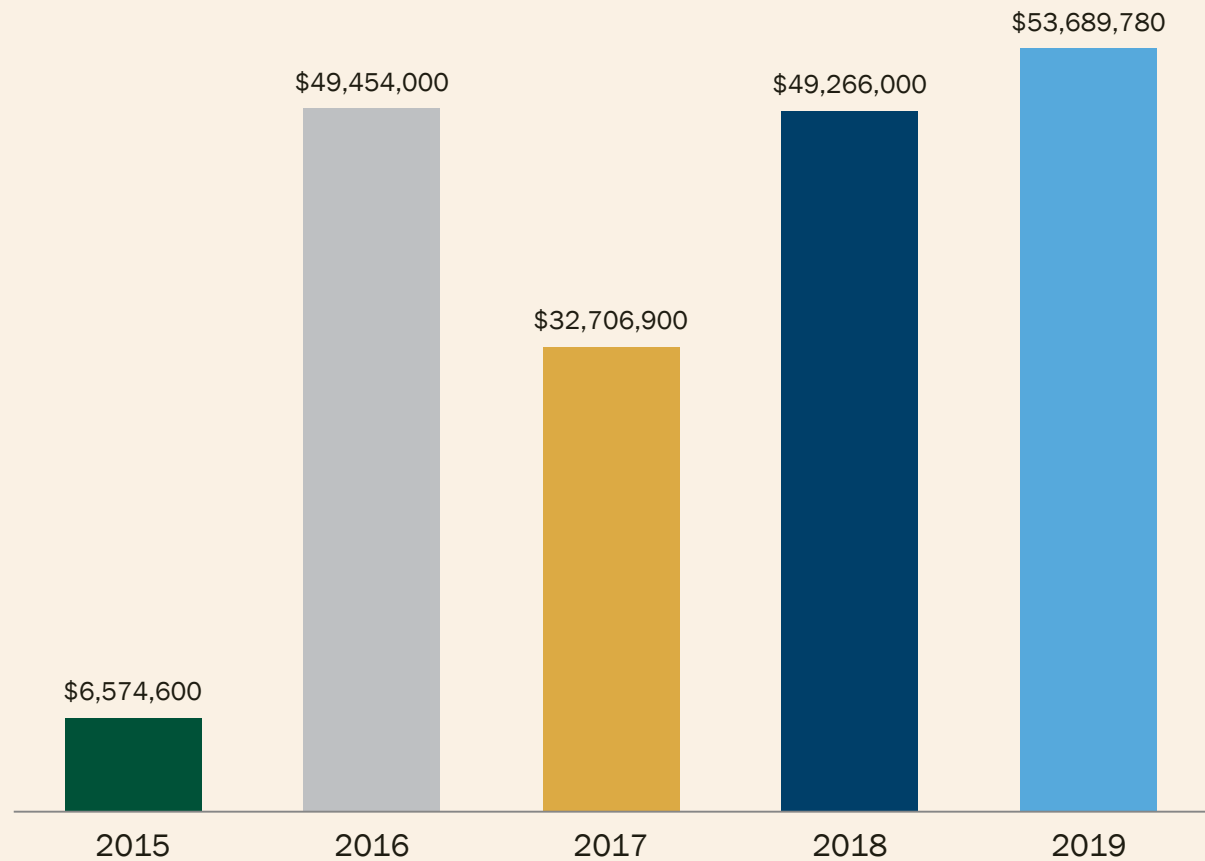
# MULTI-YEAR LEASES



*Department of Family and  
Children Services, DeKalb*

## Cost Avoidance With Multi-Year Leases

Cost avoidance by the state year over year since gaining the MYL ability.



# FY 2019 EXECUTED MULTI-YEAR LEASES

Entity	Sub-Entity	Square Feet	City	County	Landlord
Department of Banking and Finance	N/A	2,800	Dublin	Laurens	Southern Loan and Investment Company
Department of Human Services	Division of Family & Children Services	11,522	Cordele	Crisp	Perlis Realty Company
Department of Juvenile Justice	N/A	3,200	Dublin	Laurens	Southern Loan and Investment Company
Department of Human Services	Division of Family & Children Services	112,731	Atlanta	DeKalb	FDS Georgia I, LLC
Department of Human Services	Division of Family & Children Services	49,000	Marietta	Cobb	The Center for Children & Young Adults
Department of Revenue	N/A	11,805	Albany	Dougherty	Indusa Beverage, Inc.
Department of Human Services	Division of Family & Children Services	27,337	Carrollton	Carroll	Carroll County Board of Commissioners
Office of the Secretary of State of Georgia	N/A	12,466	Atlanta	Cobb	Interstate NW Owner, LLC
Department of Behavioral Health & Developmental Disabilities (Amendment)	N/A	0	Cumming	Forsyth	1230 Bald Ridge Marina, LLC
Department of Human Services	Division of Family & Children Services	26,958	Tifton	Tift	Tift County Board of Commissioners
Georgia Vocational Rehabilitation Agency	N/A	5,983	Warner Robbins	Houston	BY OS, LLC
Department of Human Services	Division of Aging	15,678	Valdosta	Lowndes	GF Valdosta Mall, LLC
Department of Human Services	Division of Family & Children Services	32,850	Canton	Cherokee	Efficient Governement Public Service, Inc.
Department of Driver Services	N/A	128,272	Conyers	Rockdale	Zephyr Holdings, LLC
Technical College System of Georgia	N/A	92,640	Atlanta	DeKalb	Clairmont Place Partners, LLC
Department of Human Services	Division of Child Support Services	5,664	Covington	Newton	Tango Mike, LLC
Department of Human Services	Division of Family & Children Services	24,129	Covington	Newton	Tango Mike, LLC
Department of Human Services (Amendment)	Division of Child Support Services	0	Carrollton	Carroll	WHLR-Riverbridge Shopping Center, LLC
<b>Total</b>		<b>563,035</b>			

# KEY PERFORMANCE INDICATOR

## Department of Human Services Division of Child Support Services and Aging Services Consolidation and Co-location

### Consolidation and Co-location with No Additional Operating Expense Pass Throughs

#### The Opportunity

For over a decade, Child Support Services and Aging Services have occupied multiple separate administrative offices and training spaces. Co-locating these divisions will maximize space utilization while addressing the needs for additional operational space and staff growth. Through SPC's competitive RFP process, Valdosta Mall presented a cost effective option that satisfies the requirement from both an economic and size perspective. This former Sears box store will be converted into office space.

#### The Process

Due to the lack of available office product in the city of Valdosta, the only other proposals received were either too small, or required new construction, which resulted in unfavorable (over budget) economics. The decision to relocate to Valdosta Mall was in part due to the convenient and well-known location, as well as the proposed renovation of former Sears box into brand new office space. This newly converted space will allow the agency to proactively plan its space configuration. This results in increased efficiencies, lower costs, and greater product quality. The result of this proposed lease will be a fully functional, modern office space for the two divisions, allowing them to share common areas, whilst maintaining autonomy from one another in client-facing capacities.



#### Lease #8376

##### Address

1700 Norman Drive  
Valdosta, GA 31601

##### Space Use

Office/Administration

##### Square Footage

15,678 RSF

##### Lease Term

180 months

##### Savills Services

- Transaction Management
- Project Management

# KEY PERFORMANCE INDICATOR

## Department of Human Services Division of Child Support Services and Aging Services Consolidation and Co-location

### Financial Details

The lease will have a flat rate structure of \$22.66 per rsf with 1.65% annual escalations.

The general terms and conditions are highlighted below:

- Approximately 15,678 rsf
- Fifteen (15) year lease term
- \$22.66/per rsf modified gross rental rate, with 1.65% annual escalations
- No additional operating expense pass throughs
- Turnkey renovations and base building improvements valued at over \$1.1 million

The terms outlined above represent a below market deal while still including over an estimated \$1,100,000 in additional Tenant Improvements to upfit the space to the agency standards for a turnkey buildout.



The current full service retail market rate, including tenant improvement allowance, in Valdosta is \$24.38 per rsf. The cost savings and cost avoidance are detailed below:

Savings in DHS – CSS & AS Rental Rate vs. Market Rental Rate/RSF **\$1.72**

Total Cost Avoidance:  
DHS – CSS & Aging vs. Market (\$22.66/RSF vs. \$24.38 RSF) **\$583,990.49**

\* a 3% annual market escalation

Estimated Value of Turnkey Improvements (@ \$75.00/RSF) **\$1,100,000**

\*Turnkey buildout (inclusive of base building improvements and TI)

# KEY PERFORMANCE INDICATOR

## Technical College System of Georgia Lease Renewal

### The Opportunity & Process

TCSG has occupied approximately 87,849 rsf of office space located at 1800 Century Place, NE, Atlanta, Georgia 30345 since 2004 under a multiyear lease between the landlord and Georgia Building Authority (GBA). TCSG wishes to continue their tenancy as the location serves them well and the property is well maintained. TCSG has requested SPC enter into a new lease on their behalf which would allow for improvements to the premises, including an expansion of 4,791 rsf in order for TCSG to occupy the entire building. Entering into a twelve-and-a-half-year lease will enable the landlord to complete all necessary tenant improvements to update and expand the premises.



### Lease #9127

#### Address

1800 Century Place, NE  
Atlanta, GA 30345

#### Space Use

Office/Administration

#### Square Footage

92,640 RSF

#### Lease Term

150 months

#### Savills Services

- Transaction Management

# KEY PERFORMANCE INDICATOR

## Technical College System of Georgia Lease Renewal

### Financial Details

The lease will have a rate structure of \$19.06 per rsf with an annual average escalation of 3.0%.

The general terms and conditions proposed by Clairmont Place Partners, LLC are highlighted below:

- At lease commencement, tenant shall occupy approximately 87,849 rsf
- Premises will expand to include an additional 4,791 rsf beginning July 1, 2020 or when the landlord obtains a Certificate of Occupancy.
- Twelve and a half (12.5) year lease term
- \$19.06 per rsf full service rental rate with 3% escalation of the base rate for fiscal year 2020.
- Upon Commencement of the expansion space which is anticipated July 1, 2020, tenant will pay \$21.10 per rsf full service with two (2%) percent annual escalations over the remaining term.
- Tenant will only pay for actual increases in taxes and insurance over a 2019 base year capped at 105% over the previous year.
- Landlord to provide and pay for painting, new flooring and moving expenses associated therewith.
- Tenant improvement allowance of \$35.00 per rsf on the additional 4,791 rsf area

The current full service office market rate, including tenant improvement allowance, in North DeKalb is \$30.00 per rsf. The cost savings and cost avoidance are detailed below:

Year 1 Per RSF Savings in DHS DFCS Full Service Rental Rate vs. Market Full Service Rental Rate (\$29.79/RSF vs. \$30.89/RSF) **\$10.94<sup>1</sup>**

Total Lease Term Cost Avoidance: DHS DFCS Full Service Rental Rate vs. Market Full Service Rental Rate (\$29.79/RSF vs. \$30.89/RSF) **\$12,402,885<sup>2,3</sup>**

Notes:

<sup>1</sup> Savings shown for the first year of the lease.

<sup>2</sup> Cost avoidance shown is for the difference between the \$30.00 current market rent, with 3% annual increases, and the rent under proposed lease over a term of 12.5 years.

<sup>3</sup> A 3% annual increase applied to the current market rent as a commonly accepted industry standard.

# KEY PERFORMANCE INDICATOR

## Department of Revenue - Alcohol and Tobacco Unit Expansion and Lease Negotiation

### Expansion with Concessions and Tenant Improvements

#### The Opportunity

DOR currently occupies 5,094 rsf of office space at 1105-D West Broad Avenue in Albany, GA. DOR needs to expand their office space to accommodate increased employee headcount and customer foot traffic, to expand the Alcohol and Tobacco unit and to add a regional training facility. The current landlord cannot provide expansion space for the agency. In January, 2018, SPC advertised a Request for Proposal (RFP) to relocate DOR. Three (3) proposals were received, and the selection committee visited the properties in February, 2018. In April, 2018, the selection committee selected Indusa Beverage, Inc. as the apparent awardee.

#### The Process

Due to the nature of the Albany market, most existing office spaces in the market are in old buildings that have not been renovated to modern standards. The Indusa Beverage, Inc. building is already slated for conversion to office, and the Landlord has already underwritten the majority of the shell conversion as part of its redevelopment plan for the property. Other existing product in the market would require significantly more improvement to meet minimum shell requirements for the State. The result of this proposed lease will be a fully functional, modern office space for the agency in a well located building that is easily accessed by constituents and agency personnel.



#### Lease #8348

##### Address

735 N Westover Blvd., Suite A  
Albany, GA 31707

##### Space Use

Office/Administration

##### Square Footage

11,805 RSF

##### Lease Term

120 months

##### Savills Services

- Transaction Management
- Construction Management

# KEY PERFORMANCE INDICATOR

## Department of Revenue - Alcohol and Tobacco Unit Expansion and Lease Negotiation

### Financial Details

The lease will have a flat rate structure of \$20.75 per rsf with no annual increase.

The general terms and conditions of the Indusa Beverage Inc. proposal are highlighted below:

- Approximately 11,805 rsf
- Ten (10) year lease term
- \$20.75 per rsf modified gross (net of janitorial services) rental rate with no annual increase
- Landlord is providing base building improvements of \$221,510.00 (\$18.76/SF) and TI valued at \$818,849.00 (\$69.36/SF)

The terms outlined above represent a below market deal while still including an estimated \$405,000.00 in additional TI to upfit the space to agency standards for the turnkey buildout.



The current modified gross market rate for office space in Albany is \$22.70 based on an estimated \$35.00 per RSF market Tenant Improvement package. The cost savings and cost avoidance of the DOR deal versus the current market are detailed below:

Savings in DOR Rental Rate vs.  
Market Rate Rental/RSF  
**\$1.95 / RSF**

Total Cost Avoidance: DOR  
vs Market (\$20.75 /RSF vs.  
\*\$22.70 /RSF) **\$230,175.69**

\*Rate is based on the average rental  
rate of a ten year term with a 3%  
annual market escalation

Estimated Value of  
Tenant Improvements  
**\$1,040,359.00**

\*Turnkey buildout (inclusive of base  
building improvements and TI)

# FY 2019

## LAND PORTFOLIO

### Highlights

**Board Approved Items**

**Spotlight: CSX Lease**

**Legislative Approved Items**

**Other Approved Items**

**General Assembly Approved  
Surplus/Conveyance  
Completed Items**

# 2019 HIGHLIGHTS

*SPC is responsible for approving all acquisitions or dispositions of the State's real property. The Land Division assures that all acquisitions and dispositions of land in the State's name meet the legal, policy, and process requirements of the State.*

**SPC Board  
approved**

**52**

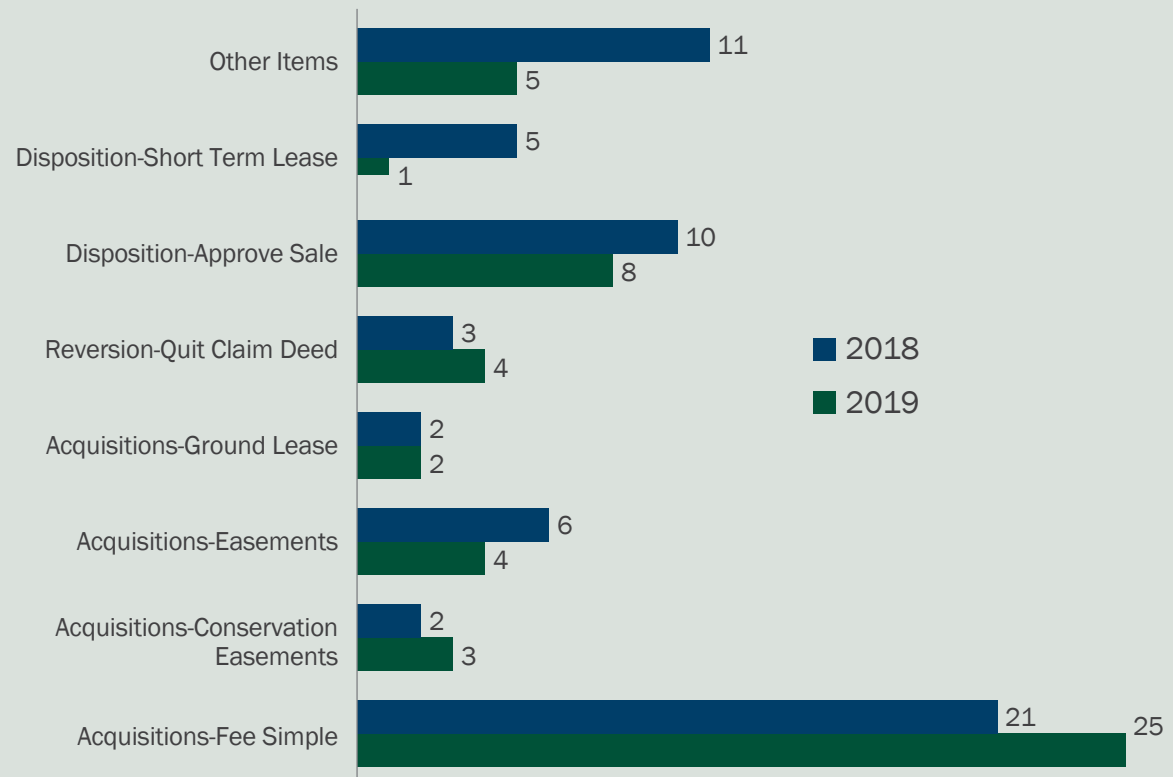
**items in  
FY 2019**

**General Assembly  
approved**

**28**

**properties for  
Surplus/Conveyance  
in FY 2019**

## SPC Board Meeting Approved Items



# SPOTLIGHT: CSX LEASE



**A new, 50-year lease agreement with CSX for the continued use of the state-owned Western & Atlantic railroad continues to derive significant economic impact for the State of Georgia.**

**The lease will generate \$1.2 billion to the State Treasury, which is \$509 million more than the previous leasing agreement.**

# THE WESTERN & ATLANTIC RAILROAD



At approximately 1,550 acres and 137.33 miles, the Western & Atlantic Railroad was completed in 1850 and runs through several counties in Georgia and even enters Hamilton County, Tennessee. The Southeastern Terminus of the Western & Atlantic Railroad (W&A) later led to the creation of Atlanta. Since then, the W&A has been a tremendous aid to the economic growth of the State and its position as the hub of the South.

With authorization and support of the Georgia General Assembly through Act 71 (Senate Resolution 228) in 2017, the State Properties Commission negotiated with CSX Corporation (CSX), a new lease agreement permitting their continued use of the W&A. The original lease executed in 1969 and later amended in 1986 will be replaced with a new lease for 50 years beginning January 1, 2020.

CSX's operation of the W&A generates an additional \$1.1 billion (NPV) in public benefits and supports approximately

1,800 jobs yearly. Operation of the line also diverts 362,053 cargo trucks off Georgia's interstates yearly—which equates to almost 1,000 cargo trucks daily.

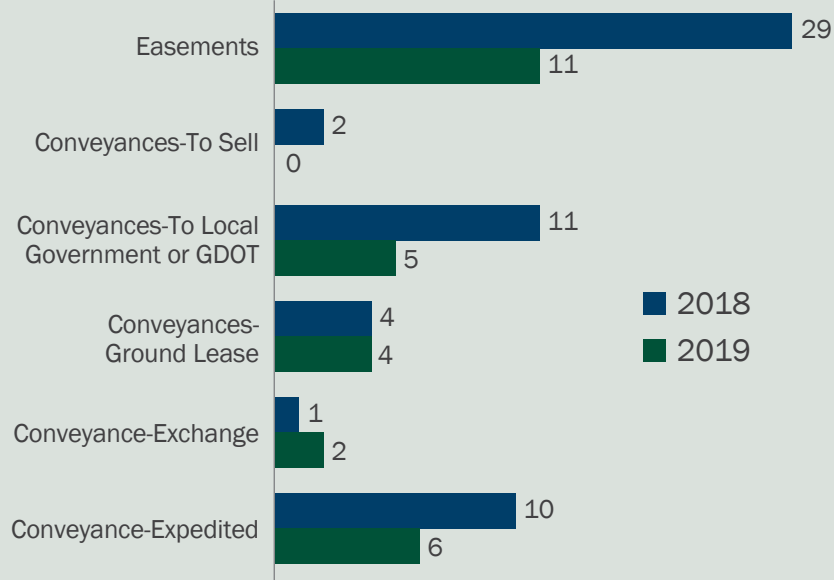
The value of the lease payments to the State of Georgia total approximately \$1.2 billion over a 50-year lease period. This is an increase of \$509 million over the current lease agreement.

In addition to monetary consideration, CSX will also convey a 50-year lease to the Georgia Department of Transportation, allowing GDOT to ensure existing fiber lines running from the Traffic Management Center to Highway 75/85 and I-20 remain undisturbed. "The successful renegotiation of this long-term lease represents multiple benefits for the residents of Georgia," said Carol Comer, Director of the Division of Intermodal for the Georgia Department of Transportation (GDOT). "In addition to the long-term positive fiscal impact this lease brings, it also allows us to extend our fiber optic cable network, helping the Department to better manage our transportation network overall."

For most Georgians, the most exciting benefit of the new lease is the conveyance of 2.3 miles of unused rail to extend the Silver Comet Trail. The Silver Comet Trail is a 61-mile-long (non-motorized) trail in northwest Metro Atlanta. "This acquisition will allow for growth of the Silver Comet Trail and will offer new opportunities for recreation in Georgia," said Mark Williams, Commissioner of the Georgia Department of Natural Resources. "Runners, cyclists, and outdoor enthusiasts of all kinds will now have more access to our State's natural beauty and one-of-a-kind attractions that make Georgia the best place in the country for outdoor recreation."

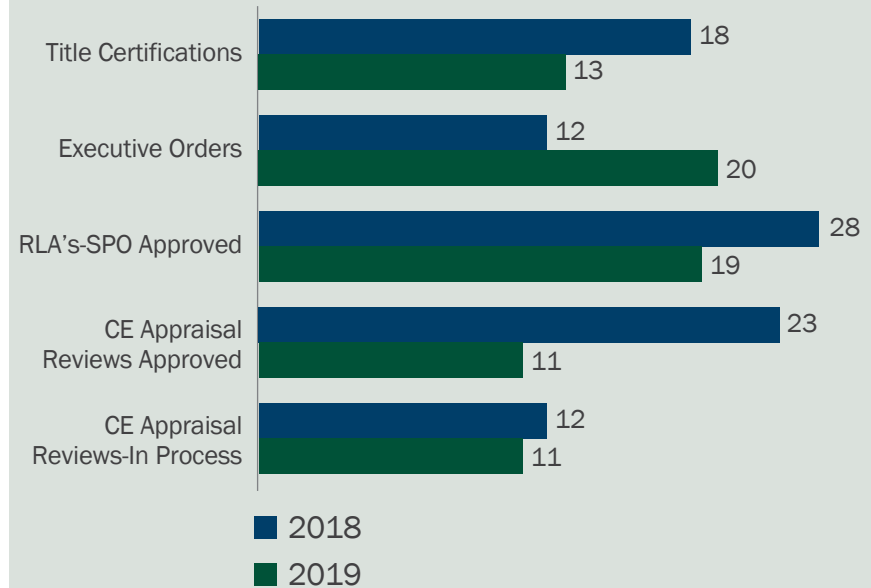
## Legislative Approved Items

Comparison of number and type of conveyance presented to the General Assembly.



## Other Approved Items

Comparison of number and type of additional transactions completed by SPC staff.



## General Assembly Approved Surplus/Conveyance: Completed

This table includes all fully executed conveyances completed in FY2019; however, General Assembly approval may have occurred prior to the beginning of the fiscal year.

Agency	County	Tract Name	Acres	Consideration	Grantee	Conveyance Type
TCSG	Henry	Portion of Henry County Campus of Southern Crescent Tech	1.91	Nominal	Snapping Shoals EMC	Easement
DNR	Clay	Portion of George T. Bagby State Park	0.534	Nominal	Georgia Transmission Corporation	Easement
TCSG	Bulloch	Portion of Ogeechee Tech	0.06	Nominal	Excelsior Electrical Membership Corporation	Easement
SPC	Cobb	Portion of WARR	0.267	\$5,400	Georgia Department of Transportation	Easement
DOC	Richmond	Portion of Augusta State Prison	0.21	Nominal	Georgia Department of Transportation	Easement
DNR	Jeff Davis	Portion of Bullard Creek WMA	3.956	Nominal	Georgia Department of Transportation	Easement
DJJ	Baldwin	Milledgeville YDC	0.12	Nominal	Baldwin County, Georgia	Easement
SPC	Bartow	Portion of WARR	0.32	Nominal	City of Emerson	Easement
TCSG	Columbia	Portion of Grovetown-Columbia Campus of Augusta Technical College	0.63	\$7,331	Georgia Power Company	Easement
DOC	Tattnall	Portion of Rogers State Prison	11.146	Nominal	Atlanta Gas Light Company	Easement
DOC	DeKalb	Portion of Metro State Prison	0.23	\$4,900	Blackhall Studios	Easement
DBHDD	Chatham	Portion of Savannah Regional Hospital	0.0351	Nominal	Chatham County, Georgia	Easement
TCSG	Hall	Portion of New Hall County Campus of Lanier Technical College	0.217	\$6,800	Tribe Transportation, Inc.	Easement
		Total Acreage	19.64	\$24,431	Total Easement Conveyances	9
TCSG	Dougherty	Portion of Albany Technical College	0.64	Property	City of Albany	Exchange
GFC	Wayne	Wayne County Unit	1	Property	Wayne County, Georgia	Exchange
		Total Acreage	1.64		Total Exchange/Settlement Conveyances	2
GPSTC	Monroe	GPSTC Training Center		\$5,000/annually	Justice Federal Credit Union	Lease
DHS	Cherokee	DHS Cherokee	5	Improvements	Efficient Government Public Service, Inc.	Lease
GFC	Cherokee	Walesa Tower Site	0.03	Nominal	Cherokee County Board of Commissioners	Lease
DNR	Hall	Portion of Lake Lanier State Park	1.32	Nominal	City of Gainesville	Lease
DPS	Clarke	Athens Hanger	0.74	Nominal	Georgia Aviation Authority	Lease (Assignment)
SPC	Various	WARR	1,550	\$1,008,333.33/mth	CSX Transportation, Inc.	Lease
SPC	Glynn	Sea Island Beach Renourishment		\$444,150	Sea Island Acquisition, LLC	Lease (Mineral)
TCSG	Washington	Portion of TCSG Campus		Nominal	Washington County Board of Commissioners	Lease

Agency	County	Tract Name	Acres	Consideration	Grantee	Conveyance Type
<b>TCSG</b>	Decatur	Decatur County Campus of Southern Regional Technical College		Nominal	Board of Regents of the University System of Georgia	Lease
<b>SPC</b>	Chatham	Tybee Island Beach Renourishment		Nominal	City of Tybee Island	Lease (Mineral)
		Total Acreage	1557.09		Total Lease Conveyances	1
<b>GFC</b>	Morgan	Apalachee Tower Site	0.25	Nominal	M.H. Cochran, his heirs, successors, or assigns	Reversion
<b>GFC</b>	Burke	The Chief Ranger Residence	0.5	Nominal	Board of Commissioners of Burke County, Georgia	Reversion
<b>GFC</b>	Schley	Schley County Unit	0.5	Nominal	L.S. Tondee, their heirs, successors, or assigns	Reversion
		Total Acreage	1.25		Total Reversion Conveyances	3
<b>TCSG</b>	Hall	Oakwood Campus of Lanier Technical College	41.188	Nominal	Board of Regents of the University System of Georgia	Sale
<b>TCSG</b>	Hall	Portion of Hall County Campus of Lanier technical College	6.55	Nominal	City of Gainesville	Sale
<b>DEcD</b>	Fulton	Hotel Site	7.2457	Nominal	Geo L. Smith II World Congress Center Authority	Sale
<b>DOA</b>	Muscogee	Columbus Farmers Market	14.57	Nominal	Columbus Consolidated Government	Sale
<b>DJJ</b>	Baldwin	Milledgeville YDC	5.7	Nominal	Baldwin County, Georgia	Sale
<b>SPC</b>	Fulton	GULCH Tract	9.367	\$15,000,000	30 Spring St. (Atlanta) Fee Owner, LLC	Sale
<b>DOD</b>	Dougherty	Albany Armory	4.5	Nominal	Dougherty County, Georgia	Sale
<b>GFC</b>	Lincoln	Lincoln County Unit	0.453	Nominal	Lincoln County Board of Commissioners	Sale
<b>DOA</b>	Hall	Oakwood Poultry Lab	10.73	Nominal	City of Oakwood, Georgia	Sale
<b>DNR</b>	Rockdale	Poynter Reservoir Black Shoals Park	405.1	Nominal	Rockdale County, Georgia	Sale
<b>DOA</b>	Chatham	Portion of Savannah State Farmer's Market	0.048	\$8,700	Georgia Department of Transportation	Sale (\$8,238 General Treasury; Remainder to Agency for Site Improvements)
<b>DBHDD</b>	Baldwin	Portion of Central State Hospital Campus	329.442	Nominal	Central State Hospital Local Redevelopment Authority	Sale
<b>DOD</b>	Baldwin	Portion of Milledgeville Readiness Center	0.468	\$63,500	Georgia Department of Transportation	Sale (\$35,413 General Treasury; Remainder to Agency for Cost to Cure and Site Improvements)
<b>DNR</b>	Rabun	Portion of Tallulah Gorge State Park	0.303	Nominal	Town of Tallulah Falls, Georgia	Sale
<b>GFC</b>	Brooks	Brooks County Unit	2	Nominal	Brooks County, Georgia	Sale
<b>DOC</b>	Jackson	I.W. Davis Probation Detention Center	13.81	Nominal	Jackson County, Georgia	Sale
<b>DOL</b>	Coffee	DOL Office	0.83	\$150,000	Seven Acres Properties, LLC	Sale*

\* Proceeds retained by the Department of Labor, not deposited in Treasury.

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|----------|--|----------|--|
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| Page 7.  | Mackey Branch Waterfall/Matthew Moore  | Page 26. | Atlanta, Technical College System of Georgia/Savills Studley   |
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| Page 22. | DeKalb, Department of Family and Children Services/Don Chandler  | Page 34. | Canooche Sandhills/Department of Natural Resources   |
| Page 24. | Valdosta, Department of Human Services Division of Child Support Services and Aging Services/Savills Studley |          |  |

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Find the State Properties Commission on the web: [www.spc.ga.gov](http://www.spc.ga.gov)

Building, Land, and Lease Inventory of Property (BLLIP): [www.realpropertiesgeorgia.org](http://www.realpropertiesgeorgia.org)



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