



STATE PROPERTIES COMMISSION

270 Washington Street, Suite 2-129, SW, Atlanta, Georgia 30334

Chairman
Brian P. Kemp
Governor

Executive Director / State Property Officer
Marty W. Smith

MINUTES

CALLED MEETING
OF THE
STATE PROPERTIES COMMISSION
TUESDAY, JUNE 23, 2020
9:00 AM

Members in Attendance:

Governor Brian Kemp, Chairman
Alan Skelton, Vice-Chairman (by conference call)
Brad Raffensperger, Secretary (by conference call)
Lynne Riley, Member (by conference call)
Michael Howell, Citizen Member (by conference call)
Phil Carlock, Citizen Member (by conference call)
Karl Lutjens, Citizen Member (by conference call)

In Attendance:

Marty Smith, State Property Officer
Gerald Pilgrim, Georgia Building Authority
Heather York, Georgia State Financing & Investment Commission
Frank Smith, State Properties Commission (by conference call)
Sonny Manalili, Georgia Building Authority
Sunny Patel, Office of the Governor
Wesley Stone, Office of the Governor

Call to order and approval of the December 12, 2019 meeting minutes.

Governor Kemp called the meeting of the State Properties Commission to order and stated the first order of business would be approval of the minutes of the December 12, 2019 meeting. Phil Carlock made a motion to approve the minutes and Karl Lutjens seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to acquire approximately 542 acres of real property from Hubble Timber, LLC at Paulding Forest Wildlife Management Area in Paulding and Polk Counties for a consideration of \$1,355,000. SPC # 831.42/SPC # 851.23

Frank Smith presented the request by the Department of Natural Resources to acquire 542 acres from Hubble Timber, LLC at Paulding Forest Wildlife Management Area in Paulding and Polk Counties. The consideration is \$1,355,000 of which only \$355,000 is State funds. This tract is currently leased by the State but is in danger of being sold. This acquisition will ensure the property is used for conservation and recreation purposes in perpetuity. The Board of Natural Resources is meeting at the same time as this meeting, therefore SPC approval will be contingent on DNR board approval.

Brad Raffensperger motioned to approve the request and Lynne Riley seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to acquire approximately 207 acres of real property from Jones Company, LP at Paulding Forest Wildlife Management Area in Paulding and Polk Counties for a consideration of \$600,000. SPC # 831.43/SPC # 851.24

Frank Smith presented the request by the Department of Natural Resources to acquire 207 acres at Paulding Forest Wildlife Management Area in Paulding and Polk Counties. The consideration is \$600,000 of which only \$76,425 is state funds. This tract is currently leased by the state but is in danger of being sold. This acquisition will ensure the property is used for conservation and recreation purposes in perpetuity. The Board of Natural Resources is meeting at the same time as this meeting, therefore SPC approval will be contingent on DNR board approval for this as well.

Phil Carlock motioned to approve the request and Karl Lutjens seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to grant a revocable license to Georgia Power Company through approximately 0.35 of an acre for the construction of power lines at Chief Vann House Historic Site in Murray County for a consideration of \$650. SPC # 605.366

Frank Smith presented the request by the Department of Natural Resources to grant a revocable license to Georgia Power over approximately 0.35 of an acre in Murray County for \$650. Georgia Power will construct new power lines to improve reliability between Georgia Power's Chatsworth and Gravitt Substations. The power lines run through Chief Vann House Historic site but will not cross Heritage Preserved dedicated areas. SPC will seek General Assembly authorization in the 2021 session to grant a permanent easement for fair market value.

Lynne Riley motioned to approve the request and Brad Raffensperger seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to grant a revocable license to Amanda Anne Hall, Margie J. Deer, Sally J. Grose, and Nollie Leigh Motes through approximately 2.02 acres for the construction of an access easement at Tallulah Gorge State Park in Rabun County for a consideration of \$650. SPC # 605.368

Frank Smith presented the request by the Department of Natural Resources to grant a revocable license to Amanda Hall, Margie Deer, Sally Grose, and Nollie Motes over approximately 2.02 acres in Rabun County for \$650. The four individuals own a parcel of land which is landlocked by Tallulah Gorge State Park. This license and ultimately an easement will allow construction of a small road for access. SPC will seek General Assembly authorization in the 2021 session to grant a permanent easement for fair market value.

Phil Carlock motioned to approve the request and Lynne Riley seconded the motion. The motion carried unanimously.

Request to delegate authority to the Executive Director to execute an amendment to the settlement agreement ("Settlement Agreement") between the State and Bradley Boulevard, LLC ("Bradley"), dated October 6, 2014, which amendment would extend the deadline provided in the settlement agreement for approval of the mitigation bank and release of mitigation credits to the State. SPC # 402.48.07

Frank Smith presented the request by the staff of the State Properties Commission to delegate authority to the Executive Director to execute an amendment to the settlement agreement with Bradley Boulevard, LLC. The State entered into a settlement agreement in 2014 with Bradley Boulevard, LLC to settle a disputed title claim. Part of that agreement required Bradley Boulevard to set up a wetland mitigation bank. The current deadline for setting up this bank is June 30, 2020. SPC staff recommend an extension of this deadline to June 30, 2021.

Michael Howell motioned to approve the request and Lynne Riley seconded the motion. The motion carried unanimously.

Request by the State Properties Commission to rescind the approval to surplus approximately 0.25 of an acre of improved property and any interest in an approximate 0.01 of an acre easement, known as the Edney Building, located at 1100 Market Street, Chattanooga, Tennessee. SPC # 302.45

Frank Smith presented the request by the staff of the State Properties Commission to rescind this Board's approval to surplus State owned property in Chattanooga, Tennessee. At the December 2019 meeting, the board approved the surplus of 0.25 acres of property known as the Edney Building. After a review of current conditions and the State's overall real property portfolio, staff recommend holding onto the property at this time.

Phil Carlock motioned to approve the request and Karl Lutjens seconded the motion. The motion carried unanimously.

Request by the Department of Juvenile Justice for the State Properties Commission to enter into a twenty (20) year lease with KDP 3048, LLC for approximately 98,220 rentable square feet of space at 3408 Covington Highway, Decatur, Georgia. Lease # 5784

Frank Smith presented the request by the Department of Juvenile Justice for SPC to enter into a 20-year lease to extend occupancy of their headquarters building in Avondale. In December of 2019, this board approved a 15-year lease with KDP 3048, LLC. Prior to that lease being signed, SPC and the landlord negotiated new terms which would extend the term to 20 years but allow for nine months of free rent in fiscal year 2021. Other deal terms of \$17.57 per square foot, \$1.7 million of tenant improvements and a \$5 per square foot refurbishment allowance stay the same.

Alan Skelton motioned to approve the request and Brad Raffensperger seconded the motion. The motion carried unanimously.

Request by the Department of Human Services Division of Family and Children Services for the State Properties Commission to enter into a five (5) year lease extension with the Savannah Economic Development Authority for approximately 110,445 rentable square feet of space at 761 Wheaton Street, Savannah, Georgia. Lease # 6035

Frank Smith presented the request by the Department of Human Services Division of Family and Children Services (DFCS) for SPC to enter into a five-year extension with Savannah Economic Development Authority (SEDA). In July of 2019, SPC entered into a 15-year lease with SEDA for the existing DFCS building in Savannah. SPC negotiated a five-year extension in exchange for nine months of free rent in fiscal year 2021. While the first 15 years of this lease term were flat at \$19 per square foot, we did agree to a 2.1% annual escalation for the five-year extension.

Lynne Riley motioned to approve the four requests and Brad Raffensperger seconded the motion. The motion carried unanimously.

Request by the Department of Human Services Child Support Services for the State Properties Commission to enter into a twenty (20) year lease with Capkey Miller Road Partners LLC for approximately 50,000 rentable square feet of space at 2910 Miller Road, Decatur, Georgia. Lease # 9185

Frank Smith presented the request by the Department of Human Services Child Support Services for SPC to enter into a 20-year lease. Currently, the 50,000 square foot building is occupied by the Division of Family and Children Services (DFCS), Child Support Services (CSS) and the Department of Community Supervision (DCS). DFCS intends to move out in a few weeks and DCS will move out by June 30, 2021 allowing CSS to occupy the entire building. SPC negotiated a new 20-year lease with the Capkey Miller Road Partners, LLC who has a purchase option for the building. Key terms are \$18 per square foot initial rate, eight-months free rent, and \$2.1 million in improvement allowance.

Phil Carlock motioned to approve the request and Brad Raffensperger seconded the motion. The motion carried unanimously.

Request by the State Properties Commission to approve the FY 2021 Contract Value Authority for Multi-Year Leases.

Frank Smith presented the request to approve the fiscal year 2021 contract value authority for multi-year leases. Each year, the Georgia State Finance and Investment Commission (GSFIC) sets a multi-year leasing contract value authority. This amount is the maximum total contract value or sum of all rents for any lease executed in the coming fiscal year. Last year GSFIC approved \$200 million and this year we are requesting \$109 million for fiscal year 2021. GSFIC will approve this amount tomorrow at their called board meeting.

Lynne Riley motioned to approve the request and Brad Raffensperger seconded the motion. The motion carried unanimously.

Approve the revisions to existing State Properties Commission Policy: SPC 03-Space Management Space Standards.

Frank Smith presented the request to approve revisions to the State Properties Commission Space Standards Policy. In November of 2019, SPC had a private sector real estate professional review our existing space standards and make recommendations for improvement. They suggested a few procedural changes, we are implementing, and two policy changes. The first of the policy changes is to remove the tolerance table. This will allow SPC space staff to plan for agency space needs with greater accuracy. The second change was to add a small office that could be used for confidential functions. This is in line with the trend to move to a slightly less open office work environment.

Phil Carlock motioned to approve the request and Karl Lutjens seconded the motion. The motion carried unanimously.

Adjournment

Governor Kemp requested a motion for adjournment. So moved by Michael Howell and seconded by Lynne Riley. Meeting adjourned.



Marty W. Smith
Executive Director, State Properties Commission