



STATE PROPERTIES COMMISSION

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

Chairman
Nathan Deal
Governor

Executive Director
Steven L. Stancil

MINUTES

CALLED MEETING STATE PROPERTIES COMMISSION

TUESDAY, JUNE 19, 2018

STATE CAPITOL, ROOM 107

MEMBERS IN ATTENDANCE:

Governor Nathan Deal, Chairman
Alan Skelton, Vice-Chairman
Steve McCoy, Member
Tricia Hise, Citizen Member
Michael Howell, Citizen Member

IN ATTENDANCE:

Steve Stancil, State Properties Commission
Frank Smith, State Properties Commission
Alisa Pereira, State Properties Commission
Clark Wong, State Properties Commission
Ryan Remle, State Properties Commission
Kimberly Owen, State Properties Commission
Heather York, Georgia State Financing & Investment Commission
Christy Sanders, Georgia State Financing & Investment Commission
Cindy Presto, Georgia State Financing & Investment Commission
Morgan Smith-Williams, Georgia State Financing & Investment Commission
Charis Dorsey, Georgia Building Authority
Mark Williams, Department of Natural Resources
Steve Friedman, Department of Natural Resources
Tanisha Thomas, Department of Law
Deadre Hines-Bay, Department of Law
Raquel Gayle, Department of Law
Chris Riley, Office of the Governor
Theresa MacCartney, Governor's Office of Planning and Budget

IN ATTENDANCE:

Sara Honeywill, Technical College System of Georgia
Neil Bitting, Technical College System of Georgia
Kevin Clark, Georgia Environmental Financing Authority
Candice Smith, Georgia Forestry Commission
Joan Crumpler, Department of Public Safety
Cindy Jones, Georgia Public Safety Training Center
Wimberly Dennis, State Accounting Office
Scott Steilen, Sea Island
Bill McHugh, Sea Island
Raquel Howard, Savills Studley

Call to order and approval of the December 17, 2017 meeting minutes.

Governor Deal 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 17, 2017 meeting. Alan Skelton made a motion to approve the minutes and Michael Howell seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to acquire approximately 139.3 acres of real property from Barry Davison at Dawson Forest Wildlife Management Area in Davison County for a consideration of \$300,000 (# 830.002.1) and to acquire approximately 10 acres of real property from Pam Henderson at Dawson Forest Wildlife Management Area in Davison County for a consideration of \$20,000. (# 830.002.2)

Steve Friedman presented the request to acquire 139.3 acre from Barry Davison for a consideration of \$300,000 and 10 acres from Pam Henderson for a consideration of \$20,000 at Dawson Forest Wildlife Management Area. Purchasing the tracts will improve public recreation and protect frontage along Amicalola Creek. Source of funding is DNR Bond 141 and The Conservation Fund's Georgia Imperiled Bat Conservation Fund.

Tricia Hise motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to acquire approximately 51.28 acres of real property from Mark S. Drummond and Segal E. Drummond at Cloudland Canyon State Park in Dade County for a consideration of \$100,000. (# 869.002.1)

Steve Friedman presented the request to acquire 51.28 acres from Mark Drummond and Segal Drummond at Cloudland Canyon State Parking for a consideration of \$100,000. The tract is an important in-holding at the Park and contains a portion of the Bear Creek Trail which passes through it. The Park previously leased the property at which time they installed backcountry campsites. Those campsites will now be accessible to the public again once this tract is acquired. Source of funding is DNR Bond 141 and the Riverview Foundation.

Steve McCoy motioned to approve the request and Tricia Hise seconded the motion. The motion carried unanimously.

Request by the Department of Natural Resources to acquire approximately 7,100 acres of real property from The Nature Conservancy at Chattahoochee Fall Line Wildlife Management Area in Marion County for a consideration of \$9,000,000. (# 950.002.1)

Steve Friedman presented the request to acquire 7,100 acres from The Nature Conservancy at Chattahoochee Fall Line Wildlife Management Area for a consideration of \$9,000,000. The Hilliard Tract is within the Fort Benning buffer area which is important to protect for national security. It is also located within a high priority zone identified in the State Wildlife Action Plan containing multiple species of concern. It will also provide important recreation opportunities to the public. The Nature Conservancy will retain a conservation easement on the property which will reduce the purchase price. Sources of funding are DNR Bond 141, U.S. Forest Service Forest Legacy Grant, U.S. Fish and Wildlife Service Pittman Robertson Grant, and the Knobloch Family Foundation.

Michael Howell motioned to approve the request and Tricia Hise seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia to grant a permanent non-exclusive easement to Tribe Transportation, Inc. over approximately 0.217 of an acre at the Hall County Campus of Lanier Technical College for the consideration of \$6,800. (# 605.289)

Neil Bitting presented the request to grant a permanent non-exclusive easement to Tribe Transportation, Inc. over 0.217 of an acre at the Hall County Campus of Lanier Technical College for fair market value. Tribe Transportation is requesting the easement for the construction, operation and maintenance of an underground utility line. An appraisal was conducted valuing the easement of \$6,800.

Tricia Hise motioned to approve the request and Michael Howell seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia to acquire from Central Georgia Technical College Foundation, Inc. approximately 1.06 acres in Bibb County for a consideration of \$10. (#813.002.1)

Neil Bitting presented the request to acquire from Central Georgia Technical College Foundation 1.06 acres for a consideration of \$10. TCSG will use the property as a bookstore and career service center for Central Georgia Technical College. The Bibb County Tax Assessor estimated the fair market value of the property to be \$1,005,675.

Steve McCoy motioned to approve the request and Alan Skelton seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia to acquire from North Georgia Technical College Foundation, Inc. approximately 0.5 of an acre in Habersham County for a consideration of \$10. (# 825.002.1)

Neil Bitting presented the request to acquire from North Georgia Technical College Foundation 0.5 of an acre in Habersham County for a consideration of \$10. TCSG will use the property as a police station for North Georgia Technical College. The Habersham County Tax Assessor estimated the fair market value of the property to be \$79,580.

Tricia Hise motioned to approve the request and Michael Howell seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia to acquire from Southern Crescent Technical College Foundation, Inc. approximately 7.02 acres in Spalding County for a consideration of \$10. (# 852.002.1)

Neil Bitting presented the request to acquire 7.02 acres from Southern Crescent Technical College Foundation for a consideration of \$10. TCSG will use the property as an education and training complex for Southern Crescent Technical College. The Spalding County Tax Assessor estimated the fair market value of the property to be \$1,625,000.

Steve McCoy motioned to approve the request and Alan Skelton seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia to acquire approximately 170.701 acres of improved property in Decatur County from the Board of Regents (BOR) of the University System of Georgia for a consideration of \$10, and the lease of approximately 61,149 square feet of space within the subject property to BOR for a consideration of \$10. (# 814.002.1)

Neil Bitting presented the request to acquire 170.701 acres from the Board of Regents for a consideration of \$10 and the lease of 61,149 square feet of space within the property to the Board of Regents. The property is the former site of the Bainbridge campus of Abraham Baldwin Agricultural College. Regents approved the conveyance to the State provided that a portion of the campus would be leased back to them for the continued operation of its agricultural school. TCSG will use the property for its Decatur Campus of Southern Regional Technical College.

Alan Skelton motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia to acquire from Savannah Technical College Foundation, Inc. approximately 0.106 of an acre in Chatham County for a consideration not to exceed \$2,000,000. (# 801.002.1)

Neil Bitting presented the request to acquire 0.106 of an acre from the Savannah Technical College Foundation for a consideration not to exceed \$2,000,000. Savannah Technical College will use the property for its culinary arts program. Two appraisals were conducted valuing the property at \$2,900,000 and \$3,150,000.

Steve McCoy motioned to approve the request and Tricia Hise seconded the motion. The motion carried unanimously.

Request by the Georgia Forestry Commission to approve the conveyance of approximately 2 acres of improved property, the former Brooks County unit, to Brooks County for the consideration of \$10 and the requirement that the property be used for public purpose in perpetuity. (# 466.002.1)

Candice Smith presented the request to convey the two-acre Brooks County Forestry Unit to Brooks County for a consideration of \$10 and that the property to be used for public purpose. The property was acquired from Brooks County in 1987. The Forestry Commission consolidated this office with the Cook County location to improve efficiency. Therefore, Forestry has declared the property surplus.

Michael Howell motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Georgia Forestry Commission to approve the conveyance of approximately 1 acre of improved property located in Bryan County, the former Bryan County Unit, to the City of Pembroke for the consideration of \$10 and the requirement that the property be used for public purpose in perpetuity. (# 413.002.1)

Candice Smith presented the request to convey the one-acre Bryan County Forestry Unit to the City of Pembroke for a consideration of \$10 and the property to be used for public purpose. The property was acquired from Bryan County in 1957. Construction of a new office on a larger site was completed in February 2017 and Forestry no longer has use for the property. The City of Pembroke intends to use the property as a fire station.

Alan Skelton motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Georgia Forestry Commission to revert by quitclaim deed to L.S. Tondee, or their heirs, successors, or assigns, the State's interest in approximately 0.50 of an acre of surplus property, previously used as the Schley County unit, located in Schley County. (# 473.002.1)

Candice Smith presented the request to revert 0.50 of an acre by quitclaim deed to L.S. Tondee or their heirs. The property was originally granted to the State by L.S. Tondee in 1949 and the deed contained a reversionary interest should the property no longer be used as the Schley County Forestry Unit. By resolution dated April 16, 2018, the Forestry Commission declared the property surplus to its needs and requested the property revert to the prior owner.

Michael Howell motioned to approve the request and Tricia Hise seconded the motion. The motion carried unanimously.

Request by the Georgia Forestry Commission to surplus and convey approximately 1.01 acres of improved real property, known as the Wayne County Forestry Unit, located in the city of Jesup, to Wayne County in exchange for approximately 6.25 acres of unimproved property located in Wayne County in order to construct a new facility. (422.002.1)

Candice Smith presented the request to convey 1.01 acres in exchange for approximately 6.25 acres in order to construct a new facility. The Wayne County Unit is currently in use but Forestry is willing to surplus and convey the property provided the conveyance is in exchange for the property located adjacent to the Wayne County Jail. Wayne County is in agreement to the exchange. Construction of the new Forestry Unit will begin before year-end 2018 and until its completion, the 1.01 acre-property will be leased back to Forestry for a consideration of \$10 per year.

Steve McCoy motioned to approve the request and Alan Skelton seconded the motion. The motion carried unanimously.

Request by Department of Public Safety for the acquisition of a 25-year ground lease with an option to extend for another 25 years of improved real property totaling approximately 3.637 acres at the Henry Tift Myers Airport from Tift County for Georgia State Patrol Post 13 for a consideration of \$10. (# 870.10)

Joan Crumpler presented the request to acquire a ground lease totaling 3.637 acres at the Henry Tift Myers Airport for a consideration of \$10. Tift County constructed Post 13 in 2005, and the Department of Public Safety has occupied the building under a temporary use agreement. DPS would like to formalize the arrangement with Tift County by entering into a 25-year ground lease with the option to extend for another 25 years.

Tricia Hise motioned to approve the request and Michael Howell seconded the motion. The motion carried unanimously.

Request by the Georgia Environmental Finance Authority to acquire approximately 2.141 acres from LLI Management Company, LLC in Hall County for a consideration of \$617,500. (# 868.002.1)

Kevin Clark presented the request to acquire 2.141 acres from LLI Management Company, LLC for a consideration of \$617,500 and to delegate to the Executive Director the ability to take any actions necessary to effectuate the acquisition in the best interests of the State. The Georgia Environmental Authority desires to purchase the property in order to explore the technical and environmental implications of installing and operating an artesian well to produce a sustainable water supply. A portion of the Water Supply Program General Obligation Bonds Series 2012B2, 2013E2 and 2014B2 in the amount of \$4,855,000 will be used for the construction, permitting and testing of the project.

Three appraisals were conducted valuing the property and well between \$330,000 and \$430,000 based on the permitted yield of 350 gallons per minute and projected yield of 485 gallons per minute. A second appraisal valued the well at \$370,000 and the third appraisal valued the property of \$135,000.

Alan Skelton motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Department of Community Supervision to revert by quitclaim deed to the United States of America the State's interest in approximately 0.36 of an acre of improved property previously used as a probation office and day reporting center, located in Walker County. (429.05)

Item was tabled and will be brought before the Commission at a later date.

Request by the Georgia Public Safety Training Center to approve the conveyance of approximately 1.7 acres of improved property, the former Cherokee Regional Academy Shoothouse, to Cherokee County for the total consideration of \$400,000, after removal of the shoothouse improvements. (# 500.09)

Frank Smith presented the request by the Georgia Public Safety Training Center (GPSTC) to approve the conveyance of approximately 1.7 acres of improved property to Cherokee County for the consideration of \$400,000. In January of 2014, the property was acquired from Cherokee County and GPSTC constructed a shoot house on the property with the intention of a shared use with the County. Under a memorandum of agreement, the County was allowed to use the State's shoot house and the GPSTC was allowed to use the County's adjacent training center. GPSTC needs for training have outgrown the available space at the County's training center. GPSTC intends to relocate to Pickens County where an old school is being converted to fit their needs by Pickens County. Cherokee County desires to acquire the property back from the State for the same cost paid by the State in 2014.

Michael Howell motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Approval of the acceptance of the bid by Seven Acres Properties, LLC of \$150,000 received through the State's competitive bid process for approximately 0.83 of an acre of improved state-owned property in custody of the Georgia Department of Labor located in Coffee County. (# 502.05)

Frank Smith presented the request by the Department of Labor to approve the conveyance of their former office in Coffee County. Labor acquired the property in 1984 using Federal Funds. SPC staff commissioned two appraisals setting the value range of the property between \$150,000 and \$200,000. SPC staff issued an Invitation to Bid with the Bid opening on May 15th. Only one bid was received in the amount of \$150,000 by Seven Acres Properties, LLC.

Alan Skelton motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the State Properties Commission staff to grant a mineral lease to Sea Island Acquisition, LLC for the consideration of \$0.30 cubic yard. (# 703.38)

Frank Smith presented the request by Sea Island Acquisition, LLC for approval of a five-year mineral lease. Sea Island desires to re-nourish the beach at Sea Island due to the extensive storm damage caused by hurricanes Mathew and Irma. The project will require the dredging of between 1.3 and 2.5 million cubic yards of beach quality sand. This sand is currently in Georgia waters about four miles offshore. SPC staff researched several comparable projects in Georgia, South Carolina and Florida to determine the consideration of \$0.30 per cubic yard of sand.

Steve McCoy motioned to approve the request and Michael Howell seconded the motion. The motion carried unanimously.

Request to delegate to the Executive Director the authority to approve and execute an extension of the deadline of that settlement agreement dated October 6, 2014 to convey approximately 1,513 acres by quitclaim deed to Bradley Boulevard, LLC subject to a claim of State ownership from the mean low water mark and higher, Vallambrosa Mitigation Bank, located in Chatham County. (# 402.48.02)

Frank Smith presented the request to extend a contractual deadline in the settlement agreement with Bradley Boulevard, LLC and to delegate authority to the Executive Director to approve an extension of up to 12 months. Part of the settlement agreement between the State and Bradley Boulevard, LLC included the requirement for the LLC to set up a mitigation bank with the Corp of Engineers. The State would benefit from the creation of this bank by receiving approximately 180 credits generated by the bank. The current deadline for creation of this bank is June 30, 2018.

Steve McCoy motioned to approve the request and Tricia Hise 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 one-year lease with four one-year renewal options with Hilltop Wayx Family LTD Partnership for approximately 21,750 rentable square feet of space at 1202 Plant Avenue, Waycross, Georgia. (# 3943)

Alisa Pereira presented the request by the Department of Human Services Division of Family and Children Services for the State Properties Commission to enter into a one-year lease for approximately 21,750 rentable square feet in Waycross with Hilltop Wayx Family LTD Partnership. DFCS has been at the location since 1989 and the lease expired in June 2014. This new lease provides for a term of one year with four one-year renewals. The modified gross rental for years one and two is \$13.57, and then escalates to \$14.06 for years three to five. The tenant is responsible for utilities and janitorial services, but there are no operating expense pass throughs. The overall cost avoidance for the lease when compared to the average market rent is calculated at just over \$398,000.

Steve McCoy motioned to approve the request and Tricia Hise seconded the motion. The motion carried unanimously.

Request by the Department of Human Services Division of Family and Children Services and Office of Facilities and Support Services for the State Properties Commission to enter into a lease for a term of one year with one 1-year renewal option with Family Holdings Sub, LLC for approximately 74,039 rentable square feet of space at 2100 Comer Avenue, Columbus, Georgia. (# 5036)

Alisa Pereira presented the request by the Department of Human Services Division of Family and Children Services and Office of Facilities Support Services for the State Properties Commission to enter into a one-year lease for approximately 74,039 rentable square feet in Columbus with Family Holdings Sub, LLC. Both have occupied the 2100 Comer Avenue location since 1995 and the current lease is to expire in June 2016. The negotiation for this new lease has been ongoing and resulted in an agreement for one year with one 1-year renewal. This term will allow DHS to evaluate its needs and determine whether it desires to stay at this location or move. The proposed modified gross rental rate is \$13.69 for the first year of the lease, net of utilities and janitorial services and includes an operating expense amount of \$3.37. The overall cost avoidance for the lease when compared to the average market rent is over \$88,000.

Michael Howell motioned to approve the request and Alan Skelton seconded the motion. The motion carried unanimously.

Request by the Department of Human Services - Division of Child Support Services and Aging Services for the State Properties Commission to enter into a fifteen-year lease with GF Valdosta Mall, LLC for approximately 15,678 rentable square feet of space at 1700 Norman Drive, Valdosta, Georgia. (# 8376)

Alisa Pereira presented the request by the Department of Human Services Division of Child Support Services and Aging Services for the State Properties Commission to enter into a 15-year lease for approximately 15,678 rentable square feet in Valdosta with GF Valdosta Mall, LLC. DHS has operated its Child Support Services and Aging Services divisions in Lowndes County at separate locations for over a decade. The agency chose to co-locate the divisions to maximize the efficiency of the offices. The proposed lease was selected via a competitive process. This former Sears box store will be converted into office space and the landlord will provide more than \$1M in turnkey renovations. The state will benefit from the full service rental rate of \$22.66 which is subject to 1.65% annual escalations; there are no operating expense pass throughs. The total cost avoidance of this lease compared to the average market rate is calculated to be more than \$583,000.

Alan Skelton motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Technical College System of Georgia for the State Properties Commission to enter into a one-year lease with Mac Atlanta South, LLC for approximately 27,245 rentable square feet of space at 485 Atlanta South Parkway, Atlanta, Georgia. (# 9073)

Alisa Pereira presented the request by the Technical College System of Georgia to enter into a one-year lease with Mac Atlanta South, LLC for approximately 27,245 rentable square feet in Atlanta. The location of the proposed lease is a former facility of ITT tech. This facility is very suitable for the Atlanta Technical College, with over 22,000 square feet already built out as classroom, laboratory space, and the only 4,000 square feet requiring build out for a barber/cosmetology school. Additionally, the landlord has agreed to provide all existing classroom, lab and office furnishings left by ITT available to TCSG at no charge. The proposed lease provides for a modified gross rental rate of \$13.80, net of utilities and janitorial expenses escalating at 2.5% annually. There are no operating expense pass throughs and the landlord is providing two months of free rent during renewal years three and four, one month each. The total cost avoidance of this lease compared to the average market rate is over \$2.4 million.

Alan Skelton motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Request by the Department of Revenue for the State Properties Commission to enter into a ten-year lease with Indusa Beverage Inc. for approximately 11,805 rentable square feet of space at 735 N Westover Blvd, Suite A, Albany, Georgia. (# 8348)

Alisa Pereira presented the request by the Department of Revenue for the State Properties Commission to enter into a ten-year lease with Indusa Beverage Inc. for approximately 11,805 rentable square feet in Albany. The Department's needs have outgrown its current location. The agency has increased employee headcount and foot traffic, needs to expand to accommodate its Alcohol and Tobacco Unit, and requires a regional training facility. The State Properties Commission issued an RFP to relocate DOR, and the facility owned by Indusa Beverage, Inc. was selected. The facility is being converted to office space with the landlord providing over \$200,000 in base building improvements and TI valued at over \$800,000. The \$20.75 modified gross rental rate will remain flat for the term of the lease. The total cost avoidance of the proposed lease compared to the average market rate is over \$230,000.

Steve McCoy motioned to approve the request and Michael Howell seconded the motion. The motion carried unanimously.

Request by the Board of Regents of the University System of Georgia for the State Properties Commission to approve a multiyear lease with Banyan Street Capital (or an affiliated special purpose entity created for the purpose of this development) for approximately 10,000 rentable square feet at 400 Satellite Boulevard, Duluth, Georgia. (# 9110)

Item was tabled and will be brought before the Commission at a later date.

Request to approve certain conveyances of state-owned property as authorized by Resolution Act 458 (H.R. 1103) of the 2018 General Assembly.

Frank Smith presented the request to approve House Resolution 1103 which passed during the 2018 General Assembly. This resolution authorizes the State Properties Commission to convey or lease 17 State-owned properties.

Tricia Hise motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.


Request to approve the granting of non-exclusive easements over State-owned property as authorized by Resolution Act 460 (H.R. 1104) and Resolution Act 541 (H.R. 1090) of the 2018 General Assembly.

Frank Smith presented the request to approve House Resolution 1104 which passed during the 2018 General Assembly. This resolution authorizes the State Properties Commission to grant easements over 29 State-owned properties.

Tricia Hise motioned to approve the request and Steve McCoy seconded the motion. The motion carried unanimously.

Adjournment

Governor Deal requested a motion for adjournment. So moved by Tricia Hise and seconded by Steve McCoy. Meeting adjourned.



Steven L. Stancil
Executive Director, State Properties Commission