

SPECIAL AGENDA

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

September 27, 2005

10:55 / 11:10 A.M.

Michigan Library and Historical Center

3rd Floor Lake Ontario Room

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AWARD OF CONSTRUCTION CONTRACTS

1. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, STURGIS – Sturgis National Guard Armory – Enlarge Vehicle Compound
File No. 511/04037.AGY – Index No. 11568
Low Responsive Bidder: Michigan Paving & Material Company, Galesburg;
\$280,384.00 - This project is funded with FY 2006 funds
2. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, ISHPEMING – Ishpeming National Guard Armory – Armory Alterations (OMS)
File No. 511/05273.AGY – Index No. 11628
Low Responsive Bidder: A & F Construction Company LLC, Marquette;
\$730,600.00 - This project is funded with FY 2006 funds
3. DEPARTMENT OF NATURAL RESOURCES, TRAVERSE CITY – Traverse City State Park – Construct Standard 150-Campsite Restroom/Shower Building
File No. 751/05367.AGY – Index No. 55240
Low Responsive Bidder: Ripke Construction Company, Inc., St. Helen;
\$557,455.00
4. DEPARTMENT OF ENVIRONMENTAL QUALITY, ROMULUS – Northline Drum – Soil Extraction and On-Site Ex-Situ Soil Vapor Extraction System
File No. 761/05220.RRD – Index No. 48017
Low Responsive Bidder: Acme Contracting, Ltd., Plymouth; \$549,018.59

REVISIONS TO CONSTRUCTION CONTRACTS

5. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, JACKSON – Jackson Readiness Center – Construct a New Readiness Center
File No. 511/04012.EEW – Index Nos. 11479 & 11480
Granger Construction Co., Lansing; CCO No. 3, Incr. \$173,415.65

RESOLUTION OF THE STATE ADMINISTRATIVE BOARD

6. Resolution of the State Administrative Board Approving the Conveyance of Property for Mid Michigan Community College – Student Assessment Center and an Amendment to Lease

Legislative Background

The Mid Michigan Community College Student Assessment Center was appropriated in PA 530 of 2002 with a total authorized cost of \$3,165,000 (State Building Authority share \$1,582,300, Mid Michigan Community College share \$1,582,500, and State General Fund share \$200).

House Concurrent Resolution 40 of 2003 approving the conveyance of property to the State Building Authority and approving a lease among the State of Michigan and the State Building Authority, and Mid Michigan Community College relative to the Student Assessment Center, was approved by the Legislature on March 3, 2004.

7. Resolution of the State Administrative Board Approving A Construction and Completion Assurance Agreement, A Conveyance of Property and A Lease for the Department of Corrections Kinross Correctional Facility New Power Plant

Legislative Background

Project	Public Act	Total Cost	SBA Share	College / University Share	GF/GP Share	Concurrent Resolution
DOC – Kinross New Power Plant	PA193 of 2003	\$6,000,000	\$5,999,900		\$100	SCR 26 of 2005

LEASE FOR PRIVATE PROPERTY

8. DEPARTMENT OF STATE, FREMONT - New Lease #11161 effective October 1, 2005 through September 30, 2010 with 48th Street Mall Group of Fremont, LLC, a Limited Liability Company, 403 Vienna Lane, Fremont, Michigan 49412, as Lessor, and the Department of State, as Lessee, for 1,500 square feet of office space located at 7159 West 48th Street, Fremont, Michigan 49412. The annual per square foot rental rate for this space is \$16.00 (\$2,000.00 per month). This rate does not include public utilities for heating, cooling, illumination power, water/sewer, janitorial service and supplies, or trash removal from office wastebaskets. This Lease contains one five-year renewal option with an annual per square foot rental rate of \$17.50 (\$2,187.50 per month). This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.
9. DEPARTMENT OF STATE, GREENVILLE - New Lease #11168 effective December 1, 2005 through November 30, 2010 with Hathaway Properties, L.L.C., a Michigan Limited Liability Company, 2876 28th Street SW, Grandville, Michigan 49418, as Lessor, and the Department of State, as Lessee, for 3,010 square feet of office space located at Marketplace Shoppes, 701 South Greenville West Drive, Suites 20 & 21, Greenville, Michigan 48838. The annual per square foot rental rate for this space is \$17.11 (\$4,291.76 per month). This is a full service Lease. This Lease contains two five-year renewal options. Effective December 1, 2010 through November 30, 2015 the annual per square

foot rental rate for this space will be \$19.36 (\$4,856.13 per month). Effective December 1, 2015 through November 30, 2020 the annual per square foot rental rate for this space will be \$21.94 (\$5,503.28 per month). This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

10. DEPARTMENT OF STATE POLICE, GAYLORD - New Lease #11031 effective October 1, 2005 through September 30, 2015 with County of Otsego, A Constitutional Body Corporate, 225 West Main, Gaylord, Michigan 49735, as Lessor, and the Department of State Police, as Lessee, for one acre of vacant land located at 580 South Otsego Avenue (Old US 27), Gaylord, Michigan 49735. The annual per square foot rental rate for this space is \$0.00 (\$0.00 per month). The Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

RENEWAL OF LEASE FOR PRIVATE PROPERTY

11. DEPARTMENT OF STATE, TRAVERSE CITY - Renewal of Lease #10031 effective February 1, 2006 through January 31, 2016 with Ben S. and Janet M. Risky, Husband and Wife, 9603 Edgewood Avenue, Traverse City, Michigan 49684, as Lessor, and the Department of State, as Lessee, for 4,786 square feet of office space located at 1759 Barlow, Traverse City, Michigan 49684. The annual per square foot rental rate for this space is \$17.85 (\$7,120.00 per month). This is a full service Lease. This Lease contains one five-year renewal option with an annual per square foot rental rate of \$21.46 (\$8,560.00 per month). This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

CONSTRUCTION CHANGE ORDER FOR LEASED PROPERTY

12. DEPARTMENT OF LABOR AND ECONOMIC GROWTH, LANSING - Construction Change Order #5 for Lease #10226 approved by the State Administrative Board on July 19, 1988 between Gentilozzi Real Estate and Management Company, and subsequently assigned to Victor II Partnership, as Lessor, and the Department of Labor and Economic Growth, as Lessee. This Construction Change Order provides for the installation of electrical circuits for modular furniture, as requested by the Department of Labor and Economic Growth, at a cost not-to-exceed \$5,010.50. The space is located at 201 North Washington Square, Lansing, MI 48933.
13. DEPARTMENT OF LABOR AND ECONOMIC GROWTH, LANSING - Construction Change Order #6 for Lease #10226 approved by the State Administrative Board on July 19, 1988 between Gentilozzi Real Estate and Management Company, and subsequently assigned to Victor II Partnership, as Lessor, and the Department of Labor and Economic Growth, as Lessee. This Construction Change Order provides for the enlargement of an office, as requested by the Department of Labor and Economic Growth, at a cost not-to-

exceed \$3,567.90. The space is located at 201 North Washington Square, Lansing, MI 48933.

RECOMMENDATION FOR SALE OF SURPLUS STATE REAL PROPERTY

14. THE DEPARTMENTS OF MANAGEMENT AND BUDGET (DMB), AND COMMUNITY HEALTH (DCH), recommend the sale of the Macomb-Oakland Regional Center (Property), located in Clinton Township, Michigan to the Macomb-Oakland Regional Center, Inc., a Michigan non-profit corporation (MORC), for \$3.4 million dollars.

Legislative Background

Public Acts 440 of 2002 as amended by Public Act 389 of 2004 (together the "Act") authorizes the State Administrative Board, to convey the Property to MORC for not less than fair market value determined by an appraisal made in accordance with section 3 of the Act. This appraisal determined that the Property's fair market value is \$3.4 million.

The Property is described as:

Part of the Northeast 1/4 of Section 7, T2N-R13E, Clinton Township, Macomb County, Michigan, more particularly described as follows: Commencing at the Northeast Corner of said Section 7; thence along the Centerline of 19 Mile Road (60' 1/2 R.O.W.) and the North line of said Section 7, S 88°26'18" W, 1319.69 feet (recorded as S 88°16'00" W, 1321.97 feet) to a point on the West line of "Saint Joseph Subdivision" (and its northerly extension), (Liber 74 of Plats, Pages 47-48, M.C.R.), said point also being the POINT OF BEGINNING; thence along said West line of "Saint Joseph Subdivision" (and its northerly extension), S 01°15'40" E (recorded as S 01°26'00" E), 1354.27 feet to a point on the North line of "Park Ridge Condominium" (Condominium Plan 662, L. 9545, Pg. 472, M.C.R.); thence along said North line of "Park Ridge Condominium", S 88°57'27" W, 894.02 feet (recorded as S 88°47'09" W, 893.93 feet); thence N 00°59'42" W, 1346.21 feet (recorded as N 01°10'12" W, 1346.22 feet) to a point on the North line of said Section 7; thence along the Centerline of 19 Mile Road and the North line of said Section 7, N 88°26'18" E (recorded as N 88°16'00" E), 887.77 feet to the POINT OF BEGINNING, containing 27.615 acres of land, more or less. Subject to the rights of the public over the existing 19 Mile Road, containing 27.615 acres, more or less:

In accordance with section 3 of the Act, the fair market value of the Property was determined by an appraisal based upon using the Property for the continuation of providing services to individuals who are mentally ill, aged, physically handicapped, substance abusers, or developmentally disabled, referred to collectively as "community-based services."

The conveyance will be by quitclaim deed and a right of first refusal agreement, drafted and approved by the attorney general. In accordance with section 6 of

the Act, the quitclaim deed provides that if the Property is subsequently offered for sale by MORC for any purpose other than the provision of community-based services, the State has the first right to repurchase the property from MORC for a period of 90 days, the amount that MORC paid to the State for the Property (\$3.4 Million dollars). If the State elects not to repurchase the Property the Act provides a formula for the State to share in the profits, if any.

In accordance with section 6(2) of the Act the quitclaim deed does not reserve mineral rights to the State, but reserves the right to receive ½ of minerals' revenue in the event MORC or subsequent owner develops any minerals from this Property.

15. THE DEPARTMENT OF MANAGEMENT AND BUDGET (DMB) recommends the sale of property commonly known as the Grand Rapids state office building parking lot (the "Property"), located in the City of Grand Rapids, Kent County, Michigan, containing approximately 1.6 acres.

Legislative Background

Public Act 421 of 2004 authorizes the State Administrative Board ("Grantor") to convey to the City of Grand Rapids or an entity to be formed by the City of Grand Rapids, for consideration of not less than fair market value, the following described property:

All that part of the east ¼ of Lot 200 of the Plat of the Village of Kent, City of Grand Rapids, Kent County, Michigan, according to the recorded plat thereof, as recorded in Liber 1 of Plats at pages 4 and 5, Kent County Records, and the south ½ of Lot 6 and all of Lots 7, 8, 9, and 10, Block 21, of the Plat of Dexter Fraction, City of Grand Rapids, Kent County, Michigan, according to the plat thereof as recorded in Liber 39 of Plats at page 12, Kent County Records, which lies southeasterly of a line described as: Beginning at a point on the south line of said Lot 200 which is 25.25 feet west of the southeast corner of said Lot 200; thence northerly to a point on the north line of said Lot 200 which is 36.25 feet west of the northeast corner of said Lot 200; thence easterly to a point on the east line of said Lot 6 which is 50 feet north of the southeast corner of said Lot 6 and a point of ending.

Also, all that part of vacated Fairview Avenue which lies south of the south right of way line of State Highway I-196 and which lies west of the following described line: Commencing on the extended south line of Lot 18, Block 12, Dexter Fraction at a point 3.9 feet west of the southwest corner of said Lot 18 as platted; thence north 59.8 feet along a line which is 3.9 feet west of and parallel with the west line of said Lot 18; thence west at right angles 9.1 feet; thence north parallel with said west line 16.8 feet; thence east at right angles 9.1 feet; thence north 126.28 feet, more or less, along a line which is 3.9 feet west of and parallel with the west line of said Lot 18 to the south right of way line of State Highway I-196 and the point of ending of said line.

The above parcel is more particularly described as beginning at a point on the north line of Michigan Street at the southeast corner of Lot 200 of the Plat of the Village of Kent, City of Grand Rapids, Kent County, Michigan; thence S89°59'19"W 25.25 feet on said north line; thence N03°08'53"W 200.30 feet to a point on the north line of said Lot 200; thence S90°00'00"E 286.25 feet to a point on the east line of Lot 6 of the Plat of Dexter Fraction, City of Grand Rapids, Kent County, Michigan; thence N87°22'37"E 62.05 feet; thence S00°22'35"E 126.18 feet; thence S89°37'25"W 9.05 feet; thence S00°18'52"E 16.80 feet; thence N89°37'25"E 9.07 feet; thence S00°22'35"E 59.79 feet to a point on the north line of Michigan Street; thence S89°59'19"W 313.32 feet on said north line to the point of beginning, containing 1.575 acres, more or less.

The fair market value of the Property has been determined by an independent fee appraiser. The conveyance shall be by quitclaim deed prepared and approved by the office of Attorney General, and shall not reserve mineral rights to the State. However, the conveyance shall provide that if the purchaser or any grantee develops any minerals, ½ of the gross revenues generated from the development shall be paid to the State.

The net revenue shall be deposited in the general fund. Net revenue means sale proceeds less costs to the state associated with the sale of the Property, including, but not limited to, the costs of reports, studies and other materials necessary to the preparation of sale, environmental remediation, legal fees, and the cost of providing replacement parking for state employees in the downtown area of Grand Rapids.

NEW LEASE FOR PRIVATE PROPERTY

16. In conjunction with the above, THE DEPARTMENT OF MANAGEMENT AND BUDGET, recommends New Lease # 11185, effective September 30, 2005 through August 30, 2050, with Michigan Street Development, LLC, a Limited Liability Company, 408 Kalamazoo Plaza, Lansing, MI 48933, as Lessor, and the Department of Management and Budget, as Lessee, for 100 parking spaces (together with the non-exclusive use of the deck common areas including improvements, ramps, stairwells, and elevators connected to the parking deck) located at the intersection of Michigan Avenue and Division Street, Grand Rapids, Michigan. The annual parking rental rate for this space is \$40.00 per space (\$4,000.00 per month). This is a full-service lease. This is a 50-year lease with one fifty-year renewal option. This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

RENEWAL OF LEASE FOR PRIVATE PROPERTY

17. DEPARTMENT OF TREASURY, LANSING – Renewal of Lease #10940 effective and continued through March 31, 2021 with Sam X. Eyde, A Married Man, and Judith A. Eyde, A Married Woman, Estate in Severalty, 2800 Byron Circle, Lansing, Michigan 48912-2104, and the State of Michigan by the Department of

Management and Budget for the Department of Treasury, as Lessee, for 2,772 rentable square feet of storage space located at 2501 North Coolidge Road, East Lansing, Michigan 48823. The annual per square foot rental rate for this space is \$6.00 (\$1,386.00 per month). This is a full service Lease. This lease contains an Executive Cancel clause with 180-day prior notice. The Attorney General has approved this Lease as to legal form.

18. DEPARTMENT OF TREASURY, LANSING – Renewal of Lease #10708 effective and continued through March 31, 2021 with Sam X. Eyde, A Married Man, and Judith A. Eyde, A Married Woman, Estate in Severalty, 2800 Byron Circle, Lansing, Michigan 48912-2104, and the State of Michigan by the Department of Management and Budget for the Department of Treasury, as Lessee, for 24,986 rentable square feet of office space located at 2501 North Coolidge Road, East Lansing, Michigan 48823. The annual per square foot rental rate for this space begins at \$17.10 (\$35,605.05 per month). This is a full service Lease. This lease contains an Executive Cancel clause with 180-day prior notice. The Attorney General has approved this Lease as to legal form.

RENEWAL OF LEASE FOR PRIVATE PARTY

19. DEPARTMENT OF STATE, MENOMINEE - Renewal of Lease #10185 effective November 1, 2005 through July 31, 2010 with Stephenson Bakery, Inc., a Michigan Corporation, 3104 13th Street, Menominee, Michigan 49858, as Lessor, and the Department of State, as Lessee, for 1,355 square feet of office space located at 4000 Tenth Street, Menominee, Michigan 49858. The annual per square foot rental rate for this space is \$6.75 (\$762.19 per month). Effective January 15, 2006, through July 31, 2010, the annual per square foot rental rate for this space is \$15.00 (\$1,693.75 per month). This rate does not include heat, electricity, water/sewer, or janitorial services and supplies. This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.