



Department of Transformation and Shared Services **F**

Governor Sarah Huckabee Sanders

Secretary Leslie Fisk

August 2, 2024

Marty Garrity, Director
Bureau of Legislative Research
One Capitol Mall, 5th Floor
500 Woodlane Street
Little Rock, AR 72201

Re: State Lease Agreement 26-485-P9948 – Department of Corrections
Division of Community Correction – Hot Springs, Garland County
Contract Disclosure for Representative Richard McGrew

Dear Mrs. Garrity,

Please find enclosed a copy of the Lease Agreement between CSC, LLC, dba McGrew Properties, as Lessor, and the Arkansas Department of Corrections, Division of Community Correction, as Lessee. Since Representative Richard McGrew (50% owner & manager) is currently serving a term as State Representative for District 85, Arkansas Code Annotated § 21-1-403 provides certain restrictions on state agency leases, agreements, contracts, and grants. Subsection (a)(2) mandates that:

- (a) No constitutional officer may enter into any lease agreement, contract, or grant with any state agency unless . . .
 - (2) If competitive bidding or a request for proposal was not required by law, it has received the prior approval of the Joint Budget Committee during legislative sessions, the Legislative Council between legislative sessions, and the Governor.

The attached Lease Agreement is being presented for review by the Arkansas Legislative Council. A similar request was recently approved by the Governor (attached). Real estate lease transactions are exempt from state procurement competitive bidding laws and are procured under the Division of Building Authority's (DBA) minimum standards and criteria. Negotiations for lease agreements are clearly contemplated in Arkansas Code Annotated § 22-2-114. The lease renewal terms attached have been negotiated by the DBA on behalf of the Lessee for the period July 1, 2024, through June 30, 2029.

DBA will be in attendance at the next Legislative Council meeting to respond to any questions the members may have, or feel free to contact Chris Bell or myself in advance at 501-682-1833.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anne W. Laidlaw".

Anne W. Laidlaw, Director
Division of Building Authority

501 Woodlane St, Ste 201 - Little Rock, AR 72201 - 501-319-6565
transform.ar.gov

Division of Building Authority
STATE OF ARKANSAS
COUNTY OF PULASKI

Lease Term: 07/01/24 to 06/30/29
Annual Rent: \$101,615.76†
Square Feet: 8,840 Rate: \$11.49†
Type: Renewal
Worked By: Jasmin Tuzon
County: 26 Agency: 485
Lease #: P9948 CB

**STATE OF ARKANSAS
FIFTH LEASE AMENDMENT**

This Agreement is made and entered into as of the 24th day of June, 2024, by and between CSC, LLC. D/B/A MCGREW PROPERTIES, hereinafter referred to as "Lessor", and ARKANSAS DEPARTMENT OF CORRECTIONS – DIVISION OF COMMUNITY CORRECTION, hereinafter referred to as "Lessee".

WITNESSETH

Whereas, by Lease Agreement dated March 1, 2016, and First Lease Amendment dated November 2, 2017, and Second Lease Amendment dated November 21, 2019, and Third Lease Amendment dated December 14, 2020, and Fourth Lease Amendment dated March 30, 2021, Lessor leased to Lessee approximately 8,840 square feet of office space and adequate automobile parking spaces located at 615 Grand Avenue; all situated in the City of Hot Springs, County of Garland, Arkansas (the "Lease"); and

Whereas, the parties hereto have hereby agreed to extend the term of the Lease and to amend and modify the Lease as hereinafter set out.

Now, therefore, for and in consideration of the Premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree that the term of the Lease is hereby extended for a period commencing on July 1, 2024 and continuing through June 30, 2029, upon the same terms and conditions as the original Lease Agreement and subsequent Amendments except the Lease shall be amended and modified as follows:

1. Term. The Lessee may elect to extend the term not more than ninety (90) days upon the same terms by written notice to Lessor no less than thirty (30) days before the end of the term stated in the above paragraph; and
2. Rent. Base rental for the renewal term is hereby amended and modified to provide that the basic rental under this Lease for the extended term shall commence on July 1, 2024 and continuing through June 30, 2029. LESSEE shall pay LESSOR per the rent schedule as follows:

Term	Rate/sf	Monthly Rent	Annual Rent
07/01/24 through 06/30/25	\$11.49/sf	\$8,467.98	\$101,615.76
07/01/25 through 06/30/26	\$11.49/sf	\$8,467.98	\$101,615.76
07/01/26 through 06/30/27	\$11.61/sf	\$8,552.66	\$102,631.92
07/01/27 through 06/30/28	\$11.73/sf	\$8,638.19	\$103,658.28
07/01/28 through 06/30/29	\$11.84/sf	\$8,724.57	\$104,694.84

3. Special Provisions. Special Provisions 10(i) of the Lease is hereby restated as follows:

(i) The LESSOR, LESSEE and DBA agree that should the Lease and any applicable amendments expire

prior to the execution of this amendment agreement, the parties agree that the Lease and any applicable previous amendments are hereby reinstated and ratified upon this Amendment Agreement being fully executed by the parties. The provisions, terms, and conditions of this Amendment Agreement shall govern in the event of conflict or inconsistencies, or both.

4. Special Provisions. Special Provisions 10 of the Lease is hereby amended and modified to add the following:

(m) LESSOR, and LESSOR'S expense and within thirty (30) days of Lease Execution, shall perform the following improvement:

(1) Damaged ceiling tiles to be replaced.

The Lease as hereby amended, modified, and extended is hereby ratified and confirmed by the parties hereto as being in full force and effect.

This Agreement shall be binding on the parties hereto and their respective heirs, successors, and assigns.

Executed as of the date first hereinabove set out.

LESSOR:

CSC, L.L.C. D/B/A MCGREW PROPERTIES

By: Richard McGrew

Richard McGrew, Managing Member

Date: 6/25/24

LESSEE:

ARKANSAS DEPARTMENT OF CORRECTIONS
- DIVISION OF COMMUNITY CORRECTION

By: Jim Cheek

Jim Cheek, Director

Date: 07/26/24

DIVISION OF BUILDING AUTHORITY

As Agent for Arkansas Department of Corrections - Division of Community Correction

By: _____

Chris Bell, Deputy Director

By: _____

Anne W. Laidlaw, Director

Date: _____

Date: _____

CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR:

☒ Yes ☐ No CSC, LLC McGraw Properties

IS THIS FOR:

TAXPAYER ID NAME: CSC, LLC McGraw Properties ☐ Goods? ☒ Services? ☐ Both?

YOUR LAST NAME: McGraw FIRST NAME: Richard M.I.: _____

ADDRESS: 324 Quenchia

CITY: Hot Springs STATE: AR ZIP CODE: 71901 COUNTRY: USA

AS A CONDITION OF OBTAINING, EXTENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:

FOR INDIVIDUALS *

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held (senator, representative, name of board/ commission, date entry, etc.)	For How Long?		What is the person(s) name and how are they related to you? (i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.)	Relation
	Current	Former		From MMYY	To MMYY		
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

☐ None of the above applies

FOR AN ENTITY (BUSINESS) *

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held (senator, representative, name of board/ commission, date entry, etc.)	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?	
	Current	Former		From MMYY	To MMYY	Person's Name(s)	Ownership Interest (%) Position of Control
General Assembly	✓		Representation	1/2014	Current	Richard McGraw	50 Managed
Constitutional Officer							
State Board or Commission Member							
State Employee							

☐ None of the above applies

Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.
2. I will include the following language as a part of any agreement with a subcontractor:

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.
3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature Richard M. Miller Title Managing Member Date 6-25-24
Vendor Contact Person Debbie Miller Title Member Phone No. 501-623-5900

Agency use only

Agency Number _____ Agency Name _____

Agency Contact Person _____

Contact Phone No. _____

Contract or Grant No. _____



Department of Transformation and Shared Services
Governor Sarah Huckabee Sanders
Secretary Leslie Fiskien

July 9, 2024

Honorable Sarah Huckabee Sanders
Governor of the State of Arkansas
500 Woodlane Street, Suite 250
Little Rock, AR 72201

Approval:


Governor's Signature

Re: State Lease Agreement 26-485-P9948 – Department of Corrections
Division of Community Correction – Hot Springs, Garland County
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Dear Governor Sanders:

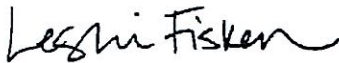
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The attached Lease Agreement is being presented for your review and approval as stated above. A similar request will be sent to the Arkansas Legislative Council following your approval. Real estate lease transactions are exempt from state procurement competitive bidding laws and are procured under the Division of Building Authority's (DBA) minimum standards and criteria. Negotiations for lease agreements are clearly contemplated in Arkansas Code Annotated § 22-2-114. The lease renewal terms attached have been negotiated by the DBA on behalf of the Lessee for the period July 1, 2024, through June 30, 2029.

Please contact my office or Chris Bell, DBA, at 501-683-5802 if you have any questions or concerns.

Sincerely,



Leslie Fiskien
Secretary

Enclosures

501 Woodlane St, Ste 201 - Little Rock, AR 72201 - 501-319-6565
transform.ar.gov