

**STATE OF ARKANSAS****Department of Finance
and Administration****DIVISION OF BUILDING AUTHORITY**501 Woodlane Street, Suite 101N
Little Rock, Arkansas 72201
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May 7, 2018

Marty Garrity, Director
Bureau of Legislative Research
State Capitol, Room 315
Little Rock, AR 72201

Re: State of Arkansas Lease Agreement 18-150-P3001 – UAMS East Regional Programs – West Memphis, AR

Dear Ms. Garrity:

Please find enclosed, a copy of the lease agreement between On Broadway, LLC, as Lessor, and the Board of Trustees Acting on Behalf of the University of Arkansas For Medical Sciences, as Lessee. Since Representative Deborah Ferguson (50% partner of On Broadway, LLC) is currently serving a term as State Representative/District 51, the following law is applicable.

Ark. Code Ann. § 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 to you for your review and approval. A similar request has been provided to Governor Hutchinson for his review and approval. Additionally, the disclosure under EO98-04 is also being sent to David Withrow, Arkansas Department of Finance and Administration, and is pending approval. As you may be aware, real estate lease transactions are exempt from state procurement competitive bidding laws and are procured under the Building Authority Minimum Standards and Criteria. Additionally, no mandate exists in law or rule that leases, such as the one referenced above, must be competitively bid or placed out for proposals. In fact, negotiations are clearly contemplated in Ark. Code Ann. §22-2-114. The lease term is to begin on October 1, 2018 and expire September 30, 2019.

Should you have any questions, please do not hesitate to contact me at 682-5568.

Sincerely,

Anne W. Laidlaw, Director

Attachment (1)

Cc: Governor Asa Hutchinson
Representative Deborah Ferguson
David Withrow, DFA - Procurement/OSP