

ARKANSAS TEACHER RETIREMENT SYSTEM

November 1, 2023

1400 West Third Street

BOARD ROOM

Little Rock, AR 72201

Board of Trustees - Called Meeting

4:15 p.m.

Trustees

Danny Knight, Chair

Shawn Higginbotham, Vice Chair

Kelsey Bailey

Anita Bell

Susan Ford

Dr. Mike Hernandez

Michael Johnson

Bobby G. Lester

Chip Martin

Jeff Stubblefield

Vacant

Ex Officio Trustees

Susannah Marshall, State Bank Commissioner

Jacob Oliva, Secretary, Dept. of Education

Honorable Dennis Milligan, State Auditor

Honorable Larry Walther, State Treasurer

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES - CALLED

November 1, 2023
4:15 p.m.
1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Adoption of Agenda.** page 2.
- III. Executive Summary. *Mark White, Executive Director* (Attachment No. 1) page 3.
- IV. ***Recognition of Board Vacancy.** *Mark White, Executive Director*
 - A. ***Resolution 2023-42.** (Attachment No. 2) page 5.
- V. ***Appointment of Trustee to Fill Vacancy.** *Mark White, Executive Director*
 - A. ***Resolution 2023-43.** (Attachment No. 3) page 6.
- VI. Investment Committee Report. *Chip Martin, Investment Committee Chair*
 - A. ***Recommendation to approve for Board adoption Resolution 2023-44 authorizing the potential sale of the ATRS owned property located at 1200 West Third Street, Little Rock, AR, (the property formerly occupied by the Arkansas Insurance Department) for no less than \$2 million dollars.** (Attachment No. 4) page 7.
 - 1. ***Resolution 2023-44.** (Attachment No. 5) page 8.
- VII. Other Business.
- VIII. ***Adjourn.**

* Action Item

2023-10-25 09:51:35.419842

EXECUTIVE SUMMARY

TO: Board of Trustees - Called
FROM: ATRS Staff
RE: Executive Summary
DATE: November 1, 2023

IV. ***Recognition of Board Vacancy.** *Mark White, Executive Director*

A.C.A. 24-7-302(a)(2)(A)(i) provides that an active member trustee is ineligible to serve on the Board of Trustees of the Arkansas Teacher Retirement System ("Board") after retiring. A.C.A. 24-7-301(2)(D) requires the membership of the Board to include one (1) elected active member trustee from each of the four (4) congressional districts who is employed in a position requiring state licensure, but not an administrator's license. Ms. Kathy Clayton served as a member trustee of the Board in position #4; Ms. Clayton retired effective November 1, 2023, therefore a vacancy exists on the Board of Trustees. This is an action item.

A. *Resolution 2023-42. page 4.

V. ***Appointment of Trustee to Fill Vacancy.** *Mark White, Executive Director*

A.C.A. 24-7-302 (b)(2) provides that if a vacancy occurs in the office of an elected trustee, the Board of Trustees of the Arkansas Teacher Retirement System ("Board") may fill the vacancy by appointing a trustee to fill the vacant position until the next system election after retiring. Ms. Kathy Clayton served as a member trustee of the Board in position #4, the position designated for an elected active member trustee, in the 4th Congressional District, who is employed in a position requiring state licensure, but not an administrator's license. Ms. Clayton retired effective November 1, 2023; causing a vacancy on the Board. The Board has recognized that position #4 vacancy has existed on the Board since November 1, 2023, and continues to exist. The Board will vote on whether to appoint an eligible member of the system to fill the position #4 vacancy until the next system election or to have a special election for position #4. This is an action item.

A. *Resolution 2023-43. page 5.

VI. **Investment Committee Report.** *Chip Martin, Investment Committee Chair*

A. *Recommendation to approve for Board adoption Resolution 2023-44 authorizing the potential sale of the ATRS owned property located at 1200 West Third Street, Little Rock, AR, (the property formerly occupied by the Arkansas Insurance Department) for no less than \$2 million dollars. page 6.

Director White will present the Board with a recommendation regarding the potential sale of the ATRS property located at 1200 West Third Street in Little Rock.

1. ***Resolution 2023-44.** page 7.

VII. Other Business.

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-42**

**Recognition of Vacancy for
Position # 4 – Certified Member Trustee
4th Congressional District**

WHEREAS, A.C.A. §§ 24-7-302(a)(2)(A)(i) provides that an active member trustee is ineligible to serve on the Board of Trustees of the Arkansas Teacher Retirement System (“Board”) after retiring; and

WHEREAS, A.C.A. § 24-7-302(2)(D) requires the membership of the Board to include one (1) elected active member trustee who is employed in a position that requires a state teaching licensure, but not an administrator’s license, in the 4th Congressional District; and

WHEREAS, position #4 on the Board is designated for a member trustee who meets the requirements of A.C.A. § 24-7-302(2)(D); and

WHEREAS, Ms. Kathy Clayton served as a member trustee in the 4th congressional district of the Board in position #4; and

WHEREAS, Ms. Kathy Clayton retired effective November 1, 2023.

NOW, THEREFORE, BE IT RESOLVED, that a position #4 vacancy has existed on the Board since November 1, 2023, and continues to exist.

Adopted this _____ day of November, 2023.

**Mr. Danny Knight, Chair
Arkansas Teacher Retirement System Board**

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**R E S O L U T I O N
No. 2023-43**

**Appointment of Trustee to Fill Vacancy for
Position # 4 – Certified Member Trustee,
4th Congressional District**

WHEREAS, A.C.A. § 24-7-302 (b)(2) provides that if a vacancy occurs in the office of an elected trustee, the Board of Trustees of the Arkansas Teacher Retirement System (“Board”) may fill the vacancy by appointing a trustee to fill the vacant position until the next system election after retiring; and

WHEREAS, Ms. Kathy Clayton served as a certified member trustee of the Board in position #4, the position designated for an elected active member trustee who is employed in a position requiring state licensure, but not an administrator’s license, in the 4th Congressional District; and

WHEREAS, Ms. Kathy Clayton retired effective November 1, 2023; and

WHEREAS, due to the retirement of Ms. Kathy Clayton, the Board has recognized that a position #4 vacancy has existed on the Board since November 1, 2023, and continues to exist; and

WHEREAS, the Board by majority vote has voted to appoint an eligible member of the system to fill the position #4 vacancy until the next system election.

NOW, THEREFORE, BE IT RESOLVED, effective November 1, 2023, the executive staff of the Arkansas Teacher Retirement System is authorized to: (1) Advertise the position #4 vacancy, and (2) Accept applications that the Board shall review and use to appoint an eligible member to fill the position #4 vacancy until the next system election.

Adopted this _____ day of November, 2023.

**Mr. Danny Knight, Chair
Arkansas Teacher Retirement System Board**



1200 W. 3RD OPTION TO PURCHASE SUMMARY

TO: JERRY MEYER, REAL & ALTERNATIVE ASSETS INVESTMENTS MANAGER
FROM: GREG M. JOSLIN, CCIM, SIOR
DATE: 10-18-23
RE: 1200 W. 3rd (former AR Insurance Department) Option to Purchase

Background –

At the end of 2019 the Arkansas Insurance Department terminated their lease at 1200 W. 3rd and relocated their offices to the Verizon HQ in Riverdale as part of former Gov. Hutchinson's state government transformation/reorganization initiative. This ~60,000 SF office building has been vacant and listed actively on the market since January 2020. To present, Arkansas Teacher Retirement System (ATRS) has been in/out of contract with three (3) separate potential Buyers. One was an owner/occupant and the other two (2) were local investors. Additionally, we had an additional low-ball offer which was not countered and have shown the property with regularity to numerous prospects.

Earlier in 2023 we toured representatives of the Veterans Administration (VA) through the building and have been working with a New Orleans based developer, Laterre Partners Holding and their national broker who is interested in purchasing the building from ATRS, extensively remodeling to VA's specifications for reuse as a veteran's service center and entering a long-term lease with the VA/General Services Administration (GSA).

Laterre Partners has asked ATRS to execute an Option to Purchase Agreement for a sale price of two million dollars (\$2,000,000) which is below the May 2022 appraised value of \$2.35 million valuation. They expect to get notification of award from the VA/GSA in Q1 2024 and if approved will close 60 days after award notification. If they do not receive the award notification the Buyer will immediately terminate the Option to Purchase.

Recommendation-

It is Colliers Arkansas' recommendation to ATRS to move forward with execution of this Option to Purchase Agreement with Laterre Partners Holding LLC.

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2023-44**

**Authority to Sell ATRS Property Located at 1200 West Third
Street, Little Rock, AR**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, Resolution 2014-38 authorizes ATRS staff to sell certain ATRS properties for appraised value or higher; and

WHEREAS, ATRS staff has been notified of a potential offer for the ATRS property located at and associated with 1200 West Third Street, Little Rock, AR; and

WHEREAS, the potential offer for this property is below the current appraised value of \$2.35 million dollars.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves the sale of the ATRS property located at and associated with 1200 West Third Street, Little Rock, AR, for no less than \$2 million dollars.

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement the sale if acceptable terms are reached.

Adopted this 1st day of November, 2023.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System