

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
February 25, 2019

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Secretary Hargett called the meeting to order at 11:03 a.m. Commissioner McWhorter was elected as Chairman of the Executive Subcommittee. Commissioner McWhorter requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Stuart McWhorter, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer
Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Department of General Services
- State Building Commission

PRESENTER

John Hull
Ann McGauran

CONSENT AGENDA

Approved the following real property transactions which have been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: University of Tennessee Health Science Center
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement and appraisals

- B. Agency: Tennessee Wildlife Resources Agency
Transaction: Disposal – Easement (Access & Utility)
Provision(s): Waiver of advertisement and one appraisal

- C. Agency: Department of General Services
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 18-08-900

• **Proposed Lease**

- **Location:** Washington County – 199 Freckles Court, Johnson City, TN
- **Landlord:** David Quillen
- **Term:** 7 years with one three-year renewal option
- **Area / Costs:** 12,800 Square Feet

Annual Contract Rent	\$224,904.00	\$17.57/sf
Estimated Utilities Cost	22,400.00	1.75/sf
Estimated Janitorial Cost	14,080.00	1.10/sf
Total Annual Effective Cost	\$261,384.00	\$20.42/sf

• **Current Lease**

- **Location:** Washington County – 110 KLM Drive, Suite 8, Johnson City, TN
- **Landlord:** Darrell J. Ferrigno, dba Boones Creek Corporate Park
- **Term:** June 1, 2017 to May 31, 2018 (Holdover)
- **Area / Costs:** 9,674 Square Feet

Annual Contract Rent	\$118,022.80	\$12.20/sf
Estimated Utilities Cost	16,929.50	1.75/sf
Estimated Janitorial Cost	10,641.40	1.10/sf
Total Annual Effective Cost	\$145,593.70	\$15.05/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Correction for implementation of Governor's Public Safety Act of 2016. There were five proposals evaluated. The proposed location is to be constructed for the State.

The State may terminate this lease for convenience at any time within the first 60 months of the lease term with 120 days written notice and payment of a termination fee. The State may terminate this lease at any time after 60 months by giving 120 days written notice to the landlord.

Based on a review of the financial aspects, occupancy requirements, and market indicators, this lease is deemed to be in the state's best interest at this time.

Minutes: 02/25/2019 Approved a lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on January 28, 2019.

Report of Items Submitted to the ESC

- 1) Status Update Reports from the State Procurement Agencies in accordance with SBC Policy & Procedures Item 2.03.

Report of Items Approved by Office of the State Architect

Initial Approvals of Capital Projects

- Reported the following four capital projects with total project cost of \$100,000 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Middle Tennessee State University
Location: Murfreesboro, Tennessee
Project Title: New Science Building Compressor Replacement
Project Description: Replace three air compressors and desiccant drying system that are scheduled for replacement in the New Science Building.
SBC Project No. 366/009-03-2019
Total Project Budget: \$200,000
Source of Funding: 18/19 Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing an Agency Consultant for design
Approval Date: 02/02/2019
 - 2) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Emergency Field House Repairs
Project Description: Repair interior finishes damaged by pipe failure and subsequent flooding.
SBC Project No. 367/007-03-2019
Total Project Budget: \$410,000
Source of Funding: \$385,000 Insurance (O)
\$ 25,000 Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a Central Procurement contract for construction
Approval Date: 02/12/2019

- 3) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Crossville, Tennessee
Project Title: Clyde York 4-H Center Fire Alarm Improvements
Project Description: The project will provide a new fire alarm system, completely addressable voice-evacuation system and networked to allow full monitoring. All camp buildings will be upgraded – cabins, classrooms, dining and recreation hall, main office, lodges, education buildings, and manager’s residence.
- SBC Project No.** 540/001-01-2019
Total Project Budget: \$230,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Consultant for design
Approval Date: 02/07/2019
- 4) **State Procurement Agency:** STREAM / Department of Correction
Location: Tiptonville, Tennessee
Project Title: NWCX Roof Repair
Project Description: Repair and replacement of roofing membrane, flashing, copings, nailers, and all required related work necessary to provide a weather tight envelope.
- SBC Project No.** 142/016-05-2017
Total Project Budget: \$354,088.72
Source of Funding: \$329,088.72 Insurance Proceeds (O)
\$ 25,000.00 TDOC Op Funds (A)
Approval: Approved a revision in project budget and funding
Approval Date: 01/31/2019

Approvals of Revisions to Existing Capital Projects

- Reported the following approval of an alternate construction delivery method in accordance with Item 2.04(B)(1) of the *SBC By-Laws, Policy & Procedures*:
- 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Statewide, Tennessee
Project Title: Statewide Dam Repairs
Project Description: Repair dams at Dunbar Cave, Fall Creek Falls, Radnor Lake and Reelfoot Lake State Parks, including all related work.
- SBC Project No.** 126/000-04-2015
Total Project Budget: \$1,950,000
Source of Funding: \$1,050,000 15/16 CurrFunds-CapMaint (A)
\$ 900,000 2015 GO Bonds CapMaint (A)
Approval: Approved utilizing Agency Resources for design and construction for a portion of the work
Approval Date: 02/11/2019

- Reported the following approval of a revision in funding for capital project in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Safety & Homeland Security
Location: Nashville, Tennessee
Project Title: THP Communication Center Fire Sprinkler System
Project Description: Installation of a new fire suppression system and all required related work.
SBC Project No. 502/057-02-2017
Total Project Budget: \$990,000
Source of Funding: 17/18 FRF CurrFunds-CapMaint (MP) (A)
Approval: Approved a revision in project funding
Approval Date: 01/28/2019

- Reported the following approval of an addition of scope for capital project in accordance with Item 2.04(B)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Knoxville, Tennessee
Project Title: Ridley 4-H Center Improvements
Project Description: This project will replace roofs, windows, soffits, fascia, siding, drywall, ceilings, lighting, attic insulation, *perimeter fencing, and additional security measures around the property.* It will upgrade bathrooms (ADA Compliant) and HVAC components in 10 dormitories. Interior improvements to the Dining/Recreation Hall are also included.

SBC Project No. 540/001-02-2017
Total Project Budget: \$4,950,000
Source of Funding: 17/18 CurrFunds-CapMaint (A)
Approval: Approved a revision in scope
Approval Date: 01/31/2019

Approvals of Acquisitions and Disposals of State Property

- Reported the following acquisition of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 18-12-014
Location: Ghost River State Natural Area (GRSNA)
 Fayette County – 59.6 ± acres – Bateman Rd
Owner(s): Wolf River Conservancy, Inc.
Estimated Purchase Price: Fair Market Value
Source of Funding: 18/19 State Lands Acquisition Fund (A)
 18/19 Wetlands Acquisition Fund (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 02/05/2019

Designer Selections

- Reported the following designer selection for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Technological University
Location: Cookeville, Tennessee
Project Title: Roaden University Center Sprinkler System Expansion
SBC Project No. 364/011-01-2019
Total Project Budget: \$480,000
Designer: Edmonds Engineering, Inc.
Approval Date: 02/05/2019

- REPORT of a designer name change from “Michael Brady Inc.” to “MBI Companies, Inc.” on all State projects.

- The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.
 - 1) **University of Tennessee Health Science Center**
(Accessibility Improvements – UTM & UTHSC)
Total Project Budget: \$1,994,260
SBC Project No. 540/000-02-2017
Designer: **BRG3S INC**
 - 2) **University of Tennessee – Knoxville**
(Roof Replacements (18-19))
Total Project Budget: \$5,800,000
SBC Project No. 540/009-03-2019
Designer: **STUDIO FOUR DESIGN INC**
 - 3) **University of Tennessee – Knoxville**
(Student Union Space Buildout)
Total Project Budget: \$1,000,000
SBC Project No. 540/009-04-2019
Designer: **ARCHITECTS WEEKS AMBROSE MCDONALD**
 - 4) **Southwest Tennessee Community College**
(Whitehaven Center Funeral Services Program)
Total Project Budget: \$650,000
SBC Project No. 166/033-02-2018
Designer: **ROSS WITT PLLC**
 - 5) **University of Memphis**
(Mynders Hall Roof Replacement)
Total Project Budget: \$750,000
SBC Project No. 367/007-02-2019
Designer: **THE HORRELL GROUP ARCHITECTS**
 - 6) **Middle Tennessee State University**
(Murfreesboro Municipal Airport Study)
Total Project Budget: Not Applicable
SBC Project No. 366/009-02-2019
Designer: **RICONDO & ASSOCIATES INC**
 - 7) **Tennessee State Veterans Home Board**
(Parking Lot Improvements)
Total Project Budget: \$270,000
SBC Project No. 680/003-01-2015
Designer: **JAMES + ASSOCIATES ENG & PLANNERS INC**

Other Business

There being no further business, the meeting adjourned at 11:09 a.m.

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UNIVERSITY OF TENNESSEEDisposal – Lease (Space)

Requested Action: Approval of disposal by lease with waiver of advertisement and appraisals

Transaction Description: Transaction No. 2019-01-01

- **Location:** University of Tennessee Health Science Center (UTHSC)
Madison County – 294 Summar Drive, Jackson, TN
- **Tenant:** West Tennessee Healthcare, Inc. (WTH)
- **Term:** 1 year (April 1, 2019-March 30, 2020) with one (1) one (1) year option to extend
- **Area / Costs:** 19,100 square feet; \$10.00/sf triple net

FRF Rate: \$18.00/sf full-service

Comment: The property includes a three-story medical and professional office building that serves as the academic home and clinical practice site for the UTHSC Department of Family Medicine (Jackson). UTHSC has pursued a strategy of closely aligning its physician practice groups with partner hospitals and this location is one of the last stand-alone practices inside the University. WTH (Jackson-Madison County General Hospital) is a subsidiary entity of the hospital district created by the legislature for and in behalf of the City of Jackson, Tennessee and Madison County, Tennessee.

In March 2018, the ESC approved the sale of this facility to WTH and the University has entered into an affiliation agreement with WTH effective April 1, 2019. WTH is completing due diligence on the property but the sale will not close until after April 1, 2019. WTH cannot operate the clinic and bill for clinical activities without either owning or leasing the space. Therefore, the University is requesting approval for a short-term lease for the 2nd and 3rd floors of the building to WTH.

The lease agreement will be terminated immediately on the closing of the sale. WTH will reimburse the University for utilities and maintenance and is responsible for providing janitorial service.

Minutes: 02/25/2019 Approved disposal by lease with waiver of advertisement and appraisals

TENNESSEE WILDLIFE RESOURCES AGENCY

Disposal – Easement (Access & Utility)

Requested Action: Approval of disposal by easement with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 18-12-004

- **Location:** John Tully WMA (JTWMA)
Lauderdale County – 7.27 ± acres (20' wide x 15,844' long) – Crutcher Lake Road, Fort Pillow, TN
- **Grantee:** Anderson-Tully Lumber Company (ATLC)
- **Estimated Sale Price:** Fair Market Value

Comment: This easement will allow ATLC to access and have utilities installed to property they own along the Mississippi River into Arkansas. ATLC will cover all cost associated with this easement.

This easement is over an existing roadway that is already encumbered by an access easement benefiting property adjacent to ATLC's property. This easement will not adversely affect JTWMA.

Date of Last Transfer: October 23, 2003
Original Cost to State \$6,390,299.00 (Larger Tract)

Minutes: 02/25/2019 Approved disposal by easement with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval to waive advertisement

Transaction Description: Transaction No. 18-12-900

• **Proposed Lease**

- **Location:** Davidson County – 220 Blanton Avenue, Nashville, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 2 years

• **Current Lease**

- **Location:** Davidson County – 220 Blanton Avenue, Nashville, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 10 years (September 1, 2003 to August 31, 2013) Holdover
- **Area / Costs:** 17,000 Square Feet

Annual Contract Rent	\$270,000.00	\$15.88/sf
Estimated Annual Utility Cost	29,750.00	1.75/sf
Estimated Annual Janitorial Cost	18,700.00	1.10/sf
Total Annual Effective Cost	\$318,450.00	\$18.73/sf

- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** \$21.00

Comment: The procurement for the lease to provide space for this Department of Correction (DOC) location is underway. Based upon the broad review of the Davidson County properties on the market which was obtained as part of the analysis of the long term leasing need, only a few properties were identified which might have suitable space to accommodate the current DOC operations within a short period of time. Of those identified, only the current location can immediately meet the special and unique needs of DOC for this Davidson County office. Accordingly, this request is for approval to commence negotiations with the landlord for a shorter term lease to allow this office to continue to operate in the space based on the special and unique requirements of DOC for this office location. Waiver of advertisement is requested based on these special and unique considerations. The current location was constructed for the State.

Minutes: 02/25/2019 Approved waiving advertisement

Approved:



Tre Hargett
Secretary, State Building Commission Executive Subcommittee
Secretary of State