

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
April 21, 2014

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Secretary of State Tre Hargett called the meeting to order at 10:30 a.m. and requested action on the following matters as presented by Assistant State Architect Alan Robertson.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Tre Hargett, Secretary of State
David Lillard, State Treasurer
Justin Wilson, Comptroller of the Treasury

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Larry Martin, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Alan Robertson, Assistant State Architect
Georgia Martin, Office of the State Architect
Ann McGauran, Department of General Services
Kathy Stickel, Comptroller's Office
Jonathan Rummel, Secretary of State's Office
Bruce Davis, Legislative Budget Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Robbi Stivers, University of Tennessee
Chloe Shafer, Office of the State Architect
John Webb, Department of Finance and Administration
Mike Morrow, Department of Finance and Administration
Charles King, Department of Transportation
Susan Mann, Tennessee Wildlife Resources Agency
Roger Jackson, Tennessee Wildlife Resources Agency
Steve Berry, Department of General Services
Herb Paugh, Department of Agriculture
Eddie Rhodman, Department of Children's Services
Phillip McEwen, Department of Children's Services
Lauren Ridenour, Department of Finance and Administration
LTC Andrew Milligan, Military Department

CONSENT AGENDA

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

- A. Agency: **University of Tennessee – Davidson County**
Transaction: Lease agreement
Provision: Waiver of advertisement

- B. Agency: **Department of Environment and Conservation – Carter County**
Transaction: Disposal by easement
Provision: Waiver of advertisement and appraisals

- C. Agency: **Department of Agriculture – Montgomery County**
Transaction: Reversion of property
Provision: Waiver of advertisement and appraisals

- D. Agency: **Tennessee Wildlife Resources Agency – Lauderdale County**
Transaction: Lease
Provision: Waiver of advertisement and appraisals

- E. Agency: **Department of Transportation – Wilson County**
Transaction: Disposal in fee
Provision: Waiver of one appraisal

- F. Agency: **Department of General Services – Davidson County**
Transaction: Lease agreement
Provision: Waiver of advertisement

DEPARTMENT OF TRANSPORTATION

Region 4 - Brownsville, Haywood County, Tennessee

Requested Action: Approval of a revision in source of funding

Project Title: I-40 Solar Farm Information & Welcome Center

Project Description: Construct new, approximately 9,000 sq. ft. building to serve as the Information and Welcome Center. Project to include picnic facilities, interpretive elements, storage buildings, walkways, vending area, provisions for wastewater treatment, and all related work. Design and construction of roads, parking, utilities to site & rough grading by TDOT. Solar panels by UT.

SBC Number: 244/010-02-2010

Total Project Budget: \$4,000,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$ 800,000.00	(\$400,000.00)	\$ 400,000.00	13/14	State Hwy Funds	(A)
	3,200,000.00	400,000.00	3,600,000.00		Federal Hwy Funds	(F)
Original Project Budget:	\$4,000,000.00					
Change in Funding:		\$0.00				
Revised Project Budget:			\$4,000,000.00			

Comment: The project was originally budgeted with twenty percent (20%) state funds (\$800,000.00) and eighty percent (80%) federal funds (\$3,200,000.00). TDOT was advised that this project qualifies for ten percent (10%) state funds (\$400,000.00) and ninety percent (90%) federal funds (\$3,600,000.00). Commissioner Schroer identified this change in the SBC meeting March 13th but a determination was made to formally request this change in funding at the April 21st Executive Subcommittee meeting for clarity.

Previous Action: 06/10/2010 SBC Approved project
11/01/2010 ESC Designer selected (Askew Nixon Ferguson Architects)
03/13/2014 SBC Approved the Early Design Phase as presented.

Minutes: 04/21/2014 ESC Approved a revision in source of funding

TENNESSEE STATE MUSEUM

Land Transaction

Requested Action: Approval of disposal in fee

Description: Davidson County – 0.87+/-acres – 305 Kent Rd., Nashville, TN – Trans. No. 13-09-002 (Baugh)

Purpose: Disposal in fee to sell the historic McCampbell House property

Estimated Price: Fair Market Value

Comment: The property has been designated and placed on the National Register of Historic Places. The museum is requesting the property be sold pursuant to TCA § 4-13-1001 for the following reasons:

- 1) No public funds are being appropriated for maintenance or preservation of the property;
- 2) The state is not maintaining or preserving the property; and
- 3) The use of the property is not available to the general public

Proceeds from the sale will be deposited into the general fund, with recommendation to Finance & Administration budget for same amount, minus expenses, to be appropriated to the museum.

The THC has determined that the disposal of this 50+ year old property does adversely affect this State-owned resource and consultation with their office is encouraged to explore alternatives that would avoid, minimize or mitigate the adverse effect.

Date of last transfer: August 19, 2009
Original Cost to the State: Gift
Previous Owner: William C. Baker
Property Assessor's Value: \$214,400
Improvements Square Footage: 3,717

Minutes: 04/21/2014 ESC Comptroller Wilson asked if anyone from the Historical Commission was present. No one responded. The Subcommittee approved the disposal in fee.

DEPARTMENT OF GENERAL SERVICES

Lease Agreement

Requested Action: Approval of a lease

Location: Dyer County – 1979 St. John Avenue, Dyersburg, TN – Trans. No. 13-02-970 (S. Berry)

Purpose: Dedicated office space for Dept. of Children Services and the Dept. of Human Services.

Term: July 1, 2014 thru June 30, 2024 (10 yrs.)

Proposed Amount: 13,500 rentable square feet

Annual Contract Rent: yrs. 1-10	\$ 78,744.00	@ \$ 5.83 / sf
Annual Utilities:	\$ 23,625.00	@ \$1.75 / sf
Annual Janitorial Services:	<u>\$ 14,850.00</u>	<u>@ \$1.10 / sf</u>
Annual effective total cost:	\$ 117,219.00	@ \$8.68 / sf

Current Amount: 13,500 rentable square feet

Annual Contract Rent:	\$ 78,165.00	@ \$5.79 / sf
Annual Utilities:	\$ 23,625.00	@ \$1.75 / sf
Annual Janitorial Services:	<u>\$ 14,850.00</u>	<u>@ \$1.10 / sf</u>
Annual effective total cost:	\$ 116,640.00	@ \$8.64 / sf

(DCS Sq. ft. – 4,455) (DHS Sq. ft. – 9,045)

Type: New lease – advertised – received five proposals from three proposers with two non-conforming proposals.

Source of Funding:

<u>DCS</u>	<u>DHS</u>	
37.6%	36.7%	State (A)
20.22%	32.5%	Federal (F)
42.18%	30.8%	Other (O)

FRF Rate: \$14.00

Lessor: Lee M. Hastings, current lessor

Comment: The proposed lease contains 180 days cancellation for convenience provision after the 5th year. Utilities and janitorial services are not included in the monthly rent. All identified tenant improvements are included in the contract rent. Jones Lang LaSalle commission agreement amount is \$31,497.60.

Minutes: 04/21/2014 ESC Comptroller Wilson asked, and it was confirmed, that this lease was not from a recommendation by JLL but they did the negotiations. He also asked, and it was confirmed, that JLL will receive a commission as stated. The Subcommittee approved the lease as presented.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 24, 2014.

Designer Selections

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) **Military Department - Athens**
(Field Maintenance Shop – General Purpose Bay)
Total Project Budget: \$675,000.00
SBC Project No. 361/002-01-2014
Designer: HEFFERLIN + KRONENBERG
- 2) **Mid Cumberland Regional Health Office**
(HVAC Upgrades)
Total Project Budget: \$380,000.00
SBC Project No. 408/002-01-2012
Designer: SMITH SECKMAN REID
- 3) **900-1000 Second Avenue North – Nashville**
(Interior Renovations)
Total Project Budget: \$1,460,000
SBC Project No. 529/000-04-2014
Designer: M. SHANKS ARCHITECTS

Submitted Reports

- 1) Subcommittee acknowledged receipt of the revised **Annual Crop Lease Report** as requested by TWRA on 3/24/2014, and in accordance with Item 7.05(B) of the *SBC By-laws, Policy & Procedures*.

Other Business

There being no further business, the meeting adjourned at 10:35 a.m.

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UNIVERSITY OF TENNESSEELease Agreement

Requested Action:	Approval of lease agreement with waiver of advertisement		
Location:	Davidson County – 226 Capital Boulevard, Nashville, TN – Trans. No. 14-04-900		
Purpose:	Office space		
Term:	September 1, 2014 – August 31, 2024 (10 years)		
Proposed Amount:	<u>Years 1-5</u>		
	15,756 rentable sf		
	Annual rent cost including utilities and janitorial services:	<u>\$228,462.00</u>	<u>@ \$14.50 / sf</u>
	Annual effective total cost:	\$228,462.00	@ \$14.50 / sf
	<u>Years 6-10 (if desired)</u>		
	15,756 rentable sf		
	Annual rent cost including utilities and janitorial services:	<u>\$236,340.00</u>	<u>@ \$15.00 / sf</u>
	Annual effective total cost:	\$236,340.00	@ \$15.00 / sf
Current Amount:	17,227 rentable sf		
	Annual rent cost including utilities and janitorial services:	<u>\$241,178.00</u>	<u>@ \$14.00 / sf</u>
	Annual effective total cost:	\$241,178.00	@ \$14.00 / sf
Type:	Negotiated lease		
Source of Funding:	Existing appropriations and income from grant and contract programs		
FRF Rate:	\$18.00/sq. ft. (for reference)		
Lessor:	Tennessee Municipal League		
Comment:	The University and the State have occupied space in this building since at least 1994. The ESC has previously approved waiver of advertisement and determined that this space is “special and unique” pursuant to TCA 12-2-114(b)(4). The co-location of the University departments (the Institute for Public Service including the Municipal Technical Advisory Service, County Technical Advisory Service, and Law Enforcement Innovation Center; and Governmental Relations) in this building with the clients they serve and in close proximity to Legislative Plaza is critical to their success.		

University of Tennessee – continued:

The lease rate includes utilities and janitorial services. There are no rent escalations during the initial five year term. If the University does not exercise its right to terminate the lease after the first five years, then rent increases by \$0.50/sf during the second five year term. The University may terminate the lease at any time for cause as outlined in the standard State lease template.

Minutes: 04/21/2014 ESC Approved lease agreement with waiver of advertisement.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Land Transaction

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

Description: Carter County – 1.73+/-acres – Sycamore Shoals State Park, Elizabethton, TN – 14-03-007 (Baugh)

Purpose: Disposal by easement for the construction of a trail along the river.

Estimated Price: Mutual Benefit

Source of Funding: City of Elizabethton (REM fees)

Grantee: City of Elizabethton

Comment: The linear trail park in Elizabethton will follow along portions of the Watauga River. The City of Elizabethton has received an enhancement grant from the Department of Transportation to construct the linear trail park and will maintain the trail and surrounding easement once the construction is complete.

Date of last transfer: July 22, 2011
Original Cost to the State: \$0.00
Previous Owner: North American Fibers
Property Assessor's Value: N/A
Improvements Square Footage: N/A

Minutes: 04/21/2014 ESC Approved disposal by easement with waiver of advertisement and appraisals.

DEPARTMENT OF AGRICULTURELand Transaction

Requested Action: Approval of disposal in fee with waiver of advertisement and appraisals

Description: Montgomery County – 1.0+/-acres – 3651 Dailey Rd., Clarksville, TN – Trans No. 14-04-002 (Baugh)

Purpose: Reversion of property to the original owner.

Source of Funding: 13/14 Agriculture-Division of Forestry Operating Funds (REM fees) (A)

Comment: The Dotsonville fire tower is no longer needed for fire control purposes. The deed requires that the property revert to the owner when it ceases to be used for fire control purposes.

Date of last transfer: October 16, 1956
 Original Cost to the State: \$1.00
 Previous Owner: Melvin Bartee
 Property Assessor's Value: \$76,500
 Improvements Square Footage: 30x35 Utility building

Minutes: 04/21/2014 ESC Approved disposal in fee with waiver of advertisement and appraisals.

TENNESSEE WILDLIFE RESOURCES AGENCY

Land Transaction

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

Description: Lauderdale County – 2.72 +/-acres - Fullen Farms, Inc., Ashport, TN – Trans. No. 14-01-006 (M. Berry)

Purpose: Lease with same party as prior lease.

Owner(s): Fullen Farms, Inc.

Source of Funding: TWRA Boating Funds (REM fees) (A)

Comment: TWRA has leased a boat ramp from the Fullen family for many years with no annual rent. The lease gives the state right of first offer if the family chooses to sell. The current lease has expired and TWRA desires a long-term lease (25 years). The State provides maintenance for the ramp.

Minutes: 04/21/2014 ESC Approved lease with waiver of advertisement and appraisals.

DEPARTMENT OF TRANSPORTATION

Land Transaction

Requested Action: Approval of disposal in fee with waiver of one appraisal

Description: Wilson County – 2.60+/-acres – 6315 Lebanon Rd., Lebanon, TN – Trans. No. 14-03-005 (Baugh)

Purpose: Disposal in fee to sell to the adjoining landowner for assemblage.

Estimated Price: Fair Market Value

Source of Funding: Lineberry Properties, Inc. (REM fees)

Grantee: Lineberry Properties, Inc.

Comment: The property has been determined to be surplus to the department's needs. The requestor is the adjoining landowner and the intent is to assemble property for potential future development.

Date of last transfer: April, 17, 2000
Purchase Price: \$0.00
Previous Owner: H & H Investment Properties
Property Assessor's Value: \$260,000
Improvements Square Footage: N/A

Minutes: 04/21/2014 ESC Approved disposal in fee with waiver of one appraisal.

DEPARTMENT OF GENERAL SERVICESLease Agreement

Requested Action: Approval of lease agreement with waiver of advertisement

Location: Davidson County – 226 Capital Boulevard, Nashville, TN – Trans. No. 14-04-901

Purpose: Dedicated office space for Tennessee Advisory Committee on Intergovernmental Relations (TACIR)

Term: September 1, 2014 – August 31, 2024 (10 years)

Proposed Amount:

<u>Years 1-5</u>			
	5,253 rentable sf		
	Annual rent cost including utilities and janitorial services:	<u>\$76,168.50</u>	<u>@ \$14.50 / sf</u>
	Annual effective total cost:	\$76,168.50	@ \$14.50 / sf
 <u>Years 6-10 (if desired)</u>			
	5,253 rentable sf		
	Annual rent cost including utilities and janitorial services:	<u>\$78,795.00</u>	<u>@ \$15.00 / sf</u>
	Annual effective total cost:	\$78,795.00	@ \$15.00 / sf
Current Amount:	5,253 rentable sf		
	Annual rent cost including utilities and janitorial services:	<u>\$73,542.00</u>	<u>@ \$14.00 / sf</u>
	Annual effective total cost:	\$73,542.00	@ \$14.00 / sf

Type: Negotiated lease

Source of Funding: Operational funds

FRF Rate: \$18.00/sq. ft. (for reference)

Lessor: Tennessee Municipal League

Comment: TACIR and the State have occupied space in this building since at least 1994. The ESC has previously approved waiver of advertisement and determined that this space is “special and unique” pursuant to TCA 12-2-114(b)(4). The co-location of TACIR, in this building with the clients they serve and in close proximity to Legislative Plaza, is critical to their success.

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Department of General Services – continued:

The lease rate includes utilities and janitorial services. There are no rent escalations during the initial five year term. If TACIR does not exercise its right to terminate the lease after the first five years, then rent increases by \$0.50/sf during the second five year term. TACIR may terminate the lease at any time for cause as outlined in the standard State lease template.

Minutes: 04/21/2014 ESC Approved lease agreement with waiver of advertisement.

Approved:



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