#### **MINUTES**

# STATE BUILDING COMMISSION Executive Subcommittee June 20, 2016

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee with the following members and Departments present. Commissioner Martin called the meeting to order at 11:00 a.m. and requested action on the following matters as presented by State Architect Peter Heimbach.

#### MEMBERS PRESENT

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

#### <u>ORGANIZATION</u> <u>PRESENTER</u>

<ul> <li>University of Tennessee</li> </ul>	Robbi Stivers
<ul> <li>Tennessee Board of Regents</li> </ul>	Dick Tracy
<ul> <li>Department of Environment &amp; Conservation</li> </ul>	Bill Avant
<ul> <li>Department of General Services</li> </ul>	Ted Hayden
State Building Commission	Peter Heimbach

#### **CONSENT AGENDA**

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

A. Agency: <u>University of Tennessee – Knox County</u>

Transaction: Disposal – Easement (Utility)

Provision(s): Waiver of advertisement and appraisals

B. Agency: <u>University of Tennessee – Hamilton County</u>

Transaction: Acquisition – Lease Amendment

Provision(s): Waiver of advertisement

C. Agency: University of Tennessee – Roane County

Transaction: Acquisition – Lease Amendment

Provision(s): Waiver of advertisement

D. Agency: <u>Tennessee Board of Regents – Davidson County</u>

Transaction: Acquisition – Fee (Purchase)

Provision(s): Waiver of advertisement and one appraisal

E. Agency: Tennessee Board of Regents – Davidson County

Transaction: Acquisition – Fee (Purchase)

Provision(s): Waiver of advertisement and one appraisal

F. Agency: Tennessee Board of Regents – Knox County

Transaction: Disposal – Lease Amendment

Provision(s): n/a

G. Agency: Department of Transportation – Rutherford County

Transaction: Disposal – Fee

Provision(s): Waiver of advertisement and one appraisal

H. Agency: Department of Environment & Conservation – Marion County

Transaction: Acquisition – Fee (Third Party)

Provision(s): Waiver of advertisement and one appraisal

I. Agency: Department of Environment & Conservation – Fentress County

Transaction: Acquisition – Fee (Purchase)

Provision(s): Waiver of advertisement and one appraisal

J. Agency: <u>Department of Environment & Conservation – Fentress County</u>

Transaction: Acquisition – Fee (Purchase)

Provision(s): Waiver of advertisement and one appraisal

### University of Tennessee, Chattanooga and Space Institute

**Requested Action:** Approval of a revision in project budget, funding and source(s) of funding

Project Title: Accessibility Improvements - UTC & UTSI

**Project Description:** Provide for ongoing Accessibility Improvements for the disabled to campus facilities.

**SBC Number**: 540/000-01-2012

Total Project Budget: \$1,465,908.67

Source of Funding:	<u>Original</u>	<u>Change</u>	Revised			
J	\$51,288.36	\$0.00	\$51,288.36	06/07	CurrFunds-CapMaint	(R)
	623,251.31	0.00	623,251.31	08/09	CurrFunds-CapMaint	(R)
	120,000.00	0.00	120,000.00	12/13	CurrFunds-CapMaint	(A)
	120,000.00	0.00	120,000.00	13/14	CurrFunds-CapMaint	(A)
	120,000.00	0.00	120,000.00	14/15	CurrFunds-CapMaint	(A)
	120,000.00	0.00	120,000.00	15/16	CurrFunds-CapMaint	(A)
	0.00	311 369 00	311 369 00		Plant Non-Auxiliary	(A)

Original Project Budget: \$1,154,539.67

Change in Funding: \$311,369.00

Revised Project Budget: \$1,465,908.67

**Comment:** Four bids were received on May 25, 2016. An increase in funding is needed to

award a contract to Construction Consultants for the base bid only. There will be no

additional designer fees related to the bid overage.

Previous Action: 07/12/2012 SBC Approved project

11/14/2013 SBC Approved revision in scope & funding 11/25/2013 ESC Approved designer (Ross/Fowler PC)

07/10/2014 SBC Approved allocation of additional line-item funding 07/09/2015 SBC Approved allocation of additional line-item funding

06/09/2016 SBC Referred to ESC with authority to act

Minutes: 06/20/2016 ESC Approved a revision in project budget, funding and sources

of funding.

## **Acquisition - Lease Amendment**

Requested Action: Approval of a lease amendment with waiver of advertisement

**Transaction Description:** Transaction No. 11-01-900

Proposed Amendment

o Term: 10 years (October 17, 2011 – October 16, 2021)

Current Lease

Location: University of Tennessee - Martin

Madison County - Highway 45 Bypass, Jackson, TN - Satellite Campus

o Landlord: Wolfe Development, LLC

o Term: 5 years (October 17, 2011 – October 16, 2016)

o Area / Costs: 6,002 square feet

 Annual Contract Rent
 \$116,000.00
 \$19.33/sf

 Estimated Utilities Cost
 \$10,504.00
 \$1.75/sf

 Estimated Janitorial Cost
 \$6,602.00
 \$1.10/sf

 Total Annual Effective Cost
 \$133,106.00
 \$22.18/sf

Source of Funding: Plant (Non-Auxiliary) (A)
 FRF Rate: \$18.00 (for reference)

Comment: In 2010, an RFP was issued to locate space for a satellite campus for UT Martin in

the Jackson, TN area. This space was selected and built to suit for the University. The University continues to offer classes and programs at this location and proposes to extend the lease for five years with waiver of advertisement. There will be no increase in the lease rate and either party will have the right to terminate for convenience with 120 days-notice. The lease is special and unique due to the requirements of the program, the location of the space, and the build out of the

space.

**Previous Action:** 01/24/2011 Approved lease agreement

**Minutes:** 06/20/2016 Approved a lease amendment with waiver of advertisement.

## Middle Tennessee State University, Murfreesboro, Rutherford, Tennessee

Requested Action: Approval of project, budget, scope, funding and source(s) of funding

Project Title: Demolition – 2411 Middle Tennessee Boulevard

**Project Description:** This project provides for the demolition of a shed at 2411 Middle Tennessee

Boulevard in Murfreesboro, Tennessee in accordance with the MTSU 2007 Master

Plan.

**SBC Number**: 166/009-04-2016

Total Project Budget: \$3,800.00

**Source of Funding:** \$3,800.00 Plant Funds (Non-Auxiliary)

Comment: The property was acquired in October 2008. The TN Historical Commission has

determined that this project will not adversely affect this State-owned resource of 50+

years, and no further action is necessary.

Minutes: 06/20/2016 ESC Approved a project, budget, scope, funding and source of

funding.

## Tennessee State University, Nashville, Davidson, Tennessee

Requested Action: Approval of project, budget, scope, funding and source(s) of funding

Project Title: Demolition – 1124 32<sup>nd</sup> Avenue

Project Description: This project provides for the demolition of 1124 32nd Avenue North, Nashville,

Tennessee in accordance with the TSU 2008 Master Plan.

SBC Number: 166/001-01-2016

Total Project Budget: \$4,700.00

**Source of Funding:** \$4,700.00 Plant Funds (Non-Auxiliary)

**Comment:** This building is less than 50 years old and does <u>not</u> require TN Historical Commission

review.

Minutes: 06/20/2016 ESC Approved a project, budget, scope, funding and source of

funding.

## Disposal - Fee

Requested Action: Approval to dispose of property for less than Fair Market Value as

determined by appraisal

**Transaction Description:** Transaction No. 11-05-013-BN

• Location: Franklin County – 0.663+/-acres – Hopkins Point, Winchester, TN

• Estimated Sale Price: \$12.650

• Grantee Josh L. Donnell

Comment: The property has been advertised four times and no bids at or above appraised

value were received. TDEC would like to accept the offer received in the most recent bid. Fifty percent of the proceeds from the sale will go to Tims Ford State Park and the other fifty percent will go to the counties impacted by the development of Tims Ford Reservoir, in accordance with TCA 11-3-110 and an

agreement with the counties.

Date of Last Transfer: June 2000

Previous Owner: TN Elk River Development Agency

Original Cost to State: N/A
Square Footage Improvements: None

Previous Action 06/22/2011 Approved disposal at fair market value as presented

Minutes: 06/20/2016 Approved disposal of property for less than Fair Market Value as

determined by appraisal.

## Disposal - Fee

Requested Action: Approval to dispose of property for less than Fair Market Value as

determined by appraisal

**Transaction Description:** Transaction No. 11-05-018-BN

• Location: Franklin County – 1.11+/-acres – Hopkins Point, Winchester, TN

• Estimated Sale Price: \$15.540

• Grantee Josh L. Donnell

Comment: The property has been advertised four times and no bids at or above appraised

value were received. TDEC would like to accept the offer received in the most recent bid. Fifty percent of the proceeds from the sale will go to Tims Ford State Park and the other fifty percent will go to the counties impacted by the development of Tims Ford Reservoir, in accordance with TCA 11-3-110 and an

agreement with the counties.

Date of Last Transfer: June 2000

Previous Owner: TN Elk River Development Agency

Original Cost to State: N/A
Square Footage Improvements: None

Previous Action 06/22/2011 Approved disposal at fair market value as presented

Minutes: 06/20/2016 Approved disposal of property for less than Fair Market Value as

determined by appraisal.

#### DEPARTMENT OF GENERAL SERVICES

### William R. Snodgrass Tennessee Tower, Nashville, Davidson County, Tennessee

Requested Action: Approval of a project, budget, scope, funding and source(s) of funding and to

utilize the Value Added Resellers Contract to perform the work

**Project Title:** TN Tower LED Lighting and Controls

**Project Description:** LED lighting retrofit with lighting controls and related work.

**SBC Number**: 529/079-01-2016

Total Project Budget: \$4,144,000.00

**Source of Funding:** \$ 353,300.00 15/16 FRF CurrFunds-CapMaint (Empower) A/R

3,790,700.00 2015 GO Bonds-CapMaint (Empower) (A)

Comment: This project is funded out of the Empower TN Project Implementation fund. The

Value Added Resellers Contract (SBC # 529/000-06-2015) is requested since this project is within the scope of that contract. Upon completion of this project, all remaining floors will use LED lighting controls. The time frame for payback of

Empower funds is as follows:

Est. Annual Project \$440,500 P to 10

Lighting and Lighting Control \$440,500 9 to 10

**Previous Action:** 06/09/2016 SBC Referred to ESC with authority to act.

Minutes: 06/20/2016 ESC Comptroller Wilson asked if this would complete the

Tennessee Tower, and Ted Hayden responded that he believed it would. Subcommittee approved a project, budget, scope, funding and sources of funding and to utilize the

Value Added Resellers Contract to perform the work.

#### STATE BUILDING COMMISSION

# Minutes of Executive Subcommittee Meeting

1) Approved the Minutes of the Executive Subcommittee meeting held on June 9, 2016.

## **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) University of Tennessee Chattanooga

(Parking Garage LED Lighting Upgrade)
Total Project Budget: \$755,000

SBC Project No. 540/005-03-2016 Designer: MARCH ADAMS & ASSOCIATES

#### **Other Business**

There being no other business, the meeting adjourned at 11:15 a.m.

## <u>Disposal – Easement (Utility)</u>

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

appraisals

**Transaction Description:** Transaction No. 16-06-001

• Location: University of Tennessee – Knoxville (UTK)

Knox County – 1.88 +/- acres permanent utility easement – portions of Andy Holt

Avenue and 20th Street, Knoxville, TN

• Grantee: Knoxville Utilities Board (KUB)

• Estimated Sale Price: Mutual Benefit

• Source of Funding: Plant (Non-Auxiliary) (REM fees)

**Comment:** The utility easement is necessary for KUB to provide utility upgrades to service this

area of campus and the West Campus Housing development.

Date of Last Transfer: 3/3/2016

Original Cost to State: Quit claim – no consideration

Minutes: 06/20/2016 Approved disposal by easement with waiver of advertisement and

appraisals.

## **Acquisition - Lease Amendment**

Requested Action: Approval of a lease amendment with waiver of advertisement

**Transaction Description:** Transaction number to be assigned by University

Proposed Amendment

O Area / Costs: Ten (10) units currently leased – lease of up to eight (8) additional two-bedroom

apartment units based on demand and availability

Average Annual Contract Rent \$1,350/unit per mo \$291,600/yr max.

Total Annual Effective Cost

Total Annual Effective Cost \$1,350/unit per mo \$291,600/year

Current Lease

o Location: UT Health Science Center - Hayden Place Apartments

Hamilton County - 298 Acorn Oaks Circle, Chattanooga, TN 37405

o Landlord: Hayden Place Properties I, Inc.

o Term: October 23, 2015 – October 22, 2020 with one option to extend for five years

o Area / Costs: Ten (10) two-bedroom apartment units

Average Annual Contract Rent
Estimated Annual Utility Cost
Estimated Annual Janitorial Cost
Total Annual Effective Cost
Included

• Source of Funding: Plant (Non-Auxiliary)(A)

• Procurement Method: Negotiated (after advertising RFP on June 28/July 5 and August 30/September 6)

• FRF Rate: \$18.00/sf (for reference only)

Comment: The University proposes to amend the lease agreement for eight (8) additional

apartment units for use by visiting medical and dental students doing clinical rotations in Chattanooga. After advertising an RFP twice in 2015 with no acceptable bids, the ESC approved a lease agreement with a vendor that met the requirements of the RFP. At the time of the original RFP and lease agreement, ten (10) apartments were deemed sufficient. Waiver of advertisement is requested since this is only an addition of units with no amendment to the term or rental rate.

**Previous Action:** 06/22/2015 Approved issuing a Request for Proposal for leasing apartments

10/22/2015 Approved lease

Minutes: 06/20/2016 Approved a lease amendment with waiver of advertisement.

## **Acquisition - Lease Amendment**

Requested Action: Approval of a lease amendment with waiver of advertisement

**Transaction Description:** Transaction No. 12-09-906

Proposed Amendment

o Term: July 1, 2016 thru June 30, 2019 with one 3-year option to extend

O Area / Costs:

Annual Contract Rent \$316,673.50 \$21.50/sf

(Including utilities and janitorial cost)

Current Lease

O Location: University of Tennessee Office of Research

Roane County - 1100 Bethel Valley Road, Oak Ridge, TN

o Landlord: Professional Project Services, Inc. d/b/a Pro2Serve

o Term: Three years

o Area / Costs: 14,729 rentable square feet

Annual Contract Rent \$275,000.04 \$18.67/sf

(Including utilities and janitorial cost)

• Source of Funding: UT National Academy-Level Facility Appropriations (A)

• FRF Rate: \$18.00

Comment: In 2012, the University leased 14,729 +/- sq. ft. for the Governor's Chair Program

which was designed to bring exceptionally accomplished researchers to Tennessee. The University has since hired more than a dozen of the nation's top scientists to work jointly at the University of Tennessee and Oak Ridge National

Laboratory.

The University proposes to extend the lease agreement for an additional three (3) years with an option to extend for three (3) more years with waiver of advertisement. The Lease is cancellable by either party for convenience at any time with 120 days-notice. The proposed Lease rate of \$21.50 per rentable square foot is inclusive of utilities, janitorial services and 60 parking spaces adjacent to the building. The lease continues to be special and unique due to the requirements of

the program and the location of the space.

**Previous Action:** 10/26/2012 Approved lease agreement with waiver of advertisement.

Minutes: 06/20/2016 Approved a lease amendment with waiver of advertisement.

# Acquisition - Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental

> assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one

appraisal

**Transaction Description:** Transaction No. 16-05-004 Location:

Tennessee State University

Davidson County – 0.14+/-acres – 1124 32nd Avenue North, Nashville, TN

Owner(s): KKG Investments, LLC Estimated Purchase Price: Fair Market Value

Source of Funding: Plant Funds (Non-Auxiliary)

Comment: This property is in close proximity of TSU and will be used for future campus

expansion once the house is demolished. This property is in TSU's 2008

Master Plan.

Date of Last Transfer: January 01, 2010

Purchase Price: 0.00 Property Assessor's Value: 68,900 Square Footage Improvements: 969

Minutes: 06/20/2016 Approved obtaining title work, appraisal, survey,

> environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver

of advertisement and one appraisal.

# Acquisition - Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental

assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one

appraisal

Transaction Description: Transaction No. 15-10-005

• Location: Tennessee State University

Davidson County – 0.17+/-acres – 1106 33rd Avenue North, Nashville, TN

• Owner(s): Spruell and Kathryn Driver

• Estimated Purchase Price: Fair Market Value

Source of Funding: Plant Funds (Non-Auxiliary)

Comment: This property will be used for future campus expansion as an Administrative

Office Operations and/or Auxiliary Services; and is in TSU's 2008 Master Plan.

Date of Last Transfer: August 22, 1967

Purchase Price: \$0.00
Property Assessor's Value: \$178,800
Square Footage Improvements: 2,394

Minutes: 06/20/2016 Approved obtaining title work, appraisal, survey, and

environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver

of advertisement and one appraisal.

# **Disposal - Lease Amendment**

Requested Action: Approval of a lease amendment

**Transaction Description:** Transaction No. 13-10-954

Proposed Amendment

o Area / Costs: 28,098 sf / Pro Rata Share M&O

Current Lease

o Lessee: Knox County - 7201 Strawberry Plains Pike – Knoxville, TN

Landlord: Pellissippi State Community College
 Term: April 01, 2014 thru June 30, 2024
 Area / Costs: 25,765 sf / Pro Rata Share M&O

Comment: The proposed lease amendment adds additional square footage to the current

lease, and allows for two greenhouses to be erected for the joint use of the

students and staff of Lessee and Lessor.

**Previous Action:** 11/25/2013 Approved lease agreement

Minutes: 06/20/2016 Approved a lease amendment.

## **DEPARTMENT OF TRANSPORTATION**

Disposal - Fee

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

**Transaction Description:** Transaction No. 16-05-006-DM

• Location: Rutherford County – 2.53+/-acres – I-24 Manson Pike Interchange, Murfreesboro, TN

• Estimated Sale Price: Fair Market Value

• Grantee TT of GM Murfreesboro Property, LLC (O)

**Comment:** The grantee is the sole adjoining landowner and the intent is to assemble property

for development.

Date of Last Transfer: March 23, 2004

Previous Owner: Mark E. Spears & Robert G. Martindale

Original Cost to State: \$145,016 Square Footage Improvements: None

Minutes: 06/20/2016 Approved disposal in fee with waiver of advertisement and one

appraisal.

## Acquisition – Fee (Third Party)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental

assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, and to utilize third party with waiver of

advertisement and one appraisal

**Transaction Description:** Transaction No. 16-05-008-DM

Location: Marion County – 685.79+/-acres – Hwy 150, Jasper, TN

• Owner(s): American Timberland Fund

• Estimated Purchase Price: \$100,000

Source of Funding: 15/16 State Lands Acquisition Fund (A)
 Third Party The Conservation Fund & The Access Fund

**Comment:** Per TCA 67-4-409, this property is on the state lands acquisition priority list

and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive

Director of Tennessee Wildlife Resources Agency.

The acquisition will protect natural resources at Denny Cove which is located in Cumberland Voices Little Sequatchie Cove and Fiery Gizzard Conservation Area. The Conservation Fund and the Access Fund will purchase the tract with funding from: Lyndhurst Foundation, The Conservation Fund, Land Trust for TN, Riverview Foundation, Access Fund Grant, (Bridge loan – Access Fund Climbing Conservation Loan Program), Southeastern Climbers Coalition, Open Space Institute - South Cumberland Land Protection Fund, Open Space Institute - Resilient Landscapes Fund, Friends of South Cumberland, The Conservation Alliance, and the Heritage Conservation Fund. The property will then be transferred to the State for a cost of \$100,000. No additional management costs are anticipated with this acquisition.

Date of Last Transfer: April 10, 2010
Purchase Price: \$150,000
Property Assessor's Value: \$579,600
Square Footage Improvements: None

Minutes: 06/20/2016 Approved obtaining title work, appraisal, survey, and

environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, and to utilize third party with waiver of advertisement and one appraisal.

## Acquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental

assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one

appraisal

**Transaction Description:** Transaction No. 16-05-010-DM

• Location: Fentress County – 7.5+/-acres – Black House Mtn. Rd., Jamestown, TN

• Owner(s): Paul & Joann Odum Trust

• Estimated Purchase Price: Fair Market Value

• Source of Funding: 15/16 State Lands Acquisition Fund (A)

**Comment:** Per TCA 67-4-409, this property is on the state lands acquisition priority list

and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive

Director of Tennessee Wildlife Resources Agency.

The property is an inholding in the Poque Creek State Natural Area. No

additional management costs are anticipated with this acquisition.

Date of Last Transfer: August 31, 2007 Purchase Price: \$0.00 (Quit Claim)

Property Assessor's Value: \$75,000 Square Footage Improvements: None

Minutes: 06/20/2016 Approved obtaining title work, appraisal, survey, and

environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver

of advertisement and one appraisal.

## Acquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental

assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one

appraisal

**Transaction Description:** Transaction No. 16-05-009-DM

• Location: Fentress County – 12+-/acres – Black House Mtn. Rd., Jamestown, TN

Owner(s): Daniel J. Stricker
 Estimated Purchase Price: Fair Market Value

• Source of Funding: 15/16 State Lands Acquisition Fund (A)

**Comment:** Per TCA 67-4-409, this property is on the state lands acquisition priority list

and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive

Director of Tennessee Wildlife Resources Agency.

The property is contiguous to Pogue Creek State Natural Area (PCSNA). The purchase will enhance viewshed and provide a trail system accessing

PCSNA.

Date of Last Transfer: May 27, 2005
Purchase Price: \$78,000
Property Assessor's Value: \$84,000
Square Footage Improvements: None

Minutes: 06/20/2016 Approved obtaining title work, appraisal, survey, and

environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver

of advertisement and one appraisal.

Approved:

Je layet Tre Hargett

Secretary, State Building Commission Executive Subcommittee Secretary of State