

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

FEBRUARY 23, 2009

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

#### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

#### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

#### OTHERS PRESENT

Mike Fitts, State Architect  
Alan Robertson, Assistant State Architect  
Georgia Martin, State Architect's Office  
Charles Harrison, Comptroller's Office  
Jurgen Bailey, Real Property Administration  
Bob King, Real Property Administration  
Dottie Hagood, Real Property Administration  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Mark Cherpack, Department of Finance and  
Administration  
Nathan Burton, Treasurer's Office  
Joy Harris, Treasurer's Office  
John Carr, Department of Finance & Administration  
Mark Wood, Secretary of State's Office  
Mike Morrow, Department of Finance and  
Administration  
Cindi Liddell, Bond Finance  
Annette Crutchfield, Legislative Budget  
Steve Norris, Mental Retardation Services  
Karen Hale, Comptroller's Office

J. J. Perdue, Department of Environment and  
Conservation  
Bob Qualey, Real Property Administration  
Dave Thurman, Legislative Budget  
Jere Jeter, Department of Agriculture  
Bill Finney, Real Property Administration  
Harvey Freeman, Real Property Administration

The meeting was called to order at 10:35 a.m. Treasurer Lillard, referencing the SBC by-laws, stated that the first order of business should be to elect a Chair and Vice-Chair. He made a motion, which was properly seconded, to elect Secretary Tre Hargett as Chairman and Comptroller Justin Wilson as Vice-Chairman. The motion passed without objection. Chairman Hargett then requested action on the following matters as presented by State Architect Mike Fitts.

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**CONSENT AGENDA**

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

- A. Agency: **Tennessee Wildlife Resources Agency – Blount County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement & appraisals
  
- B. Agency: **Department of Transportation – Hickman County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement & appraisals
  
- C. Agency: **Department of Environment and Conservation – Polk County**  
Transaction: Demolish Restroom / Bathhouse  
Provision: Reviewed by TN Historical Commission
  
- D. Agency: **Department of Agriculture – Blount & Morgan Counties**  
Transaction: Demolish Two Buildings  
Provision: Reviewed by TN Historical Commission

DEPARTMENT OF FINANCE AND ADMINISTRATION  
FOR  
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Davidson County – 10.0 +/- acres – Tulip Grove Road, Hermitage, TN – Trans. No. 09-01-006 (BW)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC project 346/000-05-2005

Estimated Cost: \$230,000.00

Owner(s): Rhonda Sadler / Sadler Homes, Inc.

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee for discussion.

SC Action: 02-23-09. Jurgen Bailey presented the transaction. Secretary Hargett asked how many homes could be located on the property. Commissioner Norris responded that it depends how the land configures. He added that, normally, ten acres would accommodate three of these large homes, including ample parking. Secretary Hargett asked if this was in a subdivision. Mr. Bailey said that it is currently a 10-acre vacant tract with utilities coming to the site. Treasurer Lillard commented that the drawing looks like homes surrounding the site and asked if the local community had been notified of these group home acquisitions. Commissioner Norris said he didn't think so, and added that it is a mixed use area of commercial and residential. Secretary Hargett asked if it would create a hardship to defer action to the next meeting until such contact has been made with the residents. Commissioner Norris said that he didn't think it would create a hardship. The request was deferred for one month.

DEPARTMENT OF FINANCE AND ADMINISTRATION  
FOR  
MENTAL RETARDATION SERVICES

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT and APPROVAL to DEMOLISH the IMPROVEMENTS, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Davidson County – 2.0 +/- acres – 113 A McGavock Pike, Nashville, TN – Trans. No. 09-02-007 (BW)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC project 346/000-05-2005

Estimated Cost: \$139,000.00

Owner(s): Michael S. Petty

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee for discussion.

SC Action: 02-23-09. At the Subcommittee's request, the matter was deferred for one month.

**DEPARTMENT OF FINANCE AND ADMINISTRATION**

**LAND ITEM**

Review of a request for APPROVAL of the following DISPOSAL and RIGHT OF ENTRY of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description: **Knox County – 2.08 +/- acres – improved with the former State Supreme Court and annex building consisting of 51,610 +/- so, - 719 Locust, Knoxville, TN – Trans. No. 09-01-001 (LW)**

Purpose: Disposal in fee of surplus property that no longer meets the State's needs; renovation estimate from 2003 appraisal exceeds \$2 million; all agencies that were housed in the property have vacated. The City of Knoxville has asked the property be conveyed at fair market value to the Industrial Development Board of Knoxville for future development.

Original Cost to State: \$487,398.000

Date of Original Conveyance: Various from 1951 to 2008

Grantor unto State: Various

Estimated Sale Price: Fair Market Value

Grantee: Industrial Development Board of Knoxville

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee for discussion.

SC Action: 02-23-09. Jurgen Bailey presented the transaction. He stated that they had initiated a new appraisal, which was yet to be received, but indications were that the value would be approximately \$2,160,000. Treasurer Lillard asked if there was any bond debt associated with this, and Mr. Bailey responded "no". He asked if this was contingent upon the appraisal, and was told "yes". Treasurer Lillard asked how it was advantageous to them to approve this request based on that contingency. After discussion, the Subcommittee voted to defer for one month.

**DEPARTMENT OF ENVIRONMENT & CONSERVATION**

**LAND ITEM**

Review of a request for APPROVAL of the following PERMANENT EASEMENT, OBTAIN SURVEY and ACCEPT as GIFT of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description: **Rutherford County – 1.20 +/- acres – 466 Nissan Drive / Sam Davis property – Trans. No. 08-11-005 (BW)**

Purpose: Emergency access easement for new State facility.

Estimated Sale Price: Grant

Grantor/Owner: Department of Environment & Conservation

Trustees of Property: Sam Davis Association - Trustee

Grantee: Department of Finance & Administration

Comment: Sam Davis Association has tentatively approved the easement at their Board Meeting on November 13, 2008.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

**Further request: Request appraisal to acquire easement at fair market value.**

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 02-23-09. Jurgen Bailey presented the transaction. Treasurer Lillard asked if there was a budgeted amount for this easement, and Mr. Bailey replied that there are sufficient monies in the project to cover the cost. Comptroller Wilson asked if they were just asking for approval to do an appraisal. Mr. Fitts responded that, normally, approval is requested to proceed based upon the appraisal value and, if the owner is unwilling to accept that amount, the issue would be brought back to the Subcommittee. Treasurer Lillard made a motion to approve, which was seconded and passed without objection, subject to the plat showing the easement.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rutherford County – 1.0 +/- acres – Weakley Lane, Smyrna. TN – Trans. No. 08-12-016 (BW)

Purpose: Acquisition by easement for MTEMC (Middle Tennessee Electric Membership Corp.) to install a pole on adjacent property owners for the construction of TN South facility located in Smyrna.

Source of Funding: SBC project #529/031-01-2008

Estimated Cost: Fair Market Value

Owner(s): Premier Communities, LLC

Comments: Further request a blanket approval for any additional **utility** easements needed for construction of this facility at fair market value.

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 02-23-09 Jurgen Bailey presented the transaction. After discussion, Treasurer Lillard made a motion to approve the request based on the clarification that this approval applies only to utility easements. The motion was seconded and passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

CITIZENS PLAZA STATE OFFICE BUILDING, NASHVILLE, TENNESSEE

- 1) Approved a request for a revision in source of funding for **Interior Renovations Phase 2** at Citizens Plaza State Office Building, Nashville, Tennessee.

**Estimated Project Cost:           \$3,500,000.00**  
*SBC Project No.                   529/076-01-2006*

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meetings held on January 20 and February 9, 2009.

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There being no further business, the meeting adjourned at 10:50 a.m.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: Blount County – 0.9 +/- acres – Kyker Bottom Refuge, Maryville, TN – Trans. No. 09-01-007 (RJ)

Purpose: Disposal by easement to the Blount County Hwy. Department with TDOT's assistance is replacing a bridge crossing a creek on the county's road bordering Kyker Bottom Refuge.

Estimated Sale Price: None

Grantee: Blount County Highway Department

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to the Subcommittee for consent agenda.

SC Action: 02-23-09. Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: Hickman County – 8.9 +/- acres – Interstate 40, Bucksport, TN – Trans. No. 09-01-008 (FB)

Purpose: Disposal by easement for the protect wetlands, riparian areas and surface areas within the watershed.

Estimated Sale Price: None

Grantee: Tennessee Wildlife Resources Foundation, Inc.

SSC Report: 02-17-09. Jurgen Bailey presented the transaction. Staff referred to the Subcommittee for consent agenda.

SC Action: 02-23-09. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

OCOEE RIVER RECREATION AREA, POLK COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Restroom / Bathhouse** located at the Ocoee River Recreation Area, Polk County, Tennessee, as reviewed by the Tennessee Historical Commission.

**Estimated Project Cost:**        **\$0.00**  
*SBC Project No.*                *126/110-01-2009*

DEPARTMENT OF AGRICULTURE

DIVISION OF FORESTRY – BLOUNT & MORGAN COUNTIES

- 1) Approved a project to **Demolish Two Buildings** located in Blount and Morgan Counties, as reviewed by the Tennessee Historical Commission.

Estimated Project Cost:        \$2,000.00  
*SBC Project No.*                100/010-02-2009

Approved by: \_\_\_\_\_

M.D. Goetz, Jr., Commissioner  
Department of Finance and Administration

**MINUTES**

**STATE BUILDING COMMISSION MEETING**

**EXECUTIVE SUB-COMMITTEE**

**FEBRUARY 9, 2009**

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Nashville, Tennessee.

**STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT**

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

**OTHERS PRESENT**

Mike Fitts, State Architect  
Alan Robertson, Assistant State Architect  
Georgia Martin, State Architect's Office  
Dottie Hagood, Real Property Administration  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Jerry Preston, Tennessee Board of Regents  
Nathan Burton, Treasurer's Office  
John Carr, Department of Finance & Administration  
Mark Wood, Secretary of State's Office  
Mike Morrow, Department of Finance and Administration  
Cindi Liddell, Bond Finance  
Annette Crutchfield, Legislative Budget  
Lola Potter, Department of Finance and Administration  
Tim Schwarz, Department of Finance and Administration  
Dwight Hensley, Tennessee Wildlife Resources Agency  
George Criss, University of Tennessee

## **DESIGNER SELECTIONS**

### **1) Review of Department and Agency Designer Recommendations for Projects Scheduled for Approval by the State Building Commission on February 12, 2009.**

Commissioner Goetz opened the meeting and called on State Architect Mike Fitts who briefed the Subcommittee on the policy & procedures regarding the designer selection process. Commissioner Goetz asked how they take into account designer performance. Mr. Fitts responded that evaluation forms are completed on designers for all State projects, which is a hard copy manual system. Treasurer Lillard asked how he was to make an informed judgment without knowing anything about these firms. Commissioner Goetz responded that, traditionally, they have relied on the agencies' recommendations, plus Mr. Fitts' analysis and recommendation. Secretary Hargett said he would echo Treasurer Lillard's comment that he needed some backup. He said if he was going to be casting votes on the ability of these firms, he would have to be comfortable with his vote. Commissioner Goetz commented that they could ask the agencies to provide written support.

Jerry Preston was recognized. He stated that the Board of Regents receives three names from their campuses for each project. He said that they are names with whom the campuses have done business and are comfortable. Mr. Preston said they conduct a PR process where his office reviews and then submits for Mr. Fitts' review before presenting to the Subcommittee. He said they have become fairly familiar with at least 200 firms across the state and as new firms come into that situation, they will be recommended for smaller projects. He said that, as the new firms develop experience and trust, recommendations begin to flow. He added that their intent is to match talents with particular projects. In summary, they match up talents based on experience that they have had and bring new firms in for smaller projects. Comptroller Wilson asked if they consult with their institutions and then collectively discuss who is best. Mr. Preston responded that the institutions make recommendations and, if they have a concern, that concern is communicated and they make sure all the recommendations are coordinated. He said they try to spread the work around to qualified firms and that takes some coordination.

Treasurer Lillard asked what was the commencement at the agency level and if they issue an RFP. Mr. Preston replied that the institutions make the majority of their recommendations on their experience with firms and they conduct an interview process on larger projects. Treasurer Lillard asked if the three firms were the only ones capable of doing the job and why they would not start the process with an RFP. Mr. Preston responded that to utilize RFP's takes a considerable length of time and effort and can be burdensome. Comptroller Wilson asked and was told that the price would be the same regardless of the firm selection. Treasurer Lillard stated that he has been visited by a lot of architects and some told him that they have never been successful in getting State work. Mr. Preston commented that if people don't come to visit them or the campus, or the State Architect, and are not interested enough to make these visits, they are missing a fundamental step. Secretary Hargett commented that he thought they may not know how to "kiss the ring". Mr. Fitts stated that he meets regularly with interested designers, and that instructions explaining the process are available to the public on his website.

Commissioner Goetz stated that this is really a question of judgment and qualification since designers are paid the same rate. Treasurer Lillard said, in the future, he would like to have a written report that

contains factors confirming the reason for the recommendations. Commissioner Goetz commented that when you start writing down judgments, you are going to have other people question the phraseology of those judgments. Mr. Preston commented that he believes the selection process is one based on experience and knowledge and that the process has gone well and been efficient compared with other governments and states. To give the Subcommittee some idea of the load, he explained that most of the projects will come in June-July-August and, in a normal year, they may have 64 projects with 150 firm names to consider for the new projects. He said that is the kind of magnitude they experience and it is based on a lot of information about experience, because the campuses want quality work.

Mr. Fitts stated that the Tennessee Board of Regents represents about one-third of the volume of work with the University of Tennessee comprising another third. The rest of State government, consolidated under Real Property Administration within the Department of Finance and Administration for administration purposes, represents the remaining one-third. He said it was his role to insure the Subcommittee that those recommended for specific projects were professionally capable to perform the work. Mr. Preston commented that for some large projects they have gone through some form of qualification process and presentations.

Commissioner Goetz said that they had intended to ask the State Building Commission to approve planning of a number of energy-related projects for Higher Education in order to be ready to timely react to the Federal Stimulus Package being proposed. But, based on recent actions in Congress, he thought they need to defer on that request, which would also mean they need to defer the designer recommendations for those projects.

Treasurer Lillard made a motion to recommend to the SBC for their approval the #1 designer recommendations for the following projects on the upcoming SBC agenda:

- 1) **TWRA – Buffalo Springs Fish Hatchery**  
(Oxygen Injection System)  
Estimated Project Cost: \$280,000.00  
SBC Project No. 220/020-01-2009  
Designer: **MATTERN & CRAIG**
  
- 2) **Austin Peay State University**  
(Chemical Engineering Tech Facility - Planning)  
Estimated Project Cost: \$6,400,000.00  
SBC Project No. 166/003-01-2009  
Designer: **RUFUS JOHNSON & ASSOCIATES**

Secretary Hargett seconded the motion, and it passed without objection. Commissioner Goetz asked staff to take a run at what a written justification should look like. Comptroller Wilson commented that, as they get into this, they will find ways to address the issue.

Their being no further business, the meeting adjourned at 11:04 a.m.

Approved by: \_\_\_\_\_

M.D. Goetz, Jr., Commissioner  
Department of Finance and Administration