

Meeting Copy

AGENDA

STATE BUILDING COMMISSION

EXECUTIVE SUBCOMMITTEE

ROOM 30, LEGISLATIVE PLAZA

NOVEMBER 23, 2009

10:30 A.M.

CONSENT AGENDA

Review of a request for APPROVAL of the following REAL PROPERTY TRANSACTIONS, which have been reviewed and recommended for approval by Sub-Committee staff (*lead sheets on pages 14-22*):

- A. Agency: University of Tennessee – Knox County
Transaction: Disposal by easement
Provision: Waiver advertisement & appraisals

- B. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in fee
Provision: Waiver of REM fee

- C. Agency: Tennessee Board of Regents – Shelby County
Transaction: Acquisition in fee
Provision: Waiver of REM fee

- D. Agency: Tennessee Board of Regents – Knox County
Transaction: Acquisition in fee

- E. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in fee
Provision: Demolish improvements

- F. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in fee

- G. Agency: Tennessee Housing Development Agency – Marshall County
Transaction: Lease agreement

- H. Agency: Department of Military – Unicoi County
Transaction: Disposal in fee
Provision: Waiver of advertisement & appraisals

- I. Agency: Tennessee Wildlife Resource Agency – Franklin County
Transaction: Acquisition in fee

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to ACQUIRE REAL PROPERTY by updating existing title work, ACCEPTANCE of OPTION from Haywood County and EXERCISE of OPTION to acquire fee interest in real property with WAIVER of APPRAISALS, WAIVER of ADVERTISEMENT, WAIVER of REM FEE and utilize existing survey work, CONTINGENT UPON CONFIRMATION of the availability of the federal funds, to acquire the required interest in the following real property:

Location: Haywood County – 200+/- acres – Albrights Road in Brownsville, TN – Trans. No. 09-10-017 (JB)

Purpose: Acquisition in Fee of property to be used for Solar Farm Initiative.

Source of Funding: Dept of Economic & Community Development – Federal PVE Account (\$2.12 million)

Estimated Cost: \$2.12 million (\$10,600 per acre)

Owners: Estate of Sandra Stuart

Comment: The University of Tennessee intends to lease a portion of the property to Genera Energy, a wholly owned LLC of the University of Tennessee Research Foundation. A Conveyance or Transfer of Jurisdiction of 20+/- acres is also anticipated from UT to TDOT for the purpose of locating a Welcome and Education Center and other transportation infrastructure and interchanges as may be required.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following DISPOSAL BY LEASE AGREEMENT for the rental of real property with WAIVER OF ADVERTISEMENT and APPRAISALS as required by TCA 12-2-115 and TCA 12-2-112:

Location: Haywood County – 200+/- acres – Albright Road, Brownsville, TN – Trans. No. 09-10-019 (FB)

Purpose: Lease a portion of the Haywood County property up to 50 acres identified as the Solar Farm Site to manage the Solar Farm project.

Lessee: Genera Energy LLC or its subsidiary Genera Solutions, LLC

Consideration: \$1.00 per year

Type: New Lease

Comment: The lease is for the purpose of installing and operating utility-scale. Photovoltaic arrays and related educational uses that includes development, installation, connectivity, operations, maintenance and expansion activities.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Shelby County – Highland Row Shopping Center, 443 S. Highland Street, Suite 460, Memphis, TN – 09-09-900

Purpose: To provide space for the campus bookstore

Term: Ten (10) years

Proposed Amount:	<u>40,000 Square Feet</u>		
	Annual Contract Rent:	\$740,000.00	@\$18.50 / sf
	Est. Annual Utility Cost:	\$ 70,000.00	@\$ 1.75 / sf
	Est. Annual Janitorial Cost:	<u>\$ 44,000.00</u>	<u>@\$ 1.10 / sf</u>
	Total Annual Effective Cost:	\$854,000.00	@\$21.35 / sf

Current Amount: 22,000 Square Feet
Annual Contract Rent: State owned bldg.

Type: New Lease

FRF Rate: \$18.00

Purchase Option: No

Lessor: Poag & McEwen Lifestyle Center

Comment: The proposed lease provides no cancellation except for cause: University of Memphis will also be required to pay a percentage of gross sales beginning at \$8M (5%), \$11,900,000 gross sales in excess (10%), \$14 M gross sales in excess (12%), \$20 M gross sales in excess (14%). Lease has automatic extensions of five (5) one year and a one year cancellation notice for each renewal. The lessor has agreed to pay to build and fit out the space based on specifications of the contracted bookstore vendor at a cost of approximately \$1.5M. Lease and operating expenses will be paid by Barnes and Noble through the bookstore agreement.

SSC Report: 11-16-09. Bob King summarized the transaction. Dick Tracy introduced David Zettergren with interior Vice President for Business & Finance for University of Memphis. The new development which will contain the Barnes & Noble Collegiate Superstore will enhance the area around the campus and will provide a vital addition to the future campus master plan development which contains a new gateway to the University. The campus will be able to work with the developer in assuring that other tenants will be acceptable to the image of the campus. This extension of the campus boundary will help the University to become a partner with the local community as well as working with the City in the controlled redevelopment of the area around the University. The new bookstore will have extended hours and be more accessible to students that commute. Staff referred to Subcommittee with recommendation.

TENNESSEE BOARD OF REGENTS

Statewide

- 1) Review of a request for APPROVAL of a DELIVERY ORDER, APPROVAL of a REVISION in FUNDING, from \$50,452,000.00 to \$52,052,000.00 (a \$1,600,000.00 increase), and ACKNOWLEDGEMENT of SOURCE of FUNDING for **Performance Contracting** at **Columbia State Community College** in Columbia, Tennessee.

Estimated Project Cost: **\$ 60,000,000.00**
 Estimated Delivery Order #16 Cost: **1,600,000.00**

Source of Funding:	Existing	Increase	Revised
T S S B A (DO # 1 - # 15)	47,428,000.00	0	47,428,000.00
06/07 Current Funds-Capital Maint.	20,000.00	0	20,000.00
2006 G.O. Bonds-Capital Maint	420,000.00	0	420,000.00
05/06 Current Funds-Capital Maint.	290,000.00	0	290,000.00
07/08 Current Funds-Capital Maint.	50,000.00	0	50,000.00
2007 G.O. Bonds-Capital Maint	1,744,000.00	0	1,744,000.00
Utility Reserves	500,000.00	0	500,000.00
T S S B A (DO #16 at CoSCC)	0	1,600,000.00	1,600,000.00
	50,452,000.00	1,600,000.00	52,052,000.00

SBC Project No. 166/000-01-2002

The ESCO, Ameresco Enertech, proposes the first delivery order at CoSCC to install energy efficient lighting and make energy efficient upgrades to HVAC, boilers, cooling towers, and building automation control systems. Repayment of TSSBA funds will be made with projected annual utility allocations made possible by energy savings of an equal amount.

East Tennessee State University, Johnson City, Tennessee

- 1) Review of a request for a REVISION in SOURCE of FUNDING, and ACKNOWLEDGEMENT of SOURCE of FUNDING for **Panhellenic Hall Renovations** at **East Tennessee State University** in Johnson City, Tennessee.

Revised Estimated Project Cost: **\$4,000,000.00**

Source of Funding:	Existing	Increase	Revised
Campus Plant Funds	2,400,000.00	-2,400,000.00	0
ARRA Funds	1,600,000.00	+2,400,000.00	4,000,000.00
	4,000,000.00	0	4,000,000.00

SBC Project No. 166/005-01-2009

Reedy & Sykes Architecture is the designer for the renovation to convert a former dormitory to offices and classrooms for the Geo-Sciences program.

Middle Tennessee State University, Murfreesboro, Tennessee

- 1) Review of a request for AUTHORIZATION to AWARD a GENERAL CONTRACTOR CONTRACT for **Tucker Theatre Renovations** at **Middle Tennessee State University** in Murfreesboro, Tennessee based upon Best Value Option 1 for Proposals received October 6, 2009 and costs were received November 19, 2009

Estimated Project Cost: \$1,800,000.00
Source of Funding: Campus Plant Funds
SBC Project No. 166/009-03-2009

Bauer Askew Architecture, PLLC is the designer for project which includes seat, carpet, and lighting replacement as well as upgrades to the stage.

University of Memphis, Memphis, Tennessee

- 1) Review of a request for APPROVAL to PLAN a PROJECT and ACKNOWLEDGMENT of SOURCE of FUNDING for **Robison Hall Renovation** at the **University of Memphis** in Memphis, Tennessee, and SELECTION of a DESIGNER to design and supervise the project.

Estimated Project Cost: \$4,850,000.00
Estimated Planning Cost: \$200,000.00
Source of Funding: Campus Plant Funds
SBC Project No. 166/007-13-2009

Project to make renovations to former dormitory for education and general use was disclosed in the FY 09/10 budget. The original disclosure of \$4,580,000 was submitted in June 2008 for the FY 09/10 budget request. The present request of \$4,850,000 reflects an increase in construction costs which has occurred during the past 18 months. The campus proposes to fund the remaining portion with FY 10/11 ARRA Funds.

TENNESSEE WILDLIFE RESOURCES AGENCY

ANNUAL REPORT

- 1) Presentation of the 2009 Report on the **Sharecrop Program** managed by the Tennessee Wildlife Resources Agency.

In accordance with Item 7.05(B) of the SBC By-laws, Policy & Procedures, TWRA is required to provide an annual report of crop leases entered into for the previous fiscal year.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

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: Union County – 0.02 +/- acres (862 square feet) – Big Ridge State Park, Maynardville, TN – Trans. No. 09-10-006 (McLeod)

Purpose: Disposal by easement for two (2) waterline easements. Tap will be available across from park entrance.

Estimated Sale Price: Donation

Grantee: Hallsdale – Powell Utility District

SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for discussion.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Hamilton County – 1811 +/- acres (Mineral rights) & 2,400 +/- acres (Harvest rights) – Cumberland Trail State Park, Chattanooga, TN – Trans. No. 09-10-011 (McLeod)

Purpose: Acquisition for mineral rights of stone & coal rights and acquisition of right to harvest sandstone. Settlement of lawsuit

Source of Funding: State Land Acquisition Fund

Estimated Cost: \$500,000

Owner(s): Lahiere-Hill, LLC

SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Kim Kirk attorney for TDEC stated the purpose of this transaction was to settle litigation between the State and the owner of the mineral rights as recommended by the Attorney General Office. Staff referred to Subcommittee for discussion.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: **Shelby County – 0.139 acres located in Memphis, TN Trans. No. 09-02-005 (FB)**

Purpose: Disposal in Fee of surplus right of way.

Estimated Cost: \$75,000 or better

Grantee: MLB-Uptown, LLC

Comment: Sale of surplus right of way. This is one of three requests on adjoining right of way. Sale to adjoining owners. This Parcel 3 is being requested by MLB-Upton, LLC.

SSC Report: 03-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Report: 03-23-09. Jurgen Bailey presented the transaction. Subcommittee requested further information about the Grantee and deferred the request.

SC Action: 04-20-09. Jurgen Bailey presented the transaction and reported that MLB Uptown, LLC owed \$29,678 in overdue real estate taxes. Treasurer Lillard stated that he was not inclined to give or sell land to anyone who owes County taxes. Mr. Fitts distributed research done by the Treasurer's office indicating the amount of unpaid taxes regarding this proposer. Mr. Bailey commented that the grantee is a non-profit set up to help the housing authority. Commissioner Goetz asked if the Subcommittee should change their practices to include examination of tax liabilities for everyone with whom they transact business. Comptroller Wilson said that he thought it was a fair question and the Subcommittee could probably waive it if necessary. Treasurer Lillard said that he thought comity among governments was important. Commissioner Goetz said it would be nice to have recommendations for policy development for further purposes. After further discussion, Subcommittee voted to defer the request until the next meeting to allow the non-profit to clean up their tax burdens.

Comment: Requesting approval of disposal in fee of 0.139 +/- acres of surplus right of way to MLB Uptown, a non-profit entity controlled by the City of Memphis for redevelopment purposes.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DONNELLY J. HILL STATE OFFICE BUILDING, MEMPHIS, TENNESSEE

- 1) Review of a request for APPROVAL of a MEMORANDUM of UNDERSTANDING between the State of Tennessee and Shelby County for **Plaza Upgrade** at Donnelly J. Hill State Office Building, Memphis, Tennessee.

SBC Project No. 460/003-01-2004

Mutual agreement is needed in order for the construction project to proceed without incurring additional delay costs.

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) READING and APPROVAL of the Minutes of the Executive Subcommittee meetings held on October 19 and November 9, 2009.

UNIVERSITY OF TENNESSEE

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: Knox County – 1.78 +/- acres – Neyland Drive to Alcoa Hwy., Knoxville, TN – Trans. No. 09-10-018 (Baugh)

Purpose: Disposal by easement to grant permanent sanitary sewer easement to Knoxville Utilities.

Estimated Sale Price: Mutual Benefits

Grantee: Knoxville Utilities Board

SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

- Description: Shelby County – 3528 Midland Avenue, Memphis, TN – Trans. No. 09-02-011 (Maholland)
- Purpose: Acquisition in fee for future expansion. Property is in the University of Memphis Master Plan.
- Source of Funding: G. O. Bonds
- Estimated Cost: \$157,000 (per appraisal)
- Owner(s): Langsdon Properties, LLC
- Comment: Property was approved at the July 23, 2007 SBC Executive Subcommittee for the "101" properties.
- SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description:	<u>Shelby County – 3542 Midland Avenue, Memphis, TN – Trans. No. 09-07-016 (Maholland)</u>
Purpose:	Acquisition in fee for future expansion. Property is in the University of Memphis Master Plan.
Source of Funding:	G. O. Bonds
Estimated Cost:	\$166,000 (per appraisal)
Owner(s):	Jack & Roseanne Goodman
Comment:	Property was approved at the July 23, 2007 SBC Executive Subcommittee for the "101" properties.
SSC Report:	11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE BOARD OF REGENTSLAND 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: Knox County – 300 Winona Street, Knoxville, TN – Trans. No. 09-10-003 (Maholland)

Purpose: Acquisition in fee to acquire property adjacent to the Magnolia Center for future student parking

Source of Funding: Plant Funds

Estimated Cost: \$32,000 (per appraisal)

Owner(s): Lowell E. George

SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description:	<u>Montgomery County – 809 Parham Drive, Clarksville, TN – Trans. No. 09-10-014 (Maholland)</u>
Purpose:	Acquisition in fee to purchase the property and demolish the house for the benefit of APSU. In the Master Plan.
Source of Funding:	Plant Funds
Estimated Cost:	\$111,000
Owner(s):	Benny Skinner
Comment:	Property adjoins APSU property on three sides, the University will use this property to expand parking and green space, the estimated cost for demolition is \$12,000.
SSC Report:	11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE BOARD OF REGENTS

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:	<u>Montgomery County – Ninth Street, Clarksville, TN – Trans. No. 09-10-015 (Maholland)</u>
Purpose:	Acquisition in fee to purchase the property for expansion of an APSU parking lot. In the Master Plan.
Source of Funding:	Campus funds
Estimated Cost:	\$5,500
Owner(s):	Benny Skinner
SSC Report:	11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE HOUSING DEVELOPMENT AGENCYLEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Marshall County – 928 North Ellington Pkwy., Suite A, Lewisburg, TN – Trans. No. 08-01-905 (Smith)

Purpose: To provide office space

Term: July 1, 2010 thru June 30, 2020 (10 yrs)

Proposed Amount: 4,200 Square Feet
 Annual Contract Rent Incl. Utility Cost: \$52,800.00 @\$12.57 / sf
 Est. Annual Janitorial Cost: \$ 4,620.00 @\$ 1.10 / sf
 Total Annual Effective Cost: \$57,420.00 @\$13.67 / sf

Current Amount: 2,000 Square Feet
 Annual Contract Rent Incl. Water/Sewer Cost: \$11,000.00 @\$ 5.50 / sf
 Est. Annual Utility Cost: \$ 2,800.00 @\$ 1.40 / sf
 Est. Annual Janitorial Cost: \$ 2,200.00 @\$ 1.10 / sf
 Total Annual Effective Cost: \$16,000.00 @\$ 8.00 / sf

Type: New lease – advertised – receiving five (5) proposals from three (3) proposers.

FRF Rate: \$14.00

Purchase Option: No

Lessor: Parkway Shops Center, LLC

Comment: The proposed lease contains the following: Proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter; Lessor to furnish utility services to the State for no additional cost. Lessor to renovate 4,200 rsf and to include all interior build-out at no additional cost to the State.

SSC Report: 11-16-09. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

MILITARY DEPARTMENT

LAND ITEM

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

- Description: Unicoi County – 0.865+/- acres – 244 Love Street, Erwin, TN – Trans. No. 09-10-010 (Woodard)
- Purpose: Disposal in fee. Erwin Utilities desires to do an equal value land exchange to construct a water filter plant that adjoins their current property.
- Original Cost to State: N/A
- Date of Original Conveyance: N/A
- Estimated Sale Price: N/A
- Grantee: Erwin Utilities District
- Comment: City of Erwin originally gave the State the property it needs now for the water filter plant.
- SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

TENNESSEE WILDLIFE RESOURCES AGENCY

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: Franklin County - .069 +/- acres – Cowan Marsh, Cowan, TN – Trans. No. 09-10-012 (Jackson)
- Purpose: Acquisition in fee to acquire this 100 x 300 lot which joins the existing wetland.
- Source of Funding: TWRA
- Estimated Cost: \$25,000
- Owner(s): Robert Kent Walker
- Comment: Lot will be used for parking lot
- SSC Report: 11-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.