

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

NOVEMBER 23, 2009

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

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

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

#### OTHERS PRESENT

Mike Fitts, State Architect  
Alan Robertson, Assistant State Architect  
Georgia Martin, State Architect's Office  
Dottie Hagood, Real Property Administration  
Bob King, Real Property Administration  
Jurgen Bailey, Real Property Administration  
Janie Porter, Attorney General's Office  
Jonathan Rummel, Secretary of State's Office  
Melinda Parton, Comptroller's Office  
Annette Crutchfield, Legislative Budget Office  
Scott Boelscher, THEC  
LTC Barry Buntin, Military Department  
Alvin Payne, University of Tennessee  
Brant Miller, TWRA  
Ed Carter, TWRA  
Lola Potter, Department of Finance and Administration  
Ryan Gooch, Department of Economic & Community Development  
John Carr, Department of Finance & Administration

Cindy Liddell, Bond Finance  
Terry Mason, Comptroller's Office  
Melanie Buchanan, Real Property Administration  
Bill Avant, Department of Environment and Conservation  
Mike Carlton, Department of Environment and Conservation  
Joe Sanders, Department of Environment and Conservation  
Lisa McCarter, Attorney General's Office  
David Fettergren, University of Memphis  
Sheri Lipman, University of Memphis  
Charles Lee, University of Memphis  
Ed Cole, Department of Transportation  
Dick Tracy, Tennessee Board of Regents  
David Gregory, Tennessee Board of Regents  
Cathy Higgins, Legislative Budget Office  
David Thurman, Legislative Budget Office  
Jeff Hoge, Department of Transportation  
Gale Wagner, Department of Transportation

Commissioner Goetz called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

\* \* \* \* \*

**CONSENT AGENDA**

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

- 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.
- SC Action: 11-23-09. Jurgen Bailey presented the request. Commissioner Matt Kisber, Department of Economic & Community Development, was recognized. He stated that the option expires December 15, 2009. Treasurer Lillard asked if the source of funding is not approved by the DOE, what was their contingency plan. Commissioner Goetz inquired about the status of that approval. Commissioner Kisber stated that they have received unofficial guidance and expect approval in a week or so. He said that, in the unlikely event that it wasn't approved, they would look at other funds available within the Department, and to the Governor and Legislature. Commissioner Goetz asked if it would require an extension. Commissioner Kisber responded "no", that they could continue by extending to the end of this year and could close in either direction. Treasurer Lillard stated that, even though the land will be leased to Genera, it was his understanding that any matters regarding design and construction contracts would come back to this body for their normal approval. UT Vice President David Milhorn confirmed Treasurer Lillard's understanding. Treasurer Lillard added that, when they are brought back, he would like to know about the projected pro forma and to get more details at that time. Secretary Hargett clarified that, if this source of funding is not accepted, they would have to come back to the Executive Subcommittee for approval. Subcommittee approved the request as presented, contingent upon confirmation of the availability of the federal funds.

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.

SC Action: 11-23-09. Jurgen Bailey presented the transaction. Comptroller Wilson asked if the land to be leased had been identified, and what was the need to act on the transaction that day. Executive Vice President David Milhorn was recognized. He stated that they are trying to get this to a stage where they can start the construction process in the spring. Comptroller Wilson stated that he didn't know which 50 acres they were talking about. Dr. Milhorn responded that the site has been roughly defined, but it was the tract closest to the interstate. Comptroller Wilson stated that he didn't want to hold them up, but he wanted to understand what they are doing. Commissioner Goetz asked why they needed to lease it this way when they own the entire site. Dr. Milhorn responded that the University of Tennessee will not own the entire site that it will lease to Genera. He said that they were, basically, asking for approval of the concept of the lease, and would bring the documents back to the Subcommittee for approval. After further discussion, Subcommittee deferred action until the December meeting.

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:	<u>22,000 Square Feet</u>	
	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.

SC Action: 11-23-09. Bob King presented the transaction. Comptroller Wilson asked if this was consistent with the master plan, and was told "yes". Treasurer Lillard asked staff if they had reviewed the lease. After general discussion, Treasurer Lillard made a motion to approve the transaction, contingent upon staff review and approval of the lease agreement. The motion was seconded, and passed without objection.

TENNESSEE BOARD OF REGENTS

Statewide

- 1) Mr. Fitts presented 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. Comptroller Wilson asked, should the savings be less than the amortized costs, how did the Board keep their books to know what the savings were. Commissioner Goetz also asked, once a project is approved, what tracking is done on each project to know what the savings are. Dick Tracy responded that they can obtain guaranteed savings from the ESCO based on the initial engineering feasibility study. Comptroller Wilson stated that he supported the concept, but he wanted to be sure that the energy savings amortized the bonds, and he would like an explanation of the mechanics of the process. Commissioner Goetz stated that, when the Subcommittee approves these delivery orders, they tend to wander out of their visibility, and it would be helpful to know what the results were. Mr. Tracy stated they would prepare a report in response to the questions asked and bring them back to the Subcommittee for their information. Subcommittee approved the request as presented.

Estimated Project Cost:	\$ 60,000,000.00
Estimated Delivery Order #16 Cost:	1,600,000.00
SBC Project No.      166/000-01-2002	

East Tennessee State University, Johnson City, Tennessee

- 1) Approved a request for a revision in source of funding and acknowledgment 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
SBC Project No.      166/005-01-2009	

**Middle Tennessee State University, Murfreesboro, Tennessee**

- 1) Approved a request to award a General Contractor contract to Doster Construction for **Tucker Theatre Renovations** at Middle Tennessee State University in Murfreesboro, in the amount of \$1,278,900.00, which includes the base bid plus Alternates #1, #2, and #3, 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  
SBC Project No. 166/009-03-2009

**University of Memphis, Memphis, Tennessee**

- 1) Approved a request to plan a project and acknowledgment of the source of funding for **Robison Hall Renovation** at the University of Memphis in Memphis, and the selection of Hnedak Bobo Group to design and supervise the project.

Estimated Project Cost: \$4,850,000.00  
Estimated Planning Cost: \$200,000.00  
SBC Project No. 166/007-13-2009

TENNESSEE WILDLIFE RESOURCES AGENCY

ANNUAL REPORT

- 1) Agency Director Ed Carter presented the 2009 Report on the **Sharecrop Program** managed by the Tennessee Wildlife Resources Agency. After general discussion, Subcommittee accepted the report as presented.

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.

SC Action: 11-23-09. Jurgen Bailey presented the transaction. He stated that the Park is receiving a water tap for State services which will benefit the Park. After discussion, Subcommittee approved the request as presented.

**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.

SC Action: 11-23-09. Jurgen Bailey presented the transaction. Lisa McCarter, Attorney General's Office, was recognized and provided a brief history of the situation. She said the severance of mineral rights from the property occurred in 1951 before the State even owned the property and the mineral rights were transferred in subsequent transactions in 2004 and 2007. She added that over 100 yards of debris caused from sandstone harvesting was removed from the Cumberland Trail. She said they will be requiring mineral rights on one tract, but Lahiere-Hill will retain the rights to oil and gas on the tract and the State will be given mineral rights to the Chickamauga sites. Treasurer Lillard asked if the settlement will protect the Trail, and was told "yes". He asked if there has been any objection, and Ms. McCarter responded "no", and that environmental groups have moved on their behalf. Joe Sanders, Department of Environment and Conservation, stated that the Department is certainly in favor of this settlement, which accomplishes the halting of rock harvesting. Treasurer Lillard asked who was paying to restore the 100 yards of the Trail. Ms. McCarter responded that Lahiere-Hill had started restoring the area in 2007 when the litigation was started, and that the Department is satisfied with what has been done. Subcommittee approved the request as presented.

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-Uptown, 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.

SC Action: 11-23-09. Jurgen Bailey presented the request. Treasurer Lillard stated that he has been in touch with the City and County and has a letter on file stating that the adjoining land owners have a plan to pay those back taxes, which he finds satisfactory. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DONNELLY J. HILL STATE OFFICE BUILDING, MEMPHIS, TENNESSEE

- 1) Mr. Fitts presented 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. He described the situation and, basically, said that a mutual agreement is needed in order for the construction project to proceed without incurring additional delay costs. After discussion, Subcommittee approved the request as presented by Mr. Fitts.

*SBC Project No.*

*460/003-01-2004*

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

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

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There being no further action, the meeting adjourned at 11:15 a.m.

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:	<u>Knox County – 1.78 +/- acres – Neyland Drive to Alcoa Hwy., Knoxville, TN – Trans. No. 09-10-018 (Baugh)</u>
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. Jurgan Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
SC Action:	11-23-09. Subcommittee approved the transaction as presented.

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.

SC Action: 11-23-09. Subcommittee approved the transaction as presented.

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 – 3542 Midland Avenue, Memphis, TN – Trans. No. 09-07-016 (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: \$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.

SC Action: 11-23-09. Subcommittee approved the transaction as presented.

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: 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.

SC Action: 11-23-09. Subcommittee approved the transaction as presented.

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: Montgomery County – 809 Parham Drive, Clarksville, TN – Trans. No. 09-10-014 (Maholland)

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.

SC Action: 11-23-09. Subcommittee approved the transaction as presented.

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: Montgomery County – Ninth Street, Clarksville, TN – Trans. No. 09-10-015 (Maholland)

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.

SC Action: 11-23-09. Subcommittee approved the transaction as presented.

TENNESSEE HOUSING DEVELOPMENT AGENCY

LEASE 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.

SC Action: 11-23-09. Subcommittee approved the transaction as presented.

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:	<u>Unicoi County – 0.865+/- acres – 244 Love Street, Erwin, TN – Trans. No. 09-10-010 (Woodard)</u>
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.
SC Action:	11-23-09. Subcommittee approved the transaction as presented.

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.
- SC Action: 11-23-09. Subcommittee approved the transaction as presented.
- SC Action: 11-23-09. Subcommittee approved the transaction as presented.

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

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

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

NOVEMBER 9, 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

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

#### OTHERS PRESENT

Mike Fitts, State Architect  
Georgia Martin, State Architect's Office  
Alan Robertson, State Architect's Office  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Joy Harris, Treasurer's Office  
Jonathan Rummel, Secretary of State's Office  
Dick Tracy, Tennessee Board of Regents  
Keith King, Tennessee Board of Regents  
Eugene Neubert, Department of Health  
Peggy Wilson, Department of Health

## DESIGNER SELECTIONS

Chairman Goetz called the meeting to order at 10:34 a.m. State Architect Mike Fitts presented the following designer recommendations for projects scheduled on the next State Building Commission agenda. After review and discussion, the Subcommittee approved the following selections for recommendation to the full Commission, and adjourned the meeting at 10:37 a.m.:

- 1) **East TN Regional Health Office, Knoxville**  
(ADA Upgrades)  
Estimated Project Cost: \$155,000.00  
SBC Project No. 408/001-01-2009  
Designer: **BREWER INGRAM FULLER**
  
- 2) **East Tennessee State University**  
(Buc Ridge Apt Complex Phase 4)  
Estimated Project Cost: \$11,000,000.00  
SBC Project No. 166/005-10-2009  
Designer: **BEESON LUSK STREET / FISHER + ASSOCIATES , A JOINT VENTURE**
  
- 3) **University of Memphis**  
(Mynders & South Hall Exterior Repairs)  
Estimated Project Cost: \$850,000.00  
SBC Project No. 166/007-11-2009  
Designer: **FLEMING ASSOCIATES ARCHITECTS**
  
- 4) **University of Memphis**  
(Richardson Hall Exterior Repairs)  
Estimated Project Cost: \$750,000.00  
SBC Project No. 166/007-12-2009  
Designer: **SSR ELLERS INC**
  
- 5) **University of Memphis**  
(Robison Hall Renovation - Planning)  
Estimated Planning Cost: \$200,000.00  
SBC Project No. 166/007-13-2009  
Designer: **HNEDAK BOBO GROUP**

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

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