

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

OCTOBER 19, 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

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

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
Dottie Hagood, Real Property Administration
Bob King, Real Property Administration
Jurgen Bailey, Real Property Administration
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
Melinda Parton, Comptroller's Office
Mark Cherpack, Department of Finance and Administration
Annette Crutchfield, Legislative Budget Office
Russ Deaton, THEC
Scott Boelscher, THEC
LTC Barry Buntin, Military Department
LTC Milton Thompson, Military Department
Kem Hinton, Tuck Hinton Architects
Don Hardin, Museum of African American Music,
Art & Culture

Paula Roberts, Museum of African American Music, Art & Culture
J.J. Perdue, Department of Environment and Conservation
Murray Crow, Department of Environment and Conservation
Gary Rogers, University of Tennessee
Alvin Payne, University of Tennessee
Dwight Hensley, TWRA
Mike Boshers, Department of Safety
John Carr, Department of Finance & Administration
Carl Manka, Tennessee Board of Regents
Pat Gregory, Tennessee Board of Regents
Cindy Liddell, Bond Finance
Terry Mason, Comptroller's Office
Melanie Buchanan, Real Property Administration
Jim Dixey, Real Property Administration
Nick DePalma, Real Property Administration

Secretary Hargett called the meeting to order at 10:32 a.m. and 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: **University of Tennessee – Maury County**
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals

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

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

- D. Agency: **Tennessee Board of Regents – Davidson County**
Transaction: Lease agreement

- E. Agency: **Tennessee Foreign Language Institute – Davidson County**
Transaction: Lease amendment

- F. Agency: **Tennessee Wildlife Resources Agency – Scott County**
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals

- G. Agency: **Department of Agriculture – Hamilton County**
Transaction: Disposal in fee
Provision: Waiver of advertisement & appraisals

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER OF ADVERTISEMENT and ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Knox County – 0.996 +/- acres – 1801 Downtown West Blvd., Knoxville, TN – Trans. No. 09-09-013 (Baugh)

Purpose: Acquisition in fee to be used by Institute of Agriculture as regional office.

Source of Funding: University of Tennessee

Estimated Cost: \$1,475,000

Owner(s): Cobble Charitable Remainder Unitrust

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Alvin Payne summarized the acquisition. To acquire the property, the University will have to resign as the initial trustee and then purchase it from a substitute trustee for \$1.3 million. The funding for the acquisition will come from the auxiliaries and other reserves. The Cobble Family Unitrust would receive either 7% or net income based on the current appraisal which ever is less. Staff referred to Subcommittee for discussion.

SC Action: 10-19-09. Jurgen Bailey presented the transaction. Alvin Payne was recognized. He stated that this will serve the needs of the Agricultural Extension Office in East Tennessee. He said that the donors and beneficiaries have approved the transaction, and that they will have the payment come back to the University from the trust. Comptroller Wilson asked if a substitute trustee will independently review the price, and was told "yes". Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Knox County – 3.269 +/- acres and improvements – 940 Cherokee Blvd., Knoxville, TN – Trans. No. 09-03-005 (Baugh)

Purpose: Disposal in fee of President's residence

Original Cost to State: \$60,000

Date of Original Conveyance: 1960 / 1961

Grantor Unto State: Jenkins, et al

Estimated Sale Price: Fair Market Value

Grantee: University of Tennessee

Comment: UT desires to bid out to and use local real estate company to affect the sale.

SSC Report: 06-15-09. Jurgen Bailey summarized the transaction. Alvin Payne stated that UT was not having anymore residence homes for any personnel. Staff referred to put on hold until questions are answered.

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Alvin Payne stated that the University of Tennessee has made the decision to cease providing residential housing for their Presidents and Chancellors. Staff referred to Subcommittee with recommendation.

SC Action: 10-19-09. Jurgen Bailey presented the transaction. After discussion, Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

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

Location: Shelby County – 500 Winchester Blvd., Collierville, TN – Trans. No. 09-09-909

Purpose: To provide classrooms/office/computer rooms spaces for the University of Memphis.

Term: January 1, 2010 thru December 31, 2010 (1 yr)

Proposed Amount: 19,800 Square Feet
Annual Contract Rent incl. Utility &
Janitorial cost: \$201,530.00 \$10.18 / sf
Total Annual Effective Cost: \$201,530.00 \$10.18 / sf

Current Amount: 19,800 Square Feet
Annual Contract Rent incl. Utility &
Janitorial cost: \$195,658.80 \$9.88 / sf
Total Annual Effective Cost: \$195,658.80 \$9.88 / sf

Type: Amendment #11 – Advertised – On May 26, 2009 did not receive any proposals. August 19, 2009 the University received notification from Carrier willing to lease the space for another year at a 3% increase.

FRF Rate: \$18.00

Lessor: Carrier Corporation

SSC Report: 10-12-09. Bob King summarized the transaction. Staff Subcommittee asks that BOR would work on getting a longer lease with the lessor or go out and find a new place for them within the year. Staff referred to Subcommittee with recommendation.

SC Action: 10-19-09. Bob King presented the transaction. He said that finding classroom space in this part of Shelby County is very difficult, and Treasurer Lillard concurred that there is very little vacant space. Comptroller Wilson asked that they look for more than a one year lease. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

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: Giles County – 50 feet x 50 feet lot, Pulaski City, TN – Trans. No. 09-09-012 (Jackson)

Purpose: Acquisition by lease to renew a land lease agreement for a tower site for five (5) years.

Source of Funding: Department of Safety

Estimated Cost: \$937.50 per month for rent

Owner(s): Wanda C. Blumenthal & Walter T. Christopher

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Mike Boshears stated the importance of this tower for communication. This lease was approved in 2004 with five (5) year options. They also acquired a communication tower in 2004 on this tract for \$10,000. Rent increases by 25% every five (5) years. Staff referred to Subcommittee with recommendation.

SC Action: 10-19-09. Jurgen Bailey presented the transaction. He said that the Department of Transportation inspects this site on a quarterly basis, and that the need is critical. After discussion, Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM:

Discussion regarding the approval to EXTEND LEASE GROUND BREAKING TERM with an Option to Purchase on a site located on the north side of the Bicentennial Mall with WAIVER OF ADVERTISEMENT and APPRAISALS as required by T.C.A. 12-2-112 and 12-2-115.

Description: **Davidson County – 2.93+/- acres – North Side of Bicentennial Mall, Nashville, TN – Trans. No. 04-06-007 (Bailey)**

Purpose: Extend lease ground breaking date from October 8, 2009 to December 31, 2010.

Grantee: African American History Foundation of Nashville, Inc.

Comment: This is to extend groundbreaking term on a lease that was approved by SBC on 9/20/2004. Funding will be by Metro, Private Donations & fund raising projects.

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 10-19-09. Jurgen Bailey presented the transaction. Paula Roberts, Executive Director for the Museum for African American Music, Art & Culture, was recognized and gave a status report on the project. She stated that they have hired a project manager, architect, exhibit designer and fundraising consultant and are making substantial progress. She said they have raised \$15 million and expect to break ground in the fall of 2010. Don Hardin, Project Manager, stated that they have recently completed the schematic design phase for the building as well as for the exhibits, and that the firm, Skanska, will be the construction manager. Architect Kem Hinton was recognized who gave a brief presentation of the proposed design of the building.

Comptroller Wilson asked about the status of their private fundraising. Ms. Roberts responded that they had obtained the land and \$500,000 from the State, \$10 million from the City, and had raised approximately \$4.5 million to date. She said their official fundraising campaign was about to start with the consultant on board. Subcommittee then approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DAVY CROCKETT TOWER, NASHVILLE, TENNESSEE

- 1) Subcommittee deferred for one month a request for approval of a revision in scope and funding from \$8,100,000.00 to \$10,100,000.00 (\$2,000,000.00 increase) for **Interior Renovation** at Davy Crockett Tower, Nashville, to include combining a recently approved project for *Interior Renovation – Phase 2 (SBC Project No. 529/077-01-2009)* into this previously approved project.

Estimated Project Cost: \$8,100,000.00
SBC Project No. 529/077-01-2008

CITIZENS PLAZA BUILDING, NASHVILLE, TENNESSEE

- 1) Subcommittee deferred for one month a request for approval of a revision in scope and funding from \$3,500,000.00 to \$9,200,000.00 (\$5,700,000.00 increase) for **Interior Renovation – Phase 2** at Citizens Plaza Building, Nashville, to include combining a recently approved project for *Interior Renovation – Phase 3 (SBC Project No. 529/076-01-2008)* into this previously approved project.

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

WILLIAM R. SNODGRASS TENNESSEE TOWER, NASHVILLE, TENNESSEE

- 1) Mr. Fitts presented a request for approval of a revision in scope of a project for **Tenant Renovations** at the William R. Snodgrass Tennessee Tower in Nashville. He stated that the revised scope was to provide renovations to accommodate the relocation of Edison staff to the Tower before their lease expires on December 31, 2009, and would also include meeting the future needs for the change in Administration, transition spaces and needs for relocation due to the Capitol improvements project. Mr. Fitts reminded the Subcommittee that on October 8, 2009, the Commission had approved proceeding with \$500,000 in order to procure furniture needed for the Edison move, of which less than \$100,000 would be charged to the Direct Order contract.

Mr. Fitts discussed the whole planning effort of the Capitol restoration project and the need to decide what they are going to do as to vacating portions of the Capitol. He said that it will not be 100% defined until the project is developed, but they need to establish a working committee so they can start working together as a team. Treasurer Lillard asked how this affects the Governor's transition. He said it seems like these other projects would be needed in any event, and they could go forward with the Governor's space. He made a motion to approve the revision in scope to include the Governor's transition space needs in the Tennessee Tower with the understanding that they had already approved the scope of the Edison move at the previous SBC meeting. The motion was seconded and passed without objection.

Estimated Project Cost: \$2,000,000.00
SBC Project No. 529/079-01-2006

TENNESSEE STATE CAPITOL, NASHVILLE, TENNESSEE

- 1) Subcommittee approved a request to issue an RFP for Construction Manager / General Contractor on a project for **Mechanical & Electrical Upgrade** at the Tennessee State Capitol, Nashville, Tennessee.

Estimated Project Cost: \$16,500,000.00

Estimated Planning Cost: \$ 2,700,000.00

SBC Project No. 529/005-01-2005

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meetings held on September 8 and 21, 2009.

REPORTING OF CHANGE ORDERS OVER 10%

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| 1) John S. Wilder Youth Development Center
(Sprinkler System Repair)
Change Order No. 2
Change Order Amount: \$50,753.23
Change Order Percent: 18.01
Cumulative Percent 27.71
SBC Project No. 144/011-02-2007 | Following more detailed information, the Subcommittee acknowledged Mr. Fitts' explanation of the change order as referred to them, with authority to act. |
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DESIGNER SELECTIONS

Approved the following designer selections as referred to the Subcommittee, with authority to act:

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| 1) TN Highway Patrol District 3 Headquarters
(Building Upgrades)
Estimated Project Cost: \$300,000.00
SBC Project No. 502/030-01-2009
Designer: THE CFP GROUP | 5) Big Ridge State Park
(ADA Compliance Parkwide)
Estimated Project Cost: \$540,000.00
SBC Project No. 126/009-01-2007
Designer: UPLAND DESIGN GROUP |
| 2) Driver License Testing Station – Nashville
(Driver License Express Renovation)
Estimated Project Cost: \$260,000.00
SBC Project No. 502/027-01-2007
Designer: GILBERT MCLAUGHLIN
CASELLA | 6) Fall Creek Falls State Park
(Fisherman Cabin Improvements)
Estimated Project Cost: \$1,150,000.00
SBC Project No. 126/036-01-2008
Designer: BENEFIELD RICHTERS |
| 3) Lobelville Readiness Center
(Motor Vehicle Storage Area Expansion)
Estimated Project Cost: \$300,000.00
SBC Project No. 361/045-01-2009
Designer: HART FREELAND ROBERTS | 7) Austin Peay State University
(Shasteen Emergency Generator)
Estimated Project Cost: \$320,000.00
SBC Project No. 166/003-04-2009
Designer: KURZYNSKE & ASSOCIATES |
| 4) TWRA – Region 4
(Fish Hatchery Facility – Preplan)
Estimated Project Cost: \$16,850,000.00
SBC Project No. 220/020-05-2009
Designer: SHAW & SHANKS / REEDY &
SYKES, A JOINT VENTURE | 8) Austin Peay State University
(Trahern Building Roof Replacement)
Estimated Project Cost: \$230,000.00
SBC Project No. 166/003-05-2009
Designer: RICHARD C. RINKS ASSOC |

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| <p>9) East Tennessee State University
(Johnson City Downtown Clinic)
Estimated Project Cost: \$6,900,000.00
SBC Project No. 166/005-09-2009
Designer: KEN ROSS ARCHITECTS</p> <p>10) Middle Tennessee State University
(Rutledge Exterior Reconstruction)
Estimated Project Cost: \$230,000.00
SBC Project No. 166/009-04-2009
Designer: HART FREELAND ROBERTS</p> <p>11) University of Memphis
(Jones and Brister Hall HVAC Improvements)
Estimated Project Cost: \$350,000.00
SBC Project No. 166/007-09-2009
Designer: ALLEN & HOSHALL</p> | <p>12) Chattanooga State Community College
(Master Plan Update)
Estimated Project Cost: \$200,000.00
SBC Project No. 166/012-03-2007
Designer: DOBER LIDSKY via RFP process</p> <p>13) TBI Regional Consolidated Facility – Nashville
(Air Compressor Replacement)
Estimated Project Cost: \$270,000.00
SBC Project No. 500/001-02-2009
Designer: SMITH SECKMAN REID</p> |
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There being no further business, the meeting adjourned at 11:00 a.m.

Consent Agenda Items

A.

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: Maury County - 0.054 +/- acres - Middle Tennessee Research & Education Center, Columbia, TN - Trans. No. 09-09-014 (Baugh)

Purpose: Disposal by easement for permanent utility easement for guy wires and anchors for three (3) poles

Estimated Sale Price: Mutual benefits

Grantee: Columbia Power & Water System

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-19-09. Subcommittee approved the transaction as presented.

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 – 0.09 +/- acres – Corner of Cumberland Avenue & Estabrook Road, Knoxville, TN - Trans. No. 09-09-015 (Baugh)

Purpose: Disposal by easement for permanent utility easement for guy wires and anchors for poles on the west & east of Cumberland Avenue & Estabrook Road.

Estimated Sale Price: Mutual benefits

Grantee: Knoxville Utilities Board

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-19-09. 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, 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 – 0.163 +/- acres – 3602 Watauga Avenue, Memphis, TN – Trans. No. 09-07-002 (Maholland)

Purpose: Acquisition in fee for the future campus expansion and is in the University Master Plan.

Source of Funding: G O Bonds

Estimated Cost: \$156,000 per appraisal

Owner(s): Keith R. Jarworski

Comment: This transaction is part of the 103 properties that was approved on 7-23-2007.

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-19-09. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

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: Davidson County – 7119 Centennial Blvd., Nashville, TN – Trans. No. 09-09-908

Purpose: To provided warehouse space for Tennessee State University.

Term: October 1, 2009 thru September 30, 2014 (5 yrs)

Proposed Amount:	<u>13,230 Square Feet</u>		
	Annual Contract Rent incl. Utility & Janitorial cost:	<u>\$42,000.00</u>	<u>\$3.17 / sf</u>
	Total Annual Effective Cost:	\$42,000.00	\$3.17 / sf

Current Amount:	<u>13, 230 Square Feet</u>		
	Annual Contract Rent incl. Utility & Janitorial cost:	<u>\$42,000.00</u>	<u>\$3.17 / sf</u>
	Total Annual Effective Cost:	\$42,000.00	\$3.17 / sf

Type: New lease – Advertised – Received only one proposal

FRF Rate: \$6.50

Lessor: Centennial Blvd. Associates

Comment: The proposed lease has a 90-day cancellation. Warehouse space will be used for storage of surplus equipment, special events materials, daily operational support items, archives and transition space for renovations.

SSC Report: 10-12-09. Bob King summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 10-19-09. Subcommittee approved the transaction as presented.

TENNESSEE FOREIGN LANGUAGE INSTITUTE

LEASE AGREEMENT

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

Location: Davidson County – 227 French Landing Drive, Suite 100 & 190, Nashville, TN – Trans. No. 07-08-915 (Lotspiech)

Purpose: To provide additional classroom & training needs, plus storage & technology infrastructure.

Term: October 1, 2009 thru July 31, 2011 (1 yr & 9 mons)

Proposed Amount: 7,227 Square Feet
Annual Contract Rent incl. Utility & Janitorial cost: \$112,090.77 \$15.51 / sf
Total Annual Effective Cost: \$112,090.77 \$15.51 / sf

Current Amount: 5,427 Square Feet
Annual Contract Rent incl. Utility & Janitorial cost: \$84,188.16 \$15.51 / sf
Total Annual Effective Cost: \$84,188.16 \$15.51 / sf

Type: Amendment #2 – Negotiated

FRF Rate: \$18.00

Lessor: Heritage Place Partners

Comment: All other terms and conditions of the Lease Agreement shall remain unchanged and in full force and effect.

SSC Report: 10-12-09. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-19-09. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCE 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: Scott County – 2.0 +/- acres – Fork Mountain quadrangle 129 near Petros City, TN – Trans. No. 09-09-010 (Jackson)

Purpose: Disposal by easement to provide easement for gas wells, pipelines and access as needed on Sunquist WMA.

Estimated Sale Price: \$500

Grantee: Knox Energy

Comment: Gas well AH 1004

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-19-09. Subcommittee approved the transaction as presented.

DEPARTMENT OF AGRICULTURE

LAND ITEM

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

Description: Hamilton County – 2.07 +/- acres – State Highway 153, Hixson, TN – Trans. No. 09-09-018 (Baugh)

Purpose: Disposal in fee of property and improvements

Original Cost to State: \$3,000

Date of Original Conveyance: July 3, 1961

Grantor Unto State: Leonard & Syble Hamil

Estimated Sale Price: \$1,000,000

Grantee: TBD

Comment: Proceeds of sale of this property toward the acquisition and construction of a new facility in the Cumberland County area.

SSC Report: 10-12-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 10-19-09. Subcommittee approved the transaction as presented.

Approved by: _____

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