

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
October 31, 2019

The State Building Commission Executive Subcommittee met this day at 1:30 p.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner McWhorter called the meeting to order at 1:30 p.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Stuart McWhorter, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer

MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- University of Tennessee
- University of Memphis
- Department of General Services
- State Building Commission

PRESENTER

Interim Executive Director Michelle Crowder
Chief University Planning Officer Tony Poteet
Deputy Commissioner John Hull
State Architect Ann McGauran

CONSENT AGENDA

Approved the following items which have been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: **University of Tennessee – Health Science Center**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Lease (Land)
Provision(s): Waiver of advertisement and appraisals

- C. Agency: **Department of Transportation**
Transaction: Disposal – Lease (Land)
Provision(s): Waiver of advertisement and appraisals

- D. Agency: **Department of Economic & Community Development**
Transaction: Disposal – Lease (Crop)
Provision(s): Waiver of appraisal(s)

UNIVERSITY OF TENNESSEE

Disposal – Fee

Requested Action: Approval of disposal in fee below appraised value

Transaction Description: Transaction No. 19-04-017
• **Location:** University of Tennessee-Knoxville
Knox County – 24 +/- acres – 4848 Lyons View Pike, Knoxville, TN
• **Grantee** Aslan Foundation
• **Estimated Sale Price:** \$4,025,000.00

Comment: In accordance with ESC approval in August 2019, sealed bids were requested with the requirement that a preservation easement be placed on the existing house. Five bids were received, with one withdrawn before the opening and one rejected as non-responsive. The University seeks approval to accept the highest offer as it will result in preservation of the house, meet the requirements of the court order, retain the natural beauty of the property as requested by the donor, and provide a significant financial return to fund an endowment that will serve as a memorial to Dr. David Hitt Williams, the father of the Eugenia Williams who donated the house.

Date of Last Transfer: 02/26/1998
Previous Owner: Eugenia F. Williams
Original Cost to State: \$0
Square Footage Improvements: 8,000 +/- sf house; 1,250 +/- sf barn

Previous Action: 08/22/2019 The Subcommittee approved disposal in fee with waiver of one appraisal, subject to the requirement that bids be received from buyers who were willing to put a preservation easement on the house.

Minutes: 10/31/2019 Approved disposal in fee below appraised value

UNIVERSITY OF MEMPHIS

Disposal – Fee

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

Transaction Description: Transaction No. 18-11-005
• **Location:** University of Memphis Lambuth
Madison County - 4.486 acres +/- 575 Lambuth Blvd., Jackson, TN
• **Grantee:** Community Redevelopment Agency of Jackson, Inc.
• **Estimated Sale Price:** \$10.00

Comment: The University has vacant land and desires to convey the property to Community Redevelopment Agency of Jackson, Inc. for construction of a new Madison Academic Magnet High School. The deed will contain a reversionary clause in the event that the property is not used for a public school or the school is not constructed within four years. The Community Redevelopment Agency will demolish Oxley Commons which includes four vacant existing rental structures on the property. Oxley Commons is **less than 50 years old** and does not require THC review.

Date of Last Transfer: 2011
Previous Owner: Lambuth University
Original Cost to State: 0
Square Footage Improvements: 18,080

Minutes: 10/31/2019 Tony Poteet stated that the high school is expected to graduate 600 students starting in Fall of 2021.

The Subcommittee approved disposal in fee with waiver of advertisement and appraisals.

UNIVERSITY OF MEMPHIS

Acquisition – Fee (Gift)

Requested Action: Approval of acquisition in fee with waiver of advertisement and appraisals

Transaction Description: Transaction No. 19-01-005
• **Location:** University of Memphis Lambuth
Madison County – (total acreage) 1.22 +/-acres (5 tracts)
Address 1 – 805 W. King Street, Jackson, TN
Address 2 – 905 W. King Street, Jackson, TN
Address 3 – 536 Burkett Street, Jackson, TN
Address 4 – 509 Burkett Street, Jackson, TN
Address 5 – 603 Burkett Street, Jackson, TN
• **Owner(s):** Jackson Community Redevelopment Agency (CRA)
• **Estimated Purchase Price:** Gift
• **Source of Funding:** Plant Funds (Non-Auxiliary) (REM fees) (A)

Comment: This property will be gifted to the University in connection with the conveyance of property to CRA for use as a new high school. The land is valuable for additional surface parking as enrollment at the Lambuth campus increases. The condition of 805 W. King St. has been assessed and is in a condition for rental. The University intends to demolish property located at 536 Burkett. The THC has determined that this project will not adversely affect this State-owned resource and no further action is necessary.

Address 1 – 805 W. King St. (total of 2 parcels)
Date of Last Transfer: 2010
Purchase Price: \$0
Property Assessor's Value: \$58,100
Square Footage Improvements: 1,190

Address 2 – 905 W. King St.	Address 3 – 536 Burkett St.	Demolish
Date of Last Transfer: 2010	Date of Last Transfer: 2010	
Purchase Price: \$0	Purchase Price: \$0	
Property Assessor's Value: \$5,900	Property Assessor's Value: \$47,700	
Square Footage Improvements: 0	Square Footage Improvements: 1,172	

Address 4 – 509 Burkett St.	Address 5 – 603 Burkett St.	
Date of Last Transfer: 2010	Date of Last Transfer: 2010	
Purchase Price: \$0	Purchase Price: \$0	
Property Assessor's Value: \$5,000	Property Assessor's Value: \$5,300	
Square Footage Improvements: 0	Square Footage Improvements: 0	

Minutes: 10/31/2019 Approved acquisition in fee with waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 06-03-907

● **Proposed Amendment**

○ **Term:** 13 years (January 1, 2010 – December 31, 2022)

○ **Area / Costs:** 16,000 Square Feet

Annual Contract Rent:	\$288,000.00	\$18.00/sf
Estimated Annual Utility Cost:	28,000.00	1.75/sf
Estimated Annual Janitorial Cost:	17,600.00	1.10/sf
Total Annual Effective Cost:	\$333,600.00	\$20.85/sf

● **Current Lease**

○ **Location:** Shelby County –8383 Wolf Lake Drive, Bartlett, TN

○ **Landlord:** Pedigo-Bartlett Properties, LP.

○ **Term:** 10 years (January 1, 2010 – December 31, 2019)

○ **Area / Costs:** 16,000 Square Feet

○ Current: Annual Contract Rent:	\$288,000.00	\$18.00/sf
Estimated Annual Utility Cost:	22,400.00	1.40/sf
Estimated Annual Janitorial Cost:	17,600.00	1.10/sf
Total Annual Effective Cost:	\$328,000.00	\$20.50/sf

● **Source of Funding:** FRF Operating Funds

● **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Environment & Conservation field office.

This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

Based on a review of the financial aspects, occupancy requirements and market indicators, this lease is deemed to be in the State's best interest at this time.

Previous Report: 05/21/2007 ESC Approved lease agreement

Minutes: 10/31/2019 Approved a lease amendment with waiver of advertisement

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on September 23, 2019.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following capital improvement with total project cost of less than \$100,000 in accordance with Item 2.04(A)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Technological University
Location: Cookeville, Tennessee
Project Title: Shipley Farm Hay Barns
Project Description: Construct two pole barns (3,840 sq. ft. each) for hay storage at Shipley Farm.
SBC Project No. 364/021-04-2019
Total Project Budget: \$70,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Consultant for design and Campus Procurement for construction
Approval Date: 10/21/2019

- Reported the following six capital projects with total project cost of \$100,000 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Dining Services Improvements (17/18)
Project Description: This project will upgrade furnishings, finishes and equipment in campus dining facilities. These improvements will be funded and accomplished by the food service vendor. This is part of ongoing rebranding and refurbishment of dining facilities across Campus. Renovations may occur in multiple buildings including Volunteer Hall, Greve Hall, Hess Hall, Haslam Business Building, Art and Architecture, Hodges Library, Humanities, and McCord Hall.
SBC Project No. 540/009-11-2017
Total Project Budget: \$0.00
Source of Funding: Gift-In-Place (Dining Vendor) (O)
Approval: Approved cancellation of project
Approval Date: 10/07/2019

- 2) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Athletics Master Plan
Project Description: This project will provide a Master Plan for the Athletics department of the University of Tennessee Knoxville.
SBC Project No. 540/009-25-2019
Total Project Budget: \$200,000.00
Source of Funding: Plant Funds (Aux-Athletics) (A)
Approval: Approved project utilizing Programming Consultant pool (Athletics)
Approval Date: 10/02/2019
- 3) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Melrose Hall Addition & Renovation – Programming
Project Description: This project will provide programming for the Melrose Hall site.
SBC Project No. 540/009-26-2019
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a previously selected consultant for programming services
Approval Date: 10/04/2019
- 4) **State Procurement Agency:** University of Tennessee – Martin
Location: Martin, Tennessee
Project Title: Emergency – Visitor Bleacher Partial Demolition
Project Description: This project will remove the unstable precast panel bleachers from the visitor bleachers.
SBC Project No. 540/011-05-2019
Total Project Budget: \$283,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a previously selected designer and System Procurement for construction
Approval Date: 10/08/2019
- 5) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Brown Hall Corridor Renovation
Project Description: Repair the ceilings and lighting in the Brown Hall corridors. Also, paint the walls, doors, and frames as needed.
SBC Project No. 369/005-08-2019
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 09/30/2019

- 6) **State Procurement Agency:** STREAM / Department of General Services
Location: Nashville, Tennessee
Project Title: Polk Theatre Carpet Replacement
Project Description: Replacement of carpet in the Polk Theatre and green rooms.
SBC Project No. 529/075-01-2016
Total Project Budget: \$0.00
Source of Funding: Gift-In-Place (O)
Approval: Approved cancellation of project
Approval Date: 10/07/2019

Approvals of Acquisitions and Disposals of State Property

- Reported the following acquisition of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Middle Tennessee State University
Transaction Description: Transaction No. 19-07-003
Location: 1717 East Main Street
 Rutherford County – 1.2 +/- acres – 1717 East Main Street, Murfreesboro, TN
Owner(s): Middle Tennessee State University Foundation (MTSU)
Estimated Purchase Price: Fair Market Value
Source of Funding: Plant Funds (Aux-Housing) (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 10/02/2019

Designer Selections

- Reported the following two designer selections for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Technological University
Location: Cookeville, Tennessee
Project Title: Dixie Avenue Steam Line Replacement
SBC Project No. 364/011-05-2019
Total Project Budget: \$305,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: I.C. Thomasson Associates, Inc.
Approval Date: 10/01/2019
 - 2) **State Procurement Agency:** Tennessee Technological University
Location: Cookeville, Tennessee
Project Title: Ag. Engineering Technology Facility
SBC Project No. 364/021-01-2019
Total Project Budget: \$235,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: Upland Design Group, Inc.
Approval Date: 09/30/2019

- Reported a designer name change from “Red Chair Architects, Inc.” to “A2H, Inc. dba Red Chair Architects” on the following projects:
 - Dept of Education, TN School for the Deaf Swimming Pool Upgrades, SBC 168/007-02-2017
 - Dept of Education, TN School for the Deaf Interior Doors-Elementary & Middle Schools, SBC 168/007-03-2017
 - Dept of General Services, Various Facilities Healthcare Consultant, SBC 529/000-02-2019-11
- The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.

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| <p>1) University of Tennessee – Knoxville
(Art & Architecture Improvements)
Total Project Budget: \$1,000,000
SBC Project No. 540/009-21-2019
Designer: BREWER INGRAM & FULLER ARCH</p> | <p>7) University of Tennessee – Martin
(Professional Consulting Services – Structural)
Total Project Budget: Not Applicable
SBC Project No. 540/011-06-2015
Designer: TLM & ASSOCIATES INC</p> |
| <p>2) University of Tennessee – Knoxville
(Haslam Business Improvements)
Total Project Budget: \$1,000,000
SBC Project No. 540/009-22-2019
Designer: BREWER INGRAM & FULLER ARCH</p> | <p>8) Tennessee State University
(ADA Compliance)
Total Project Budget: \$190,000
SBC Project No. 166/001-01-2019
Designer: CLEVELAND SALMON ARCHITECT</p> |
| <p>3) University of Tennessee – Knoxville
(Public Safety Building Renovation)
Total Project Budget: \$5,300,000
SBC Project No. 540/009-23-2019
Designer: SMEE BUSBY ARCHITECTS, PC</p> | <p>9) Tennessee State University
(Harned Hall HVAC Upgrades)
Total Project Budget: \$800,000
SBC Project No. 166/001-06-2019
Designer: EDMONDS ENGINEERING INC</p> |
| <p>4) University of Tennessee – Knoxville
(Stokely Mgt Center Improvements)
Total Project Budget: \$1,000,000
SBC Project No. 540/009-24-2019
Designer: STUDIO FOUR DESIGN INC</p> | <p>10) Tennessee State University
(McMinnville Agricultural Center Multiple Buildings Repairs)
Total Project Budget: \$550,000
SBC Project No. 166/001-07-2019
Designer: HEFFERLIN + KRONENBERG ARCH</p> |
| <p>5) University of Tennessee – Martin
(Browning Hall Roof Replacement)
Total Project Budget: \$628,000
SBC Project No. 540/011-04-2019
Designer: ROSS WITT PLLC</p> | <p>11) Region 1 – West
(Buffalo Ridge Hunter Education Facility)
Total Project Budget: \$5,570,000
SBC Project No. 220/017-01-2019
Designer: KLINE SWINNEY ASSOCIATES</p> |
| <p>6) University of Tennessee – Martin
(Professional Consulting Services - Civil)
Total Project Budget: Not Applicable
SBC Project No. 540/011-06-2015
Designer: PICKERING FIRM INC</p> | <p>12) Foster Avenue
(Women’s Residential Recovery Court Renovations)
Total Project Budget: \$1,200,000
SBC Project No. 529/021-01-2019
Designer: M SHANKS ARCHITECTS</p> |

- 13) **Various Facilities**
(TN Veterans Homes, Statewide Renovations)
Total Project Budget: \$4,491,428
SBC Project No. 680/000-01-2019
Designer: HENDERSON ENGINEERS INC

Additional Report Item

- **Lease Assignment**
The previously approved lease between the State of Tennessee for the Department of Children's Services and TrueCore Behavioral Solutions, LLC (TrueCore) covering the Gateway to Independence (GTI) youth development location in Davidson County has been assigned to Wayne Halfway House, Inc. (Wayne). Wayne is a previously approved vendor for the services DCS requires at GTI. This lease assignment was effective October 1, 2019. The lease expiration remains June 30, 2022, or the termination of the DCS contract with Wayne. All other terms of the lease remain unchanged.

Other Business

There being no further business, the meeting adjourned at 1:38 p.m.

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UNIVERSITY OF TENNESSEEAcquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 19-04-004
 • **Location:** University of Tennessee - Health Science Center
 Shelby County – 0.52 +/- acres – 694-704 Madison Avenue, Memphis, TN
 • **Owner(s):** F-IV Management
 • **Estimated Purchase Price:** Fair Market Value
 • **Source of Funding:** Plant Funds (Non-Auxiliary)(A)

Comment: This property is adjacent to campus property recently leased to a developer for the construction of multi-family housing. The property will be used for storage and parking in the near term. There are two short term tenants in the building and the leases will be assigned to the University.

This property is in the University of Tennessee-Health Science Center 2015 Master Plan.

Date of Last Transfer:	October 27, 2015
Purchase Price:	\$800,000
Property Assessor's Value:	\$762,900
Square Footage Improvements:	11,625

Minutes: 10/31/2019 Approved acquisition in fee with waiver of advertisement and one appraisal

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Lease (Land)

Requested Action: Approval of a lease with waiver of advertisement and appraisals

Transaction Description: Transaction No. 19-03-003

• **Proposed Lease**

- **Location:** North Cumberland Wildlife Management Area (NCWMA)
Claiborne & Campbell Counties – 46,000± acres, Tackett Creek, TN
- **Landlord:** CF Ataya LLC (CF), an affiliate of The Nature Conservancy (TNC)
- **Term:** 5 years with one 5-year renewal option
- **Area / Costs:** 46,000± acres / \$95,000.00 per year

• **Current Lease**

- **Location:** North Cumberland Wildlife Management Area (NCWMA)
Claiborne & Campbell Counties – 46,000± acres, Tackett Creek, TN
- **Landlord:** Corrigan TLP, LLC
- **Term:** 5 years (September 1, 2014 to August 31, 2019)
- **Area / Costs:** 46,000± acres / \$86,058.00 per year
- **Source of Funding:** Federal Grant (Wildlife Restoration Fund) (F)
- **Procurement Method:** Negotiated

Comment: This request amends a prior ESC approval of a new lease of this property to be used for elk management and outdoor recreation activities as part of the NCWMA.

The annual rent has increased to \$95,000/year. The rent increases with the renewal option, if exercised, by 10% for years 6-10.

The required 25% match for the Federal Funds will be met through the discounted lease rate. All other terms of the previously approved lease remain unchanged.

Previous Actions:

06/23/2014	ESC	Approved entering into a land lease agreement with waiver of advertisement and appraisals.
06/24/2019	ESC	Approved an acquisition by lease with waiver of advertisement and appraisals

Minutes: 10/31/2019 Approved a lease with waiver of advertisement and appraisals

DEPARTMENT OF TRANSPORTATION

Disposal – Lease (Land)

Requested Action: Approval of disposal by lease with waiver of advertisement and appraisals

Transaction Description: Transaction No. 19-06-016

- **Location:** Lincoln County – 6 Eldad Rd, Fayetteville, TN
- **Tenant:** Marine Corps League (MCL)
- **Term:** 15 years
- **Area / Costs:** 0.166± acres – \$1 / year

Comment: TDOT requests approval to enter into new 15-year lease. TDOT has leased the property to MCL since October 2000. MCL uses the property to display a monument to those who have lost their lives while serving in the Marine Corps.

MCL provides all maintenance and upkeep of the property.

Either party may terminate this lease for convenience at any time by providing written 60 day notice.

Date of Last Transfer: January 7, 1972
 Original Cost to State: \$24,435.00 (larger tract)
 Square Footage Improvements: N/A

Minutes: 10/31/2019 Approved disposal by lease with waiver of advertisement and appraisals

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENTDisposal – Lease (Crop)

Requested Action: Approval of disposal by lease with waiver of appraisal(s)

Transaction Description: Transaction No. 19-09-003

- **Proposed Lease:**

- **Location:** Haywood County – 3,380+/- acres – Brownsville, TN
- **Tenant:** Engleland Ag, LLC
- **Term:** (1 year) January 1, 2020 to December 31, 2020 with four, 1- year renewal options.
- **Area / Costs:** \$726,869 / year

- **Current Lease:**

- **Location:** Haywood County – 3,380+/- acres – Brownsville, TN
- **Tenant:** Willie Glass dba Glass Farms
- **Term:** (1 year) January 1, 2016 to December 31, 2016 with four, 1-year renewal options.
- **Area / Costs:** \$764,776 / year

Comment: The property will be used for the limited purpose of growing and harvesting crops. The lease can be terminated by the State if necessary for development of the Memphis Regional Megasite.

The lease with the prior tenant has been terminated. The lease procurement was conducted in accordance with the SBC approved form of crop lease request for proposal and the lease is on the approved template form. Six proposals from six proposers were received. Engleland Ag, LLC was the highest rental amount.

Minutes: 10/31/2019 Approved disposal by lease with waiver of appraisal(s)

Approved:



Tre Hargett
Secretary, State Building Commission Executive Subcommittee
Secretary of State