

**MINUTES**  
**STATE BUILDING COMMISSION**  
Executive Subcommittee  
May 19, 2014

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The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Commissioner Larry Martin called the meeting to order at 10:35 a.m. and requested action on the following matters as presented by State Architect Peter Heimbach.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Larry Martin, Commissioner, Department of Finance and Administration  
Tre Hargett, Secretary of State  
David Lillard, State Treasurer

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

OTHERS PRESENT

Peter Heimbach, State Architect  
Georgia Martin, Office of the State Architect  
Ann McGauran, Department of General Services  
Terry Mason, Comptroller's Office  
Jonathan Rummel, Secretary of State's Office  
Bruce Davis, Legislative Budget Office  
Joy Harris, Treasurer's Office  
Genie Whitesell, Attorney General's Office  
Robbi Stivers, University of Tennessee  
Chloe Shafer, Office of the State Architect  
John Webb, Department of Finance and  
Administration  
Steve Berry, Department of General Services

Kimberly Lamb, Department of General Services  
Lauren Ridenour, Department of Finance and  
Administration  
Colonel Brad Bishop, Military Department  
Ralph Brown, Military Department  
Dick Tracy, Tennessee Board of Regents  
Phillip McEwen, Department of Children's Services  
Blake Fontenay, Constitutional Officers  
Denise Miller, Department of General Services  
Bill Phillips, Winthrow Phillips Group  
Crystall Collins, THEC  
Mary Johnson, Michael Brady, Inc.  
Chuck Welch, Michael Brady, Inc.

## CONSENT AGENDA

Approved the following real property transactions which had been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: Tennessee Board of Regents – Rutherford County  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
  
- B. Agency: Tennessee Wildlife Resources Agency – Lawrence County  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and appraisals
  
- C. Agency: Department of Environment and Conservation – Wilson County  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
  
- D. Agency: Department of Environment and Conservation – Hamilton County  
Transaction: Acquisition in fee  
Provision: Utilize third party with waiver of advertisement and appraisals
  
- E. Agency: Department of Environment and Conservation – Maury County  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
  
- F. Agency: Department of Environment and Conservation – Sumner County  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
  
- G. Agency: Department of Environment and Conservation – Putnam County  
Transaction: Acquisition in fee  
Provision: Utilize third party with waiver of advertisement and one appraisal

## TENNESSEE BOARD OF REGENTS

### Lease Agreement

**Requested Action:** Approval of Lease Amendment No. 1 with waiver of advertisement

**Location:** Sullivan County – 620 State Street, Bristol, TN – Trans. No. 12-10-918 (Baltz)

**Purpose:** To provide a teaching site for Northeast State Community College (NeSCC) for Associate of Arts and Associate of Sciences.

**Original Term:** March 1, 2013 thru February 28, 2018  
**Revised Term:** March 1, 2013 thru February 28, 2018 with five one-year renewal options

**Proposed Amount:**

<u>21,416 Square Feet</u>		
Annual Contract Rent	\$275,838.08	@\$12.88 / sf
Est. Annual Utility Cost	\$ 37,478.00	@ 1.75 / sf
Est. Annual Utility Cost	<u>\$ 23,557.60</u>	<u>@ 1.10 / sf</u>
	\$336,873.68	@\$15.73 / sf

**Current Amount:**

<u>15,979 Square Feet</u>		
Annual Contract Rent	\$205,809.52	@\$12.88 / sf
Est. Annual Utility Cost	\$ 27,963.25	@ 1.75 / sf
Est. Annual Janitorial Cost	<u>\$ 17,576.90</u>	<u>@ 1.10 / sf</u>
Total Annual Effective Cost	\$251,349.67	@\$15.73 / sf

**Type:** Lease Amendment No. 1

**Source of Funding:** Campus Plant Funds (A)

**FRF Rate:** \$18.00 (for reference)

**Lessor:** City Central, LLC

**Comment:** An RFP for lease space in Bristol was advertised in May 2012 for a 5 year term with 5 one year extension options. The extension option language was mistakenly omitted from the executed lease and the parties desire to add it. The Entertainment Technology Certificate Program housed at the leased premises has gained momentum and needs an additional 5,437 square feet for lab space. When the lease was signed in 2013 it was unknown that this additional space was needed because the program had not been approved. Lessor will build-out specialized space for NeSCC at no additional cost which is a cost savings to the College and the State.

**Previous Action:** 11/19/2012 ESC Approved lease agreement.

**Minutes:** 05/19/2014 ESC Approved lease Amendment No. 1 with waiver of advertisement.

DEPARTMENT OF MILITARY

Land Transaction

**Requested Action:** Approval to dispose of property at negotiated Fair Market Value below appraised value

**Description:** Hawkins County – 14.5+/- acres – 4401 W. Stone Drive, Hwy 11 West, Kingsport, TN – 11-02-001 (Baugh)

**Purpose:** Disposal in fee to sell property to the Industrial Development Board of Kingsport.

**Estimated Price:** \$600,000.00

**Source of Funding:** Industrial Development Board of Kingsport

**Comment:** The property was advertised twice and no acceptable bids were received. Military has a new facility and has received a bid for the purchase of the old National Guard Armory. The proceeds from the sale will be provided to the Department of Military pursuant to Public Chapter No. 0453, Section 2, Item 9. The property was appraised at \$1.3M on April 18, 2001.

Date of last transfer: November 29, 1961  
Original Cost to the State: \$14,000/land  
Previous Owner: U.S. General Services Administration  
Property Assessor's Value: N/A  
Improvements Square Footage: 65,490

**Previous Action:** 02/22/2011 ESC Subcommittee approved the transaction as presented

**Minutes:** 05/19/2014 ESC Approved disposal of property at negotiated Fair Market Value below appraised value.

DEPARTMENT OF GENERAL SERVICES

**Land Transaction**

**Requested Action:** Approval of disposal in fee with waiver of advertisement

**Location:** Shelby County – 1.67 acres – 170 Main Street North, Memphis, TN – Trans. No. 14-04-004 (S. Berry)

**Purpose:** Disposal in fee to sell the Donnelly J. Hill State Office Building to the City of Memphis

**Sale Price:** \$2,200,000 (Fair Market Value)

**Comment:** The 170,000 square foot Donnelly J. Hill Building was identified for decommissioning in 2013. The occupants are scheduled to move to One Commerce Center beginning June, 2014 and will occupy 106,000 rentable square feet for fifteen (15) years. The State will convey the building with a value of \$2,200,000, to the City for use of 400 parking spaces located at 280 Peabody Place Garage for fifteen (15) years. Should the garage not be available, due to certain development within a three block radius, the City of Memphis and the Parking Authority will commit to providing adequate parking for 400 spaces within a defined radius acceptable to the State.

This building is less than 50 years old and does not require Tennessee Historical Commission review.

The following agencies will occupy the new facility:

- Alcoholic Beverage Commission
- Department of Human Services
- Department of Children Services
- Department of Correction
- Department of Labor & Workforce
- Tennessee Occupational Safety & Health Administration
- Attorney General
- Department of Human Resources
- Office of Information Resources

Date of last transfer: Unavailable  
Original Cost to the State: Unavailable  
Previous Owner: N/A  
Property Assessor's Value: Unavailable  
Improvements Square Footage: 194,900

**Minutes:** 05/19/2014 ESC At the Agency's request, the item was deferred.

## DEPARTMENT OF GENERAL SERVICES

### Lease Agreement

**Requested Action:** Approval of lease agreement with waiver of advertisement

**Location:** Shelby County – 250 Peabody Place, Memphis, TN – Trans. No. 14-05-901 (S. Berry)

**Purpose:** Parking spaces (400)

**Term:** June 1, 2014 thru May 31, 2029 (15 years)

**Proposed Amount:** First year cost is \$192,000 (\$40 per space for 400 parking spaces)  
Average Annual cost is \$221,356  
Total Cost is \$3,320,336 and total NVP is \$2,517,297

**Current Amount:** None

**Type:** Negotiated Lease

**Source of Funding:** FRF Operating Funds

**Lessor:** Parking Authority of the City of Memphis, Shelby County

**Comment:** The 170,000 square foot Donnelly J. Hill Building was identified for decommissioning in 2013. The occupants (ABC, DHS, DCS, TDOC, DOL, TOSHA, AG, DOHR, OIR) are scheduled to move to One Commerce Center beginning June, 2014 and will occupy 106,000 rentable square feet for fifteen years. The State will convey the building with a value of \$2,200,000, to the City for use of 400 parking spaces for fifteen years at 250 Peabody Place Garage. Should the garage not be available, due to certain development within a three block radius, the City of Memphis and the Parking Authority will commit to providing adequate parking for 400 spaces within a defined radius acceptable to the State.

Should the conveyance not occur or be delayed, the City of Memphis and the Parking Authority agree to lease 400 parking spaces at 250 Peabody Place to the State at a cost of \$40 per space per month for fifteen years escalated annually.

**Minutes:** 05/19/2014 ESC At the Agency's request, the item was deferred.

## DEPARTMENT OF GENERAL SERVICES

### Report Item:

*Pursuant to State Building Commission Policy and Procedures, Item 8.01 (J) Report Item as approved on September 19, 2011.*

For all acquisition and disposals of interest in real property, closed in the previous quarter, that have been previously approved by the Executive Subcommittee, the following information shall be reported back to the Executive Sub Committee by STREAM on a quarterly basis (January 1, 2014 – March 1 2014)

1. Resulting appraisal value(s)
2. Final purchase or sales price
3. Amount(s) and source of funding used or received
4. 3<sup>rd</sup> Party Costs

**Minutes:** 05/19/2014 The Subcommittee acknowledged receipt of the report.

## STATE BUILDING COMMISSION

### Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 21, 2014.

### Designer Selections

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.

- 1) **Austin Peay State University**  
(Baseball Field Lighting Replacement)  
Total Project Budget: \$380,000  
SBC Project No. 166/003-02-2014  
Designer: **OLIVER-LITTLE-GIPSON ENGR**
  
- 2) **Austin Peay State University**  
(Strawberry Alley Renovation)  
Total Project Budget: \$420,000  
SBC Project No. 166/003-03-2014  
Designer: **GOODWYN MILLS & CAWOOD**
  
- 3) **East Tennessee State University**  
(DP Culp Center / Stone Hall Renovation)  
Total Project Budget: \$15,000,000  
Current Project Funding: \$ 725,800  
SBC Project No. 166/005-01-2014  
Designer: **RED CHAIR ARCHITECTS**
  
- 4) **Motlow State Community College**  
(Eoff Hall Powers Auditorium Renovations)  
Total Project Budget: \$650,000  
SBC Project No. 166/021-03-2014  
Designer: **HEFFERLIN + KRONENBERG**
  
- 5) **William R. Snodgrass Tennessee Tower**  
(HVAC Upgrades)  
Total Project Budget: \$3,500,000  
SBC Project No. 529/079-03-2014  
Designer: **SMITH SECKMAN REID**

### Other Business

There being no further business, the meeting adjourned at 10:39 a.m.



TENNESSEE BOARD OF REGENTSLand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire, not to exceed appraised value with waiver of advertisement and one appraisal

**Description:** Rutherford County – 0.15+/- acres – 1109 E. Bell Street, Murfreesboro, TN – Transaction No. 14-04-015 (Maholland)

**Purpose:** Acquisition in Fee to acquire property and improvements consisting of 1,334 sq. ft. house. This property is in Middle Tennessee State University's 2008 master plan, and the house will be rented until needed for future campus expansion.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** Plant (Auxiliary-Rental) (A)

**Owner(s):** Middle Tennessee Christian Foundation

**Comment:** Date of last Transfer: August 27, 1970  
Purchase Price: Unknown  
Property Assessor's Value: \$35,700  
Improvements Square Foot: 1,334

**Minutes:** 05/19/2014 ESC Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire, not to exceed appraised value with waiver of advertisement and one appraisal.

TENNESSEE WILDLIFE RESOURCES AGENCY

Land Transaction

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

**Description:** Lawrence County – .65+/-acres – Napier Rd., Lawrenceburg, TN – Trans. No. 14-04-001 (Baugh)

**Purpose:** Disposal by easement to allow the grantee access to their property from Napier Rd. and across the existing drive through Laurel Hill Wild Life Management Area.

**Estimated Price:** N/A

**Source of Funding:** Tracy & Tammy Burleson (REM fees)

**Grantee:** Tracy & Tammy Burleson

**Comment:** The Burlesons have owned their property since 1992. Their parcel is landlocked and their only access is by a drive referred to as Garland Family Cemetery Rd, which is not a county road.

**Minutes:** 05/19/2014 ESC Approved disposal by easement with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal

**Description:** Wilson County – 18.89+/-acres – Poplar Hill Rd., Lebanon, TN – 14-04-010 (Maxwell)

**Purpose:** Acquisition in fee for the purchase of property adjacent to the Sellars Farm archaeological area.

**Estimated Price:** Fair Market Value

**Source of Funding:** 13/14 State Lands Acquisition Fund (A)

**Owner(s):** Hazel Daniels

**Comment:** Purchase of the property will preserve land of possible archaeological importance for future generations. In addition, the Sellars Farm site currently has no visitor services. If not found to be of archaeological significance, the Daniels property, which shares a boundary with the farm and has road frontage, will serve as an outstanding area for future development of a visitor service. No additional management or operating costs are anticipated due to this acquisition.

Date of last transfer: August 16, 2004  
Purchase Price: \$109,562  
Property Assessor's Value: \$132,200  
Improvements Square Footage: None

**Minutes:** 05/19/2014 ESC Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to accept as gift and to utilize a third party for the transaction with waiver of advertisement and appraisals

**Description:** Hamilton County – 30.7+/-acres – multiple tracts – Chattanooga, TN – Trans. No. 14-04-11 (Maxwell)

**Purpose:** Acquisition in fee for land, to preserve a part of the battlefield site currently owned by the Tennessee Valley Railroad Museum (TVRM).

**Estimated Price:** Gift

**Source of Funding:** 13/14 State Lands Acquisition Fund (REM fees) (A)  
13/14 TN Historic Commission (A)

**Owner(s):** Tennessee Valley Railroad Museum

**Comment:** This property is part of the Missionary Ridge Battlefield, one of the Battle for Chattanooga battlefields.

The Trust for Public Land (TPL) is the third party. TPL will purchase the TVRM tracts and donate to the State. No third party costs are anticipated with this transaction. The City of Chattanooga will be responsible for the operations of the property.

<u>Date of Last Transfer</u>	<u>Purchase Price</u>	<u>Assessor's Value</u>	<u>Acres</u>
Jan. 17, 2014	N/A	\$2,900	.233
Dec. 23, 2013	\$30,500	\$3,000	N/A
Oct. 3, 1996	N/A	\$4,700	N/A
Oct. 3, 1996	N/A	\$1,500	.253
Dec. 23, 2013	\$30,500	\$10,000	1.68
Oct. 3, 1996	N/A	\$7,000	1.44
Jan. 1, 1970	N/A	\$1,600	N/A
Jan. 1, 1970	N/A	\$ 400	N/A
Jan. 1, 1970	N/A	\$ 900	N/A
Dec. 31, 2012	\$10,000	\$2,300	1.766
June 23, 2011	\$11,211	\$1,750	.46

Continued...

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Land Transaction – Hamilton County 30.7+/-acres

<u>Date of Last Transfer</u>	<u>Purchase Price</u>	<u>Assessor's Value</u>	<u>Acres</u>
Dec. 18, 2008	\$ 0.00	\$41,800	13.05
June 26, 2013	\$11,216	\$ 100	.08
June 1, 1973	\$ 0.00	\$ 2,150	.46
Dec. 31, 2012	\$ 0.00	\$ 725	.15
June 25, 2003	\$11,187	\$ 0.00	1.92
June 23, 2011	\$11,211	\$ 375	.17
June 26, 2013	\$11,216	\$ 750	.34
June 23, 2011	\$11,211	\$ 375	.17
June 23, 2011	\$11,211	\$ 1,250	.264
June 23, 2011	\$11,211	\$ 1,250	.143
June 23, 2011	\$11,211	\$ 1,250	.425
June 23, 2011	\$11,211	\$ 375	.26
April 20, 1988	\$ 0.00	\$ 225	.139
Sept. 29, 1981	\$ 0.00	\$ 700	.29
June 24, 2004	\$ 0.00	\$ 225	.146
June 06, 2001	\$ 0.00	\$ 225	.14
Sept. 29, 1981	\$ 0.00	\$ 1,025	.45
July 01, 1992	\$ 0.00	\$ 225	.15
Sept. 29, 1981	\$ 0.00	\$ 750	.34
Dec. 07, 1988	\$ 0.00	\$ 250	.17
Sept. 29, 1981	\$ 0.00	\$ 750	.34
July 24, 2001	\$ 0.00	\$ 250	.17
Dec. 07, 1988	\$ 0.00	\$ 375	.17
Dec. 07, 1988	\$ 0.00	\$ 375	.15
Dec. 07, 1988	\$ 0.00	\$ 200	.12
Dec. 18, 2008	\$ 0.00	\$ 5,400	3.09
Dec. 18, 2008	\$ 0.00	\$ 2,120	.96

Minutes: 05/19/2014 ESC Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to accept as gift and to utilize a third party for the transaction with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal

**Description:** Maury County – 0.98+/-acres – 806 South High St., Columbia, TN – Trans. No. 14-04-012 (Maxwell)

**Purpose:** Acquisition in fee for the purchase of property adjacent to James K. Polk Home Historic Site (JKPH) which will provide a remedy for the drainage problems.

**Estimated Price:** Fair Market Value

**Source of Funding:** 13/14 TN Historical Commission Funds (A)

**Owner(s):** Denmark Company

**Comment:** The purchase of this property will eliminate drainage issues the JKPH has been experiencing with their kitchen. Once the site is purchased, an additional request will be made to demolish the 50+ year old building and integrated into the State site. No additional management or operating costs, beyond the demolition and site development, are anticipated due to this acquisition.

Date of last transfer: January 11, 2013  
Purchase Price: \$100,000  
Property Assessor's Value: \$102,000  
Improvements Square Footage: 4,953

**Minutes:** 05/19/2014 ESC Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

**Land Transaction**

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal

**Description:** Sumner County – 25.36+/-acres – Hartsville Pike, Castalian Springs, TN – Trans. No. – 14-04-013 (Maxwell)

**Purpose:** Acquisition in fee to purchase property in conformance with the agency's identified preservation, management and interpretive plan to unify historic sites in Castalian Springs.

**Estimated Price:** Fair Market Value

**Source of Funding:** 13/14 State Lands Acquisition Fund (A)  
Gift (O)

**Owner(s):** Charles Randall Carter

**Comment:** This parcel has been identified as a priority parcel that will provide critical viewshed for the following historic sites: Wynnewood, Cheskiki Indian Mound, Hawthorne Hill, Bledsoe Fort Historical Park and miscellaneous buffer zones. The site will provide for tourism, economic benefit and educational opportunities. No additional management or operating costs are anticipated due to this acquisition.

Date of last transfer: February 26, 2007  
Purchase Price: N/A  
Property Assessor's Value: \$165,100  
Improvements Square Footage: N/A

**Minutes:** 05/19/2014 ESC Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value and to utilize third party for the transaction with waiver of advertisement and one appraisal

**Description:** Putnam County – 159.1+/-acres - 8520 Old Cane Creek Rd., Baxter, TN – Trans. No. 14-04-014 (Maxwell)

**Purpose:** Acquisition in fee to purchase property for the protection of Burgess Falls State Natural Area (BFSNA).

**Estimated Price:** Fair Market Value

**Source of Funding:** 13/14 State Lands Acquisition Fund (A)

**Owner(s):** Timothy L. Durm

**Comment:** The Land Trust for Tennessee (TLTT) will be the third party. Third party costs are estimated to be \$21,000. STREAM has approved the reasonableness of the third party costs and confirmed that the vendors are on the State's "approved vendor list".

Third party is being used because TLTT has been instrumental in helping get these (the Window Cliff tracts) projects to the closing table. They have the time and expertise to sit down with the land owners time after time to discuss the need, the changes and the interest of the state and of the landowner.

This scenic site is needed in order to provide public access to the Window Cliffs site, which is in the process of being acquired. No additional management or operating costs are anticipated due to this acquisition.

Date of last transfer: October 25, 2007  
Purchase Price: N/A  
Property Assessor's Value: \$410,900  
Improvements Square Footage: N/A

**Minutes:** 05/19/2014 ESC Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value and to utilize third party for the transaction with waiver of advertisement and one appraisal.



Approved:



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