

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
September 8, 2011

The State Building Commission Executive Subcommittee met this day at 12:28 p.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Vice-Chairman Tre Hargett, Secretary of State

OTHERS PRESENT

Bob Oglesby, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Jonathan Rummel, Secretary of State's Office
Melinda Parton, Comptroller's Office
Josh Stites, Treasurer's Office
David Thurman, Legislative Budget Office
Bruce Davis, Legislative Budget Office
John Carr, Department of Finance and Administration
Peter Heimbach, Real Property Administration
Mike Morrow, Department of Finance and Administration

DEPARTMENT OF FINANCE & ADMINISTRATION
for
THE CITY OF MEMPHIS

Memphis Tourist Development Zone, Memphis, Shelby County, Tennessee

Requested Action: **Approval of the definitive agreement based on the revised debt amortization schedule**

SBC Project No: 529/000-06-2000

Comment: Memphis is revising their debt amortization schedule to sell additional bonds. This additional debt is to purchase Shelby County's interest in the TDZ. During the research for the revision, it was determined that a definitive agreement had never been executed as requested in the previous action.


Previous Action: 12/14/2000 SBC Referred to Subcommittee with authority to act

12/18/2000 ESC Approved the application for Cook Convention Center as a QPUF and Memphis TDZ as specified by statute. It was agreed that all points and procedures outlined in the letter agreement dated April 14, 2000 signed by Commissioner Ferguson (F&A) and Mayor Kinsey of Chattanooga would apply to the Memphis and all subsequent applications.

04/19/2010 ESC Treasurer Lillard stated that, assuming F&A has been able to certify the inclusion of the Pinch District and the Pyramid as Qualified Public Use Facilities in the Zone, he moved for approval of their application, subject to having a definitive agreement executed. Commissioner Goetz recommended that Real Property Administration report back to the Subcommittee relative to how these agreements exist and how to proceed going forward.

ESC Action: 09/08/2011 ESC Peter Heimbach stated that, during the defining of the definitive agreement, they had determined it was more complex than what they were able to accomplish in such a short time. He said the State and City of Memphis have signed a Statement of Intent for a definitive agreement to be ironed out by September 15, 2011. Treasurer Lillard made a motion to approve the Statement of Intent, which was properly seconded, and passed without objection. Subcommittee complimented staff on their hard work with a difficult issue.

Approved:


Mark A. Emkes, Commissioner
Department of Finance and Administration

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
September 19, 2011

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Chairman Emkes called the meeting to order at 10:32 a.m. and requested action on the following matters as presented by Assistant State Architect Alan Robertson.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Vice-Chairman Tre Hargett, Secretary of State

OTHERS PRESENT

Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Jurgen Bailey, Real Property Administration
Melanie Buchanan, Real Property Administration
Jonathan Rummel, Secretary of State's Office
Josh Stites, Treasurer's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Dick Tracy, Tennessee Board of Regents
Peter Heimbach, Real Property Administration
Matt Ingham, Real Property Administration
Brandon Wellford, Memphis Biotech Foundation
Terry Gordon Martin, Tennessee Wildlife Resources Agency
Sharon Schmucker
Paula Roberts, National Museum of African American Museum
John Carr, Department of Finance and Administration
Ashley Carter, Attorney General's Office
Diane Uhler, Tennessee Board of Regents
Mary Anne Queen, Comptroller's Office

Alan Durham, Department of Transportation
Mike Williams, Department of Transportation
Eileen Crane, Nashville State Community College
Murray Crow, Department of Environment and Conservation
Ralph Knoll, The Conservation Fund
Mike Carlton, Department of Environment and Conservation
Bill Avant, Department of Environment and Conservation
Fred Hix, Department of Intellectual & Developmental Disabilities
Brad Bishop, Military Department
Brett London, Military Department
Andrew Milligan, Military Department
Sean Tierney, THEC
Scott Boelscher, THEC
Mike Morrow, Department of Finance and Administration
Nick DePalma, Real Property Administration
Ron Brooks, Tennessee State University
Larry Stephen, Michael Brady, Inc.

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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: Demolition of building
- B. Agency: Tennessee Board of Regents – Shelby County
Transaction: Lease agreement
- C. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one appraisal
- D. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Disposal in fee
Provision: Waiver of advertisement & one appraisal
- E. Agency: Tennessee Board of Regents – Knox County
Transaction: Demolition of building
- F. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Demolition of building
- G. Agency: Department of Transportation – Greene County
Transaction: Acquire wetland mitigation credits
- H. Agency: Department of Transportation – Franklin County
Transaction: Disposal by easement
Provision: Waiver of advertisement & one appraisal
- I. Agency: Tennessee Wildlife Resource Agency – Lake County
Transaction: Demolition of building
- J. Agency: Department of Environment & Conservation – Carroll County
Transaction: Acquisition for permanent ingress/egress easement
Provision: Waiver of advertisement & appraisals
- K. Agency: Department of Environment & Conservation – Hamilton County
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one appraisal
- L. Agency: Department of Environment & Conservation – Hamilton County
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one appraisal

- M. Agency: Department of Environment & Conservation – Hamilton County
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one appraisal
- N. Agency: Department of Intellectual Development Disabilities – Davidson County
Transaction: Acquisition in fee
Provision: Waiver one appraisal & REM fees
- O. Agency: Department of Intellectual Development Disabilities – Davidson County
Transaction: Acquisition in fee
Provision: Waiver one appraisal & REM fees
- P. Agency: Department of Intellectual Development Disabilities – Greene County
Transaction: Acquisition in fee
Provision: Waiver one appraisal & REM fees
- Q. Agency: Department of Finance & Administration – Unicoi County
Transaction: Initiate eminent domain
- R. Agency: Department of Finance & Administration – Unicoi County
Transaction: Initiate eminent domain

TENNESSEE BOARD OF REGENTS

Land Transaction

- Requested Action:** Approval to obtain title work, appraisal, and survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal
- Description:** Davidson County – 9.14+/- acres – 5248 Hickory Hollow Parkway, Antioch, TN – Trans. No. 10-12-004 (Maholland)
- Purpose:** Acquisition in fee to acquire the former Dillard's store in the Antioch Hickory Hollow Mall for a satellite off-campus teaching site for Nashville State Community College to accommodate future growth.
- Estimated Sale Price:** Fair Market Value
- Source of Funding:** \$1,750,000 - Community College Special Capital Outlay Appropriation (A)
\$1,250,000 – Gifts (O)
- Owner(s):** Dillard Tenn. Operating Ltd. Partnership
- Comment:** Appraisal already completed by appraiser on the State's approved list for \$3,500,000.00. Seller is offering TBR the cost of \$3.0m. Half of the students attending NSCC are from the Antioch area. The new campus would allow the college to meet the demand of several course areas and have sufficient space to expand those programs and sufficient room for faculty office space as well as computer lab space.
- SSC Report:** 09/12/2011. Jurgen Bailey summarized the transaction. Dick Tracy stated that TBR will do all the maintenance and renovations to the building. This purchase also includes 243 parking spaces below the building and 140 spaces mall parking spaces. The management company of the mall will be responsible for the up keep of the parking lot. Staff referred to Subcommittee with recommendation.
- ESC Action:** 09/19/2011. Jurgen Bailey presented the transaction. Commissioner Emkes asked if they had a clear understanding of the ongoing operating expenses. Dick Tracy responded that will be taken care of out of tuitions and fees that they'll collect at the site. He said they will also enter into an optional agreement to take care of shared parking and exterior lighting around the building. Commissioner Emkes asked if they have done this before at a mall location, and if it was successful. Dick said they have done it in a lease setting, but this would be the first in a mall location. He said the building and property is a fee simple acquisition with public access that could be disconnected from the mall property, if necessary. Treasurer Lillard questioned the request for waiver of one appraisal on a \$3 million transaction. Mr. Bailey replied that they had received an appraisal for \$3.5 million within the past three months and the owner was willing to sell it for \$3 million. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

Tennessee State University, Nashville, Davidson County, Tennessee

Requested Action: Approval of a project budget, scope, source(s) of funding and proceeding with process to select a designer

Project Title: Hale Stadium Renovations

Project Description: Site improvements and minor stadium repairs

SBC Number: 166/001-02-2011

Total Project Budget: \$1,500,000.00

Source of Funding: \$1,500,000.00 Campus Plant Funds (A)

Comment: Project was disclosed in the FY 11/12 budget cycle

SBC Action: 09/08/2011 SBC Referred to Subcommittee with authority to act

ESC Action: 09/19/2011 Dick Tracy presented the request. Treasurer Lillard asked if the project included demolishing the ROTC building. Dick Tracy responded that, in addition to stabilizing the bleachers and improvements to the plaza, the ROTC building would be demolished at an estimated cost of \$300,000. After discussion, Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

Land Transaction

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

Description: Anderson County – 1.5+/- acres & 14.66 +/- ROW – Beach Grove Church, TN – Trans. No. 11-08-007 (Jackson)

Purpose: Disposal by easement & right-of-way for a gas well, and access as needed on Sundquist WMA.

Estimated Sale Price: \$1,696.80 (\$105 per acre)

Grantee: Knox Energy / CNX Gas Company LLC

Comment: The State owns the surface rights and Knox Energy owns the mineral rights. Well site AH-1044

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

Land Transaction

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

Description: Anderson County – 1.5+/- acres & 6.69 +/- ROW – Beach Grove Church, TN – Trans. No. 11-08-008 (Jackson)

Purpose: Disposal by easement & right-of-way for a gas well, and access as needed on Sunquist WMA.

Estimated Sale Price: \$859.95 (\$105 per acre)

Grantee: Knox Energy / CNX Gas Company LLC

Comment: The State owns the surface rights and Knox Energy owns the mineral rights. Well site AH-1046

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

Land Transaction

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

Description: Lake County – 1.0+/- acres include house and parking for 8 cars – Reelfoot Lake, Tiptonville, TN – Trans. No. 11-08-011 (Jackson)

Purpose: Disposal by lease to convey a five (5) year lease with the Tourism Council.

Term: Five (5) year lease with option to renew for four (4) additional five (5) year terms.

Estimated Price: \$1.00 per year

Lessee: Reelfoot Lake Tourism Council (Non – Profit)

Comment: Reelfoot Lake Tourism Council will be responsible for the maintenance and all expense of maintaining the grounds and the improvements on the property. The property will be used to promote tourism at Reelfoot Lake.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Land Transaction

Requested Action: Approval to obtain title work, appraisal, and survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal

Description: VanBuren County – 738 +/- acres – Miliken's Overlook at Fall Creek Falls, TN – Trans. No. 11-08-015 (McLeod)

Purpose: Acquisition in fee for the protection of Miliken's Overlook and will reduce the pressure from development as well as provide better boundaries integrity. Rumbling Fall's cave system has had tremendous pressure over the years and this will help protect this phenomenal cave system.

Estimated Sale Price: Fair Market Value

Source of Funding: 2010-2011 State Land Acquisition Fund - \$1,577,000 (R)

Owner(s): Walden Ridge, LLC

Comment: Project currently has a willing seller and public support.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

ESC Action: 09/19/2011. Jurgen Bailey presented the transaction. Treasurer Lillard questioned the rationale for having only one appraisal, especially since it is a commitment to a non-profit entity, and said that they needed to look closer at these going forward. After discussion, Subcommittee approved the request, subject to receiving two appraisals.

DEPARTMENT OF GENERAL SERVICES

William R. Snodgrass Tennessee Tower, Nashville, Davidson County, Tennessee

Requested Action: Approval of a project budget, scope, source(s) of funding and utilization of the designer currently being used by furniture vendor and utilization of Job Order Contract to execute the project

Project Title: 3rd Floor Tenant Alterations

Project Description: Modification of existing space on the 3rd floor to accommodate operations of the State's Chief Procurement Office and other General Services space.

SBC Number: 529/079-04-2011

Total Project Budget: \$1,050,000.00

Source of Funding:	\$ 500,000.00		FRF Reserves	(Res)
	\$ 285,000.00	2007	FRF Residual Bonds	(R)
	\$ 265,000.00	11/12	DGS Operating Funds	(A)

Comment: This pilot project will utilize future work space concepts for increasing productivity and collaboration of State employees while reducing agency square footage requirements. Space is to be divided between CPO which is the major (3/4) tenant and other General Services operations.

Costs are estimated to be approximately 35% construction, 58% FFE and 7% move costs (for CPO only). Results of the pilot program will be available for all State agencies and the CPO space will be used to showcase the space concept. Future shifts in State planning needs developed due to the pilot project will be reported to staff.

Previous Action: 09/08/2011 SBC Referred to the Subcommittee with authority to act

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

Land Transaction

- Requested Action:** Approval to extend lease ground-breaking term with an Option to Purchase (Amendment #3) on a site located on the north side of the Bicentennial Mall with waiver of advertisement and appraisals
- Description:** Davidson County – 2.93+/- acres – North Side of Bicentennial Mall, Nashville, TN – Trans. No. 04-06-007 (Walla)
- Purpose:** Amendment #3 to extend the lease ground-breaking date from October 8, 2011 to October 31, 2013 for the National Museum of African American Music
- Comment:** This is to extend a ground-breaking term on a lease with the African American History Foundation, Inc. that was approved by SBC on 9/20/2004. Funding will be by Metro, private donations and fund raising projects.
- Previous ESC Action:** 08/31/2010. Jurgen Bailey presented the transaction. He introduced Paula Roberts, Director of the MAAMAC, who gave a status report on the funding and progress of the project. She stated that environmental and flood plain assessments had been done, and the south façade had been revised. She stated that they have solidified a second \$1 million donation and that their plan is very sound. Don Hardin, project manager, gave a design presentation of the proposed Museum and spoke of its cultural significance in music and art. Comptroller Wilson asked Ms. Roberts to present their fund-raising position to the SBC before breaking ground, and Ms. Roberts replied that they would. After discussion, Subcommittee approved the request as presented.
- SSC Report:** 09/12/2011. Jurgen Bailey summarized the transaction. Paula Roberts, Executive Director stated that they had collected approximately \$23 million so far toward this project. Staff referred to Subcommittee with recommendation.
- ESC Action:** 09/19/2011. Jurgen Bailey presented the transaction. Comptroller Wilson asked Executive Director Paula Roberts for a status report on their fundraising efforts. Ms. Roberts stated they were about at 50% of their goal. She said the project budget started at \$20 million and is now at \$47 million. Comptroller Wilson asked if the \$19 million was in pledges or cash in hand, and was told "a little of both". Commissioner Emkes stated that fundraising is not easy, and asked Ms. Roberts if she felt good about where they need to be, and she replied "yes". Subcommittee approved the request as presented to extend the lease ground-breaking term.

DEPARTMENT OF FINANCE & ADMINISTRATION

Memphis Biotech Foundation, Memphis, Shelby County, Tennessee

Requested Action: Approval to amend grant agreement

Project Title: Grant to Memphis Biotech Foundation

Project Description: For site preparation and construction of a research park infrastructure

SBC Number: 529/000-07-2004

Total Project Budget: \$17,000,000.00

Source of Funding:	\$10,000,000.00	2004	BondsCapImprov	(A)
	\$ 5,000,000.00	06/07	CurrFundsCapImprov	(A)
	\$ 2,000,000.00	07/08	CurrFundsCapImprov	(A)

Comment: The Foundation is requesting to utilize and maximize New Market Tax Credit equity financing for the project's remaining debt, whereas the State would place the remaining balance of \$6,300,151.08 in an escrow account where it controls release of those monies for reimbursement of actual expenses according to the grant. By so doing the Foundation can complete the financing package requirements of the debt and equity structure of having 100% of this funding "available" at the financial closing. They hope to close the financing for the project by September 30 for groundbreaking in October 2011. The Foundation understands this approach will save them approximately \$200,000 in interest which could be used to buy necessary equipment.

Previous SBC Action:

07/08/2004	SBC	Approved grant
08/12/2004	SBC	Approved advance payment (\$1mil)
07/20/2006	SBC	Revised funding
08/16/2007	SBC	Revised funding
09/08/2011	SBC	Referred to Subcommittee with authority to act

ESC Action: 09/19/2011. Alan Robertson presented the transaction and introduced Brandon Wellford from the Foundation. After discussion, Chairman Emkes stated that they would like to meet the Foundation's timetable, but there were questions that needed clarification. Subcommittee deferred the matter to a special-called meeting in order for Staff to work through the details of the proposed amendment.

DEPARTMENT OF FINANCE AND ADMINISTRATION

State Capitol, Legislative Plaza & War Memorial Building, Nashville, Davidson County, Tennessee

Requested Action: Approval of a revision in scope, with work to be accomplished within existing project funding.

Project Title: Mechanical and Electrical Upgrade

Project Description: Replacement and upgrade of mechanical and electrical systems and installation of a security plan at the State Capitol

SBC Number: 529/005-01-2005

Total Project Budget: \$29,000,000.00

Current Project Funding: \$14,200,000.00
(if not fully funded)

Source of Funding: \$ 2,700,000.00 FRF Current Funds (501.04) (A)
\$11,500,000.00 2010 FRF G.O. Bonds (A)

Comment: Additional scope will include the design and installation of a security plan for the State Capitol based on recommendations made by the Department of Safety and Office of Homeland Security.

Previous SBC Action:	06/09/2005	SBC	Approved preplanning
	07/14/2005	SBC	Selected designer (Smith Seckman Reid)
	07/12/2007	SBC	Revised scope & planning funds
	12/17/2007	ESC	Discussed implementation of plan
	05/08/2008	SBC	Revised planning funds; proceed with Phase 1
	06/12/2008	SBC	Revised scope to include Senate Chambers
	06/26/2008	ESC	Approved proceeding with Senate
	12/22/2008	ESC	Revised planning/Phase 1 cost
	07/09/2009	SBC	Revised funding; fully plan Phase 2; Commissioning
	10/19/2009	ESC	Approved issuing RFP for CMGC
	12/10/2009	SBC	Discussion
	12/21/2009	ESC	Status report and presentation
	02/11/2010	SBC	Discussion; referred to ESC
	02/22/2010	ESC	Discussion; suspended certain actions
	05/24/2010	ESC	Status report discussion
	06/10/2010	SBC	Approved CMGC
	10/14/2010	SBC	Referred to ESC with authority
	11/01/2010	ESC	Revised project budget; planning cost; proceeding w/Ph 2
	08/22/2011	ESC	Revised scope; discussion
	09/08/2011	SBC	Referred to Subcommittee with authority to act

ESC Action: 09/19/2011 Approved a revision in scope to include preplanning only of the security upgrade component

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on August 22, 2011.

Bylaws, Policy & Procedures of the State Building Commission

- 1) Approved the *Bylaws, Policy & Procedures of the State Building Commission* as revised.

Designer Selections

- 1) Deferred the designer selections for projects approved by the State Building Commission to a special-called meeting scheduled for September 29, 2011.

There being no further business, the meeting adjourned at 11:00 a.m.

UNIVERSITY OF TENNESSEEUniversity of Tennessee, Knoxville, Knox County, Tennessee

Requested Action: Approval of project budget, scope and source(s) of funding

Project Title: Demolition – 2109 Terrace Avenue

Project Description: Demolish residential structure to provide surface parking or green space

SBC Number: 540/009-22-2011

Total Project Budget: \$20,000.00

Source of Funding: \$20,000.00 2011 Plant (Non-Auxiliary) (A)

Comment: This facility was damaged in a recent storm and has no institutional use. The TN Historical Commission has reviewed and stated that this project will not adversely affect this cultural resource.

SSC Report: 09/12/2011. Bob Oglesby summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTSLease Agreement

Requested Action: Approval of lease agreement

Location: Shelby County – Directors Plaza 1, Building 6, 3035 Directors Row, Memphis, TN – Trans. No. 11-08-904 (Baltz)

Purpose: To provide office and classroom space for Southwest Tennessee Community College / Whitehaven Campus.

Term: October 1, 2011 thru September 30, 2014 (3 yrs.)

Proposed Amount: 29,812 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$317,040.00 @\$10.63 / sf
Total Annual Effective Cost: \$317,040.00 @ \$10.63 / sf

Current Amount: 29,812 Square Feet
Annual Contract Rent Incl. Utility & Janitorial Cost: \$317,040.00 @\$10.63 / sf
Total Annual Effective Cost: \$317,040.00 @ \$10.63 / sf

Type: New lease – advertised twice – received proposals on the first advertisement were not acceptable. Re-advertised in May 2011 received two proposals from two proposers. Current lessor was the lowest. Negotiate lease without penalties.

Advertising Range: Within the area bounded on the west by South Third; on the north by South Parkway; then southeast down Lamar Avenue to Winchester Road; on the east by Ross Road; and on the south by Holmes road, including the lots which face the boundary streets.

FRF Rate: \$18.00 (reference only)

Source of Funding: 100% Operational Funds Tuition (A)

Lessor: Directors Commons, LLC

Comment: The lessor has included penalties for cancellation for convenience; however, we still have the ability to cancel with 90-day notice based on the cause terms in the lease agreement. As an option, we will pursue a five (5) year non cancellable lease agreement. STCC has been at Directors Row for ten (10) years and it meets the criteria needed for STCC's Whitehaven campus.

Tennessee Board of Regents – continued:

TBOR negotiated a lease without penalties. The lease agreement is for a three (3) year non-cancellable lease (for convenience only) with a thirty 30 day cancellation clause. The holdover period will be penalty free for the first ninety (90) days and 125% assessed thereafter. Southwest will not remain at this facility beyond the three (3) years.

SSC Report: 08/15/2011. Melanie Buchanan summarized the transaction. Staff deferred until next month. The monetary penalties are unacceptable on State lease agreement.

SSC Report: 09/12/2011. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTSLand Transaction

Requested Action: Approval to obtain title work, appraisal, and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of advertisement, one (1) appraisal and survey

Description: Montgomery County – 0.20+/- acres – 240 West Avenue, Clarksville, TN – Trans. No. 11-08-013 (Maholland)

Purpose: Acquisition in fee to acquire a portion of Lot 18 (240 West Ave.) for the purpose of additional parking for Meacham Apartments. This additional parking would enable the students to be closer to the parking lot and park in front of the apartment complex.

Estimated Sale Price: Equal land exchange / swap

Source of Funding: 2010 Campus Plant Funds – Auxiliary (A)

Owner(s): Don-Mar Properties, LP

Comment: Don-Mar Properties LP is the adjacent property owner to the APSU campus and the owner has agreed to swap properties. We will acquire a portion of Lot 18 (student parking), and dispose of the south end of lots: 10, 12, 14, 16 & 20. The exchange would enable Don-Mar Properties to build a retention pond which would alleviate flooding on the lower portion of the parcels. Some of the owner's lots have been flooded from the lots that APSU owns.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

Land Transaction

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

Description: Montgomery County – 1.00+/- acres – 244 West Avenue, Clarksville, TN – Trans. No. 11-08-014 (Maholland)

Purpose: Disposal in fee of south end lots 10, 12, 14, 16 & 20 in order for the owner of the adjoining property to build a retention pond to alleviate flooding.

Original Cost to State: \$16,000

Date of Original Conveyance: July 1, 1964 & August 21, 1968

Grantor Unto State: United States Tobacco Co.
Carney & Ruby Baggett

Estimated Sale Price: Mutual Benefits

Grantee: Don-Mar Properties, LP

Comment: The property exchange we will be acquiring a portion of lot 18 (0.20 acres) owned by Don-Mar. Property will be used for additional parking for the Meacham Apartments. This will enable students to park in front the apartment complex. Some of owner's lots are flooded from the lots owned by APSU.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTSPellissippi State Community College, Knoxville, Knox County, Tennessee

Requested Action: Approval of project budget, scope and source(s) of funding

Project Title: Demolition – 1715 Linden Avenue (2 buildings)

Project Description: Demolish structure to provide surface parking or green space

SBC Number: 166/032-06-2011

Total Project Budget: \$61,000.00

Source of Funding: \$61,000.00 2011 Plant (Non-Auxiliary) (A)

Comment: This warehouse and small retail store are not suitable for educational space. The TN Historical Commission has reviewed and stated that this project will not adversely affect this cultural resource.

SSC Report: 09/12/2011. Bob Oglesby summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTSMiddle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

Requested Action: Approval of project budget, scope and source(s) of funding

Project Title: Demolition – 1902 Greenland Avenue (built in 1968)

Project Description: Demolish residential structure to provide surface parking or green space at the north entrance of the campus

SBC Number: 166/009-07-2011

Total Project Budget: \$36,500.00

Source of Funding: \$36,500.00 2011 Plant (Non-Auxiliary) (A)

Comment: This facility not suitable for educational space. The TN Historical Commission has reviewed and stated that this project will not adversely affect this cultural resource.

SSC Report: 09/12/2011. Bob Oglesby summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATIONLand Transaction

Requested Action: Approval to acquire wetland mitigation credits and waive appraisals

Description: Greene County – 3.16 +/- acres wetland mitigation credits from the Lick Creek One Wetland Bank – Trans. No. 11-08-019 (Bailey)

Purpose: The acquisition of wetland mitigation credits are used to mitigate unavoidable wetland impacts with the construction of Loudon County SR-73 from SR-2 to east of the Little TN River.

Estimated Sale Price: \$40,000 per acres of wetland credit - \$126,400

Source of Funding: 100% State Highway Funds (A)

Owner(s): Water Resources, LLC

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATIONLand Transaction

Requested Action: Approval of disposal by easement with waiver of advertisement and one appraisal

Description: Franklin County – 1.35 +/- acres – Milmore Drive & Cumberland Drive, Decherd, TN – Trans. No. 11-08-003 (Woodard)

Purpose: Disposal by easement to swap drainage easements with the adjacent property owner.

Original Cost to State: N/A

Date of Original Conveyance: May 28, 1998

Grantor Unto State: Nor Nan, Inc.

Estimated Sale Price: Fair Market Value

Source of Funding: The requestor, Mr. Vernon Miller

Grantee: Vernon Miller

Comment: Mr. Miller wants to swap drainage easements with TDOT. The net benefit to the State is expected to be around \$200,000.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

Region I - Tiptonville, Lake County, Tennessee

Requested Action: Approval of project budget, scope and source(s) of funding

Project Title: Demolition – Reelfoot Lake property (2 structures)

Project Description: Demolish structures to provide additional boat ramps, fishing piers and parking to increase water recreational opportunities at this site

SBC Number: 220/017-02-2011

Total Project Budget: \$5,000.00

Source of Funding:	\$3,750.00	2011	Federal	(F)
	\$1,250.00	2011	328.02 - TWRA operational funds	(A)

Comment: The structures are old 18 unit hotel and storage buildings. TWRA will do demo work with their own forces and equipment. TWRA is going to dispose of all acceptable material at "fill areas" on their own property. The estimated cost is for any needed expenses if TWRA needs to haul any material to the local landfill. The TN Historical Commission has reviewed and stated that this project will not adversely affect this cultural resource.

SSC Report: 09/12/2011. Bob Oglesby summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATIONLand Transaction

Requested Action: Approval to acquire by easement with waiver of advertisement and appraisals

Description: Carroll County – 1.39 +/- acres – Reedy Creek near Trezevant/McKenzie, TN – Trans. No. 11-08-022 (Bailey)

Purpose: Acquisition to provide a permanent ingress-egress easement for Reedy Creek Levee setback project to enhance flood control and sediment retention.

Estimated Sale Price: Gift (0)

Grantor: Shoaf Companies, Inc.

Grantee: West Tennessee River Basin Authority

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATIONLand Transaction

Requested Action: Approval to obtain title work, appraisal, and survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal

Description: Hamilton County – 5.49 +/- acres – Justin P. Wilson Cumberland Trails, TN – Trans. No. 11-08-016 (McLeod)

Purpose: Acquisition in fee simple providing the State necessary access, for maintenance as well as security, to the Justin P. Wilson Cumberland Trail.

Estimated Sale Price: Fair Market Value

Source of Funding: 2010-2011 State Land Acquisition Fund - \$17,150 (R)

Owner(s): Jan Johnson

Comment: TDEC request to use the TN Land Trust as a third party due to the fact that this property may go to auction prior to the State acquiring the property. TDEC has requested that we reimburse for holding costs which would amount to a few hundred dollars.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATIONLand Transaction

Requested Action: Approval to obtain title work, appraisal, and survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal

Description: Hamilton County – 11.50 +/- acres – Justin P. Wilson Cumberland Trails, TN – Trans. No. 11-08-017 (McLeod)

Purpose: Acquisition in fee of a 200 foot corridor and will provide connectivity of the Justin P. Wilson Cumberland Trail.

Estimated Sale Price: Fair Market Value

Source of Funding: 2010-2011 State Land Acquisition Fund - \$24,200 (R)

Owner(s): Chris Calvert, etux

Comment: TDEC request to use the TN Land Trust as a third party due to the fact that this property may go to auction prior to the State acquiring the property. TDEC has requested that we reimburse for holding costs which would amount to a few hundred dollars.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION**Land Transaction**

Requested Action: Approval to obtain title work, appraisal, and survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal

Description: Hamilton County – 35.0 +/- acres – Justin P. Wilson Cumberland Trails, TN – Trans. No. 11-08-018 (McLeod)

Purpose: Acquisition in fee of a 200 foot corridor and will provide connectivity of the Justin P. Wilson Cumberland Trail.

Estimated Sale Price: Fair Market Value

Source of Funding: 2010-2011 State Land Acquisition Fund - \$59,000 (R)

Owner(s): Edward D. Johnson

Comment: TDEC request to use the TN Land Trust as a third party due to the fact that this property may go to auction prior to the State acquiring the property. TDEC has requested that we reimburse for holding costs which would amount to a few hundred dollars.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF INTELLECTUAL DEVELOPMENT DISABILITIES**Land Transaction**

Requested Action: Approval to obtain title work, appraisal, survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal and REM Fees

Description: Davidson County – 0.67 +/- acres – 3213 Toddway Court, Nashville, TN – Trans. No. 11-08-004 (Woodard)

Purpose: Acquisition in fee to construct an ICF – MR Group Home (A)

Estimated Sale Price: Fair Market Value

Source of Funding: SBC 346/000-05-2005 current bonds & funds (A)

Owner(s): William A. Armstrong

Comment: Property acquired by owner: December 30, 1965
Purchase price: N/A
Tax assessor's value: \$165,900
Improvements on property: house (2,082 sf)

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF INTELLECTUAL DEVELOPMENT DISABILITIES**Land Transaction**

Requested Action: Approval to obtain title work, appraisal, survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal and REM Fees

Description: Davidson County – 0.78 +/- acres – Lot 272, Sec 4 Sunset View, Nashville, TN – Trans. No. 11-08-005 (Woodard)

Purpose: Acquisition in fee to construct an ICF – MR Group Home

Estimated Sale Price: Fair Market Value

Source of Funding: SBC 346/000-05-2005 current bonds & funds (A)

Owner(s): Peggy Ulrich

Comment: Property acquired by owner: July 11, 2006
Purchase price: N/A
Tax assessor's value: \$184,500
Improvements on property: house (2,262 sf)

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF INTELLECTUAL DEVELOPMENT DISABILITIES**Land Transaction**

Requested Action: Approval to obtain title work, appraisal, survey and exercise option to acquire or accept as gift required interest, not to exceed appraised value with waiver of one appraisal and REM Fees

Description: Greene County – 0.96 +/- acres – Lot 19 Susong Road, Greeneville, TN – Trans. No. 11-08-006 (Woodard)

Purpose: Acquisition in fee for buffer for existing ICF – MR Group Home

Estimated Sale Price: Fair Market Value

Source of Funding: SBC 346/000-05-2005 current bonds & funds (A)

Owner(s): Charles E. Heater, Jr., Deborah D. Heater & Valerie Heater

Comment: Property acquired by owner: June 14, 2002
Purchase price: \$22,000
Tax assessor's value: \$22,000
Improvements on property: Vacant

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATIONLand Transaction

Requested Action: Approval to initiate eminent domain proceedings

Comment: Against easement owners not willing to sell water line easement for public purpose.

Original Approval: Approval to obtain appraisal and exercise option to acquire or accept gift, and waiver of one appraisal.

Description: Unicoi County – 0.0814+/- acres – Clear Branch Road near I-26 Welcome Center, Ernestville, TN – Trans. No. 10-11-002 (Bailey)

Purpose: Acquisition of Waterline and Sewer line Easement to serve I-26 Welcome Center (SBC#241-010-01-2005)

Estimated Cost: Fair Market Value

Grantor: E.D.M. Trust

Comment: Easement will be conveyed to Erwin Utilities upon completion of Project

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATIONLand Transaction

Requested Action: Approval to initiate eminent domain proceedings

Comment: Against easement owners not willing to sell water line easement for public purpose.

Original Approval: Approval to obtain appraisal and exercise option to acquire or accept gift, and waiver of one appraisal.

Description: Unicoi County – 0.10+/- acres – Clear Branch Road near I-26 Welcome Center, Ernestville, TN – Trans. No. 10-11-003 (Bailey)

Purpose: Acquisition of Waterline and Sewer line Easement to serve I-26 Welcome Center (SBC#241-010-01-2005)

Estimated Cost: Fair Market Value

Grantor: Richard Guy Wilson

Comment: Easement will be conveyed to Erwin Utilities upon completion of Project.

SSC Report: 11/15/2010. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee with recommendation.

SC Action: 11/22/2010. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

SSC Report: 09/12/2011. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

ESC Action: 09/19/2011. Subcommittee approved the request as presented.

Approved:

Handwritten signature of Mark A. Emkes in cursive script.

Mark A. Emkes, Commissioner
Department of Finance and Administration

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
September 29, 2011

The State Building Commission Executive Subcommittee met this day at 1:00 p.m. in House Hearing Room 31, Legislative Plaza, Nashville, Tennessee. Vice Chairman Hargett called the meeting to order at 1:05 p.m. and requested action on the following matters as presented by State Architect Bob Oglesby.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Bob Oglesby, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Jonathan Rummel, Secretary of State's Office
Melinda Parton, Comptroller's Office
Jason Mumpower, Comptroller's Office
Josh Stites, Treasurer's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Ashley Carter, Attorney General's Office
Dick Tracy, Tennessee Board of Regents
Peter Heimbach, Real Property Administration
Lynelle Jensen, Department of General Services
Nick DePalma, Department of General Services
Matt Ingham, Real Property Administration
Brandon Wellford, Memphis Bioworks Foundation
John Carr, Department of Finance and
Administration

Murray Crow, Department of Environment and
Conservation
Mike Morrow, Department of Finance and
Administration
Trammel Hoehn, Department of Finance and
Administration
Felenceo Hill, Department of Finance and
Administration
Larry Stephens, Michael Brady Inc.
Mark Cherpach, Department of Finance and
Administration
Bill Finney, Department of General Services
J.J. Perdue, Department of Environment and
Conservation
Bob Qualey, Department of General Services
Brad Bishop, Military Department
Blake Fontenay, Constitutional Officers

STATE BUILDING COMMISSION

Designer Selections

Approved the following designer selections for projects approved by the State Building Commission.

- | | |
|---|--|
| <p>1) East Tennessee State University
(Health Sciences Surface Parking)
Total Project Budget: \$400,000.00
SBC Project No. 166/005-05-2011
Designer: REEDY & SYKES</p> | <p>8) Pellissippi State Community College
(Hardin Valley Modular Classroom)
Total Project Budget: \$370,000.00
SBC Project No. 166/032-04-2011
Designer: SMEE & BUSBY</p> |
| <p>2) Southwest TN Community College
(Union Campus Parking Structure)
Total Project Budget: \$2,060,000.00
SBC Project No. 166/033-02-2011
Designer: ALLEN & HOSHALL</p> | <p>9) UT Institute of Agriculture
(Arboretum Auditorium)
Total Project Budget: \$700,000.00
Current Project Funding: \$ 50,000.00
SBC Project No. 540/001-01-2011
Designer: STUDIO FOUR DESIGN</p> |
| <p>3) Tennessee Board of Regents – Statewide
(TTC's Accessibility (ADA) Adaptations)
Total Project Budget: \$310,000.00
SBC Project No. 166/000-02-2011
Designer: ADKISSON & ASSOCIATES</p> | <p>10) University of Tennessee Chattanooga
(Electrical Consultant)
SBC Project No. 540/005-17-2010
Designer: WEST WELCH REED</p> |
| <p>4) University of Memphis
(Railroad Pedestrian Improvements)
Total Project Budget: \$1,250,000.00
SBC Project No. 166/007-09-2011
Designer: ALLEN & HOSHALL</p> | <p>11) East TN Veterans Cemetery
(Committal Chapel Modification)
Total Project Budget: \$150,000.00
SBC Project No. 682/000-02-2011
Designer: MCCARTY HOLSAPLE MCCARTY</p> |
| <p>5) University of Memphis
(South Hall Fire Safety Upgrades)
Total Project Budget: \$1,000,000.00
SBC Project No. 166/007-10-2011
Designer: ALLEN & HOSHALL</p> | <p>12) Military Department
(Architectural/Civil/Structural Consultant)
Total Project Budget: \$75,000.00
SBC Project No. 361/000-02-2011
Designer: HART FREELAND ROBERTS</p> |
| <p>6) University of Memphis
(Women's Field House Upgrades)
Total Project Budget: \$1,900,000.00
SBC Project No. 166/007-11-2011
Designer: BRAGANZA DESIGN GROUP</p> | <p>13) Military Department
(Environmental Consultant)
Total Project Budget: \$75,000.00
SBC Project No. 361/000-03-2011
Designer: EDGE GROUP INC</p> |
| <p>7) Middle Tennessee State University
(Student Rec Center Partial Reroof)
Total Project Budget: \$1,700,000.00
SBC Project No. 166/009-06-2011
Designer: MCFARLIN HUITT PANVINI</p> | <p>14) Camp Clements
(Code Upgrades, Phase 1A)
Total Project Budget: \$950,000.00
SBC Project No. 162/003-01-2011
Designer: KLINE SWINNEY ASSOCIATES</p> |

- 15) **Taft Youth Development Center**
(Main Sewer Line Replacement)
Total Project Budget: \$1,000,000.00
SBC Project No. 144/005-01-2011
Designer: **CTI ENGINEERING INC**
- 16) **Taft Youth Development Center**
(Steam Line Repairs)
Total Project Budget: \$750,000.00
SBC Project No. 144/005-02-2011
Designer: **GRW ENGINEERS**
- 17) **Mountain View Development Center**
(Security Lock System Replacement)
Total Project Budget: \$280,000.00
SBC Project No. 144/013-02-2011
Designer: **DESIGN INNOVATIONS**
- 18) **Greene Valley Developmental Center**
(Storage Shed)
Total Project Budget: \$250,000.00
SBC Project No. 344/007-01-2011
Designer: **GEORGE ARMOUR EWART**
- 19) **Greene Valley Developmental Center**
(Gym/Pool Air Handler Units)
Total Project Budget: \$450,000.00
SBC Project No. 344/007-03-2011
Designer: **ENGINEERING SERVICES GROUP**
- 20) **Greene Valley Developmental Center**
(Laundry Building Boiler Replacement)
Total Project Budget: \$300,000.00
SBC Project No. 344/007-02-2011
Designer: **ENGINEERING SERVICES GROUP**
- 21) **Arlington Developmental Center**
(Service Complex Exterior Updates)
Total Project Budget: \$500,000.00
SBC Project No. 344/017-01-2011
Designer: **SELF TUCKER ARCHITECTS**
- 22) **Clover Bottom Developmental Center**
(Harold Jordan Center Consultant)
Total Project Budget: \$100,000.00
SBC Project No. 344/003-01-2011
Designer: **THE CFP GROUP**
- 23) **Dept of Environment and Conservation**
(Architectural Consultant)
Total Project Budget: \$100,000.00
SBC Project No. 126/000-02-2011
Designer: **LOSE & ASSOCIATES**
- 24) **Dept of Environment and Conservation**
(Engineering Consultant)
Total Project Budget: \$100,000.00
SBC Project No. 126/000-05-2011
Designer: **HETHCOAT & DAVIS**
- 25) **Ellington Agricultural Center**
(Holeman Building Window Replacement)
Total Project Budget: \$170,000.00
SBC Project No. 100/000-01-2011
Designer: **KENNON ARCHITECTS**
- 26) **South Central Regional Health Facility**
(Parking and Walkway Repair)
Total Project Budget: \$350,000.00
SBC Project No. 408/003-01-2011
Designer: **BARGE CAUTHEN**
- 27) **Donnelly J. Hill State Office Building**
(Elevator Renovation)
Total Project Budget: \$190,000.00
SBC Project No. 460/003-02-2011
Designer: **THE HORRELL GROUP**
- 28) **Donnelly J. Hill State Office Building**
(Lighting Controls Upgrade)
Total Project Budget: \$170,000.00
SBC Project No. 460/003-03-2011
Designer: **ALLEN & HOSHALL**
- 29) **Northeast TN Regional Health Office**
(Roof Replacement)
Total Project Budget: \$150,000.00
SBC Project No. 408/011-01-2011
Designer: **SHAW & SHANKS**
- 30) **Andrew Johnson / Davy Crockett Tower**
(Chiller Replacement)
Total Project Budget: \$1,600,000.00
SBC Project No. 460/001-02-2011
Designer: **SMITH SECKMAN REID**

31) **North Data Center**
(Building Systems Update, Phase 2)
Total Project Budget: \$2,400,000.00
SBC Project No. 529/031-01-2011
Designer: **3D ENGINEERING**

32) **State Capitol, Cordell Hull, Central Svs**
(Waterproofing and Drainage Study)
Total Project Budget: \$250,000.00
SBC Project No. 460/001-01-2011
Designer: **THOMAS MILLER PARTNERS**

33) **Andrew Jackson State Office Building**
(Exterior Maintenance)
Total Project Budget: \$1,300,000.00
SBC Project No. 460/073-01-2011
Designer: **HART FREELAND ROBERTS**

34) **William R. Snodgrass TN Tower**
(Exterior Bldg Maintenance & Repairs)
Total Project Budget: \$7,200,000.00
SBC Project No. 529/079-03-2011
Designer: **KLINE SWINNEY**

35) **John Sevier & War Memorial Buildings**
(Exterior Building / Plaza Study)
Total Project Budget: \$110,000.00
SBC Project No. 529/000-03-2011
Designer: **MESICK COHEN WILSON
BAKER**

36) **Real Property Administration**
(Architectural Consultant – East TN)
Total Project Budget: \$10,000.00
SBC Project No. 529/000-07-2010
Designer: **COPE & ASSOCIATES**

37) **Real Property Administration**
(Architectural Consultant – West TN)
Total Project Budget: \$10,000.00
SBC Project No. 529/000-07-2010
Designer: **HART FREELAND ROBERTS**

38) **Real Property Administration**
(Architectural Historical Consultant)
Total Project Budget: \$10,000.00
SBC Project No. 529/000-07-2010
Designer: **HEFFERLIN + KRONENBERG**

39) **Real Property Administration**
(Roofing/Building Envelope Consultant)
Total Project Budget: \$10,000.00
SBC Project No. 529/000-07-2010
Designer: **COPE & ASSOCIATES**

40) **Real Property Administration**
(Structural Engineering Consultant)
Total Project Budget: \$10,000.00
SBC Project No. 529/000-07-2010
Designer: **EMC STRUCTURAL ENGINEERS**

DEPARTMENT OF FINANCE & ADMINISTRATION

Memphis Biotech Foundation, Memphis, Shelby County, Tennessee

Requested Action: **Approval to amend grant agreement**

Project Title: Grant to Memphis Biotech Foundation

Project Description: For site preparation and construction of a research park infrastructure

SBC Number: 529/000-07-2004

Total Project Budget: \$17,000,000.00

Source of Funding:	\$10,000,000.00	2004	BondsCapImprov	(A)
	\$ 5,000,000.00	06/07	CurrFundsCapImprov	(A)
	\$ 2,000,000.00	07/08	CurrFundsCapImprov	(A)

Comment: The Foundation is requesting approval for the State to advance \$6 million of the remaining grant balance of \$6,300,151.08 into a custodial account to where controls are in place for the release of those monies for reimbursement of actual expenses in accordance with Supplementary Agreement #5 to the originally approved grant agreement dated September 8, 2004.

The Foundation plans to utilize and maximize New Market Tax Credit equity financing for the project's remaining debt. By so doing, the Foundation can complete the financing package requirements of the debt and equity structure of having 100% of this funding "available" at the financial closing. They hope to close the financing for the project by September 30 for groundbreaking in October 2011.

Previous SBC Action:	07/08/2004	SBC	Approved grant
	08/12/2004	SBC	Approved advance payment (\$1mil)
	07/20/2006	SBC	Revised funding
	08/16/2007	SBC	Revised funding
	09/08/2011	SBC	Referred to Subcommittee with authority to act
	09/19/2011	ESC	Deferred action

ESC Action: 09/29/2011. Brandon Wellford, CFO for Memphis Bioworks Foundation, was recognized: He stated that the Foundation made a proposal to the State to advance some of the grant funds from an existing grant for a laboratory project that they were trying to build in Memphis. He said they were proposing to take \$7 million of the State money and putting it together with a loan from First Tennessee Bank and using New Market Tax Credits to try to get this project done. He noted that the request is unusual to have State funds be paid in advance rather than a reimbursement type structure, and that they had been working with Staff to try to address the State's

Department of Finance and Administration – continued:

concerns. Vice-Chairman Hargett asked Melinda Parton to give an update. Ms. Parton stated that, based on the last agreement received that morning, they had reviewed the terms of the changes and were in agreement and comfortable with those changes. She clarified that in the supplement agreement they have removed the prorata share based on the Attachment B to the grant, but it still requires in the custodial agreement that the 50% draw will come from each account with all other terms left in place. She said that the State is no longer a party to the custodial agreement, which they understood needed to happen for the financing, and was okay with that as long as the State is mentioned in the document itself as part of the custodial fiduciary duty.

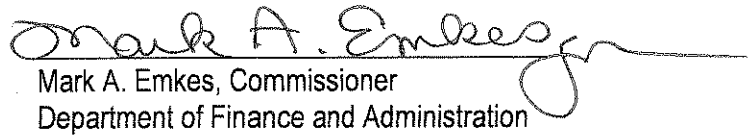
Secretary Hargett asked if the Attorney General had reviewed the document, and was told "yes". Treasurer Lillard asked about the sequence of events anticipated and if the State was going to fund the custodial agreement simultaneous with the closing of the loan from First Tennessee. Ms. Parton responded that it was laid out in the grant agreement that the \$6 million will be transferred from the State and \$7 million will be placed into the custodial account, including the \$1 million advance given in 2004, so that all the State funds will be placed in the custodial account with no funds being taken with the financing arrangement. Treasurer Lillard said he wanted to be sure that, at the time the custodial agreement is funded, the loan will be closed from First Tennessee. Mr. Wellford responded that it would be a simultaneous closing, but the funds would first go to an escrow account and wouldn't get transferred out of the escrow account unless the First Tennessee money comes in along with them. He added that, if for any reason the First Tennessee loan doesn't close, the money goes straight back to the State.

Treasurer Lillard wanted clarification that the deal was in a posture that was certain to go forward by having the custodial agreement funded by the State and have the loan closed by First Tennessee. Secretary Hargett noted that the Assistant Attorney General was nodding her head in concurrence. Comptroller Wilson stated that while he favored the transaction, he said this was a highly unusual circumstance and they would not set a precedence in proceeding in this manner. A motion was made and properly seconded to approve the request with those understandings, and it passed without objection.

* * * * *

There being no further business, the meeting adjourned at 1:13 p.m.

Approved:


Mark A. Emkes, Commissioner
Department of Finance and Administration