

**MINUTES**  
**STATE BUILDING COMMISSION**  
Executive Subcommittee  
February 25, 2013

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Vice-Chairman Tre Hargett called the meeting to order at 10:31 a.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  
David Lillard, State Treasurer  
Justin Wilson, Comptroller of the Treasury

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Bob Oglesby, State Architect  
Georgia Martin, Office of the State Architect  
Peter Heimbach, Department of General Services  
Joy Harris, Treasurer's Office  
Bruce Davis, Legislative Budget Office  
Jonathan Rummel, Secretary of State's Office  
Janie Porter, Attorney General's Office  
Jurgen Bailey, Department of General Services  
Robbi Stivers, University of Tennessee  
Dick Tracy, Tennessee Board of Regents  
John Carr, Department of Finance and  
Administration  
Steve Cates, Department of General Services  
Chloe Shafer, Department of General Services  
Crystal Collins, THEC  
Chris Tarnacki, THEC  
Steve Berry, Department of General Services  
Ron Colter, Department of General Services  
Bob Qualey, Department of General Services  
Terry Bonham, Department of Environment and  
Conservation  
Mark Cherpack, Department of Finance and  
Administration

## CONSENT AGENDA

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

- A. Agency: **University of Tennessee Health Science Center – Shelby County**  
Transaction: Lease Agreement  
Provision: Waiver of advertisement
  
- B. Agency: **Tennessee Board of Regents – Rutherford County**  
Transaction: Disposal in fee  
Provision: Approval of advertisement and two appraisals
  
- C. Agency: **Tennessee Board of Regents – Rutherford County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and appraisals
  
- D. Agency: **Tennessee Board of Regents – Rutherford County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and appraisals
  
- E. Agency: **Tennessee Board of Regents – Putnam County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and appraisals
  
- F. Agency: **Tennessee Wildlife Resource Agency – Anderson County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and appraisals
  
- G. Agency: **Tennessee Wildlife Resource Agency – Anderson County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and appraisals
  
- H. Agency: **Tennessee Wildlife Resource Agency – Anderson County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and appraisals

## UNIVERSITY OF TENNESSEE

### University of Tennessee, Knoxville, Knox County, Tennessee

**Requested Action:** Approval of a project budget, scope, source(s) of funding and to utilize the same designer as selected for the planning of the new future housing project

**Project Title:** Shelborne Towers Demolition

**Project Description:** This project will demolish Shelborne Towers

**SBC Number:** 540/009-01-2013

**Total Project Budget:** \$1,900,000.00

**Source of Funding:** \$1,900,000.00 Plant (Auxiliary) (A)

**Comment:** Shelborne Towers was acquired by the University of Tennessee in 2010 and the site will be used for future student housing. The University is requesting that professional services required for demolition be provided by the same designer as selected on the project for planning the new future housing project, SBC No. 540/009-15-2012. The expense of such services will be included in this project.

**Minutes:** 02/25/2013. Approved a project budget, scope, source(s) of funding and utilizing the same designer (Cope Associates) as selected for the planning of the new future housing project.

TENNESSEE BOARD OF REGENTS

University of Memphis, Memphis, Shelby County, Tennessee

Requested Action: Approval of a revision in source(s) of funding

Project Title: Research Facilities Improvements

Project Description: Renovate facilities to accommodate research

SBC Number: 166/007-13-2012

Revised Project Budget: \$1,145,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	150,000.00	(150,000.00)	0.00	Federal Grants	(F)
	995,000.00	150,000.00	1,145,000.00	Plant (Non-Auxiliary)	(A)
Original Project Budget:	<u>1,145,000.00</u>				
Change in Funding:		0.00			
Revised Project Budget:			\$1,145,000.00		

Comment: Federal funds were paid to the campus for maintenance and operations of the program. The campus is using those to provide part of the project funding. The funds were originally deposited in the plant fund account, so this action is merely correcting the funding sources. This project will make improvements, modifications, equipment installations, etc. to building spaces and systems to accommodate research needs.

Previous Action: 10/11/2012 SBC Approved project  
11/19/2012 ESC Selected designer (Allen & Hoshall, Inc.)

Minutes: 02/25/2013 ESC Approved a revision in source(s) of funding

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Cumberland Mountain State Park, Crossville, Cumberland County, Tennessee

**Requested Action:** Approval of a revision in project budget and source(s) of funding

**Project Title:** Sewer Plant Replacement

**Project Description:** Decommission existing sewage treatment plant and connect remaining facilities in the park to the Crossville Municipal treatment system

**SBC Number:** 126/030-01-2003

**Total Project Budget:** \$1,710,000.00

<b>Source of Funding:</b>	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$1,700,000.00	\$(250,000.00)	\$1,450,000.00	2003	GO Bonds Cap Improv	(A)
	30,000.00	0.00	30,000.00	02/03	CurrFunds CapImprov	(R)
	90,000.00	0.00	90,000.00	2002	GO Bonds Cap Maint	(A)
	0.00	140,000.00	140,000.00	03/04	CurrFunds CapImprov	(R)
<b>Original Project Budget:</b>	<b>\$1,820,000.00</b>					
<b>Change in Funding:</b>		<b>\$(110,000.00)</b>				
<b>Revised Project Budget:</b>			<b>\$1,710,000.00</b>			

**Comment:** The project was de-funded by \$250,000.00 due to an administrative error, which left insufficient funds for the last phase of the project which was the decommissioning of the existing sewage treatment plant and completion of the sewer system to connect the remaining areas of the park, which were not in the previous phase. The last phase was bid out on January 2, 2013, which produced a successful low bidder, however, because the project fund was reduced, the bid cannot be awarded without replenishing some of the funding.

**Previous Action:**

- 07/10/2003 SBC Approved project; designer to ESC
- 08/21/2003 SBC Recorded designer (James + Associates)
- 12/08/2005 SBC Approved grant
- 02/11/2010 SBC Revised scope
- 12/13/2012 SBC Report sole source procurement
- 02/14/2013 SBC Referred to ESC with authority to act

**Minutes:** 02/25/2013 ESC Approved a revision in project budget and source(s) of funding

DEPARTMENT OF GENERAL SERVICES

North Data Center, Nashville, Davidson County, Tennessee

**Requested Action:** Approval of the Guaranteed Maximum Price (GMP) for Phase 2 construction services

**Project Title:** Systems Update – Phase 3

**Project Description:** Interior space modifications, renovate interior finishes, fire suppression and sprinkler systems, security system upgrades, and modifications to mechanical and electrical systems.

**SBC Number:** 529/031-01-2011

**Total Project Budget:** \$8,800,000.00

<b>Source of Funding:</b>	\$ 48,363.48	2000	FRF-G O Bonds Cap Maint	(R)
	779,322.54	2001	FRF-G O Bonds Cap Maint	(R)
	517,537.56	2001	FRF-G O Bonds Cap Maint	(R)
	40,125.95	2004	FRF-G O Bonds Cap Maint	(R)
	13,144.43	2005	FRF-G O Bonds Cap Maint	(R)
	1,601,506.04	2006	FRF-G O Bonds Cap Maint	(R)
	200,000.00	11/12	FRF-CurrFunds-CapMaint	(A)
	200,000.00	11/12	OIR Operating	(A)
	2,200,000.00	2011	FRF GO Bonds-CapMaint	(A)
	1,200,000.00		FRF Reserves	(A)
	800,000.00	12/13	OIR Operating	(A)
	1,100,000.00	12/13	FRF Operating (501.03)	(A)
	<u>\$8,800,000.00</u>			

**Comment:** This project is for approval of the GMP Phase 3 construction services for the sub project.

**Previous Action:**

09/08/2011	SBC	Approved project
09/29/2011	ESC	Selected designer (3D Engineering)
04/12/2012	SBC	Approved fully plan add'l scope; revised TPB
07/12/2012	SBC	Revised project budget and sources of funding
08/20/2012	SBC	Approved CMGC delivery method
10/11/2012	SBC	Approved award to parent company for CMGC
01/10/2013	SBC	Cancelled designer & selected Centric Architecture

**Minutes:** 02/25/2013 ESC Approved GMP for Phase 2 construction services

DEPARTMENT OF GENERAL SERVICES

Lease Amendment

**Requested Action:** Approval of lease amendment

**Location:** Shelby County – 4240 Hickory Hill Road, Memphis, TN – Trans. No. 10-03-906 (Lotspiech)

**Purpose:** Office space

**Original Term:** January 1, 2012 – December 31, 2021  
**Term of Revision** July 1, 2013 – December 31, 2021

**Proposed Amount:**

14,400 rentable sf		
Annual rent cost:	\$176,832.00	@ \$ 12.28/ sf
Annual utility cost:	\$ 25,200.00	@ \$ 1.75 / sf
Annual janitorial cost:	<u>\$ 15,840.00.</u>	<u>@ \$ 1.10/ sf</u>
Annual total cost:	\$217,872.00	@ \$ 15.13/ sf

**Current Amount:**

9,260 rentable sf		
Annual rent cost:	\$113,712.80	@ \$ 12.28 / sf
Annual utility cost:	\$ 16,205.00.	@ \$ 1.75 / sf
Annual janitorial cost:	<u>\$ 10,186.00.</u>	<u>@ \$ 1.10 / sf</u>
Annual total cost:	\$140,103.80	@ \$ 15.13/ sf

**Type:** Negotiated lease amendment

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

**Source of Funding:** 100% Federal (F)

**Lessor:** Pedigo Hickory Properties, LP

**Comment:** Original lease was advertised in accordance with TCA 12-2-114 and was the lowest proposal of two (2) proposals. Terms of the original lease are being maintained including cancellation provisions. Interior tenant improvements are to be in accordance with plans and specifications approved by the State. Increase in square footage is due to relocation of staff from other locations.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for discussion.

**Minutes:** 02/25/2013 Approved lease amendment

## DEPARTMENT OF GENERAL SERVICES

### Special Item:

**Requested Action:** Approval of the revised lease template

**Comment:** Revises the current statewide lease template that has not been updated in 20 years in order to take into account current lease standards.

**SSC Report:** 02/15/2013. Peter Heimbach presented the item. After discussion, Staff referred it to the Executive Subcommittee with recommendation.

**Minutes:** 02/25/2013. Subcommittee approved the revised lease template as presented.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meetings held on January 18 and 31, 2013.

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) **University of Memphis**  
(Women's Softball Training Facility - Planning)  
Total Project Budget: \$1,800,000.00  
Current Funding: \$ 100,000.00  
SBC Project No. 166/007-02-2013  
Designer: **ROSS WITT**
  
- 2) **University of Tennessee Knoxville**  
(Shelborne Towers Demolition)  
Total Project Budget: \$1,900,000.00  
SBC Project No. 540/009-01-2013  
Designer: **COPE ASSOCIATES**

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There being no further business, the meeting adjourned at 10:37 a.m.

UNIVERSITY OF TENNESSEE HEALTH SCIENCE CENTER

**Lease Agreement**

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

**Location:** Shelby County – 50 North Dunlap Street, Memphis, TN – Trans. No. 13-01-947

**Purpose:** Educational & research programs

**Term:** March 1, 2013 – February 28, 2023

**Proposed Amount:**

45,208 rentable sf		
Annual rent cost:	\$316,456.00	@\$ 7.00/ sf
Annual utility cost:	\$ Inc.	@\$ 0.00 / sf
Annual janitorial cost:	<u>\$ Inc.</u>	<u>@\$ 0.00/ sf</u>
Annual total cost:	\$316,456.00	@\$ 7.00 / sf

**Current Amount:**

42,460 rentable sf		
Annual rent cost:	\$296,969.00	@\$ 6.99 / sf
Annual utility cost:	\$ Inc.	@\$ 0.00 / sf
Annual janitorial cost:	<u>\$ Inc.</u>	<u>@\$ 0.00 / sf</u>
Annual total cost:	\$296,969.00	@\$ 6.99 / sf

**Type:** Negotiated lease

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

**Source of Funding:** Campus Plant Funds – Non-auxiliary Sources (A)

**Lessor:** LaBonheur Children’s Hospital

**Comment:** The proposed lease contains cancellation provision due to termination or consolidation of University operations or programs housed in the lease premises because of loss of funding; lack of funding by the appropriate Legislative Body for obligations required of the University under this lease; or at any time by giving 90 days written notice. The change is due to the reconfiguration of build out. Original lease was approved for academic space in March 1993. That lease was amended to increase the amount of space available for academic programs in 2003 and a 10 yr. extension option exercised in 2008. The current agreement has an expiration date of December 31, 2018 and will be terminated pending approval of the proposed lease. Rent may be adjusted annually based on increases in cost, but never to exceed 4% of prior year’s rental. - Department of Pediatrics allocation of Unrestricted Funds comprised from State appropriations and tuition/ fee revenues.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013. Approved lease agreement with waiver of advertisement

TENNESSEE BOARD OF REGENTS

**Land Transaction**

<b>Requested Action:</b>	<b>Approval of disposal in fee with advertisement and two appraisals</b>
<b>Description:</b>	Rutherford County – 135+/-acres 312 Manson Pike Stark Farm, Murfreesboro, TN – Trans. No. 13-01-009 (Woodard)
<b>Purpose:</b>	Disposal in fee of former dairy farm operations for the School of Agribusiness and Agriscience. The dairy farm moved to a new location on Guy James Road in 2011.
<b>Original Cost to State:</b>	\$325,000
<b>Date of Original Conveyance:</b>	May 7, 1969
<b>Grantor Unto State:</b>	Clifford. N. and Pauline W. Stark
<b>Grantee:</b>	State of Tennessee
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Comment:</b>	In 2005, land to the east of the main campus was purchased that was better suitable and easily accessible for the dairy operations. The property is no longer needed by the university. No capital improvements have been made over the 44 year (1969) ownership of the property.
<b>SSC Report:</b>	02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	02/25/2013. Approved disposal in fee with advertisement and two appraisals

TENNESSEE BOARD OF REGENTS

**Land Transaction**

<b>Requested Action:</b>	<b>Approval of disposal by easement with waiver of advertisement and appraisals</b>
<b>Description:</b>	Rutherford County - .58+/-acres – MTSU campus, Murfreesboro, TN – Trans. No. 13-01-015 (Woodard)
<b>Purpose:</b>	Disposal by easement to facilitate the construction of new electric substation
<b>Estimated Sale Price:</b>	Grant for Public Purpose
<b>Source of Funding:</b>	Plant / Non-Auxiliary (REM fees) (A)
<b>Term:</b>	50 year term
<b>Grantee:</b>	Murfreesboro Electric Department
<b>Comment:</b>	The new electric substation is needed to serve the growing demand for electrical power by MTSU and the surrounding community. The demand for electric services is due to the addition of recent buildings and the anticipated load for the new science building. The substation will be built on open land near MTSU's parking and radio station tower. The need for this was addressed in MTSU <b><u>2008 Master Plan</u></b> .
<b>SSC Report:</b>	02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	02/25/2013. Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTS

**Land Transaction**

**Requested Action:** Approval to obtain title work, survey, phase 1 environmental assessment and accept as gift with waiver of advertisement and appraisals

**Description:** Putnam County – 0.18+/-acres – 901 N. Whitney Street, Cookeville TN – Trans No. 13-01-013 (Maholland)

**Purpose:** Acquisition in fee for a vacant lot. The property has been used by the Tennessee Technological University (TTU) for the past 12 years. This property is in the TTU **2010 Master Plan.**

**Estimated Sale Price:** Gift

**Source of Funding:** Campus Plant Non-auxiliary Funds (Admin. Fees) (A)

**Owner(s):** Tennessee Technological University Foundation

**Comment:** Date of last property transfer: February 2001  
Purchase Price: \$15,000  
Property Assessor's Value: \$13,000  
Improvements Square Footage: N/A

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013. Approved obtaining title work, survey, phase 1 environmental assessment and accept as gift with waiver of advertisement and appraisals.



TENNESSEE WILDLIFE RESOURCE AGENCYLand Transaction

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

**Description:** Anderson County – 1.67+/-acres – near Highway 116 – Trans. No. 13-01-010 (Jackson)

**Purpose:** Disposal by easement to provide a gas well, pipeline and access as needed on Sundquist Wildlife Management Area (WMA). Well sites AH-1001

**Estimated Sale Price:** \$500.00 (REM fees)

**Grantee:** CNX Gas Company LLC/Knox Energy

**Comment:** The mineral rights are not owned by the State. An agreement was in place at the time the State purchased the property outlining fee transfers for mineral extractions sites. The company has agreed to use easement in lieu of fee transfers. The total consideration is \$500 for up to 4.77 acres, per the agreement.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013. Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE WILDLIFE RESOURCE AGENCYLand Transaction

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

**Description:** Campbell County – 5.54+/-acres – Near Highway 116 – Trans. No. 13-01-011 (Jackson)

**Purpose:** Disposal by easement to provide a gas well, pipeline and access as needed on Sundquist Wildlife Management Area (WMA). Well sites AH-1008

**Estimated Sale Price:** \$580.00 (REM fees)

**Grantee:** CNX Gas Company LLC/Knox Energy

**Comment:** The mineral rights are not owned by the State. An agreement was in place at the time the State purchased the property outlining fee transfers for mineral extractions sites. The company has agreed to use easement in lieu of fee transfers. The total consideration is \$500 for up to 4.77 acres, per the agreement.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013. Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE WILDLIFE RESOURCE AGENCYLand Transaction

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

**Description:** Campbell County – 1.52+/-acres – Near Highway 116 – Trans. No. 13-01-012 (Jackson)

**Purpose:** Disposal by easement to provide a gas well, pipeline and access as needed on Sundquist Wildlife Management Area (WMA). Well sites AH-1006

**Estimated Sale Price:** \$500.00 (REM fees)

**Grantee:** CNX Gas Company LLC/Knox Energy

**Comment:** The mineral rights are not owned by the State. An agreement was in place at the time the State purchased the property outlining fee transfers for mineral extractions sites. The company has agreed to use easement in lieu of fee transfers. The total consideration is \$500 for up to 4.77 acres, per the agreement.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013. Approved disposal by easement with waiver of advertisement and appraisals.

Approved:

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Mark A. Emkes, Commissioner  
Department of Finance and Administration