

**MINUTES**  
**STATE BUILDING COMMISSION**  
**Executive Subcommittee**  
**January 31, 2013**

The State Building Commission Executive Subcommittee met this day at 4:00 p.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Chairman Emkes called the meeting to order at 4:00 p.m. and requested action on the following matters as presented by State Architect Bob Oglesby.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration  
Vice-Chairman Tre Hargett, Secretary of State  
David Lillard, State Treasurer  
Justin Wilson, Comptroller of the Treasury

OTHERS PRESENT

Bob Oglesby, State Architect  
Georgia Martin, Office of the State Architect  
Peter Heimbach, Department of General Services  
Joy Harris, Treasurer's Office  
Melinda Parton, Comptroller's Office  
Bruce Davis, Legislative Budget Office  
Jonathan Rummel, Secretary of State's Office  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Jurgen Bailey, Department of General Services  
Robbi Stivers, University of Tennessee  
Dick Tracy, Tennessee Board of Regents  
Larry Arrington, University of Tennessee  
Charles Peccolo, University of Tennessee  
Tony Hopson, University of Tennessee  
Kevin Hoyt, University of Tennessee

John Carr, Department of Finance and Administration  
Heather Iverson, Department of General Services  
Steve Cates, Department of General Services  
Jim Henry, Department of Intellectual & Developmental Disabilities  
Crystal Collins, THEC  
Scott Boelscher, THEC  
Janice Cunningham, Treasurer's Office  
Barbara Devaney, League of Women Voters  
Gina Hancock, The Nature Conservancy  
Tom Lee, The Nature Conservancy  
Linda Leathers, The Next Door  
Rob Waggener, The Next Door  
Eric Lewis, Frack Free Tennessee  
Cor Wiser, Frack Free Tennessee  
Anna Haislip, Citizen for Frack Free Tennessee

## 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 – Davidson County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and appraisals
  
- B. Agency: **Tennessee Board of Regents – Hamblen County**  
Transaction: Disposal in fee lease  
Provision: Waiver of advertisement and one appraisal
  
- C. Agency: **Department of Intellectual and Developmental Disabilities - Wilson**  
Transaction: Acquisition by lease  
Provision: Waiver of advertisement and appraisals
  
- D. Agency: **Department of Environment and Conservation – Davidson County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and one appraisal
  
- E. Agency: **Department of Safety – Wilson County**  
Transaction: Acquisition by sub lease  
Provision: Waiver of advertisement and appraisals
  
- F. Agency: **Department of Safety – Hawkins County**  
Transaction: Acquisition by lease  
Provision: Waiver of advertisement and appraisals
  
- G. Agency: **Department of General Services – Shelby County**  
Transaction: Approval of lease agreement
  
- H. Agency: **Department of General Services – Knox County**  
Transaction: Disposal in fee  
Provision: Waiver of one appraisal and advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

**Land Transaction**

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

**Description:** Lake County – 7,846.44+/-acres – Reelfoot Lake – Trans. No. 12-12-010 (Jackson)

**Purpose:** Disposal by lease to enter into a new 99 year lease agreement to allow the most efficient and effective management of Reelfoot Lake Wildlife Management Area. TWRA is seeking to update the current lease created in 1941 and ending in 2016.

**Source of Funding:** No Cost

**Current Term:** August 28, 1941 – July 31, 2016, 75 years  
**New Term:** 2013 – 2112, 99 years

**Lessee:** U.S. Fish and Wildlife Service

**Comment:** The new lease term will replace the current term at the time of execution. The new lease will incorporate existing lands in the current lease with updated terms and conditions.

**SSC Report:** 01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**ESC Minutes:** 01/31/2013 At the Agency's request, the item was deferred.

TENNESSEE WILDLIFE RESOURCES AGENCY

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:** Fentress County – 3,936.30+/-acres – Boatland Rd, Skinner Mountain Wildlife Management Area Trans. No. 12-12-014 (Jackson)

**Purpose:** Acquisition in fee to acquire this tract from the Nature Conservancy. TWRA has been leasing the property since 2006 for \$2 per acre. (Rent paid less than \$50,000)

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** \$1,730,000 12/13 TWRA Op Funds (Pittman Robinson Grant) (F)

**Owner(s):** The Nature Conservancy

**Comment:** Date of last property transfer: August 31, 2006  
Purchase Price: \$ 4,708,125  
Property Assessor's Value: \$3,092,600  
Improvements Square Footage: N/A

**SSC Report:** 01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**ESC Minutes:** 01/31/2013 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.

## THE UNIVERSITY OF TENNESSEE

### Land Transaction

**Requested Action:** Approval of an RFP for disposal by lease of mineral rights with waiver of appraisals

**Description:** Morgan & Scott Counties – 8,636+/-acres UT Forestry Experimentation Station – Trans. No. 13-01-001 (Baugh)

**Purpose:** Disposal by lease for a Request for Proposal (RFP) to enter into an oil lease, gas lease and coal bed methane lease.

**Term:** Lease term of five (5) years with three (3) renewals of five (5) years each for a maximum of twenty (20) years, or as long as product is being produced in paying quantities.

**Comment:** Lease is to cover the leased premises, less and except the existing wells and their associated acreage. The property will continue to be utilized for forestry research purposes.

**Previous Action:** 10/01/2002 ESC Policy to be drafted  
03/20/2006 ESC Approved contingent on agreement by Attorney General  
04/20/2009 ESC Deferred request

**SSC Report:** 01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for discussion

**ESC Minutes:** 01/31/2013 At the University of Tennessee's request, the item was deferred.

DEPARTMENT OF GENERAL SERVICES

Andrew Jackson State Office Building, Nashville, Davidson County, Tennessee

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

Project Title: Andrew Jackson State Office Building (Assoc)

Project Description: Andrew Jackson T3 associated project work including updated interior finishes, restrooms, replacement of existing fire alarm system and replacement of HVAC systems.

SBC Number: 529/073-01-2012

Total Project Budget: \$21,990,000.00

Current Project Funding: \$20,090,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$6,740,000.00	\$ 0	\$6,740,000.00	12/13	FRF CF Cap Imp	(A)
	1,000,000.00	0	1,000,000.00	2012	FRF GO Bond CM	(A)
	250,000.00	0	250,000.00	12/13	FRF CF Cap Maint	(A)
	0.00	1,406,608.20	1,406,608.20		FRF Reserves/Energy	(R)
	0.00	2,860,469.33	2,860,469.33	2001	FRF GO Bond CI/Energy	(R)
	0.00	5,200,000.00	5,200,000.00	2008	FRF GO Bond CI/Energy	(R)
	0.00	2,632,922.47	2,632,922.47	2007	FRF GO Bond Cap Imp	(R)
Original Project Budget:	<u>\$7,990,000.00</u>					
Change in Funding:		\$12,100,000.00				
Revised Project Budget:			\$20,090,000.00			

Comment: This adds funds to the FY 12/13 line-item project to address needs identified in the master planning, facilities assessment and the Phase 1 building assessment. Most of the additional funding will come from residual energy bonds. **(This is a T3 associated project)**

Previous Action: 07/12/2012 SBC Approved project & issued RFP for D/B (Assoc)  
 11/15/2012 SBC Approved D/B award to Hardaway Construction  
 1/10/2013 SBC Referred to ESC with authority

ESC Minutes: 01/31/2013 ESC Approved a revision in project budget, scope and source(s) of funding

DEPARTMENT OF GENERAL SERVICES

Land Transaction

**Requested Action:** Approval of disposal in fee below fair market value

**Description:** Davidson County – Tract # 1 – 1.05+/-acres – 22<sup>nd</sup> Ave, Nashville, TN – Trans. No. 12-08-008 ( Baugh)

**Purpose:** Disposal of surplus property below fair market value to non-profit.

**Sale Price:** \$500,000.00

**Fair Market Value:** \$719,000.00 per appraiser

**Grantee:** The Next Door, Inc. a 501c3

**Comment:** The property has been advertised four (4) times. This tract has no frontage on Charlotte Avenue. The Next Door, Inc. is planning to build their corporate headquarters on this site. The Next Door, Inc. is a valuable service provider to several state departments such as: Department of Correction, Department of Mental Health and Substance Abuse Services, Board of Parole, Tennessee Housing & Development Agency, and Department of Children Services.

**SSC Report:** 01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for discussion.

**ESC Minutes:** 01/31/2013 Peter Heimbach presented the transaction. Secretary Hargett acknowledged the need to proceed after several advertisements. Treasurer Lillard asked if the parcel was needed to enhance the sale of Tract 3. Mr. Heimbach responded that it was not needed because it does not have frontage on Charlotte Avenue and the current bid is double the last bid received. Subcommittee approved the request for disposal in fee below market value.

## DEPARTMENT OF GENERAL SERVICES

### Report Item

*Pursuant to State Building Commission Policy and Procedures, Item 8.01 (J) Report Item as approved on September 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 (July 1 – December 31):

1. Resulting appraisal value(s)
2. Final purchase or sales price
3. Amount(s) and source of funding used or received

**ESC Minutes:**            01/31/2013        Subcommittee acknowledged receipt of the report.

## STATE BUILDING COMMISSION

### SBC By-Laws, Policy and Procedures

- 1) State Architect Bob Oglesby presented a request for approval of the following revision to Item 8.01,A of the *By-laws, Policy & Procedures of the State Building Commission*. He stated that this revised language clarifies policies regarding diligence tied to land transactions, and provides the ability to procure options on property under stated conditions when the acquisition is time sensitive. Commissioner Emkes said it was his understanding that this revision had been vetted by a number of departments. Mr. Oglesby replied that the Department of General Services has worked diligently in this effort and coordination with other agencies and higher education institutions for support of this item. Comptroller Wilson stated that his office had reviewed and found it to be appropriate. Commissioner Emkes said that this would streamline the process and everyone would benefit from it. He noted that Commissioner Henry played a huge role in getting this streamlined and asked him to be recognized. Commissioner Henry stated that this will simplify their building of group homes while being considerably cheaper, and he was very appreciative of the Subcommittee's action. Comptroller Wilson responded that this was a direct result of his efforts. Treasurer Lillard mentioned the shortcomings of past projects and stated that he had great faith in Commissioner Henry and his Department in hopes that they will focus on those issues. A motion was made to approve the revision to the Policy, was properly seconded, and passed without objection.

#### **8.01 GENERAL ACQUISITION AND DISPOSITION**

- A. Acquisitions and dispositions of interests in real property under TCA 4-15-101, et seq., and TCA 12-2-112, et seq., shall be submitted to the Executive Sub-Committee prior to any commitment to complete a transaction. The Department of General Services, through the Division of Real Estate Asset Management (STREAM), shall have the responsibility for ensuring that departments, institutions and agencies comply with this policy as follows:
1. Departments, institutions and agencies shall present requests with supporting documentation to STREAM.
  2. STREAM shall analyze the information and determine and obtain additional information and appropriate diligence for proper presentation to the Executive Sub-Committee. Any contracted diligence services for a transaction procured prior to approval of the transaction by the Executive Sub-Committee shall be reported in the transaction approval summary submitted to the Executive Sub-Committee.
  3. STREAM may enter into an option to purchase property prior to Executive Sub-Committee approval if all of the following are satisfied:
    - i. The acquisition is deemed to be time sensitive by the requesting agency in writing and concurred with by STREAM.
    - ii. The target property meets one of the following conditions:
      1. Identified for future acquisition in a State Building Commission approved Master Plan,
      2. Approved for acquisition by State Lands Acquisition Committee in accordance with Tennessee Code Title 11, Chapter 14
      3. Determined to be a priority wetland and bottomland hardwood forest acquisition in accordance with Tennessee Code Title 11, Chapter 14
      4. Included as part of approved SBC project where land purchase is specified in the project scope, and

- iii. Funding is available for the option consideration, if any will be paid, and for the acquisition. Availability of funds shall be verified with the Department of Finance and Administration. Any actions taken regarding options will be reported to the Executive Sub-Committee at the next scheduled meeting. Option consideration shall be not greater than 1% of the anticipated purchase price not to exceed \$10,000 except for transactions with an anticipated purchase price of less than \$100,000 where up to \$1000 consideration may be paid. Transactions shall not be subdivided to exceed the option threshold. The requirements of 3(ii) above and the limits on the amount of option consideration may be waived upon approval of the Commissioner of Finance and Administration and one other member of the Executive Sub-Committee.
- 4. No Acquisition or Disposition shall be consummated until the Executive Sub-Committee has approved the transaction.
- 5. The execution of an option shall not bind the State to the acquisition of the property.

**Minutes of Executive Subcommittee Meeting**

- 1) Approved the Minutes of the Executive Subcommittee meeting held on December 17, 2012.

**Designer Selections**

- 1) 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) **Tennessee Technological University**  
 (Hooper Eblen Center Scoreboard)  
 Total Project Budget: \$900,000.00  
 SBC Project No. 166/011-05-2012  
 Designer: **BLANKENSHIP & PARTNERS**

- 2) **North Data Center**  
 (Systems Update Phase 3)  
 Total Project Budget: \$8,800,000.00  
 SBC Project No. 529/031-01-2011  
 Designer: **CENTRIC ARCHITECTURE**

\* \* \* \* \*

There being no further business, the meeting adjourned at 4:10 p.m.

TENNESSEE BOARD OF REGENTSLand Transaction

<b>Requested Action:</b>	Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and accept as gift with waiver of advertisement and appraisals
<b>Description:</b>	Davidson County – 0.29+/-acres – 1029 College Ave., Nashville, TN – Trans. No. 13-01-002 (Maholland)
<b>Purpose:</b>	Acquisition in fee to accept donation of vacant parcel. This property will be used to increase security of campus perimeter and is part of Tennessee State University <u>2008 Master Plan.</u>
<b>Source of Funding:</b>	Gift
<b>Owner(s):</b>	Clarence W. Holloway
<b>Comment:</b>	Date of last property transfer: October 2004 Purchase Price: Inheritance Property Assessor's Value: \$20,300 Improvements Square Footage: N/A
<b>SSC Report:</b>	01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>ESC Minutes:</b>	01/31/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and accept as gift with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTS

**Land Transaction**

<b>Requested Action:</b>	<b>Approval of disposal in fee with waiver of advertisement and one appraisal</b>
<b>Description:</b>	Hamblen County – 1.4 acres+/-acres – Randolph Dr., Morristown, TN – Trans. No. 12-12-004 (Maholland)
<b>Purpose:</b>	Disposal in fee for ½ ownership of three (3) adjacent lots (54, 55, & 56), which are unusable to TBR. ½ interest in the lots were quit claimed to the State in 2007
<b>Date of Original Conveyance:</b>	December 10, 2007
<b>Grantor Unto State:</b>	Tennessee Technology Center College at Morristown
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Buyer:</b>	Witt Utility District
<b>Comment:</b>	Witt Utility District is requesting acquisition for the installation of a water tank for its water system in Monte Vista Subdivision and in the surrounding district area. Property was previously gifted to the State and is outside of the Master Plan.
<b>SSC Report:</b>	01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>ESC Minutes:</b>	01/31/2013 Approved disposal in fee with waiver of advertisement and one appraisal.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

**Land Transaction**

<b>Requested Action:</b>	<b>Approval of acquisition by lease with waiver of advertisement and appraisals</b>
<b>Description:</b>	Wilson County – 45.58+/-acres – Kirkpatrick Lake Rd, Lebanon, TN – Trans. No. 13-01-003 (Woodard)
<b>Purpose:</b>	Acquisition by lease to continue leasing with no compensation for the use of the government tracts. The lease originated in 1956
<b>Source of Funding:</b>	No Cost
<b>Owner(s):</b>	U.S. Army Corp of Engineers
<b>Comment:</b>	The State agreed to build and is responsible for the structures on the property including the recreation/dining hall and is utilized by the U.S. Army Corp. of Engineers. Tracts G-709 and G-748-2 are within the confines of the Old Hickory Lock and Dam Project. Maintenance of the facility is from Department of Intellectual and Developmental Disabilities budget.
<b>SSC Report:</b>	01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>ESC Minutes:</b>	01/31/2013 Approved acquisition by lease with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

<b>Requested Action:</b>	<b>Approval of disposal by easement with waiver of advertisement and one appraisal</b>
<b>Description:</b>	Davidson County – 5.8+/-acres – Radnor Lake State Natural Area (SNA) – Trans. No. 12-12-015 (Baugh)
<b>Purpose:</b>	Disposal by easement to construct a pipeline, proposed by Piedmont Gas, to establish a permanent gas line easement across 1.5 miles of Radnor Lake SNA, following an existing Tennessee Valley Authority easement.
<b>Sales Price:</b>	Fair Market Value of Land or \$1.125M whichever is greater
<b>Buyer:</b>	Piedmont Natural Gas
<b>Comment:</b>	The natural gas pipeline would begin at Columbia Gulf near Shire Dr. in Antioch. The gas line would extend approximately 12 miles east to an existing Piedmont Natural Gas (PNG) transmission pipeline near Chickering Rd. The 20 inch diameter pipeline is planned to be bored at approximately 100 ft. below the surface. In addition to the sales price, PNG is committing to pay \$150,000 in administrative costs and making a \$1,000,000.00 contribution to the department for use within Radnor Lake SNA.
<b>Previous Action:</b>	02/21/2012 ESC Approved request as presented
<b>SSC Report:</b>	01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>ESC Minutes:</b>	01/31/2013 Approved disposal by easement with waiver of advertisement and one appraisal.

DEPARTMENT OF SAFETYLand Transaction

<b>Requested Action:</b>	<b>Approval to enter into a sublease agreement with waiver of advertisements and appraisals</b>
<b>Description:</b>	Wilson County – 1+/-acres – 5470 E. Franklin Rd., Lebanon, TN – Trans. No. 12-12-012 (Bailey)
<b>Purpose:</b>	Acquisition by sub lease to allow Safety's interoperable communication system equipment on Wilson County tower.
<b>Term:</b>	Expires November 4, 2019 (co-termed with ground lease)
<b>Rent:</b>	No cost-mutual benefits
<b>Ground Lessor:</b>	Gladeville Utility District
<b>Sub Lessor:</b>	Wilson County Emergency Management Agency
<b>Sub Lessee:</b>	State of Tennessee
<b>Comment:</b>	Part of approved SBC Project No. 502/001-01-2011
<b>SSC Report:</b>	01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>ESC Minutes:</b>	01/31/2013 Approved entering into a sublease agreement with waiver of advertisements and appraisals.

DEPARTMENT OF SAFETYLand Transaction

<b>Requested Action:</b>	<b>Approval to enter into a land lease agreement for with waiver of advertisement and appraisals</b>
<b>Description:</b>	Hawkins County – 1+/-acres – off Highway 31 near Morristown, TN – Trans. No. 12-12-011 (Bailey)
<b>Purpose:</b>	Acquisition by lease to allow Safety's interoperable communication system equipment on Hawkins County tower.
<b>Term:</b>	2013 – 2038, 25 years with a one (1) year renewal option until one or both parties cancel the lease
<b>Rent:</b>	No cost-mutual benefits
<b>Lessor:</b>	East Tennessee Public Communications Corporation
<b>Comment:</b>	Part of approved SBC Project No. 502/001-01-2011
<b>SSC Report:</b>	01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>ESC Minutes:</b>	01/31/2013 Approved entering into a land lease agreement for with waiver of advertisement and appraisals.

DEPARTMENT OF GENERAL SERVICES  
on behalf of  
DEPARTMENT OF HUMAN SERVICES

**Lease Agreement**

**Requested Action:** Approval of lease agreement

**Location:** Shelby County – 3360 South Third, Memphis, TN – Trans. No. 01-07-904 (Lotspiech)

**Purpose:** Renewal for office space to allow time to advertise for a new lease

**Term:** February 1, 2013 thru January 31, 2014 (1 yr.)

**Proposed Amount:**

35,587 rentable sf		
Annual rent cost:	\$222,062.88	@\$ 6.24 / sf
Annual utility cost:	\$ 62,277.25	@\$ 1.75 / sf
Annual janitorial cost:	<u>\$ 39,145.70</u>	<u>@\$ 1.10 / sf</u>
Annual total cost:	\$323,485.83	@\$ 9.09 / sf

**Current Amount:**

43,967 rentable sf		
Annual rent cost:	\$274,354.08	@\$ 6.24 / sf
Annual utility cost:	\$ 61,553.80	@\$ 1.40 / sf
Annual janitorial cost:	<u>\$ 48,363.70</u>	<u>@\$ 1.10 / sf</u>
Annual total cost:	\$384,271.58	@\$ 8.74 / sf

**Type:** Negotiated lease

**FRF Rate:** \$18.00

**Source of Funding:** 39% State - 32% Federal - 29% Other (TennCare)

**Lessor:** Belz Investco, G. P.

**Comment:** The proposed lease contains cancellation provision for cause and does not contain cancellation for convenience due to short term of lease.

**SSC Report:** 01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**ESC Minutes:** 01/31/2013 Approved lease agreement

DEPARTMENT OF GENERAL SERVICESLand Transaction

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

**Description:** Knox County – 2.08+/-acres – Improved with former State Supreme Court and annex building consisting of 51,610 sq. ft. – 719 Locust St., Knoxville, TN – Trans. No. 09-01-001 (Walla)

**Purpose:** Disposal in fee of surplus property no longer meets the State’s needs; renovation estimates from 2003 appraisal exceeds \$2 million. City of Knoxville has asked that the property be conveyed at Fair Market Value to the Industrial Development Board of Knoxville (IDBK) for future development

**Original Cost to State:** \$487,398.00

**Date of Original Conveyance:** Various from 1951 to 2008

**Grantor Unto State:** Various

**Buyer:** IDBK

**Estimated Sale Price:** Fair Market Value (\$2,470,000)

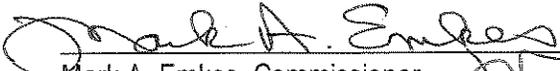
**Comment:** This was approved by ESC on March 3, 2009 for sale to the IDBK for \$2,160,000. Conveyance was not consummated at that time. Appraisal was updated and the current request is to sell to the IDBK \$2,470,000.

**Previous Action:** 02/23/2009 ESC Deferred request  
03/03/2009 ESC Approved request

**SSC Report:** 01/14/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**ESC Minutes:** 01/31/2013 Approved disposal in fee with waiver of one appraisal and advertisement.

Approved:

  
Mark A. Emkes, Commissioner  
Department of Finance and Administration

**MINUTES**  
**STATE BUILDING COMMISSION**  
**Executive Subcommittee**  
**January 18, 2013**

The State Building Commission Executive Subcommittee met this day at 1:45 p.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Chairman Emkes called the meeting to order at 1:46 p.m. and requested action on the following matters as presented by State Architect Bob Oglesby.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration  
Vice-Chairman Tre Hargett, Secretary of State  
David Lillard, State Treasurer

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

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  
Steve Cates, Department of General Services  
John Carr, Department of Finance and Administration  
Ted Hayden, citizen

DEPARTMENT OF GENERAL SERVICES

Middlebrook & Pellissippi, Knoxville, Knox County, Tennessee

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

**Project Title:** Office Consolidation Project (T3)

**Project Description:** Knoxville T3 Sub-project and related work for Middlebrook & Pellissippi locations

**SBC Number:** 460/000-02-2012-03 (T3)

**Current Project Funding:** \$71,500,000.00

**Source of Funding:**

460/000-02-2012	\$ 800,000.00		FRF-Operating Funds	(A)
	950,000.00		FRF Reserves	(R)
	69,500,000.00	12/13	FRF CurrFund Cap Improv	(A)
	250,000.00	12/13	Treasury Operating Funds	(A)

**Comment:** This is approval of the GMP for Phase 2 construction services for the Knoxville sub project

**Previous Action:**

02/09/2012 SBC	Approved project & issued RFP for Design/Build (T3)
07/12/2012 SBC	Approved additional funding; revised Total Project Budget & issuing RFP for Design/Build (T3)
10/11/2012 SBC	Approved Phase 1 contract (Rentenbach Constructors)
12/13/2012 SBC	Referred to ESC with authority

**Minutes:** 01/18/2013 ESC Approved the GMP for Phase 2 construction services

Approved:



Mark A. Emkes, Commissioner  
Department of Finance and Administration