

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
April 25, 2016

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee with the following members and Departments present. Commissioner Martin called the meeting to order at 11:15 a.m. and requested action on the following matters as presented by State Architect Peter Heimbach.

MEMBERS PRESENT

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

MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Tennessee Board of Regents
- Department of Developmental & Intellectual Disabilities
- Department of General Services
- State Building Commission

PRESENTER

Dick Tracy
Kent Brummett
Ted Hayden
Peter Heimbach

OTHER PARTICIPANTS

Steve Lusk, Department of General Services

CONSENT AGENDA

Approved the following real property transactions which had been reviewed and recommended for approval by Subcommittee staff, noting a change to the tenant's name in Item G :

- A. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- C. Agency: Tennessee Board of Regents – Putnam County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- D. Agency: Department of Transportation – Davidson County
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and one appraisal

- E. Agency: Department of Mental Health & Substance Abuse – Davidson County
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and appraisals

- F. Agency: Tennessee Wildlife Resources Agency – Polk County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- G. Agency: Department of Agriculture – Meigs County
Transaction: Disposal – Lease (Land)
Provision(s): Waiver of advertisement and appraisals

- H. Agency: Department of Agriculture – Davidson County
Transaction: Disposal – Fee
Provision(s): Waiver of one appraisal

- I. Agency: Department of General Services – Davidson County
Transaction: Disposal – Lease (Land)
Provision(s): Waiver of advertisement and appraisals

TENNESSEE BOARD OF REGENTS

Austin Peay State University, Clarksville, Montgomery County, Tennessee

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

Project Title: Demolition – 240 Forbes Avenue

Project Description: This project provides for the demolition of 240 Forbes Avenue in Clarksville, Tennessee in accordance with the APSU 2013 Master Plan.

SBC Number: 166/003-01-2016

Total Project Budget: \$20,000

Source of Funding: \$20,000 Plant Funds (Non-Auxiliary)

Comment: This property provides for future campus expansion. The Tennessee Historical Commission has determined that this project will not adversely affect this State-owned resource of 50+ years, and no further action is necessary.

Minutes: 04/25/2016 ESC Approved project, budget, scope, funding and source of funding.

TENNESSEE BOARD OF REGENTS

Austin Peay State University, Clarksville, Montgomery County, Tennessee

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

Project Title: Demolition – 521 York Street

Project Description: This project provides for the demolition of 521 York Street in Clarksville, Tennessee in accordance with the APSU 2013 Master Plan.

SBC Number: 166/003-02-2016

Total Project Budget: \$20,000

Source of Funding: \$20,000 Plant Funds (Non-Auxiliary)

Comment: This property will be used for future campus expansion. The Tennessee Historical Commission has determined that this project will not adversely affect this State-owned resource of 50+ years, and no further action is necessary.

Minutes: 04/25/2016 ESC Approved project, budget, scope, funding and source of funding.

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

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

Project Title: Demolition – Natatorium

Project Description: This project provides for the demolition of the natatorium building at 1319 Faulkinberry Drive in Murfreesboro, Tennessee in accordance with the MTSU 2013 Master Plan.

SBC Number: 166/009-02-2016

Total Project Budget: \$450,000.00

Source of Funding: \$450,000.00 Plant (Non-Auxiliary)

Comment: The property was acquired in February 1910. The TN Historical Commission has determined that this project will not adversely affect this State-owned resource of 50+ years, and no further action is necessary.

Minutes: 04/25/2016 ESC Approved project, budget, scope, funding and source of funding.

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES

Report Item

Transaction Description: Transaction Nos. 13-09-004 and 15-07-005

- **Location:** Shelby County – 388 acres+/- (Parcel #2) –11293 Memphis Arlington Rd, Arlington, TN

Comment:

The purpose of this item is to report a reduction in the amount of land to be sold as part of Parcel #2. The Executive Subcommittee approved the disposal of 416+/- acres associated with the Arlington Development Center in Transaction No. 13-09-004 on October 21, 2013. This disposal is part of the settlement and exit plan in compliance with the Arlington Development Center litigation which requires that the sale be conducted so as to maximize sale proceeds. The sale proceeds are to be deposited in the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117 and set aside within that fund as part of the Arlington settlement.

DIDD received an offer to purchase 28.65 acres of the original 416+/- acres from the Department of Veterans Services ("DVS") for the full appraised value of \$380,000. DIDD believed that accepting this offer was in the best interests of the State and compliant with the terms of the Arlington Development Center litigation. Accordingly, the 28.65 acres will be conveyed to DVS by Transfer of Jurisdiction (Transaction No. 15-07-005). The purchase price will be paid out of SBC project number 680/006-01-2014 and deposited in the appropriate fund with the appropriate designation. The property will be used by DVS for a New Veterans Home.

DIDD will continue to pursue the sale of the remaining 388+/- acres in accordance with the Arlington settlement.

Minutes:

04/25/2016 Kent Brummett presented the report stating he wanted to make sure the transaction was as transparent as possible. Subcommittee accepted the report as presented.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 16-04-900-KC

● **Proposed Lease**

- Location: Hamilton County – 6112 Shallowford Rd., Chattanooga, TN
- Landlord: S.J. Properties, General Partnership
- Term: 1 year – May 1, 2016 through April 30, 2017
- Area / Costs: **14,857 Square Feet**

Annual 1 Year Average Contract Rent:	\$282,283.00	@\$19.00/sf
Estimated Annual Utility Cost:	25,999.75	@\$ 1.75/sf
Estimated Annual Janitorial Cost:	16,342.70	@\$ 1.10/sf
Total Annual Effective Cost:	\$324,625.45	@\$21.85/sf

● **Current Lease**

- Location: **Chattanooga State Office Building (CSOB)
- Area / Costs: **147,269 Rentable Square Feet (21,669 sq. ft. – TDOC)**

FY 2012 Operating & Maintenance Cost:	\$1,394,302.00	@\$ 9.47/sf
Current Est. Deferred Maintenance Cost:	859,225.00	@\$ 5.83/sf
Total Est. First Year Costs:	2,253,527.00	@\$15.30/sf
Estimated 15 year Average Annual Cost:	\$2,921,816.96	@\$19.84/sf

- **Source of Funding:** FRF Operating Fund
- **Procurement Method:** Direct Negotiation
- **FRF Rate:** \$18.00

Comment: The lease is to provide emergency office space for the Department of Correction (TDOC). TDOC is currently located in the former Chattanooga State Office Building, but that building has been transferred to the University of Tennessee and must be vacated by all other State tenants by the end of June. A separate long term lease has been procured for TDOC in Hamilton County, but with the required buildout it will not be available in time to allow TDOC to meet the UT June deadline. This Shallowford Road location was located after a quick but thorough search of the limited suitable spaces in the area, and it has suitable terms and the Lessor has agreed to a standard 90 day termination for convenience clause.

**Costs from CSOB are from the last time the building was fully occupied.

Minutes: 04/25/2016 After some discussion regarding the procurement and unique needs of the space, Subcommittee approved the lease as presented.

DEPARTMENT OF GENERAL SERVICES

Report Item:

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

For all acquisition and disposals of interest in real property, closed in the previous quarter, that have been previously approved by the Executive Subcommittee, the following information shall be reported back to the Executive Subcommittee by STREAM on a quarterly basis (January 1, 2016 – March 31, 2016).

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

Minutes: 04/25/2016 Subcommittee acknowledged receipt of the report.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 21, 2016.

Report of Items Submitted to the ESC

- TWRA Crop Lease Report 2015 in accordance with SBC Policy & Procedures Item 7.05B.

Designer Selections

- 1) Report received of the following designer selections as delegated to the State Architect for projects below the major maintenance threshold:

Location:	TWRA – Region 1
Project Title:	Bartlett Gun Range HVAC Replacement
Total Project Budget:	\$325,000
SBC Project No.	220/017-01-2016
Designer:	HNA ENGINEERING, PLLC

Location:	Tennessee School for the Blind
Project Title:	Student Cottages HVAC & Water Heater Replacement
Total Project Budget:	\$404,500
SBC Project No.	168/005-01-2016
Designer:	OLIVER LITTLE GIPSON ENGINEERING, INC

- 2) Report received of the following on SBC Policy 4.01D – Standard Form of Agreement Between Owner and Designer not executed within 180 days:

Project:	Statewide Arc Flash Studies
SBC Number:	529/000-05-2015
Designer:	I. C. Thomasson Associates
Approval Date:	Project: September 10, 2015 – Designer: September 21, 2015
Comment:	Due to the complexity of the scope of services, STREAM has been negotiating the terms of the Contract with the Consultant. STREAM would like to continue these negotiations and to proceed with executing the Contract. If allowed to proceed, STREAM estimates that the Contract will be fully executed by April 30, 2016.

The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.

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| <p>1) THP Training Center – Clover Bottom
 (Reddit Gymnasium Reroof)
 Total Project Budget: \$488,124.00
 SBC Project No. 502/002-02-2016
 Designer: M SHANKS ARCHITECTS</p> | <p>7) R S Gass Complex
 (EAC Retro Commissioning / LED Lighting)
 Total Project Budget: \$330,000
 SBC Project No. 529/020-01-2015
 Designer: I C THOMASSON ASSOCIATES</p> |
| <p>2) Tennessee Wildlife Resources Agency
 (Region 1 – ADA Facility Compliance)
 Total Project Budget: \$800,000
 SBC Project No. 220/017-01-2015
 Designer: HAIZLIP STUDIO</p> | <p>8) Department of General Services
 (Energy Consultant – Statewide)
 Total Project Budget: \$150,000
 SBC Project No. 529/000-01-2016
 Designer: HEERY INTERNATIONAL</p> |
| <p>3) Department of Environment & Conservation
 (Dam Repair – Statewide)
 Total Project Budget: \$1,950,000
 SBC Project No. 126/000-04-2015
 Designer: STANTEC CONSULTING SERVICES</p> | <p>Report of selections as delegated to the State Architect for project below the major maintenance threshold:</p> |
| <p>4) Justin P. Wilson Cumberland Trail State Park
 (Bridge Construction)
 Total Project Budget: \$900,000
 SBC Project No. 126/031-01-2015
 Designer: CTI ENGINEERS</p> | <p>9) Tennessee Wildlife Resources Agency
 (Bartlett Gun Range HVAC Replacement)
 Total Project Budget: \$325,000
 SBC Project No. 220/017-01-2016
 Designer: HNA ENGINEERING, PLLC</p> |
| <p>5) Department of Correction
 (LED Lighting Replacement / Upgrades – Statewide)
 Total Project Budget: \$6,288,000
 SBC Project No. 140/001-04-2015
 Designer: OLIVER LITTLE GIPSON ENGINEERING</p> | <p>10) Tennessee School for the Blind
 (HVAC – Water Heater Replacement)
 Total Project Budget: \$404,500
 SBC Project No. 168/005-01-2016
 Designer: OLIVER LITTLE GIPSON ENGINEERING</p> |
| <p>6) DeBerry Special Needs Facility
 (LED Lighting Replacement & Water Conservation)
 Total Project Budget: \$5,082,000
 SBC Project No. 142/011-03-2015
 Designer: SMITH SECKMAN REID</p> | |

Other Business

There being no other business, the meeting adjourned at 11:25 a.m.

TENNESSEE BOARD OF REGENTSAcquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 16-03-012

- **Location:** Austin Peay State University
Montgomery County – 240 Forbes Avenue – Clarksville, TN
- **Owner(s):** Kirby L and Lisa Ann Cannon
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** Campus Plant Funds (Non Auxiliary) (A)

Comment: The property is in close proximity to APSU and will be used for future campus expansion. This property is in APSU's 2013 Master Plan.

Date of Last Transfer: January 06, 2014
 Purchase Price: \$140,000
 Property Assessor's Value: \$99,900
 Square Footage Improvements: 1,581

Minutes: 04/25/2016 Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

TENNESSEE BOARD OF REGENTSAcquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 16-03-011
 • **Location:** Austin Peay State University
 Montgomery County – 50 x 181.25 x IRR – 521 York Street – Clarksville, TN
 • **Owner(s):** Kirby L and Lisa Ann Cannon
 • **Estimated Purchase Price:** Fair Market Value
 • **Source of Funding:** Campus Plant Funds (Non Auxiliary) (A)

Comment: The property is in close proximity to APSU and will be used for future campus expansion. This property is in APSU's 2013 Master Plan.

Date of Last Transfer: April 30, 2014
 Purchase Price: \$108,000
 Property Assessor's Value: \$50,600
 Square Footage Improvements: 1,314

Minutes: 04/25/2016 Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

TENNESSEE BOARD OF REGENTSAcquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 16-03-017
 • **Location:** Tennessee Technological University
 Putnam County - .05+/-acres – 399 E. 12th Street, Cookeville, TN
 • **Owner(s):** Ronnie D. McCloud
 • **Estimated Purchase Price:** Fair Market Value
 • **Source of Funding:** Plant Funds (Non-Auxiliary)

Comment: TTU is purchasing this property to assemble as a site for a future Facilities Service Complex and will demolish the existing buildings in the future. The property is in TTU's 2014 Master Plan.

Date of Last Transfer: November 08, 2013
 Purchase Price: 0.00
 Property Assessor's Value: 127,300
 Square Footage Improvements: 7,264

Minutes: 04/25/2016 Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

DEPARTMENT OF TRANSPORTATION

Disposal – Fee

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

Transaction Description: Transaction No. 16-03-004-FB

- **Location:** Davidson County –.073+/- acres – Lafayette & Korean Veterans Blvd., Nashville, TN
- **Grantee:** John Kohl (The Mainland Companies, LLC)
- **Estimated Sale Price:** Fair Market Value
- **Source of Funding:** John Kohl (REM fees) (O)

Comment: The property was used for the construction of Korean Veterans Blvd. and is surplus to the department's needs. The requestor is the sole adjoining landowner whose intent is to assemble property for development. The proceeds will be split between Metropolitan Government of Nashville at 20% and the State at 80% to satisfy federal requirements.

Date of Last Transfer: July 16, 2011
Original Cost to State: \$550,000

Minutes: 04/25/2016 Approved disposal fee with waiver of advertisement and one appraisal.

DEPARTMENT OF MENTAL HEALTH & SUBSTANCE ABUSE SERVICES

Disposal – Fee

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

Transaction Description: Transaction No.16-04-002-FB
 • Location: Davidson County – 4.59+/-acres – 1921 Ransom Place, Nashville, TN
 • Grantee Centerstone of Tennessee, Inc. (Ransom)
 • Estimated Sale Price: Mutual Benefit

Comment: Mental Health is requesting to quit claim a health facility back to the private provider that has been providing services at that location for over 20 years. The original quit claim to the provider contained an automatic reversion clause after 20 years, and it is in the best interest of the State to return the facility to the provider and allow the services to continue. The parties have executed a temporary license to permit the provider to operate at the location in the interim.

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

Date of Last Transfer:	September 13, 1994
Previous Owner:	Ransom Place Homes
Original Cost to State:	\$306,000
Square Footage Improvements:	29,775

Minutes: 04/25/2016 Approved disposal in fee with waiver of advertisement and appraisals.

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. – 16-03-016-MB
 • Location: Polk County – 69.20+/-acres – 3611 Hwy 411, Benton, TN
 • Owner(s): A.J. and Marchie L. Cloud
 • Estimated Purchase Price: Fair Market Value
 • Source of Funding: 15/16 Wetlands Acquisition Fund (A)

Comment: Per TCA 11-14-402, this property is on the wetlands priority list and has been approved for purchase by the Commissioner of the Department of Agriculture and Executive Director of Tennessee Wildlife Resources Agency.

The property is contiguous to Charlotte Ann Finnell Wildlife Management Area (CAFWMA). The purchase will protect and preserve wetlands and improve access to CAFWMA. No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	November 26, 1984
Purchase Price:	\$85,000
Property Assessor's Value:	\$508,100 (74.20)
Square Footage Improvements:	2,117

Minutes: 04/25/2016 Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

DEPARTMENT OF AGRICULTURE

Disposal – Lease (Land)

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

Transaction Description: Transaction No. 16-03-020-MB

- **Location:** Meigs County – 1.253+/-acres – Fire Tower Lane, Decatur, TN
- **Tenant:** Norfolk Southern Railway
- **Term:** January 3, 2017 - January 2, 2022 with three renewal options of five years each
- **Area/Rent:** 0.25 acres plus access easement/\$5,000 annually
- **Source of Funding:** Norfolk Southern Railway (O)

Comment: In 1960 Southern Railway, now Norfolk Southern, first leased this site and an access easement for an 80 foot communications tower. That tower currently provides essential communication relays for train controls, signals, telemetry and voice dispatches, as well as related railroad and federal law enforcement communications. The current agreement will expire on January 2, 2017.

Citico, a subsidiary of Norfolk Southern, is seeking a new lease for this same purpose. Citico intends to remove and replace the existing tower with a new 153 foot tower to resolve site signal interference caused by tree growth. Rent is established by a fee schedule set by the Department of Agriculture.

The remainder of the property is used for fire prevention activities and this use by the railroad will not impair the State's ability to continue to use the site for fire prevention activities.

Date of Last Transfer:	June 23, 1956
Original Cost to State:	\$1.00
Square Footage Improvements:	None

Minutes: 04/25/2016 Approved disposal by lease with waiver of advertisement and appraisals.

DEPARTMENT OF AGRICULTURE

Disposal – Fee

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

Transaction Description: Transaction No. 16-03-019-FB
• **Location:** Davidson County – 2.9+/-acres – 6077 Fire Tower Rd., Nashville, TN
• **Estimated Sale Price:** Fair Market Value

Comment: This property was used for a fire tower site in the past and is no longer needed by the agency. The proceeds of the sale of property will be deposited in to the forestry maintenance reserve in accordance with 2015 PC 427, Section 2, Item 12 and Tennessee Code Annotated 12-2-122.

Date of Last Transfer: December 2, 1965
Previous Owner: Aaron Furlough
Original Cost to State: \$1,500 (2.9 acres)
Square Footage Improvements: None

Minutes: 04/25/2016 Approved disposal in fee with waiver of one appraisal.

DEPARTMENT OF GENERAL SERVICES

Disposal – Lease (Land)

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

Transaction Description: Transaction No. 15-05-906-FB

• **Proposed Lease**

- **Location:** Davidson County – 1280 & 1282 Foster Avenue, Nashville, TN
- **Tenant:** 4:13 Strong
- **Term:** 2 years
- **Area / Costs:** 6 units @ \$4,650 per month total

Comment: 4:13 Strong is the current tenant and a nonprofit organization that houses and trains at risk young men. They, or their predecessor, Y-Build, have been in occupancy at Tennessee Preparatory School (TPS) since 2009 under various agreements.

The organization would like to lease two additional units, called the Menzler Quads, at TPS. In addition to base rent, the organization will perform \$38,000 of work on the two additional units prior to occupancy. The organization provides 50 hours per month of work on the property. The State pays all utility and major maintenance costs.

Date of Last Transfer: July 15, 1921
 Purchase Price: \$0.00
 Square Footage Improvements: 7,600

Previous Action 01/25/2016 At the agency's request, the item was deferred.

Minutes: 04/25/2016 Approved disposal by lease with waiver of advertisement and appraisals.

Approved:



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