

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JANUARY 24, 2011

The State Building Commission Executive Subcommittee met this day at 10:30 a.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
Vice-Chairman Tre Hargett, Secretary of State
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

OTHERS PRESENT

Alan Robertson, Acting State Architect
Georgia Martin, State Architect's Office
Jurgen Bailey, Real Property Administration
Melanie Buchanan, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Melinda Parton, Comptroller's Office
Jason Mumpower, Comptroller's Office
Joy Harris, Treasurer's Office
Bruce Davis, Legislative Budget Office
Jonathan Rummel, Secretary of State's Office
John Carr, Department of Finance & Administration
Dick Tracy, Tennessee Board of Regents
Lynelle Jensen, Department of General Services
Scott Boelscher, THEC
Sean Tierney, THEC
Robbi Stivers, University of Tennessee
Tony Ferrara, University of Tennessee
Mark Cherpack, Department of Finance and Administration
Col. T. G. Trott, Department of Safety
Commissioner Bill Gibbons, Department of Safety
Mike Boshers, Department of Safety
Major Derek Stewart, Department of Safety
Capt Robert Brown, TN Highway Patrol

Capt Victor Donoho, TN Highway Patrol
Lt. Tim Dover, TN Highway Patrol
Stephen Philyaw, TN Highway Patrol
Shawna Peace, Department of Safety
Don Johnson, Department of General Services
Jason Morris, KBJM Architects
Lynn Clements, HFR Design
Gregor Smee, Smee + Busby Architects
Jay Malpass, Motorola
Mike Morrow, Department of Finance and Administration
Dottie Hagood, Real Property Administration
Chuck Welch, Michael Brady, Inc.
Jan Sylvis, Department of Finance and Administration
Cindy Liddell, State & Local Finance
Burgess Oliver, Department of Children's Services
David Gregory, Tennessee Board of Regents
Felenceo Hill, Department of Finance and Administration

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Vice-Chairman Hargett called the meeting to order at 10:36 a.m. and requested action on the following matters as presented by Acting State Architect Alan Robertson.

Consent Agenda

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

- A. Agency: **Tennessee Board of Regent – Rutherford County**
Transaction: Demolition – 1602 Elrod Street, Murfreesboro, TN
Provision: As reviewed by the Tennessee Historical Commission

- B. Agency: **Tennessee Board of Regent – Rutherford County**
Transaction: Demolition – 1118 Ewing Blvd, Murfreesboro, TN
Provision: As reviewed by the Tennessee Historical Commission

- C. Agency: **Department of Military**
Transaction: Disposal by Easement
Provision: Waiver of advertisement & one appraisal

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Madison County – 1052 Greystone, Jackson, TN – Trans. No. 11-01-900 (Baltz)**

Purpose: To provide office and classroom space for degree programs offered through UTM's Extended Campus and Online Studies.

Term: April 15, 2011 thru April 14, 2016 (5 yrs)

Proposed Amount: 6,002 Square Feet
Annual Contract Rent: \$116,000.00 @\$19.33 / sf
Est. Annual Utility Cost: \$ 10,503.50 @\$ 1.75 / sf
Est. Annual Janitorial Cost: \$ 6,602.20 @\$ 1.10 / sf
Total Annual Effective Cost: \$133,105.70 @\$22.18 / sf

Current Amount: 6,200 Square Feet with Jackson State Community College
Annual Contract Rent incl. Utilities & janitorial cost: \$35,000.00 @\$5.65 / sf
Total Annual Effective Cost: \$35,000.00 @\$5.65 / sf

Type: New lease – Advertised on December 5th and 12th, 2010– Received three (3) proposals from two (2) proposers.

Advertising Range: The RFP lease location parameters were increased by approximately ten (10) miles and were bounded by Ashport Road to the North, Highway 70 to the East, I-40 to the South and Windy City Road and Highway 412 to the West OR bounded by I-40 to the North, Highway 70 to the East, North Parkway to the South and North Highland Avenue to the West.

FRF Rate: \$18.00

Lessor: Wolfe Development, LLC

Comment: The proposed lease has no cancellation during the five (5) year term except for cause and/or lack of funding.

The RFP was initially advertised on July 25, 2010 and August 8, 2010 one (1) proposal was received for \$25.46 per square foot. The transaction was deferred from October's SBC-ESC agenda with instructions to re-advertise.

University of Tennessee – continued:

SSC Report: 01-18-11. Robbi Stivers summarized the transaction. He stated the lease RFP has now been advertised on four separate occasions. The proposed space shall be built out to University specifications and is located in a suitable location. John Carr requested an estimate for the cost to move. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Melanie Buchanan presented the transaction. Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Shelby County – 7945 Wolf River Blvd, Germantown, TN – Trans. No. 11-01-901 (Baltz)**

Purpose: As per UT LeBonheur Pediatric Specialists Affiliation Agreement with the University of Tennessee, State Building Commission approval is required for UT LeBonheur Pediatric Specialists (a new faculty group practice in support of the pediatric education, research and patient care missions) to enter into a Lease with UT Medical Group, Inc.

Term: January 1, 2011 thru December 31, 2015 (5 yrs.) with one (1) option to renew for additional five (5) years under the same terms and conditions.

Proposed Amount: 5,967 Square Feet

Annual Contract Rent:	\$156,037.05	@\$26.15 / sf
Est. Annual Utility Cost:	\$ 10,442.25	@\$ 1.75 / sf
Est. Annual Janitorial Cost:	<u>\$ 6,563.70</u>	<u>@\$ 1.10 / sf</u>
Total Annual Effective Cost:	\$173,043.00	@\$29.00 / sf

Current Amount: Since 2001, UT Medical Group, Inc. has used this space for its pediatric medical office practice.

Type: New lease

FRF Rate: \$18.00

Lessor: UT Medical Group, Inc.

Comments: The proposed lease has ninety (90) day cancellation except for cause and/or lack of funding.

SSC Report: 01-18-11. Robbi Stivers summarized the transaction. On November 10, 2010, the University was approved by the State to enter an Affiliation Agreement with Methodist Healthcare to form a pediatric group called UT-LeBonheur Pediatric Specialists (ULPS), Inc. The Affiliation Agreement requires State approval of the proposed Lease(s) by ULPS (as Lessee). The University is not obligated under the terms of the Lease. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Melanie Buchanan presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL and REQUESTING DEMOLITION OF IMPROVEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 410 Ford Street (0.10 +/- acre), Clarksville, TN – Trans. No. 10-12-007 (Maholland)

Purpose: Acquisition in fee to acquire the property and improvements. This property will be used for future expansion of APSU.

Source of Funding: Campus plant funds

Estimated Cost: \$24,300

Owner(s): Betty Keesee

Comments: Betty Keesee acquired property in 1986. There is no record for what she paid for it. Tax Assessor's value is \$20,200.00

SSC Report: 01-18-11. Dick Tracy summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 420 Ford Street (0.09 +/- acre), Clarksville, TN – Trans. No. 10-12-009 (Maholland)**

Purpose: Acquisition in fee to acquire the property for future expansion of APSU.

Source of Funding: Campus plant funds

Estimated Cost: \$9,200

Owner(s): Yvonne Chapman

Comments: Yvonne Chapman inherited the property in May 2010. Tax Assessor's value is \$7,600.00.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. The Board estimated the acreage based on the information available. Since it shows it to be irregular the calculations estimate the .14 acres. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL and REQUESTING DEMOLITION OF IMPROVEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 424 Ford Street (0.17 +/- acre), Clarksville, TN – Trans. No. 10-12-010 (Maholland)**

Purpose: Acquisition in fee to acquire the property for future expansion of APSU.

Source of Funding: Campus plant funds

Estimated Cost: \$67,400

Owner(s): Yvonne Chapman

Comments: Yvonne Chapman inherited property in May 2010. Tax Assessor's value is \$56,100.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 427 Ford Street (0.27 +/- acre), Clarksville, TN – Trans. No. 10-12-011 (Maholland)**

Purpose: Acquisition in fee to acquire the property for future expansion of APSU.

Source of Funding: Campus plant funds

Estimated Cost: \$11,300

Owner(s): James Hancock

Comments: James Hancock acquired the property in 1987 for unknown consideration. Tax Assessor's value is \$9,400.00.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL and REQUESTING DEMOLITION OF IMPROVEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 804 Parham Drive (0.08+/- acre), Clarksville, TN – Trans. No. 10-12-012 (Maholland)**

Purpose: Acquisition in fee to acquire the property for future expansion of APSU.

Source of Funding: Campus plant funds

Estimated Cost: \$27,300

Owner(s): Betty Keesee

Comments: Betty Keesee acquired the property in 2002 at an estate sale and paid \$4,000 for it. Tax Assessor's value is \$22,700.

SSC Report: 01-18-2011. Dick Tracy summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Montgomery County – 800 Parham Drive (0.08+/- acre), Clarksville, TN – Trans. No. 10-12-013 (Maholland)**

Purpose: Acquisition in fee to acquire the property for future expansion of APSU.

Source of Funding: Campus plant funds

Estimated Cost: \$5,400

Owner(s): Charles Dunbar

Comments: Charles Dunbar acquired property in 1996 and paid \$1,500 for it. Tax Assessor's value is \$4,500.00.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER of ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Rutherford County – Lot 2, Sam Ridley Pwky & Motlow College Rd. (11.53 +/- acre), Smyrna, TN – Trans. No. 10-12-014 (Woodard)**

Purpose: Acquisition in fee to acquire the property for future expansion of Motlow State Community College.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Town of Smyrna

Comments: City of Smyrna has owned property since 1975. Tax Assessor's value not shown since City is tax exempt.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. The Board will have the environmental consultant check the property prior to closing. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Comptroller Wilson asked if the property is in the master plan, and was told "yes". Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER of APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Greene County – Walters State Community College, 22 North Main Street (2.47 +/- acre), Greeneville, TN – Trans. No. 10-12-015 (Woodard)**

Purpose: Acquisition by gift to acquire the property for future expansion/parking of Walters State Community College.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Walters State Community College Foundation

SSC Report: 01-18-11. Dick Tracy summarized the transaction. The Board will perform environmental testing prior to any renovation. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Comptroller Wilson asked if the property is in the master plan, and was told "yes". Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 3701 Amnicola Highway (14.98 +/- acre), Chattanooga, TN – Trans. No. 10-12-016 (Baugh)

Purpose: Acquisition in fee to acquire the property and improvements for future expansion Chattanooga State Community College. Property is in the Master Plan.

Source of Funding: 2011 Special Capital Outlay funds & Chattanooga State Community College funds

Estimated Cost: \$7,000,000

Owner(s): Olan Mills

Comments: Olan Mills acquired property in 1972 and paid \$322,000 for land only. Tax Assessor's value is \$5,985,900.00.

SSC Report: 01-18-11. Dick Tracy summarized the transaction. The property will be purchased with the Special Capital Outlay funds. The gift funds will be used for renovation and other costs. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Treasurer Lillard asked if there was a policy for waiving one appraisal, particularly since the value involved should justify two appraisals. Dick Tracy responded that they have an older appraisal from 2008, and were requesting getting one more appraisal. With that understanding, Treasurer Lillard made a motion to approve the request, which was seconded, and passed without objection.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Knox County – 7201 Strawberry Plains Pike (32.0 +/- acre), Knoxville, TN – Trans. No. 10-12-0167(Baugh)**

Purpose: Acquisition in fee to acquire the property for future expansion Pellissippi Community College.

Source of Funding: 2011 Special Capital Outlay funds - \$8.5m
Pellissippi Community College funds - \$1.5m

Estimated Cost: \$10,000,000

Owner(s): Furrow Realty Fund, LP

Comments: Furrow Realty Fund, LP has owned the property since July of 2007 and paid \$5,000,000 for it. Tax Assessor's value is \$4,267,400.00

SSC Report: 01-18-11. Dick Tracy summarized the transaction. The property will be purchased with the Special Capital Outlay funds. The gifts will be used for renovation and other costs. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Comptroller Wilson asked if the property is in the master plan, and Dick Tracy responded that it was in the East Campus site master plan. Treasurer Lillard asked if they were getting a second appraisal, and was told "yes". Mr. Bailey added that they will also be acquiring a billboard easement as well as completing an Environmental Phase I. Subcommittee approved the request as presented.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Montgomery County – 350 Pageant Lane, Suite 401, Clarksville, TN – Trans. No. 10-09-911 (Smith)

Purpose: To provide office space for 80 employees.

Term: July 1, 2011 thru June 30, 2021 (10 yrs.)

Proposed Amount: 17,895 Square Feet
Annual Contract Rent for 1-5 yrs: \$250,530.00 @\$14.00 / sf
Est. Annual Utility Cost: \$ 31,237.50 @\$ 1.75 / sf
Est. Annual Janitorial Cost: \$ 19,635.00 @\$ 1.10 / sf
Total Annual Effective Cost: \$301,402.50 @\$16.85 / sf

Annual Contract Rent for 6-10 yrs: \$286,320.00 @\$16.00 / sf
Est. Annual Utility Cost: \$ 31,237.50 @\$ 1.75 / sf
Est. Annual Janitorial Cost: \$ 19,635.00 @\$ 1.10 / sf
Total Annual Effective Cost: \$337,192.50 @\$18.85 / sf

Current Amount: 18,204 Square Feet
Annual Contract Rent: \$162,379.68 @\$ 8.92 / sf
Est. Annual Utility Cost: \$ 25,485.60 @\$ 1.40 / sf
Est. Annual Janitorial Cost: \$ 20,024.40 @\$ 1.10 / sf
Total Annual Effective Cost: \$207,889.68 @\$11.42 / sf

Type: New lease – Negotiated

Advertising Range: None due to it's a government agency

FRF Rate: \$18.00

Lessor: Montgomery County Government

Comment: The proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter. Lessor has agreed to do renovations per lease agreement. Square feet were re-calculated by RPA Interior Design Group for this lease.

SSC Report: 01-19-11. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee with discussion.

Department of Children's Services – continued:

SC Action: 01-24-11. Melanie Buchanan presented the transaction. Commissioner Emkes asked why they were paying so much more for strictly functional space. Dottie Hagood responded that the Lessor had planned to renovate the building, and that these were not renovations requested by the agency. Treasurer Lillard questioned why the proposed lease had no cancellation clause for the first five years since they didn't ask for the improvements to be made. Ms. Hagood responded that, normally, the Department of Children's Services doesn't move very often and they probably felt comfortable with the terms. Treasurer Lillard asked if it would do any harm to defer action for one month to further consider the cancellation clause issue, and made a motion to that effect. Subcommittee voted to defer action until the next meeting.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Knox County – 1513 University Avenue, Knoxville, TN – Trans. No. 10-11-914 (Lotspiech)**

Purpose: To provide office space for Attorney's & Hearing Rooms (Workers Comp Division)

Term: November 1, 2011 thru October 31, 2021 (10 years)

Proposed Amount: 7,900 Square Feet
Annual Contract Rent Incl. Utilities & Janitorial Cost: \$119,685.00 @\$15.15 / sf
Total Annual Effective Cost: \$119,685.00 @\$15.15 / sf

Current Amount: 3,200 Square Feet
Annual Contract Rent Incl. Utilities & Janitorial Cost: \$39,200.00 @\$12.25 / sf
Total Annual Effective Cost: \$39,200.00 @\$12.25 / sf

Type: New lease – negotiated

Advertising Range: None due to it's a government agency

FRF Rate: \$18.00

Lessor: Knoxville's Community Development Corporation

Comment: Lessor has agreed to do renovations per lease agreement. The proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter.

New attorneys were moved into the current space earlier this FY which has created over crowding & resulted in the need for this new space. This needed increase of space is for 14 staff. The breakdown of staff to space is 11 staff in open office cubicles (65 sq ft), 3 staff in hard wall space (1 @150 sq. ft and 2 @ 120 sq. ft), 2 waiting rooms (1 @ 240 sq. ft., and 1 @ 250 sq. ft), 1 break room (120 sq ft), 2 conference rooms (250 sq ft), 8 hearing rooms (150 sq ft), 1 file room (410 sq ft), 1 telecom closet (80 sq ft), and 30% for circulation (hallways, entrance area, etc.) (1,299 sq.ft).

Department of Labor & Workforce Development – continued:

Other current leases that were advertised in Knox County during the last calendar year included the following rates: 7,708 sf @\$15.87; 9,500 sf @\$17.20; 9,400 sf @\$20.43; 8,200 sf @\$18.23.

SSC Report: 12-13-10. Loretta Baltz & Angie Lotspiech summarized the transaction. Staff referred to defer transaction until January.

SSC Report: 01-19-11. Melanie Buchanan summarized the transaction. Chester Lowe emphasized the overcrowding at the current space for the attorneys, which is causing difficulty with confidentially and non-secured hearing rooms. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. At the request of Real Property Administration, the matter was deferred for one month.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Wilson County – 155 Legends Drive, Suite H, Lebanon, TN – Trans. No. 10-01-904 (Smith)

Purpose: To provide office space for 27 employees

Term: July 1, 2011 thru June 30, 2021 (10 yrs)

Proposed Amount:	<u>6,515 Square Feet</u>		
	Annual Contract Rent:	\$61,000.00	@\$ 9.36 / sf
	Est. Annual Utility Cost:	\$11,401.25	@\$ 1.75 / sf
	Est. Annual Janitorial Cost:	<u>\$ 7,166.50</u>	<u>@\$ 1.10 / sf</u>
	Total Annual Effective Cost:	\$79,567.75	@\$12.21 / sf

Current Amount:	<u>7,000 Square Feet</u>		
	Annual Contract Rent:	\$60,000.00	@\$ 8.57 / sf
	Est. Annual Utility Cost:	\$ 9,800.00	@\$ 1.40 / sf
	Est. Annual Janitorial Cost:	<u>\$ 7,700.00</u>	<u>@\$ 1.10 / sf</u>
	Total Annual Effective Cost:	\$77,500.00	@\$11.07 / sf

Type: New lease – advertised – received seven (7) proposals from three (3) proposers.

Advertising Range: Within the city limits of Lebanon

FRF Rate: \$18.00

Lessor: Legends Properties, LLC

Comment: The proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter. Lessor has agreed to do renovations per lease agreement.

SSC Report: 01-19-11. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Melanie Buchanan presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and WAIVER OF ADVERTISEMENT and APPRAISALS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Roane County – 112.5 +/- acres – Largen Tract, Oak Ridge City, TN – Trans. No. 10-11-005 (Jackson)

Purpose: Acquisition by gift to the State of Tennessee to be managed by TWRA and developed for public recreation activities for hunting & fishing.

Source of Funding: TWRA for administrative cost

Estimated Cost: Gift for public recreational purposes

Estimated Value: \$3 million

Owner(s): Gerald Largen – Life estate to be retained by Mr. Largen and his ward, Louis Curtis Loden

Comment: The owner and his ward will retain the right during their lifetime to benefit from any revenue from the property.

SSC Report: 12-13-10. Jurgen Bailey summarized the transaction. Staff requested that a Level One Environmental be completed on this property. Has been received and no issues was determined. Staff deferred transaction for one (1) month.

SSC Report: 01-19-11. Jurgen Bailey summarized the transaction. Gordon Martin, TWRA stated that the Level One Environmental Survey sent to staff indicated the property was environmentally clean with only indications of potential Indian mounds. These Indian mounds would be protected under state ownership. Mr. Largen and Mr. Loden will retain a life estate on property they will retain for their personal use. The state will own all 112 acres subject to the life estates. The property is located approximately 8 river miles from the ash spill in Oak Ridge. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. Jurgen Bailey presented the transaction. Treasurer Lillard asked if the life estate was a portion of the property and, if so, how many acres. Gordon Martin responded that each of the life estates will be approximately 12 acres, but the total property will be subject to the life estate. He said that the property and the improvements will be maintained. Comptroller Wilson asked if they had consulted with the Department of Environment and Conservation regarding the archeological artifacts, and was told they would. Treasurer Lillard made a motion to approve the request subject to the agency consulting with TDEC about the Indian mounds once the property is acquired. He also asked Assistant Attorney General Janie Porter to review to make sure the State is not left on the hook for maintaining any potential buildings. His motion was seconded and passed without objection.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Dyer County – 1700 Forrest Street, Dyersburg, TN – Trans. No. 10-08-915 (Lotspiech)

Purpose: To provide office space for DLI & THP staff of sixteen (16).

Term: January 1, 2012 thru December 31, 2021 (10 years)

Proposed Amount:	<u>6,400 Square Feet</u>		
	Annual Contract Rent:	\$56,832.00	@\$ 8.88 / sf
	Est. Annual Utility Cost:	\$11,200.00	@\$ 1.75 / sf
	Est. Annual Janitorial Cost:	<u>\$ 7,040.00</u>	<u>@\$ 1.10 / sf</u>
	Total Annual Effective Cost:	\$75,072.00	@\$11.73 / sf

Current Amount: 1,400 SF Modular unit Includes Utility & Janitorial Cost: \$1.00 per year

Type: New lease – advertised – receive twelve (12) proposals from five (5) proposers; three (3) proposals from one (1) proposer were non-conforming relayed to the square footage.

Advertising Range: Within the city limits of Dyersburg

FRF Rate: \$14.00

Lessor: Allied Properties

Comment: The proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter. Lessor to provide 6,400 square feet of net rentable office space to include interior tenant build-out per lease agreement. The property and modular unit will revert to Dyer County. County paid for all utilities and janitorial services. This needed increase of space is for 16 staff. The breakdown of staff to space is 12 staff in open workstations (50 sq ft), 4 staff in hard wall space (1 @140 sq. ft and 2 @ 120 sq. ft and 1 @ 150 sq. ft), 1 evidence room (100 sq. ft), 1 break room/conference room (400 sq ft), 1 file/supply room (350 sq ft), 1 hearing room (150 sq ft), 1 reconciliation room (120 sq ft), 1 telecom closet (80 sq ft), 1 secured storage room (80 sq. ft), 1 trooper suite (560 sq. ft), 1 testing room (350 sq. ft), 1 application process area (550 sq. ft), 1 photo area (100 sq. ft), 1 waiting room (600 sq. ft) and 30% for circulation (hallways, entrance area, etc.) (1,287 sq.ft)

Department of Safety – continued:

- SSC Report: 12-13-10. Bob Bumbalough with Safety summarized the transaction. Staff referred to Sub Committee with recommendation.
- SC Action: 12-22-10. Melanie Buchanan presented the transaction. Comptroller Wilson stated that staff had some questions that had not yet to be answered and suggested the item be deferred. Treasurer Lillard asked if the proposed lease had a cancellation clause, and was told it had 180-day cancellation clause after the fifth year with the rate being fixed. Subcommittee deferred the request pending resolution of the issues raised by staff.
- SSC Report: 01-19-11. Mike Boshers, Safety, summarized the transaction and the hazardous conditions caused by the overcrowding of the modular unit, and not meeting the necessary ADA and Fire Codes requirements. Staff referred to Subcommittee with recommendation.
- SC Action: 01-24-11. Melanie Buchanan presented the transaction. Treasurer Lillard questioned the five-year no cancellation clause, and was told that it will be a build-to-suit lease and a new building. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description: **Rhea County – Land & Communication Tower, Spring City, TN – Trans. No. 10-12-019 (Jackson)**

Purpose: Disposal in fee to sell the Tower site to Wireless Properties II, LLC.

Original Cost to State: \$150,000 Land & Tower

Date of Original Conveyance: July 31, 2008

Grantor Unto State: Francis & Patricia Maddux

Estimated Sale Price: \$150,000 Land & Tower

Grantee: Wireless Properties II, LLC

Comment: Department purchased the tower in 2008 and now no longer needs the site and would like to sell it. Francis & Patricia Maddux acquired the property in July 1961 for unknown consideration. Tax Assessor's value is \$297,400.00 for 41 acres.

SSC Report: 01-19-11. Jurgen Bailey summarized the transaction. Staff recommended an appraisal be completed on the site and tower and the item be brought back for further consideration when fair market value had been determined. Staff referred to Subcommittee with recommendation.

SC Action: 01-24-11. At the request of Real Property Administration, the matter was deferred for one month.

DEPARTMENT OF SAFETY

Statewide

- 1) Alan Robertson presented a discussion regarding projects for **Radio Towers Replacement** at English Mountain and Fall Branch, and for **THP Communication System** at various locations statewide. He stated that this is part of an overall initiative by State government, including the departments of Military, TEMA, Transportation, TWRA, TBI, Agriculture, Environment and Conservation, Health and Correction. He said this request is based on the need to comply with the Federal Communications Commission P25 standards for narrow-banding conversions for all State interoperability communications equipment. He said that this discussion item proposes to address Phase I, with an upcoming Phase II, whose scope and funding have not yet been established by the Department. He stated that the THP purchased radio equipment to be used in this overall system through a statewide purchasing contract for \$3,465,963 based on specifications that lead to a proprietary procurement through Motorola. He said they have learned that the purchasing of radios and two switches within the state will lead to requiring a proprietary relationship with Motorola. He said the concerns for contracting and the level of competition needed to be addressed.

Colonel Trott was recognized. He said he appreciated the Subcommittee's consideration of this most important building project in the history of the Tennessee Highway Patrol. He discussed the complex issues in detail and responded that this system is designed for everyone to be able to join in at a minimal cost. Treasurer Lillard voiced his concerns about seismic events and the importance of interoperability with local agencies and officials so they do not have to spend money to build their own towers. Comptroller Wilson asked Commissioner Gibbons to take a good look at this to make sure he was satisfied as this is a major project that they want to be sure is done right. Mr. Robertson suggested that more competition be provided in the contract by having Motorola bid out a portion of the construction as well as bringing in Tennessee design firms. Ms. Hagood said they were considering doing one contract and splitting it into two: one for design & construction and one for services. She said they want to do whatever would be the most effective and efficient way to do these contracts. Treasurer Lillard stated that having a single contract means you have recourse if something doesn't work, and that this system is one of those things that has to work as promised. After discussion, Treasurer Lillard stated he would like to know what they are going to build into the contractual agreements before approval, and asked for staff to come back with some definition of how they want to do the contracting. Subcommittee voted to place the matter on the next Executive Subcommittee agenda for action.

SBC Project No. 502/001-02-2010
 502/001-01-2011

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DEPARTMENT OF FINANCE AND ADMINISTRATION

Piedmont Gas Building, Nashville, Davidson County, Tennessee

- 1) At the request of Real Property Administration, Subcommittee deferred a request for approval of a revision in scope and funding from \$2,300,000.00 to \$4,800,000.00 (\$2,500,000.00 increase) for **Interior Renovation / Essential Maintenance** at Piedmont Gas Building, Nashville, to address deficiencies in existing mechanical and electrical systems.

Revised Estimated Project Cost:	\$4,800,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
Facilities Revolving Fund (A)	\$ 800,000.00	\$ 300,000.00	\$1,100,000.00
01 G.O.Bonds-FRF (A)	850,000.00	2,200,000.00	3,050,000.00
03 G.O.Bonds-FRF (A)	600,000.00	0.00	600,000.00
05 G.O.Bonds-FRF (A)	<u>50,000.00</u>	<u>0.00</u>	<u>50,000.00</u>
TOTAL	\$2,300,000.00	\$2,500,000.00	\$4,800,000.00
SBC Project No.	529/012-01-2009		

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on December 22, 2010.

SBC By-Laws, Policy & Procedures

- 1) Approved the revisions to the *By-Laws, Policy & Procedures of the State Building Commission*.

Designer Selections

- 1) Mr. Robertson presented the designer selections for projects approved at the January 13 SBC meeting. Treasurer Lillard had questions surrounding the designer recommended by a major donor on a project at Walter State Community College. He asked Dick Tracy if the architect will have to follow State guidelines. Mr. Tracy responded "yes", that Fisher + Associates would be contracting with the State. After general discussion, the Subcommittee approved the following designer selections:

- | | |
|---|---|
| 1) Houston Barracks – Nashville
(USPFO Warehouse Reroof)
Estimated Project Cost: \$677,000.00
SBC Project No. 361/067-01-2011
Designer: ALPHA THREE GROUP INC | 5) Jackson State Community College
(Nursing and Allied Health New Construction)
Estimated Project Cost: \$10,588,235.00
SBC Project No. 166/019-01-2011
Designer: TLM & ASSOCIATES |
| 2) Military - Smyrna, Tullahoma & Winchester
(Reroof Facility Maintenance Shops)
Estimated Project Cost: \$302,500.00
SBC Project No. 361/000-01-2011
Designer: UPLAND DESIGN GROUP | 6) Motlow State Community College
(Rutherford County Teaching Site Expansion)
Estimated Project Cost: \$7,613,700.00
SBC Project No. 166/021-01-2011
Designer: THOMAS MILLER & PARTNERS |
| 3) Chattanooga State Community College
(Property Acquisition & Renovation)
Estimated Project Cost: \$13,200,000.00
SBC Project No. 166/012-01-2011
Designer: FRANKLIN ASSOCIATES ARCH | 7) Nashville State Community College
(Antioch Teaching Site Acquisition / Renovation)
Estimated Project Cost: \$8,328,742.00
SBC Project No. 166/034-01-2011
Designer: JOHNSON JOHNSON CRABTREE |
| 4) Cleveland State Community College
(T-Building Addition and Renovation)
Estimated Project Cost: \$2,300,000.00
SBC Project No. 166/013-01-2011
Designer: COMMUNITY TECTONICS | 8) Roane State Community College
(Oak Ridge Campus Expansion)
Estimated Project Cost: \$11,500,000.00
SBC Project No. 166/027-01-2011
Designer: UPLAND DESIGN GROUP |

9) **Volunteer State Community College**
(Allied Health Building New Construction)
Estimated Project Cost: \$10,120,000.00
SBC Project No. 166/025-01-2011
Designer: **STREET DIXON RICK / MOODY
NOLAN, A JOINT VENTURE**

10) **Walters State Community College**
(Greene County Campus Expansion)
Estimated Project Cost: \$12,100,000.00
SBC Project No. 166/023-01-2011
Designer: **FISHER + ASSOCIATES**

11) **Dyersburg State Community College**
(Jimmy Naifeh Center / LRC Building)
Estimated Project Cost: \$16,600,000.00
SBC Project No. 166/017-01-2008
Designer: **Change designer from
"HABITERRA ARCHITECTURE /
MCGEHEE NICHOLSON BURKE, A
JOINT VENTURE" to "MCGEHEE
NICHOLSON BURKE" (per SBC
action taken on 1/13/11)**

Secretary Hargett stated that the Subcommittee needed to elect a new Chairman. Treasurer Lillard made a motion to elect Commissioner Emkes, and Comptroller Wilson seconded the motion, which passed without objection. Treasurer Lillard then made a motion to nominate Secretary Hargett as Vice-Chairman, which was seconded by Comptroller Wilson, and passed without objection.

There being no further business, the meeting adjourned at 11:31 a.m.

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

- 1) Approved a project to **Demolish Residence** located at 1602 Elrod Street in Murfreesboro, Tennessee, as reviewed by the Tennessee Historical Commission.

Estimated Project Cost: **\$50,000.00**
Source of Funding: Campus Operating Funds
SBC Project No. 166/009-01-2011

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

- 1) Approved a project to **Demolish Residence** located at 1118 Ewing Boulevard, Murfreesboro, Tennessee, as reviewed by the Tennessee Historical Commission.

Estimated Project Cost: **\$45,000.00**
Source of Funding: Campus Operating Funds
SBC Project No. 166/009-02-2011

DEPARTMENT OF MILITARYLAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description: **Marshall County – 0.45 +/- acres – Lewisburg Armory, Lewisburg, TN – Trans. No. 10-12-018 (Jackson)**

Purpose: Disposal by easement for two permanent and temporary construction easements is granted to the City of Lewisburg to construct water and sewer lines across the Lewisburg Amory property.

Estimated Sale Price: Fair Market Value

Grantee: City of Lewisburg

Comment: Two separate easements are required due to break in property boundary lines.

SSC Report: 01-19-11. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 01-24-11. Subcommittee approved the transaction as presented.

Approved by: Mark A. Emkes
Mark Emkes, Commissioner
Department of Finance and Administration *JMM*

MINUTES

STATE BUILDING COMMISSION
Executive Subcommittee
January 28, 2011
3:30 p.m.

Members Present:

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

Others Present:

Georgia Martin, State Architect's Office
Jonathan Rummel, Secretary of State's Office
Josh Stites, Treasurer's Office
Melinda Parton, Comptroller's Office
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Terry Mason, Comptroller's Office
Rudy Johnson, Rufus Johnson Associates
John Carr, Department of Finance and Administration
Bill Finney, Real Property Administration
Bob Qualey, Real Property Administration
Nick DePalma, Real Property Administration
Greg Steck, Real Property Administration
Doug Freeman, Real Property Administration
Dottie Hagood, Real Property Administration
Jim Dixey, Real Property Administration
Jurgen Bailey, Real Property Administration
Dick Tracy, Tennessee Board of Regents
Mike Morrow, Department of Finance and Administration
Mark Cherpack, Department of Finance and Administration
Tara Schonhoff, Secretary of State's Office
Connie Wallace, AIA Tennessee

Chairman Emkes called the meeting to order at 3:35 p.m. to discuss the consideration of candidates for the position of State Architect.

Treasurer Lillard stated that all of the members had interviewed the candidates for the State Architect's position and that this was a particularly difficult process because all of the candidates were so highly qualified, presented themselves well and had great credentials and past history as professionals in the field. Based on the action of the November 10, 2010 meeting to delegate to the Executive Subcommittee the selection and approval of a State Architect, he made a motion to name Robert Oglesby as State Architect for Tennessee, and pending his acceptance, the coordination of a start date of approximately February 1, 2011, or as soon thereafter as possible.

Secretary Hargett said they were very fortunate to have had such a great pool of candidates from twelve states who expressed their interest in this position, and he seconded the motion. Treasurer Lillard made a motion that they accept by acclamation, which was properly seconded, and passed without objection. Regarding notification, Secretary Hargett stated that part of the motion was for the Human Resources Division of the Department of State, who had led the process, to extend the formal offer to Mr. Oglesby. Treasurer Lillard asked that staff contact all the other candidates and express the Subcommittee's views as to their credentials and inform them of the action taken by the Subcommittee. Commissioner Emkes stated he would like to thank the staff for their professional handling of the process and for work well done.

There being no further business, the meeting adjourned at 3:40 p.m.

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Approved by: Mark A. Emkes
Mark A. Emkes, Commissioner
Department of Finance and Administration