

**MINUTES**  
**STATE BUILDING COMMISSION**  
Executive Subcommittee  
September 24, 2012

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in the Nashville Room, William R. Snodgrass Tennessee Tower, Nashville, Tennessee. Vice-Chairman Hargett called the meeting to order at 11:07 a.m. and requested action on the following matters as presented by Assistant State Architect Alan Robertson.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Chairman Mark Emkes, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Alan Robertson, Assistant 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  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Jurgen Bailey, Department of General Services  
Steve Berry, Department of General Services  
Ron Colter, Department of General Services  
Scott Boelscher, THEC  
Robbi Stivers, University of Tennessee  
Kent McLaughlin, GMCA  
Bill Avant, Department of Environment and Conservation  
Fred Prouty, TN Historical Commission  
Tricia Reinhard, Department of Human Services  
Mike Morrow, Department of Finance and Administration

Gwen Sanders, Department of General Services  
Deborah Boshears-Davis, Department of Education  
Stephen Smith, Department of Education  
J.J. Perdue, Department of Environment and Conservation  
Murray Crow, Department of Environment and Conservation  
Bill Finney, Department of General Services  
John Reinbold, Department of Transportation  
Bill Orellana, Department of Transportation  
Alan Durham, Department of Transportation  
Charles King, Department of Transportation  
Rich Cardwell, Office of the State Architect  
John Carr, Department of Finance and Administration  
Dick Tracy, Tennessee Board of Regents  
Heather Iverson, Department of General Services  
Bill Blankenship, Blankenship & Partners  
Larry Stephens, Michael Brady Inc

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## CONSENT AGENDA

Approved the following Real Estate Asset Management transactions which had been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **Department of Military – Giles County**  
Transaction: Disposal in fee  
Provision: Waiver of advertisement and appraisals
  
- B. Agency: **Department of Correction – Bledsoe County**  
Transaction: Acquire a permanent electrical easement  
Provision: Waiver of advertisement and one appraisal
  
- C. Agency: **Department of Environment and Conservation – Fentress County**  
Transaction: Acquisition in fee simple  
Provision: Waiver of advertisement and one appraisal
  
- D. Agency: **Department of Environment and Conservation – Marshall County**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and one appraisal
  
- E. Agency: **Department of Environment and Conservation – DeKalb County**  
Transaction: Acquisition in fee, disposal in fee and amend lease  
Provision: Waiver of advertisement and appraisals
  
- F. Agency: **Department of Transportation – Hamilton County**  
Transaction: Disposal in fee  
Provision: Waiver of advertisement and one appraisal
  
- G. Agency: **Department of Transportation – Knox County**  
Transaction: Disposal in fee  
Provision: Waiver of advertisement and one appraisal
  
- H. Agency: **Department of Transportation – Hamilton County**  
Transaction: Disposal in fee  
Provision: Waiver of advertisement and one appraisal
  
- I. Agency: **Department of General Services – Robertson County**  
Transaction: Lease amendment  
Provision: Change utilities into States name

## DEPARTMENT OF HUMAN SERVICES

### Land Transaction

<b>Requested Action:</b>	Approval of disposal by temporary construction easement with waiver of advertisement and appraisals
<b>Description:</b>	Davidson County – 0.66+/-acres – 88 Hermitage Ave, Nashville, TN – Trans. No. 12-08-003 (Baugh)
<b>Purpose:</b>	Disposal by easement for egress and ingress for three (3) years to allow MDHA to continue to develop the area over the next three (3) years.
<b>Original Cost to State:</b>	Public purpose
<b>Grantee:</b>	Metro Development and Housing Authority (MDHA)
<b>Comment:</b>	MDHA will use this easement strictly for access to their property behind the states as other access routes are too small for construction. MDHA is constructing an additional 60 units to the residential complex and will return property to current condition by the end of the project.
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for discussion.
<b>Minutes:</b>	09/24/2012 Comptroller Wilson asked if there was any consideration to the State for the use of Metro Nashville properties, and was told “no”. He said the State should think about that the next time it considers Metro Nashville. Secretary Hargett said he would like to think that public use could be reciprocated. Subcommittee approved disposal by temporary construction easement with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

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:** Robertson County – 20.45+/-acres – Scenic Red River, Adams, TN – Trans. No. 12-08-011 (Baugh)

**Purpose:** Acquisition in fee to acquire property for historical purposes and for archaeological investigations. This is one of the few such Civil War railroad sites remaining in Tennessee.

**Estimate Sale Price:** Fair Market Value

**Source of Funding:**

\$ 181,725.57	State Lands Acquisition Fund Reserves	(R)
20,000.00	Robertson Co. Industrial Board	(O)
20,000.00	City of Adams	(O)
5,000.00	Sons of Confederate Veterans	(O)

**Owner(s):** Raymond and Wendy Bugg, Jr.

**Comment:** Purchased by Owner: December 21, 2007  
Purchase Price: \$150,000  
Property Assessor's Value: \$96,800  
Improvements Square Footage: None

Property has been a priority of the State Wars Commission since 1988 and is a National Register site.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Fred Prouty, Director of Programs for the TN Wars Commission, expounded on the historical significance for the site, to Staff. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Fred Prouty was recognized and stated that this tract would dovetail nicely with a State park down river. He said these rural communities have most of the Civil War sites remaining in Tennessee and have a lot to gain to set up these trails. Subcommittee 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.

DEPARTMENT OF TRANSPORTATION

Land Transaction

**Requested Action:** Approval to amend a lease to extend for an additional forty-nine (49) years

**Description:** Davidson County – Berry Field, Metropolitan Airport, Nashville, TN – Trans. No. 12-08-006 (Woodard)

**Purpose:** Amendment to the lease for renewal that houses the Aeronautics Division and the Tennessee Aeronautics Commission for an additional forty-nine (49) years.

**Source of Funding:** I Operating Funds (A)

**Estimated Cost:** \$33.46 monthly rent

**Owner(s):** Metropolitan Nashville Airport Authority

**Comment:** Original lease was for November 1, 1963 thru October 31, 2012, a term of forty-nine (49) years and included an option to extend for an additional forty-nine (49) years.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Subcommittee approved amending lease to extend for an additional forty-nine (49) years

DEPARTMENT OF TRANSPORTATION

Land Transaction

**Requested Action:** Approval to amend a lease to extend for an additional forty-nine (49) years

**Description:** Davidson County – Berry Field, Metropolitan Airport, Nashville, TN – Trans. No. 12-08-007 (Woodard)

**Purpose:** Acquisition to lease amendment for renewal of facility housing I's aircraft for an additional forty-nine (49) years

**Source of Funding:** I Operating Funds (A)

**Estimated Cost:** \$100.00 monthly rent

**Owner(s):** Metropolitan Nashville Airport Authority

**Comment:** Original lease was for November 1, 1963 thru October 31, 2012, a term of forty-nine (49) years and included an option to extend for an additional forty-nine (49) years.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Subcommittee approved amending lease to extend for an additional forty-nine (49) years

DEPARTMENT OF EDUCATION

Tennessee School for Deaf, Knoxville, Knox County, Tennessee

**Requested Action:** Approval to demolish building

**Project Title:** Maintenance Access Road

**Project Description:** Project will provide access road for commercial vehicles to route traffic away from main campus areas and will include Basin 5 SWPP permit requirements per Master Plan. Project to include all related work.

**SBC Number:** 168/007-03-2007

**Total Project Budget:** \$3,000,000.00

**Source of Funding:**

\$2,200,000.00	2007	GO Bonds Capital Improv	(A)
50,000.00	07/08	Current Funds Capital Improv	(A)
250,000.00	10/11	Education Operating Funds	(R)
500,000.00	07/08	Current Fund Capital Improv	(R)

**Comment:** This request is to demolish a storage garage that has been deemed unstable and is not needed. The road work has been halted until the building can be stabilized or demolished.

**Previous Action:**

07/12/2007	SBC	Approved project
08/16/2007	SBC	Designer selected (George Ewart)
03/10/2011	SBC	Revised funding

**Minutes:**

09/24/2012	ESC	Approved demolition of building
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TENNESSEE BOARD OF REGENTS

University of Memphis, Memphis, Shelby County, Tennessee

**Requested Action:** Approval of a revision in project budget, source(s) of funding in order to award a contract

**Project Title:** Women's Fieldhouse Upgrades

**Project Description:** Facility renovation

**SBC Number:** 166/007-11-2011

**Revised Project Budget:** \$2,350,000.00

<b>Source of Funding:</b>	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$1,725,000.00	0.00	\$1,725,000.00	Plant (Non-Auxiliary)	(A)
	175,000.00	450,000.00	625,000.00	Gifts	(O)
<b>Original Project Budget:</b>	<b>\$1,900,000.00</b>				
<b>Change in Funding:</b>		<b>\$450,000.00</b>			
<b>Revised Project Budget:</b>			<b>\$2,350,000.00</b>		

**Comment:** Six bids were received on August 22, 2012. Award of bid will be to W. G. Yates and Sons Construction for the base of \$1,960,000.

**Previous Action:** 09/08/2011 SBC Approved project  
09/29/2011 ESC Selected designer (Braganza Associates)  
09/18/2012 SBC Referred to ESC with authority to act

**Minutes:** 09/24/2012 ESC Approved a revision in project budget and source(s) of funding in order to award a contract

TENNESSEE BOARD OF REGENTS

Columbia State Community College, Columbia, Maury County, Tennessee

**Requested Action:** Approval of a revision in project budget, and source(s) of funding in order to award a contract

**Project Title:** Library HVAC Updates

**Project Description:** Update HVAC system in the library

**SBC Number:** 166/015-01-2011

**Revised Project Budget:** \$790,000.00

<b>Source of Funding:</b>	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	90,000.00	0.00	90,000.00	11/12	Current Funds-Capital Maint	(A)
	470,000.00	0.00	470,000.00	2011	G. O. Bonds – Capital Maint	(A)
	0.00	230,000.00	230,000.00	09/10	Current Funds-Capital Maint	(R)
<b>Original Project Budget:</b>	<b>560,000.00</b>					
<b>Change in Funding:</b>		<b>230,000.00</b>				
<b>Revised Project Budget:</b>			<b>790,000.00</b>			

**Comment:** Additional funds are coming from a completed HVAC project at the campus, Several Buildings HVAC Upgrade (166-015-01-2002). Three bids were received on August 29, 2012. Award of bid will be to John Bouchard and Sons, Company for the Base Bid (\$569,780) plus Alternate 1 (\$3,952) for a total of \$573,732.

**Previous Action:** 07/14/2011 SBC Approved project  
 07/25/2011 ESC Selected designer (Smith Seckman Reid)  
 09/18/2012 SBC Referred to ESC with authority to act

**Minutes:** 09/24/2012 ESC Approved a revision in project budget and source(s) of funding in order to award a contract

## TENNESSEE BOARD OF REGENTS

### Land Transaction

**Requested Action:** Approval to permit Pellissippi State Community College to hire a local realty firm to sell former Blount County property

**Description:** Blount County – 18.526+/- acres – 1010 Middlesettlement Road, Alcoa, TN – Trans. No. 09-02-027 (Maholland)

**Purpose:** Sale of property by real estate firm Oliver Smith Realty & Auction for 1 year

**Estimate Cost:** 6% transaction fee if sale of property is successful

**Owner(s):** State of Tennessee

**Comment:** This property has been for sale, by the state, since 2010. The property has been advertised twice with no successful proposers. After an unsuccessful RFP, Pellissippi State requests approval to allow Oliver Smith Realty & Auction Company, Inc. to market the property for one (1) year at 6% commission, if property sells. The property was appraised on November, 2010 for \$2.6M.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for discussion.

**Minutes:** 09/24/2012 Comptroller Wilson confirmed that an RFP had been issued but there were no responses. Subcommittee approved Pellissippi State Community College to hire a local realty firm to sell former Blount County property

## TENNESSEE BOARD OF REGENTS

### 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 one appraisal

**Description:** Shelby County – .73+/-acres – 450 S. Highland Street, Memphis, TN – Trans. No. 12-08-005 (Maholland)

**Purpose:** Acquisition in fee property to acquire property as part of the University of Memphis. In 2012 Master Plan.

**Estimated Sale Price:** Fair Market Value - \$460,000

**Source of Funding:** Campus Plant Funds (A)

**Owner(s):** City of Memphis, Real Estate Administration

**Comment:** Purchased by Owner: June 1994  
Purchase Price: N/A  
Property Assessor's Value: \$137,300.00  
Improvement Square Footage: 8,757

The facility will be used for student recruitment, a general campus information center, display space for the campus master plan and architecture projects, office and small meeting space for the university students, faculty and staff and community organizations. An assessment of the facility was not performed and the expected cost of maintenance improvements is estimated between \$80,000 to \$100,000 for furnishing, equipment, moving, telecom and data. The property was appraised at \$460,000.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of one appraisal

## DEPARTMENT OF GENERAL SERVICES

### Land Transaction

**Requested Action:** Approval of disposal by lease with waiver of one appraisal

**Description:** Davidson County – Tract #1 – 1.05+/-acres – located off Charlotte Avenue with access on 22<sup>nd</sup> Avenue, Nashville, TN – Trans. No. 12-08-008 (Baugh)

**Purpose:** Disposal by lease for income producing properties for the State as rental properties

**Term:** To be determined

**Source of Funding:** \$13,535 12/13 FRF Operating Funds (A)

**Consideration:** Fair Market Value

**Lessee:** To be determined after advertised and offered to the public on a sealed bid basis.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Approved disposal by lease with waiver of one appraisal

DEPARTMENT OF GENERAL SERVICES

**Land Transaction**

**Requested Action:** Approval of disposal by lease with waiver of one appraisal

**Description:** Davidson County –Tract #3 – 3.58+/- acres – located off Charlotte Avenue with access on 22<sup>nd</sup> Avenue, Nashville, TN – Trans. No. 12-09-002 (Baugh)

**Purpose:** Disposal by lease for income producing properties for the State as rental properties. Property is to be leased “AS IS”.

**Term:** To be determined

**Source of Funding:** REM Fees 12/13 FRF Operating Funds (A)

**Consideration:** Fair Market Value

**Lessee:** To be determined after advertised and offered to the public on a sealed bid basis.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Treasurer Lillard asked what was the economic value for this larger tract, and Mr. Heimbach responded that they would get an appraisal and then advertise. Subcommittee approved disposal by lease with waiver of one appraisal.

DEPARTMENT OF GENERAL SERVICES

**Land Transaction**

**Requested Action:** Approval of disposal in fee with waiver of advertisement and completion of two appraisals and review of appraisal

**Description:** Knox County – 0.34+/-acres – 531 Henley Street, Knoxville, TN – Trans. No. 12-05-016 (Bailey)

**Purpose:** Disposal in fee of the Henley Street State Office Building to the City of Knoxville Industrial Development Board

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** REM & Appraisal Fees 12/13 FRF Operating Funds (A)

**Grantee:** City of Knoxville Industrial Development Board

**Comments:** Previous studies of maintenance and improvements approximate costs up to \$7.9 million. City of Knoxville has approximate 15% interest in the building. Property shares HVAC with the adjacent facility.

**Previous ESC Report:** July 25, 2011 – Approval to develop a plan for disposition

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Approved disposal in fee with waiver of advertisement and completion of two appraisals and review of appraisal.

DEPARTMENT OF GENERAL SERVICES

**Lease Agreement**

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

**Location:** Davidson County – Frost Building, 161 Rosa L. Parks Blvd., Nashville, TN – Trans. No. 12-08-900 (Lotspiech)

**Purpose:** Temporary office space for different agencies during renovations associated with the T-3 project.

**Term:** October 1, 2012 thru September 30, 2013 (1 year)

**Proposed Amount:** 29,833 rentable square feet  
 Annual Contract Rent Including Utility & Janitorial Cost: \$522,281.00 @ \$17.51 / sf  
 Annual effective total cost: \$522,281.00 @ \$17.51 / sf

**Current Amount:** State Space

<u>Agency</u>	<u>Location</u>	<u>RSF</u>
I	Andrew Jackson	40,592
HSDA	Andrew Jackson	6,241
Comm on Aging	Andrew Jackson	10,241

**Type:** New lease – negotiated  
 Lease was originally advertised with no response.

**Source of Funding:** \$522,281.00 12/13 Temporary office space funds (A)

**FRF Rate:** \$18.00

**Lessor:** Lifeway Christian Resources

**Comment:** The proposed lease contains cancellation provision for cause and does not contain cancellation for convenience due to short term of lease. Utilities, janitorial services and any tenant alterations are included at no additional cost. Annual rent is fixed as well as any holdovers. Building is a multi tenant facility. Tenant improvements include ADA compliant common corridor. Lease provides for 28 parking spaces adjacent to the facility.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Subcommittee approved the lease with waiver of advertisement. Comptroller Wilson stated that, should they want to extend the lease, the Subcommittee be given three months notice.



DEPARTMENT OF GENERAL SERVICES

Lease Agreement

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

**Location:** Davidson County – 121 Tenth Avenue, Nashville, TN – Trans. No. 12-08-901 (Lotspiech)

**Purpose:** Temporary warehouse space for different agencies during renovations associated with the T-3 project.

**Term:** October 1, 2012 thru September 30, 2013 (1 year)

**Proposed Amount:** 78,800 rentable square feet  
Annual Contract Rent Including Utility  
Cost: \$356,964.00 @ \$4.53 / sf  
Annual effective total cost: \$356,964.00 @ \$4.53 / sf

**Current Amount:** None

**Type:** New lease – negotiated  
Lease was originally advertised with no response.

**Source of Funding:** \$356,964.00 12/13 Temporary office space funds (A)

**FRF Rate:** \$6.50

**Lessor:** Lifeway Christian Resources

**Comment:** The proposed lease contains cancellation provision for cause and does not contain cancellation for convenience due to short term of lease. Utilities are included at no additional cost. Annual rent is fixed as well as any holdovers. Building is a multi tenant facility and no tenant improvements are requested. Facility will be for temporary storage of furniture, equipment and supplies related to the T3 project.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Subcommittee approved the lease with waiver of advertisement. Comptroller Wilson stated that, should they want to extend the lease, the Subcommittee be given three months notice.

DEPARTMENT OF GENERAL SERVICES

Lease Agreement

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

**Location:** Davidson County – 414 Union Street, Nashville, TN – Trans. No. 12-08-902 (Lotspiech)

**Purpose:** Temporary office space for different agencies during renovations associated with the T-3 project.

**Term:** October 1, 2012 thru September 30, 2013 (1 year)

**Proposed Amount:** 40,495 rentable square feet  
Annual Contract Rent Including  
Utility & Janitorial Cost: \$728,910.00 @ \$18.00 / sf  
Annual effective total cost: \$728,910.00 @ \$18.00 / sf

**Current Amount:**

<u>State Space</u>		
<u>Agency</u>	<u>Location</u>	<u>RSF</u>
Revenue	Andrew Jackson	49,905

**Type:** New lease – negotiated  
Lease was originally advertised with no response.

**Source of Funding:** \$728,910.00 12/13 Temporary office space funds (A)

**FRF Rate:** \$18.00

**Lessor:** Parkway Properties, LP

**Comment:** The proposed lease contains cancellation provision for cause and does not contain cancellation for convenience due to short term of lease. Utilities, janitorial services and any tenant alterations are included at no additional cost. Annual rent is fixed as well as any holdovers. Building is a multi tenant facility. No tenant improvements are requested.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Subcommittee approved the lease with waiver of advertisement. Peter Heimbach added that, should they want to extend the lease, the Subcommittee would be given three months notice.

DEPARTMENT OF GENERAL SERVICES

**Lease Agreement**

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

**Location:** Davidson County – 601 Mainstream, Nashville, TN – Trans. No. 12-08-903 (Lotspiech)

**Purpose:** Temporary office space for different agencies during renovations associated with the T-3 project.

**Term:** October 1, 2012 thru September 30, 2013 (1 year)

**Proposed Amount:** 54,000 rentable square feet

Annual Contract Rent:	\$756,000.00	@ \$14.00 / sf
Utility cost:	\$ 94,500.00	@ \$ 1.75 / sf
Janitorial cost:	<u>\$ 59,400.00</u>	<u>@ \$ 1.10 / sf</u>
Annual effective total cost:	\$909,900.00	@ \$16.85 / s

**Current Amount:**

**State Space**

<u>Agency</u>	<u>Location</u>	<u>RSF</u>
TCCY/MVM/BOE	Andrew Johnson	14,436
Mental Health	Andrew Johnson	24,501
Children's Svs	Andrew Jackson	23,131

**Type:** New lease – negotiated  
Lease was originally advertised with no response.

**Source of Funding:** \$909,900.00      12/13      Temporary office space funds (A)

**FRF Rate:** \$18.00

**Lessor:** Peter Bruce, LLC

**Comment:** The proposed lease contains cancellation provision for cause and does not contain cancellation for convenience due to short term of lease. Annual rent is fixed as well as any holdovers. Building is a multi tenant facility. No tenant improvements are requested.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

**Minutes:** 09/24/2012 Subcommittee approved the lease with waiver of advertisement. Peter Heimbach added that, should they want to extend the lease, the Subcommittee would be given three months notice.

## DEPARTMENT ECONOMIC AND COMMUNITY DEVELOPMENT

### Presentation

- 1) Josh Helton and Jimmy West of the Department of ECD gave a status report and presentation on the **Water and Wastewater** project at the Memphis Regional Megasite. Comptroller Wilson expressed concern that everything that can, be done, but cautioned them not to spend money on things that are not needed. Treasurer Lillard commended the Department for moving ahead and stated that it appeared like they were doing everything necessary to get it ready and not incurring any undue expenses.

SBC Project No. 529/000-02-2010

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on August 20, 2012.

Designer Selections

- 1) Selection of designers for projects approved by the State Building Commission.

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| <ul style="list-style-type: none"><li>1) <b>University of Tennessee Martin</b><br/>(Sorority Lodges)<br/>Total Project Budget: \$2,800,000.00<br/>SBC Project No. 540/011-06-2012<br/>Designer: <b>ASKEW NIXON FERGUSON</b></li><li>2) <b>University of Memphis</b><br/>(Housing Sprinkler Upgrades)<br/>Total Project Budget: \$3,000,000.00<br/>SBC Project No. 166/007-07-2012<br/>Designer: <b>ALLEN &amp; HOSHALL</b></li><li>3) <b>University of Memphis</b><br/>(Mynders Hall Roof Replacement)<br/>Total Project Budget: \$550,000.00<br/>SBC Project No. 166/007-08-2012<br/>Designer: <b>FLEMING/ASSOCIATES/ARCH</b></li><li>4) <b>Tennessee Board of Regents</b><br/>(East TN Architectural Consultant)<br/>Total Project Budget: \$50,000.00<br/>SBC Project No. 166/000-02-2010<br/>Designer: <b>THOMAS WEEMS ARCHITECT</b></li><li>5) <b>Tennessee Board of Regents</b><br/>(East TN Engineering Consultant)<br/>Total Project Budget: \$50,000.00<br/>SBC Project No. 166/000-02-2010<br/>Designer: <b>SMITH SECKMAN REID</b></li><li>6) <b>Tennessee Board of Regents</b><br/>(East-Middle TN Architectural Consultant)<br/>Total Project Budget: \$50,000.00<br/>SBC Project No. 166/000-02-2010<br/>Designer: <b>ACHW</b></li></ul> | <ul style="list-style-type: none"><li>7) <b>Tennessee Board of Regents</b><br/>(Middle TN Architectural Consultant)<br/>Total Project Budget: \$50,000.00<br/>SBC Project No. 166/000-02-2010<br/>Designer #1: <b>GILBERT MCLAUGHLIN<br/>CASELLA</b><br/>Designer #2: <b>J HOLMES ARCHITECTURE</b></li><li>8) <b>Tennessee Board of Regents</b><br/>(Middle TN Engineering Consultant)<br/>Total Project Budget: \$50,000.00<br/>SBC Project No. 166/000-02-2010<br/>Designer #1: <b>I C THOMASSON ASSOC</b><br/>Designer #2: <b>BARGE WAGGONER SUMNER<br/>CANNON</b></li><li>9) <b>Tennessee State University</b><br/>(Hale Dorm Elevator Replacement)<br/>Total Project Budget: \$273,000.00<br/>SBC Project No. 166/001-03-2012<br/>Designer: <b>ENGINEERING SERVICES GROUP</b></li><li>10) <b>Moccasin Bend Mental Health Institute</b><br/>(Hot Water Boiler Replacement)<br/>Total Project Budget: \$520,000.00<br/>SBC Project No. 344/009-01-2012<br/>Designer: <b>ENGINEERING SERVICES GROUP</b></li><li>11) <b>Clover Bottom Developmental Center</b><br/>(Harold Jordan Center Renovation)<br/>Total Project Budget: \$1,000,000.00<br/>SBC Project No. 344/003-01-2012<br/>Designer: <b>TO BE CORRECTED DUE TO<br/>ERROR</b></li></ul> |
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| <p>12) <b>Volunteer Training Site, Smyrna</b><br/> (Aviation Lane &amp; North Fitzhugh Area Resurfacing)<br/> Total Project Budget: \$700,000.00<br/> SBC Project No. 361/079-06-2012<br/> Designer: <b>BARGE CAUTHEN ASSOC</b></p> | <p>17) <b>Fall Creek Falls State Park</b><br/> (Village Green Bldgs Renovation)<br/> Total Project Budget: \$2,000,000.00<br/> SBC Project No. 126/036-06-2012<br/> Designer: <b>UPLAND DESIGN GROUP</b></p>            |
| <p>13) <b>Tullahoma Readiness Center</b><br/> (Cantonment Area Reroofs)<br/> Total Project Budget: \$285,000.00<br/> SBC Project No. 361/093-01-2012<br/> Designer: <b>HFR DESIGN</b></p>   | <p>18) <b>Northwest Correctional Complex</b><br/> (Freezer and Cooler Upgrade)<br/> Total Project Budget: \$800,000.00<br/> SBC Project No. 142/016-02-2012<br/> Designer: <b>EVANS TAYLOR FOSTER<br/>CHILDRESS</b></p> |
| <p>14) <b>Bledsoe Creek State Park</b><br/> (New Visitor Center)<br/> Total Project Budget: \$800,000.00<br/> SBC Project No. 126/012-01-2012<br/> Designer: <b>LARRY WOODS ASSOCIATES</b></p>                                      | <p>19) <b>West TN Regional Health</b><br/> (Elevator Modernization)<br/> Total Project Budget: \$260,000.00<br/> SBC Project No. 408/005-01-2012<br/> Designer: <b>TLM ASSOCIATES INC</b></p>                           |
| <p>15) <b>Fall Creek Falls State Park</b><br/> (Irrigation and Restroom Upgrades)<br/> Total Project Budget: \$2,250,000.00<br/> SBC Project No. 126/036-04-2012<br/> Designer: <b>STANTEC</b></p>                                  | <p>20) <b>Tennessee School for the Blind</b><br/> (New Parking Lot)<br/> Total Project Budget: \$470,000.00<br/> SBC Project No. 168/005-03-2012<br/> Designer: <b>BARGE CAUTHEN ASSOC</b></p>                          |
| <p>16) <b>Fall Creek Falls State Park</b><br/> (Old Inn Renovation &amp; Upgrade)<br/> Total Project Budget: \$7,560,000.00<br/> SBC Project No. 126/036-05-2012<br/> Designer: <b>BLANKENSHIP &amp; PARTNERS</b></p>               | <p>21) <b>Alvin C. York Institute</b><br/> (HVAC Upgrades)<br/> Total Project Budget: \$730,000.00<br/> SBC Project No. 168/001-01-2012<br/> Designer: <b>MAFFETT LOFTIS ENGINEERING</b></p>                            |

\* \* \* \* \*

There being no further business, the meeting adjourned at 11:40 a.m.

## Consent Agenda Items

A.

### MILITARY DEPARTMENT

#### Land Transaction

<b>Requested Action:</b>	Approval of disposal in fee with waiver of advertisement and appraisals
<b>Description:</b>	Giles County – 2.0 +/- acres – Pulaski Armory, Pulaski, TN – Trans. No. 12-05-003 (Woodard)
<b>Purpose:</b>	Disposal in fee to sell the property to Magotteaux, Inc. an adjacent property owner. The Magotteaux Company request purchase of this property to expand their manufacturing capabilities.
<b>Original Cost to State:</b>	Gift
<b>Date of Original Conveyance:</b>	July 31, 1976
<b>Grantor unto State:</b>	Giles County / City of Pulaski
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Grantee:</b>	Department of Military
<b>Comment:</b>	This action is also in response to request from the Giles County Mayor, the City of Pulaski Mayor and the Executive Director for Economic Development recommending that the property be used for industrial purposes. Any proceeds from the sale are made available to the Military Department as allowed by 2012 Public Chapter No. PC 1029, and Section 2 Item 9.
<b>SSC Report:</b>	06/18/2012. Peter Heimbach summarized the transaction. Col. Brad Bishop stated that the Armory tract was originally gifted to Military by the City/County and that officials from these entities contacted Military and requested that they sell some of the armory acreage to Magotteaux Company at fair market value for industrial expansion and job creation. Military has no interest in selling to any other local entity and is only selling to Magotteaux to help the local economy and honor the local's official's request. Magotteaux Company has agreed to pay all expenses. Staff questioned as to whether there is an interest by other parties for the property and if we could sell the property to Magotteaux directly without advertisement or if we should sell it to the City/County. Staff deferred the transaction to determine the interest of other adjoining property owners.
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	09/24/2012 Approved disposal in fee with waiver of advertisement and appraisals

DEPARTMENT OF CORRECTION

Land Transaction

**Requested Action:** Approval to acquire permanent electrical easement for SBC Project No. 142/013-02-2004 with waiver of advertisement and one appraisal

**Description:** Bledsoe County – 0.36+/-acres – Miller Road, Pikeville, TN – Trans. No. 12-08-017 (Bailey)

**Purpose:** To supply electrical power to pump station for waterline serving Southeast Tennessee Regional Correctional Facility.

**Price:** Fair Market Value

**Owner(s):** Howard L. Upchurch

**Comment:** This electrical easement is separate from and in addition to the waterline easement previously approved.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 09/24/2012 Approved acquiring permanent electrical easement for SBC Project No. 142/013-02-2004 with waiver of advertisement and one appraisal



DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

<b>Requested Action:</b>	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 and work with a third party as necessary
<b>Description:</b>	Fentress County – 16.89+/-acres – East of Pogue Creek State Natural Area – Trans. No. 12-07-023 (McLeod)
<b>Purpose:</b>	Acquisition in fee simple property to provide public trailhead access from Highway 154 on the far eastern end of the Pogue Creek State Natural Area. Property contains rock shelters with archaeological significance. This property is currently for sale and in threat of development. The project is the number one priority for the State Natural Area.
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Source of Funding:</b>	State Land Acquisition Fund Reserves (R)
<b>Owner(s):</b>	Ricky Rains and Nancy Rutherford, Trustee
<b>Comment:</b>	Purchased by Owner: May 8, 2010 Purchase Price: \$86,300 Property Assessor's Value: \$80,900.00 Improvement Square Footage: None  Third party will only be used if necessary and will be reported back to ESC.
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	09/24/2012 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 and work with a third party as necessary.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

<b>Requested Action:</b>	Approval of disposal by easement with waiver of advertisement and one appraisal
<b>Description:</b>	Marshall County – 1.0 +/- acres – Henry Horton State Park – Trans. No. 12-08-009 (Baugh)
<b>Purpose:</b>	Disposal by easement to upgrade the electrical utilities to the park, using new cable and conduit. Re-routing, using the old easement, is not possible, therefore, a new easement is necessary.
<b>Cost to State:</b>	Gift - Mutual Benefit
<b>Source of Funding:</b>	State Land Acquisition Fund Reserves – REM Fees (R)
<b>Grantee:</b>	Duck River Utilities
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	09/24/2012 Approved disposal by easement with waiver of advertisement and one appraisal

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

**Land Transaction**

<b>Requested Action:</b>	Approval of disposal in fee, acquisition in fee to obtain title work, survey, phase 1 environmental assessment and exercise option to acquire interest, and amend lease with waiver of advertisements and appraisals
<b>Description:</b>	Dekalb County - 3.47+/-acres – Adjacent to the Edgar Evins State Park – Trans. No. 12-08-012, 12-08-13, 12-09-001(McLeod)
<b>Purpose:</b>	Acquisition in fee, disposal in fee and amend lease with Army Corps of Engineers for land exchange with U.S. Government for dam repair.
<b>Cost:</b>	No cost swap – Mutual Benefits
<b>Term:</b>	Current 50 year lease from the Department of the Army (DOA) from April 15, 1970 to April 14, 2020.
<b>Source of Funding:</b>	\$500 12/13 US Army Corps. of Engineering (F)
<b>Consideration</b>	State receives 3.47+/- additional acres at the visitor's center
<b>Lessor:</b>	Department of the Army
<b>Comment:</b>	State to convey property to DOA in fee simple. DOA to convey property to the State in fee simple and property to be of equal area. Current lease is to be adjusted to reflect revised property ownership. A waiver of advertisement and appraisal is requested since this is another government entity and the transaction is for mutual benefit.
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	09/24/2012 Approved disposal in fee, acquisition in fee to obtain title work, survey, phase 1 environmental assessment and exercise option to acquire interest, and amend lease with waiver of advertisements and appraisals.

DEPARTMENT OF TRANSPORTATIONLand Transaction

<b>Requested Action:</b>	<b>Approval of disposal in fee with waiver of advertisement and one appraisal</b>
<b>Description:</b>	Hamilton County – 1.01+/-acres – 7380 Applegate Lane, Chattanooga, TN – Trans. No. 12-08-001 (Woodard)
<b>Purpose:</b>	Disposal in fee of surplus right of way for assemblage request from adjacent property owner
<b>Original Cost to State:</b>	The excess property is a small section of several parcels bought from property owners for road construction
<b>Date of Original Conveyance:</b>	December 11, 2007
<b>Grantor Unto State:</b>	Ooltwah Properties, LLC
<b>Sale Price:</b>	\$219,980.00
<b>Grantee:</b>	Timothy Ballard
<b>Comment:</b>	Requester is an adjacent property owner and wishes to purchase this property for assemblage. TDOT has a current appraisal and a property description for the remainder property which Mr. Ballard is wishing to purchase. We are requesting waiver of one appraisal and will use the current appraisal TDOT has supplied to us.
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	09/24/2012 Approved disposal in fee with waiver of advertisement and one appraisal

DEPARTMENT OF TRANSPORTATIONLand Transaction

<b>Requested Action:</b>	<b>Approval of disposal in fee with waiver of advertisement and one appraisal</b>
<b>Description:</b>	Knox County – .867+/-acres – Mall Road North, Knoxville, TN – Trans. No. 12-08-014 (Woodard)
<b>Purpose:</b>	Disposal in fee of surplus right of way for assemblage of excess property from adjacent property owner.
<b>Original Cost to State:</b>	\$150,725.00 that included six (6) different owners and seven (7) tracts
<b>Date of Original Conveyance:</b>	September 19, 1980
<b>Grantor Unto State:</b>	Multiple owners
<b>Sale Price:</b>	\$275,000.00
<b>Grantee:</b>	Sam's Real Estate Business Trust for Wal-Mart stores
<b>Comment:</b>	Requester is an adjacent property owner and wishes to purchase this property for road construction. TDOT has a current appraisal and a property description for the remainder property which Sam's Real Estate Business Trust for Wal-Mart stores is wishing to purchase. We are requesting waiver of one appraisal and will use the current appraisal TDOT has supplied to us.
<b>SSC Report:</b>	09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	09/24/2012 Approved disposal in fee with waiver of advertisement and one appraisal

DEPARTMENT OF TRANSPORTATIONLand Transaction

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

**Description:** Hamilton County – .730+/-acres – State Route 153 & O’Henry Drive, Chattanooga, TN – Trans. No. 12-08-015 (Woodard)

**Purpose:** Disposal in fee of surplus right of way for assemblage with an adjacent property owner

**Original Cost to State:** Multiple parcels purchased for road construction - Unknown

**Date of Original Conveyance:** October 1, 1953

**Grantor Unto State:** Pearl Haley

**Sale Price:** \$238,500.00

**Grantee:** Arthur Yother

**Comment:** Requester is an adjacent property owner and wishes to purchase this property for assemblage. TDOT has a current appraisal and a property description for the remainder property which Mr. Yother is wishing to purchase. We are requesting waiver of one appraisal and will use the current appraisal TDOT has supplied to us.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 09/24/2012 Approved disposal in fee with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Lease Amendment for Safety DLI / THP

**Requested Action:** Approval to request the utilities put in the State's name from the lessor name

**Location:** Robertson County – 4676 Highway 41 North, Suite C, Springfield, TN – Trans. No. 06-07-909 (R. Smith)

**Purpose:** Change the utilities into the State's name

**Term:** August 1, 2012 thru December 31, 2017 (4 yrs 5 months)

<b>Proposed Amount:</b>	6,688 square feet		
	Annual Contract Rent Cost:	\$63,536.00	@ \$ 9.50 / sf
	Annual Utility Cost:	\$11,704.00	@ \$ 1.75 / sf
	Annual Janitorial Cost:	<u>\$ 7,356.80</u>	<u>@ \$ 1.10 / sf</u>
	Annual effective total cost:	\$82,596.80	@ \$12.35 / sf

<b>Current Amount:</b>	6,688 square feet		
	Annual Contract Rent Including Utility Cost:	\$75,240.00	@ \$11.25 / sf
	Annual Janitorial Cost:	<u>\$ 7,356.80</u>	<u>@ \$ 1.10 / sf</u>
	Annual effective total cost:	\$82,596.80	@ \$12.35 / sf

**Type:** Amendment #1

**FRF Rate:** \$18.00


**Lessor:** 41 and Main LLC c/o F & M Bank

**Comment:** The bank foreclosed on this property for unpaid loans from the lessor. The bank would like to have the utilities converted over to the State's name for the remaining of the lease. As the utilities have been disconnected for nonpayment, this is in the best interest of the State.

**SSC Report:** 09/17/2012. Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 09/24/2012 Approved putting utilities in the State's name from the lessor name

Approved:

  
Mark A. Emkes, Commissioner  
Department of Finance and Administration