

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

SEPTEMBER 29, 2009

The State Building Commission Executive Subcommittee met this day at 2:00 p.m. in Senate Hearing Room 12, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
Dave Thurman, Legislative Budget Office
Janie Porter, Attorney General's Office
Speaker Kent Williams
Representative Johnny Shaw
Speaker Emeritus Jimmy Naifeh
Commissioner Matt Kisber, Department of
Economic & Community Development
Ed McCallum, McCallum-Sweeney
Anne Banks, City of Brownsville
Sheriff Melvin Bond, Haywood County
Mayor Franklin Smith, Haywood County
Nick Crafton
Gary Bullwinkel, Hebron
Lawrence Randle, Mason
Rita Harris, Fredonia
Femesia Harris, Fredonia
Cynthia Tapplin, Fredonia
Joyce Taylor, Fredonia
Ronald Randle, Fredonia
Anita Terry, Fredonia
Tommie Terry, Fredonia
Rev. Gregory Stewart, Fredonia

Paul Degges, Department of Transportation
Steve Allen, Department of Transportation
Derrick Tibbs, Department of Transportation
Mike Philgot, West TN Industrial Association
Rod Schuh, Lauderdale County Mayor
Lola Potter, Department of Finance and
Administration
Reta Adams, Speaker Naifeh's Office
Blake Fontenay, Constitutional Officers
Beth Phillips, WBBJ Jackson
Mark Drury, Department of Economic &
Community Development
Tom Trent, Bradley Arant Boult Cummings
Chloe Shafer, Bradley Arant Boult Cummings
Ward E. Smith, Stanton
Bobby Harris, Stanton
Elizabeth Rice
Jack Finch
Ruffie Jones, Stanton
Brad Hurley, Carroll County Chamber
Kenny McBride, Carroll County Mayor
Dennis Henderson, Jackson
Shirley Williams, Stanton
Betty Brooks, Stanton
John Dee Thompson
Jurgen Bailey, Real Property Administration
Dottie Hagood, Real Property Administration

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

WEST TENNESSEE - HAYWOOD COUNTY MEGASITE

- 1) Chairman Dave Goetz called the meeting to order at 2:20 p.m. He announced that this was not a public hearing, and that the SBC doesn't normally hear public testimony, but this meeting was different. He said they were there to hear one item regarding a request for approval to purchase land in Haywood County for the development of a **West Tennessee Megasite** and approval to waive advertisements and appraisals, in an amount not to exceed \$40,300,000. He stated that several people had requested an opportunity to speak and the Subcommittee would recognize them.

Matt Kisber, Commissioner, Department of Economic & Community Development, was recognized and discussed the background and need for the establishment of the megasite with an emphasis on the need for jobs due to the economy. He said the General Assembly had approved the megasite plan and funding the dollars for the project. He discussed the Department's strong track record in the development of megasites. He emphasized that all State environmental laws have been followed in the development of this site and the recommended action will not adversely affect the land or air quality, and would have no impact on Fayette County.

Ed McCallum, attorney, was recognized and stated that he was in the business of helping companies decide where to locate and knows what their concerns are. He acknowledged that rules must be followed for certification. He added that they have the support of the community and they have never certified a site where eminent domain was required. He said this will be the largest certified site in the country and will be on everyone's radar screen. He added that the State's decision will affect not only the State of Tennessee, but the region.

Speaker Emeritus Jimmy Naifeh stated the he represented the people of Haywood and Tipton Counties where unemployment is well above 16%. He added that the recession was devastating to the people of West Tennessee. He listed the members of the newly formed Megasite Authority and added that the project has strong bi-partisan support in West Tennessee.

State Representative Johnny Shaw said he was the Pastor for the Stanton Baptist Church where he has resided for 29 years. He discussed how this megasite has given people hope and an opportunity to make an investment for the young people to become educated. He added that, by the Subcommittee approving the funding for this megasite, the State is not just buying some land, but investing in its people.

Anne Banks, Director, Office of Economic & Community Development for City of Brownsville, said she wanted to add that she believes there is wide spread support for this project and that these communities know it will jumpstart the local economy.

Sheriff Melvin Bond of Haywood County expressed his support for the project and was convinced that there is wide spread support for it. He discussed that poverty is the root of most crimes and

this project can have a positive effect on the poverty level. He said that they were just asking for the same opportunity that Chattanooga and Clarksville have had.

Mayor Franklin Smith thanked Governor Bredesen and the General Assembly for the project that Haywood County would not have been able to generate on its own. He stated that several County and City Mayors were in attendance to show their support. He said the process has been transparent and, if they didn't have willing land owners, they wouldn't have had a project. He said his commitment was to make sure the people know the truth and to make sure everything was done the right way, and he would not do anything to harm Haywood County.

Commissioner Kisber concluded with a statement that this project has the opportunity to transform West Tennessee. He said he knows the Subcommittee supports the megasite in concept, but that it wants to make sure it is done right.

Comptroller Wilson said he had a few questions of Commissioner Kisber. He asked if they have identified the properties to be acquired, and Commissioner Kisber responded "yes" and that they have provided a map. Comptroller Wilson asked if federal funds were involved, and Commissioner Kisber responded "no". Comptroller Wilson further asked if their certificate was current and does his request meet the General Assembly's intent. Commissioner Kisber answered "yes" to both questions.

Treasurer Lillard said he wanted to make sure that the map of parcels was included as part of the record.

Secretary Hargett noted for the record that he had posed three questions to Commissioner Kisber and the Commissioner responded to his questions. The three questions Mr. Hargett posed pertained to identifying the actual land to be purchased, confirmation that prior TVA certification applied to the actual land to be purchased and documentation of megasite certification by the Department of Economic and Community Development.

Nick Crafton was the first of several in opposition of the proposal to speak. Mr. Crafton directed his comments on environmental and ozone issues.

Lawrence Randle, resident of Mason, stated that he was opposed to having it in his backyard and that nobody had come to discuss the project with him. He said he didn't know where he was going to move.

Joyce Taylor, resident of Fredonia, said they had not been informed about the project. She said she was concerned about uprooting the elderly and disabled citizens from their lands. She said she would like the Mayors to get together and let the people know what is going on as she had learned more about the situation since coming to this meeting.

Rita Harris, environmental justice activist, was recognized. She said she supported solar projects and jobs, but that it was a shame to ruin the farm land. She said the talk of economic development is exciting and perks you up, but without taking into account other concerns, it is not right. She asked about the EIS study—when it was done and if a copy was available. She mentioned the Hatchie National Wildlife Refuge being impacted, and that Fredonia is an African American

community established back in the 1800's, making it an historical significance area. She said she objects to the project because the process is tainted and she would love for TVA to explain how African American families did not find out about the megasite process until well over a year later, and why people were never approached about selling their property. She said the white land owners were offered \$10,000 an acre and all the stake holders were not given the same offers. She added that this community should have the right to decide what kind of community it should be and asked that the Subcommittee reject this project proposal on the environmental basis, the historical significance, and the flawed process.

Femesia Harris was recognized and said she was not against jobs. She passionately discussed her concerns over the inadequate school system and law enforcement being able to handle the increase in population and crime. She said she didn't want her peaceful community destroyed.

Cynthia Tapplin was recognized and expressed her desire to keep her life the way it has always been.

Tommie Terry was recognized and said he had been enlightened today, and that he thought everyone is entitled to their opinion. He expressed his concern about the neighborhood after the check is signed. He said he was not opposed to jobs, but that nobody has contacted them about how they would be affected by the megasite.

Gary Bullwinkel was recognized. He said that the State of Tennessee cannot pass laws that discriminate, and the question before this body was their responsibility with regard to complying with Title 6. He said that the moment the documents are signed, property values will go down. He added that all the rules of law that were put in place were not followed and the decision that ECD should have done three years ago was not done. He said that Tennessee Title 6 has not met in six years.

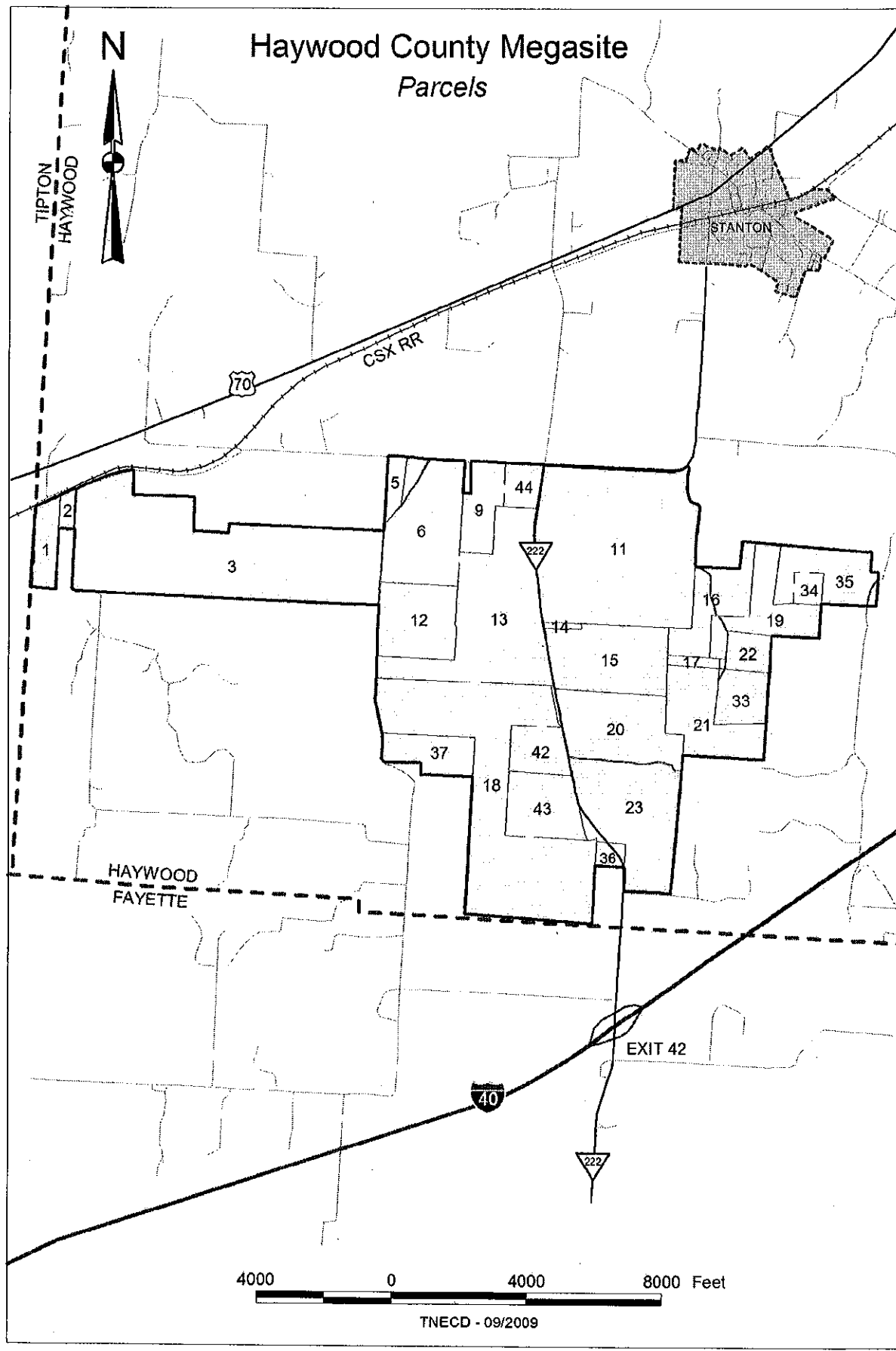
Commissioner Goetz asked Commissioner Kisber about Parcel 18. Commissioner Kisber replied that the Livingston property is 500 acres and they intend to negotiate the option with Haywood County. Commissioner Goetz asked about the environmental assessment. Kisber stated it was done when the certification was done and also updated this summer and transmitted to TDEC for their review. Commissioner Goetz asked about the solar farm. Commissioner Kisber stated that it is a separate option and tract, and not part of, or connected to, the megasite.

Commissioner Goetz asked that, since this is being purchased with State funds, was NEPA applicable. Commissioner Kisber replied that no Title 6 complaints have been filed with their office. He said, in closing, when assembling a site of this type, the focus is to impact as few people as possible. He said the site has been designed to give maximum efficiency for development and provide for appropriate buffers. A study was done that indicated the quality of site and area around it would be improved by the investment. Commissioner Goetz asked if property values had gone up. Commissioner Kisber responded that Chattanooga is now considered one of the hottest cities in the country.

Treasurer Lillard stated that he had listened very carefully to all of the statements made on all sides of the issue. He clarified that the State Building Commission is not a judicial fact-finding body, but relies on the representation made by the agencies and statements made by the public. At the

September 10 SBC meeting, he had requested the matter be referred to the Executive Subcommittee, with authority to act, because the parcels involved that the State intended to acquire had not been identified with specificity at the time. He said that Commissioner Kisber and his department worked on that, along with Mayor Smith and others, and yesterday a plat was distributed that Commissioner Kisber had referred to which contained a list of identified parcels which he had moved to be a part of the record for clarity earlier in these proceedings. In light of all these things, the Legislature and Governor have either directly or indirectly approved this project in terms of its concept and general location 2-3 times. Treasurer Lillard stated that an economic opportunity exists at the present time for the State to acquire the land for this megasite as provided and authorized by the Legislature in the last session. Based on the foregoing discussion regarding expiration of the purchase option on October 31, 2009 and the legal issues raised by bond council as to who should take title to it, and the Attorney General regarding a grant from bond proceeds to acquire land in Haywood County, he moved that it was in the best interest of the State to accomplish the transfer of such options and the closing of those transactions as specified in the document being submitted for the record. He further moved that the State staff be authorized and directed to take all appropriate actions to close these transactions, including such negotiation and documentation as necessary to comply with State requirements and to request an expedited meeting of this Subcommittee should that be necessary in the future if, in the opinion of the staff, it involves resolving any additional issues. He further moved, in accordance with the agenda, to approve the waiver of advertisements and appraisals. Comptroller Wilson seconded the motion, which passed unanimously. The meeting adjourned at 4:08 p.m.

Estimated Project Cost: \$40,300,000.00
SBC Project No. 529/000-07-2009



Haywood County Megaproject Parcels

TIPTON
HAYWOOD



STANTON

CSX RR

70

HAYWOOD
FAYETTE

EXIT 42

40

4000 0 4000 8000 Feet

TNECD - 09/2009

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

SEPTEMBER 21, 2009

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Dottie Hagood, Real Property Administration
Bob King, Real Property Administration
Jurgen Bailey, Real Property Administration
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
Melinda Parton, Comptroller's Office
Mark Cherpach, Department of Finance and Administration
Dave Thurman, Legislative Budget Office
Gayle Ray, Department of Correction
Tom Robinson, Department of Correction
George Little, Department of Correction
Nancy Blevins, Department of Finance and Administration
Russ Deaton, THEC
Scott Boelscher, THEC
Megan Lyons, JPGR
Lois Riggins Ezzell, Tennessee State Museum
Mary Jane Crockett Green, Tennessee State Museum

David Gregory, Tennessee Board of Regents
Blake Fontenay, Constitutional Officers
Nicholas Crafton
Lola Potter, Department of Finance and Administration
Bob McKee, Select Oversight Committee on Correction
Doug Delaney, Department of Transportation
Alan Durham, Department of Transportation
Mike Williams, Department of Transportation
Greg Steck, Real Property Administration
Annette Crutchfield, Legislative Budget Office
John Carr, Department of Finance & Administration
Dick Tracy, Tennessee Board of Regents
Cindy Liddell, Bond Finance
Terry Mason, Comptroller's Office
Melanie Buchanan, Real Property Administration
Melissa Ziegler, Wilbur Smith Associates

Commissioner Goetz called the meeting to order at 10:33 a.m. He stated that the Commission's Executive Subcommittee had been scheduled to address the **West Tennessee Megasite** item at this meeting. However, the Department of Economic & Community Development had asked last Friday to delay the review to give officials time to assemble details on the specific land to be acquired. He added that the Subcommittee wanted to make sure that whoever showed up was afforded an opportunity to speak for five minutes.

Nick Crafton was recognized from the floor. He stated that time was getting short and he had some very real pivotal environmental constraints based on Commissioner Kisber's comments at the last SBC meeting. Secretary Hargett asked Mr. Crafton if there was any way he could distill his information before addressing the Subcommittee at the special-called meeting. Mr. Crafton said that there were major air issues, and that Assistant Commissioner Drury's remark said the plan was to get some public hearings over the ozone issue. Secretary Hargett said, in order for the meeting to be productive, it would be helpful if he could address his issues to the Departments of ECD and Environment & Conservation. Treasurer Lillard asked Mr. Crafton why this was important to address at this time, and how can the State deal with his issues when it's not known how it is going to be developed.

The Subcommittee thanked Mr. Crafton and confirmed the scheduling of the special meeting for September 29 at 2:00 p.m. to address the Haywood County Megasite project.

Estimated Project Cost: \$40,300,000.00
SBC Project No. 529/000-07-2009

CONSENT AGENDA

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

- A. Agency: **University of Tennessee – Knox County**
Transaction: Approval for RFP
Provision: Waiver of appraisals

- B. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Disposal in fee
Provision: Waiver of advertisement & appraisals

- C. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Acquisition in fee

- D. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Lease Agreement
Provision: Waiver of advertisement

- E. Agency: **Department of Labor & Workforce Development – Bradley County**
Transaction: Disposal in fee
Provision: Waiver one appraisal

- F. Agency: **Department of Transportation – Sevier County**
Transaction: Disposal in fee
Provision: Waiver of advertisement & appraisal

- G. Agency: **F & A for Intellectual Disabilities Services – Greene County**
Transaction: Acquisition in fee

- H. Agency: **Department of Environment and Conservation – Sumner County**
Transaction: Demolition

TENNESSEE BOARD OF REGENTS

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 – Highland Row Shopping Center, 443 S. Highland Street, Suite 460, Memphis, TN – 09-09-900

Purpose: To provide space for the campus bookstore

Term: Undecided at this time

Proposed Amount:	<u>40,000 Square Feet</u>		
	Annual Contract Rent:	\$740,000.00	@\$18.50 / sf
	Est. Annual Utility Cost:	\$ 70,000.00	@\$ 1.75 / sf
	Est. Annual Janitorial Cost:	<u>\$ 44,000.00</u>	<u>@\$ 1.10 / sf</u>
	Total Annual Effective Cost:	\$854,000.00	@\$21.35 / sf

Current Amount:	<u>22,000 Square Feet</u>	
	Annual Contract Rent:	State owned bldg.

Type: New Lease

FRF Rate: \$18.00

Purchase Option: No

Lessor: Poag & McEwen Lifestyle Center

Comment: The proposed lease provides no cancellation except for cause: University of Memphis will also be required to pay a percentage of gross sales beginning at \$8M. The lessor has agreed to pay to build and fit out the space based on specifications of the contracted bookstore vendor at a cost of approx. \$1.5M.

SSC Report: 09-14-09. Bob King summarized the transaction. Dick Tracy summarized in more detail on the project. Staff referred to Subcommittee for discussion.

Tennessee Board of Regents – continued:

SC Action: 09-21-09. Bob King presented the transaction. Dick Tracy stated that they were requesting approval for waiver of advertisement to negotiate a lease. He stated the campus wanted to move the bookstore to the new location in order for it to be a full service operation with Barnes & Noble with the campus receiving revenue from the operation. Campus officials stated that this would be in keeping with the campus master plan and would increase the community interaction. Treasurer Lillard expressed his support of the project, but when the lease is approved, he asked that they be prepared to address the specific details as to the term and costs. Subcommittee approved the request as presented.

TENNESSEE STATE MUSEUM

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and ACQUIRE BY GIFT, WAIVER OF APPRAISALS required interest in the following real property.

Description: Davidson County – 0.87 +/- acres – 305 Kent Road, Nashville, TN – Trans. No. 09-09-009 (Woodard)

Purpose: Acquisition by Gift. William Clyde Baker died April 30th, 2009. In his will he vested title to property to the Tennessee State Museum.

Source of Funding: Gift by Will

Estimated Cost: \$234,000

Owner(s): William C. Baker III

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Lois Riggins Ezell stated that this was a historically significant home and that they wanted to establish a work group to determine the best use for the property. Staff referred to Subcommittee for discussion.

SC Action: 09-21-09. Jurgen Bailey presented the transaction. Tennessee State Museum Director, Lois Riggins-Ezzell, was recognized. She stated that the house was constructed in 1790 and has the original floors, plaster and woodworking. She said it was their hope to appoint a working committee to determine what might be done to preserve the property. She said the only operating expense is the alarm system, which requires approximately \$1500 a year to keep electricity on to power the alarm. After discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATION

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: **Grundy County – Purchase 27 Wetland Mitigation Credits from Burrow Cove Wetland site – 09-08-016 (Bailey)**

Purpose: Acquisition in fee to acquire 15 of the Wetland Mitigation Credits will be used to mitigate unavoidable wetland impacts associated with the construction of State Route 15 in Lincoln & Franklin County, the remaining 12 credits will be used to mitigate unavoidable wetland impacts associated with TDOT projects within the upper Elk River Watershed and will cover all or portions of the following counties: Lincoln, Franklin, Moore, Coffee and Grundy.

Source of Funding: Highway Funds

Estimated Cost: \$32,500 per credit x 27 = \$877,500

Owner(s): Restoration Systems, LLC

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. TDOT representatives stated that it took a year of negotiations to bring the mitigation credit price down. There are very few mitigation opportunities in this area of the state. Staff referred to Subcommittee with recommendation.

SC Action: 09-21-09. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATION

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: Fayette County – Purchase 26.7 Wetland Mitigation Credits from Wolfe River Wetland site – 09-08-017 (Bailey)

Purpose: Acquisition in fee to acquire wetland credits to mitigate unavoidable wetland impacts associated with the construction of State Route 385 in Fayette and Shelby Counties.

Source of Funding: Highway Funds

Estimated Cost: \$26,125 per credit x 26.7 = \$697,537.50

Owner(s): Wolfe River Mitigation Bank, LLC

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. These are the last remaining wetland credits in this mitigation bank and TDOT was offered a 5% discount on these credits if they can close the transaction within 90 days. Staff referred to Subcommittee with recommendation.

SC Action: 09-21-09. Jurgen Bailey presented the transaction. Commissioner Goetz asked TDOT representatives to report back to them as to what it would take for the Department to be in the business for themselves as he could always see a need for mitigation credits. He said that it seems like this is not a good approach when money is tight and he would like to get a proposal from the Department as to why this could not be fixed. Comptroller Wilson commented that this is a very complex issue, and that he would like to have a good discussion regarding the matter. The Department stated they would do so. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the WAIVER of the REAL ESTATE MANAGEMENT FEES and REIMBURSEMENT from the GENERAL FUND as recommended by the Commissioner of Finance and Administration the following land Transactions for fiscal year 2008-2009:

<u>Transaction No.</u>	<u>Reason for Waiver</u>	<u>REM FEE</u>
08-08-001	Bonds	\$ 5,177.90
08-11-009	Bonds	3,750.00
08-11-008	Bonds	4,356.00
08-12-013	Bonds	10,000.00
08-12-007	Bonds	4,570.00
08-04-010	Bonds	10,000.00
08-04-011	Bonds	10,000.00
08-04-012	Bonds	1,500.00
08-05-011	Bonds	10,000.00
08-01-001	Bonds	10,000.00
07-08-023	Bonds	3,600.00
07-07-001	Bonds	10,000.00
07-10-016	Bonds	6,900.00
07-12-023	Bonds	8,350.00
07-10-017	Bonds	7,150.00
07-10-018	Bonds	7,250.00
07-11-001	Bonds	9,200.00
07-02-004	Bonds	7,500.00
07-10-014	Bonds	4,750.00
08-06-009	Bonds	10,000.00
08-06-008	Bonds	10,000.00
08-02-018	Bonds	7,350.00
08-02-003	Bonds	10,000.00
08-06-020	Bonds	3,412.50
08-06-010	Bonds	10,000.00
08-02-017	Bonds	7,000.00
08-02-003	Bonds	10,000.00
08-04-009	Bonds	10,000.00
08-02-017	Bonds	7,000.00
08-08-020	Bonds	6,950.00
08-09-006	Bonds	10,000.00
08-07-009	Bonds	8,325.00
08-07-027	Bonds	9,900.00
08-07-008	Bonds	8,200.00
08-07-028	Bonds	7,550.00
07-08-004	Bonds	2,925.00
07-08-011	Bonds	1,760.00
07-11-002	Bonds	1,875.00
07-10-024	Bonds	1,495.00
07-10-022	Bonds	2,025.00
07-10-023	Bonds	2,500.00
TOTAL		\$282,321.40

Department of Finance and Administration – continued:

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 09-21-09. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

TOURIST DEVELOPMENT ZONE-PIGEON FORGE

Review of a request to make a small change in the configuration of the Tourist Development Zone (TDZ)
(SBC Project No. 529/000-08-2003)

COMMENT

The City of Pigeon Forge wishes to add a small parcel in the TDZ in order to use an existing building for the Qualified Public Use Facility (QPUF). Pigeon Forge is grandfathered under a previous of the law which did not have a size limit. Since this change is requested under the present law, the Convention Center focus group determined that they had to give up equivalent acreage to compensate. There is a very small difference in the acreage added to the acreage given up (1.3 acres). The focus group determined that difference is immaterial.

SSC Report: 09-14-09. Bob King summarized the transaction. Eric Brackins, Assistance City Manager, stated that the space is where Old Time Pottery was located and burned in February. Staff referred to Subcommittee with recommendation.

SC Action: 09-21-09. Bob King presented the transaction. He said that this was going to save the City of Pigeon Forge money and get them back into a tax-paying mode quicker. He stated that they, along with SBC staff, looked at this long and hard and, because the law has changed several times, and even though Pigeon Forge has been grandfathered in, they were going to have to give up an equivalent amount of acreage. Melissa Ziegler, representing the City, stated that the City was looking at retrofitting this building and avoid having to create a large amount of debt. Comptroller Wilson confirmed that they were not having to build a new building, it meets the requirements and it will be cheaper. Treasurer Lillard stated that because the construction cost would be cheaper and the TDZ would be paid off sooner, he was definitely for it. Subcommittee asked that a project schedule be furnished to them, and then approved the requested as presented.

DEPARTMENT OF CORRECTION

SOUTHEAST TENNESSEE REGIONAL CORRECTIONAL COMPLEX, BLEDSOE COUNTY, TENNESSEE

- 1) Commissioner Little presented a request for approval of additional design services, approval to allocate funding, approval of the Early Design Phase, and authorization to proceed with a project for **Southeast Tennessee Regional Correctional Complex**, Bledsoe County, Tennessee. He stated that there was currently a shortfall of about 2200 beds, which will hold fairly constant for the upcoming year as there is a steady growth in the felon population. He stated that if Whiteville is closed down, and Bledsoe is not built, they will be looking at a 6000 bed shortfall by the year 2019. Commissioner Little added that, twenty years ago, 70% of the inmates were classified as non-violent and property offenders, as opposed to 30% today. He said that the Department is committed to use the low cost beds first and by 2013, Bledsoe would come online. If the project is bid this fall and construction begins, it would be completed by 2012 with full occupancy by 2013, assuming no sentencing enhancements will be passed by the Legislature. Bob McKee was recognized and stated that the Select Oversight Committee on Correction supports the recommendations made by Commissioner Little. Treasurer Lillard made a motion to approve the request as presented. He asked that, as the GMP language is developed, that it be sent to the Subcommittee in advance for review so that everyone will be on the same page. The motion was properly seconded and passed without objection.

Estimated Project Cost: \$208,000,000.00
SBC Project No. 142/013-02-2004

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meetings held on August 24 and September 8, 2009.

DESIGNER SELECTION

- 1) A request was made for approval of a designer selection for **Environmental Consultant** to support Real Property Administration. Treasurer Lillard discussed the State process used for recommending the three firms. After discussion, he stated that there should have been a greater effort to discuss the project with all of the recommended firms and requested that be done in the future. He then made a motion to approve the Department's No. 1 recommendation, Gobbell Hays Partners, which was seconded, and passed without objection.

SBC Project No. 529/000-08-2009

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There being no further business, the meeting adjourned at 11:35 a.m.

Consent Agenda Items

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Knox County – 973 +/- square foot at UTK 's University Center, Knoxville, TN – 09-08-014 (Baugh)

Purpose: Approval of an RFP to enter Shipping / Mailing Services lease on campus.

Term: Five (5) years

Consideration: N/A

Lessee: To be determined by RFP

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: Montgomery County – Castle Heights Road, Clarksville, TN – 09-08-011 (Woodard)

Purpose: Disposal in fee to allow the realignment of Castle Heights Road. Equal value land exchange.

Original Cost to State: \$58,200 for entire property including house

Date of Original Conveyance: April 1, 1992

Grantor Unto State: State of Tennessee

Estimated Sale Price: Mutual benefits

Grantee: City of Clarksville

Comment: Property was originally purchased for future expansion of APSU. Request a transfer of 0.259 acres belonging to APSU to the City of Clarksville and the City is transferring the 0.259 acres to APSU. This needed for the safety of students and general public. SBC Project #166/003-07-2007.

SSC Report: 09-14-09. Jurgan Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rutherford County – 1102 Ewing Blvd., Murfreesboro, TN – 09-08-015 (Maholland)

Purpose: Acquisition in fee to acquire the property as part of MTSU Master Plan, the house will be rented until needed for future campus expansion.

Source of Funding: Auxillary Funds

Estimated Cost: \$160,000

Estimated Title, Appraisal and Survey Fees: Fair Market Value

Owner(s): Robert L. Kinney

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

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 – Liberty Bowl Memorial Stadium, 335 S Hollywood Street, Memphis, TN – 09-09-901

Purpose: To provide the home field for the University of Memphis football games.

Term: July 16, 2009 thru January 1, 2015 (5 yrs., 5 mons.) (6 seasons)

Proposed Amount: Football Stadium
Annual Contract Rent per game: \$35,000.00
Additional cost for license fee for the Jumbotron: \$25,000.00
Total Effective Cost per game: \$60,000.00

Current Amount: Football Stadium
Annual Contract Rent per game: \$35,000.00
Additional cost for license fee for the Jumbotron: \$25,000.00
Total Effective Cost per game: \$60,000.00

Type: New Lease

Lessor: City of Memphis

Comment: The lease provides that the City retains all of the income from concession and parking revenues. Any of the suites that are actually sold will cost \$200 per game. No cancellation clause.

SSC Report: 09-14-09. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. Subcommittee approved the request as presented.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LAND ITEM

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

Description: Bradley County – 173 Broad Street, S.W., Cleveland, TN – 09-08-010 (Maholland)

Purpose: Disposal in fee to sell surplus property.

Original Cost to State: \$23,110

Date of Original Conveyance: June 9, 1972

Grantor Unto State: Lloyd Calloway

Estimated Sale Price: Fair Market Value

Grantee: Successful Proposer

Comment: Building is no longer being used by the State of Tennessee.

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL 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: Sevier County – 0.643 +/- acres – Dolly Parton Parkway, Sevierville, TN – 09-08-012 (Baugh)

Purpose: Disposal in fee for assemblage of property

Original Cost to State: N/A

Date of Original Conveyance: July 27, 1972

Grantor Unto State: William Mills etux Nort T. Mills

Estimated Sale Price: \$240,000

Grantee: Leonard Waring for James Bookstaff

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION
FOR
INTELLECTUAL DISABILITIES SERVICES

LAND ITEM

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

Description: Greene County – 0.75 acre lot on Redbud Drive, Greeneville, TN – 09-07-015 (Bailey)

Purpose: Acquisition in fee for property to be used along with two other lots to build a MR Home.

Source of Funding: SBC 346/000-05-2005

Estimated Cost: \$40,000

Owner(s): Kyle Parkins

SSC Report: 09-14-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 09-21-09. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

BLEDSON CREEK STATE PARK, SUMNER COUNTY, TENNESSEE

- 1) Approved a request to demolish an abandoned restroom building as part of the **Campground Upgrade** project at Bledson Creek State Park, Sumner County, contingent upon review by the Tennessee Historical Commission.

SBC Project No. 126/012-01-2007

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
REAL PROPERTY ADMINISTRATION**

**OFFICE OF THE STATE ARCHITECT
WILLIAM R. SNODGRASS TENNESSEE TOWER, SUITE 2100
312 ROSA L. PARKS AVENUE
NASHVILLE, TENNESSEE 37243-0300
(615) 741-2388
FAX (615) 741-6189**

**DAVE GOETZ
COMMISSIONER**

**MICHAEL A. FITTS, FAIA
STATE ARCHITECT**

TO WHOM IT MAY CONCERN:

There will be a meeting of the State Building Commission Executive Subcommittee held on September 29, 2009 at 2:00 p.m. to be held in House Hearing Room 30, Legislative Plaza, Nashville, to discuss the Haywood County mega site project.

Sincerely,

Michael A. Fitts
State Architect