

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
June 28, 2021

The State Building Commission Executive Subcommittee met this day at 10:00 a.m. via a WebEx electronic meeting, with the following members and Departments present. Commissioner Eley called the meeting to order at 10:01 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Butch Eley, Commissioner, Department of Finance and Administration, participated via electronic communication
Tre Hargett, Secretary of State, participated via electronic communication
David Lillard, State Treasurer, participated via electronic communication
Jason Mumpower, Comptroller of the Treasury, participated via electronic communication

ORGANIZATION

- University of Tennessee

PRESENTER

President Randy Boyd

OTHER PARTICIPANTS

Austin Oakes, University of Tennessee

Commissioner Eley stated that the purpose of this meeting is to consider the items on the agenda for the Specially Called June meeting of the Executive Sub-Committee of the State Building Commission. Tennessee Code Annotated §8-44-108 provides that if a quorum of members is not physically present at the meeting, other members may be retained for a vote via electronic or other means of communication if certain statutory requirements are met.

A determination had been made that the electronic communication in this meeting by the members is a necessity based on the following facts and circumstances:

1. This meeting has been specially called in order to consider the request of the University of Tennessee to acquire the properties currently known as Martin Methodist College in Pulaski, Tennessee.
2. The acquisition of Martin Methodist College by the University of Tennessee effective July 1, 2021 was approved by the Legislature in Public Chapter 454 and approved by the Board of the University of Tennessee last week.
3. As such, this request is time sensitive and there will be operational hardships if the Executive Sub-Committee is unable to render a decision on this matter prior to July 1, 2021.

Commissioner Eley, Secretary Hargett, Comptroller Mumpower and Treasurer Lillard participated electronically.

At a roll call vote all members voted aye and approved the use of electronic communication for this meeting.

UNIVERSITY OF TENNESSEE

Acquisition – Fee (Gift)

Requested Action: **Approval of acquisition in fee** with waiver of advertisement

Transaction Description: Transaction No. 21-02-006 & 31-03-003

- **Location:** Martin Methodist College
 Giles County – 67 +/- acres, multiple parcels – see attached list
- **Owner(s):** Martin Methodist College & Reveille Properties, LLC*
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Aux) (A) (REM fees)

Comment: In Public Chapter 454, the Legislature approved the acquisition of Martin Methodist College (MMC) by the UT System effective July 1, 2021. After the acquisition, the campus will be known as UT Southern. As part of the acquisition, all property and buildings owned by MMC that comprise the MMC Campus will be transferred to the State, and for this reason waiver of advertisement is requested. (*Over the 150 years MMC has been in existence, title to real estate has been acquired in a number of related names.) Academic and student support functions are located on the Main Campus which includes approximately 24 +/- acres while the East Campus serves as the athletic complex with 43+/- acres.

The University has completed all due diligence typical for the acquisition of a going concern that includes significant real estate and found no issues that would impair the future operation of the campus as UT Southern. In addition, the University is seeking THEC and TSSBA approvals related to academic programs and a small amount of debt that will be assumed as a result of the acquisition.

The University has also consulted THEC regarding the lack of a Campus Master Plan. THEC has opined that given the unique nature of this transaction, a Campus Master Plan will be developed following the acquisition.

Date of Last Transfer:	Various
Purchase Price:	Unknown
Property Assessor's Value:	TBD
Square Footage Improvements:	302,000 square feet

Minutes: 06/21/2021 Commissioner Eley stated that he knows that UT did a facility assessment of the campus and facility conditions have been a concern for the Governor as they look at capital improvements and capital maintenance. Commissioner Eley asked what the assessment said and asked President Boyd to explain about the condition of the facilities.

President Boyd stated that they had an outside consultant go through in detail and review every building in addition to the UT team having done so a month prior. The report back was that the facilities were generally in as good if not better shape than the rest of the UT facilities. There weren't any significant maintenance or issues that need to be addressed right away. UT expects to go from 700 students

to close to 1,200 students without adding an additional building. They don't expect significant maintenance in the first five years.

Mr. Austin Oakes stated that they assessed all 302,000 square feet of the campus that is comprised of approximately 24 primary buildings across 69 acres. They compared that to roughly five million square feet of UT facilities that had been assessed by the same team. The Martin Methodist campus did well in that assessment; very comparable and better than on average on what they have seen across prior space surveys of UT facilities. They were really pleased to see that.

As you would expect of a campus where the average building age is 68 years old, there are some maintenance needs and they will plan on making future capital maintenance requests for the campus as they would any other ongoing facility.

Mr. Oakes stated that they could get to 1,200 students within the existing facilities. How they grow afterwards will depend on what facilities they need for the growing program. UT will be working on those planning efforts as they establish their first Master Plan for the campus.

Treasurer Lillard congratulated President Boyd and the staff at University of Tennessee on this momentous event.

At a roll call vote all members voted aye and approved acquisition in fee with waiver of advertisement

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

* * * * *

Approved:



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