

**MINUTES**  
STATE BUILDING COMMISSION  
Executive Subcommittee  
March 12, 2020

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The State Building Commission Executive Subcommittee met this day at 11:23 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, immediately following the State Building Commission Meeting, with the following members and Departments present. Commissioner McWhorter called the meeting to order at 11:23 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

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

ORGANIZATION

- University of Memphis

PRESENTER

Raj Kurapati, Chief Financial Officer

OTHER PARTICIPANTS

Adrian Stella, President of Stella  
Mark Green, Director of Finance for Stella

UNIVERSITY OF MEMPHIS

Disposal – Lease (Land/Swap)

**Requested Action:** Approval of disposal by lease

**Transaction Description:** Transaction No. 19-04-020

- **Location:** University of Memphis (UofM)  
Shelby County - total acreage 5.62 +/-acres (16 tracts)  
301 Deloach St., 295 Deloach St., 287 Deloach St., 281 Deloach St., 275 Deloach St., 267 Deloach St., 261 Deloach St., 253 Deloach St., 247 Deloach St., 241 Deloach St., 235 Deloach St., 227 Deloach St., 219 Deloach St., 211 Deloach St., 205 Deloach St., 3664 Central Avenue all in Memphis, TN
- **Tenant:** Memphis Tiger House, LLC
- **Term:** 49 Years and 11 months\*
- **Costs:** \$3,893,000.00 (value of prepaid rent)

**Comment:** The University requests approval to enter into a lease with Memphis Tiger House, LLC, a subsidiary of Stella Management Group, for this property. The intended use for housing is consistent with the University's **2015 Master Plan**. This lease will allow Memphis Tiger House, LLC to construct and operate an apartment complex containing common spaces and approximately 516 apartment style beds which could be utilized by University students during the term. The lease also grants Memphis Tiger House, LLC a right of first refusal should the State ever desire to sell the property.

The houses on this property are currently leased to third parties under the University's residential lease program. All current tenants will be required to vacate the houses 30 days prior to closing, no later than November 1, 2020. Approval is contingent upon closing within one year of ESC approval of this disposal.

Waiver of advertisement was previously approved as the lease is contingent on tenant providing 2.038 acres of strategically valuable land to the State as prepaid rent for the lease. The 2.038 acres is being purchased by the Tenant for \$3,693,000 and the Tenant will also demolish the 16 houses on the leased premises at a cost of \$200,000. These sums will equal the prepaid rent.

The Tennessee Historical Commission has determined that this project will not adversely affect this State-owned resource and no further action is necessary.

\*Lease term commences 30 days after substantial completion which is required in 36 months.

**Lease Parcels:** **301 Deloach Street** – Parcel No. 140L 044057 00017  
Date of Last Transfer: February 15, 1974 (0.4376 ± acres)  
Previous Owner: Convention of the Protestant Episcopal Church  
Original Cost to State: \$44,000  
Square Footage Improvements: 2,226 sf house (1940)

**295 Deloach Street** – Parcel No. 140L 044057 00016  
Date of Last Transfer: March 24, 1994 (0.3050 ± acres)  
Previous Owner: Bettie J. Welch and Paul H. Welch, Jr.  
Original Cost to State: \$140,000  
Square Footage Improvements: 2,040 sf house (1942)

**287 Deloach Street** – Parcel No. 140L 044057 00015  
Date of Last Transfer: June 30, 1992 (0.3360 ± acres)  
Previous Owner: Alfred L. Whitman and Hylda B. Whitman  
Original Cost to State: \$175,000  
Square Footage Improvements: 2,638 sf house (1939)

**281 Deloach Street** – Parcel No. 140L 044057 00014  
Date of Last Transfer: December 2, 1992 (0.3410 ± acres)  
Previous Owner: Todd M. Davis and Jane Furr Davis  
Original Cost to State: \$142,000  
Square Footage Improvements: 2,240 sf house (1939)

**275 Deloach Street** – Parcel No. 140L 044057 00013  
Date of Last Transfer: March 12, 1996 (0.3440 ± acres)  
Previous Owner: Herbert John Fox, Sr. and Edith M. Fox  
Original Cost to State: \$152,000  
Square Footage Improvements: 2,777 sf house (1940)

**267 Deloach Street** – Parcel No. 140L 044057 00012  
Date of Last Transfer: July 14, 1970 (0.3460 ± acres)  
Previous Owner: Emmogene S. Prescott  
Original Cost to State: \$36,500  
Square Footage Improvements: 1,939 sf house (1937)

**261 Deloach Street** – Parcel No. 140L 044057 00011  
Date of Last Transfer: June 9, 1975 (0.3490 ± acres)  
Previous Owner: Dorothy Dalrymple Goswick  
Original Cost to State: \$40,000  
Square Footage Improvements: 2,672 sf house (1940)

**253 Deloach Street** – Parcel No. 140L 044057 00010  
Date of Last Transfer: October 29, 1996 (0.3520 ± acres)  
Previous Owner: Ann Marie Stephenson  
Original Cost to State: \$121,500  
Square Footage Improvements: 1,494 sf house (1940)

**247 Deloach Street** – Parcel No. 140L 044057 00009  
Date of Last Transfer: November 23, 1970 (0.3550 ± acres)  
Previous Owner: Roland F. Witsell and Elizabeth T. Witsell  
Original Cost to State: \$36,000  
Square Footage Improvements: 2,519 sf house (1945)

**241 Deloach Street** – Parcel No. 140L 044057 00008  
Date of Last Transfer: June 30, 2000 (0.3580 ± acres)  
Previous Owner: Anton John Reiner and Marcia Gail Honig  
Original Cost to State: \$205,000  
Square Footage Improvements: 1,897 sf house (1931)

**235 Deloach Street** – Parcel No. 140L 044057 00007

Date of Last Transfer: October 30, 1996 (0.3610 ± acres)  
Previous Owner: Fred W. Drees, III and Debra N. Drees  
Original Cost to State: \$260,000  
Square Footage Improvements: 3,082 sf house (1932)

**227 Deloach Street** – Parcel No. 140L 044057 00006

Date of Last Transfer: June 30, 2014 (0.3630 ± acres)  
Previous Owner: Deanna U. Marion and Frank M. Marion  
Original Cost to State: \$190,000  
Square Footage Improvements: 1,996 sf house (1941)

**219 Deloach Street** – Parcel No. 140L 044057 00005

Date of Last Transfer: September 11, 1998 (0.3560 ± acres)  
Previous Owner: Michael Warner Barton  
Original Cost to State: \$210,000  
Square Footage Improvements: 2,363 sf house (1947)

**211 Deloach Street** – Parcel No. 140L 044057 00004

Date of Last Transfer: December 28, 1990 (0.3007 ± acres)  
Previous Owner: Drew T. St. John and Katharine M. St. John  
Original Cost to State: \$159,000  
Square Footage Improvements: 2,418 sf house (1947)

**205 Deloach Street** – Parcel No. 140L 044057 00003

Date of Last Transfer: February 25, 1977 0.4620 ± acres)  
Previous Owner: Stephen E. Tunnell, Jr. and Audra F. Tunnell  
Original Cost to State: \$58,500  
Square Footage Improvements: 2,740 sf house (1940)

**3664 Central Avenue** – Parcel No. 140L 044057 00018

Date of Last Transfer: December 27, 1993 (0.3673 ± acres)  
Previous Owner: Pauline Merle Maddocks  
Original Cost to State: \$107,000  
Square Footage Improvements: 1,803 sf house (1930)

Total cost of lease parcels to State: \$2,176,500

**Previous Action:** 12/16/2019 Approved waiver of advertisement

**Minutes:** 03/12/2020 Mr. Raj Kurapati introduced Mr. Tony Poteet with the University of Memphis and Adrian Stella and Mark Green with Stella Management Group.

Commissioner McWhorter asked for clarification if the University was still interested in ultimately having a student housing agreement between the University and the developer. Mr. Kurapati replied that was correct and this action allows them to get the land exchanged and the housing project development started as a first step. Over the course of the next few months they will be working on drafting a service concession arrangement that allows the University to acquire control of the property and adequate opportunity to assure the housing style meets the student's needs.

Commissioner McWhorter recognized that staff has put a lot of work into this transaction to get to this point and while there is still work to do, he wanted to congratulate the University for getting to this point.

The Subcommittee approved the disposal by lease.

UNIVERSITY OF MEMPHIS

Acquisition – Fee (Swap)

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

**Transaction Description:** Transaction Nos. 19-11-004

- **Location:** University of Memphis (UM)  
Shelby County – 2.038± acres – (4 tracts)  
*Address 1* – 3562 Mynders Avenue, Memphis, TN (Memphis Student Housing)  
*Address 2* – 3555 Midland Avenue, Memphis, TN (W. H. Jr. & Barbara Caldwell)  
*Address 3* – 3561 Midland Avenue, Memphis, TN (Darren & Kathleen Kersting)  
*Address 4* – 3571 Midland Avenue, Memphis, TN (Memphis Student Housing)
- **Owner(s):** Memphis Tiger House, LLC (MTH)
- **Estimated Value:** \$3,693,000.00
- **Source of Funding:** Plant Funds (Non-Aux) (REM fees) (A)

**Comment:** This property is in UM's 2015 Master Plan. These parcels are contiguous with other UM property and will provide future parking and research park space on the west side of campus. The existing structures will be demolished by the University within 60 days of closing. The THC has determined that this project will not adversely affect this State-owned resource of 50+ years, and no further action is necessary.

This land transfer constitutes partial consideration for a disposition land lease by the State to MTH of 16 contiguous parcels (5.6± acres) on the north side of campus on which MTH will build a 516-bed housing complex to suit UM's standards and specifications. The housing complex asset will revert to the state at the end of the lease term.

\*See Parcel Detail on Next Page\*

**Acquisition Parcels:**

**Transaction # 19-05-003** – Map-Parcel No. 046-005-00010  
**3562 Mynders Avenue** (Memphis Student Housing LLC)

Date of Last Transfer: January 5, 2017 (0.51 ± acres)  
Purchase Price: \$800,000  
Property Assessor's Value: \$653,800  
Square Footage Improvements: 15,120 (1961)

**Transaction # 19-05-004** – Map-Parcel No. 046-005-00005  
**3555 Midland Avenue** (William H. Jr. & Barbara A. Caldwell)

Date of Last Transfer: April 28, 1972 (0.28 ± acres)  
Purchase Price: \$17,000  
Property Assessor's Value: \$179,200  
Square Footage Improvements: 1,959 (1961)

**Transaction # 19-05-005** – Map-Parcel No. 046-005-00006  
**3561 Midland Avenue** (Darren A. Kersting and Kathleen N. Kersting)

Date of Last Transfer: February 12, 2002 (0.23 ± acres)  
Purchase Price: \$105,000  
Property Assessor's Value: \$166,600  
Square Footage Improvements: 1,600 SF (1921)

**Transaction # 19-05-006** – Map-Parcel No. 046-005-00007C  
**3571 Midland Avenue** (Memphis Student Housing, LLC)

Date of Last Transfer: April 28, 2017 (1.02 ± acres)  
Purchase Price: \$1,600,000  
Property Assessor's Value: \$699,400  
Square Footage Improvements: 24,898 (1972)

**Minutes:** 03/12/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

There being no further business, the meeting adjourned at 11:26 a.m.

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Approved:



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