

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

AUGUST 25, 2003

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in House Hearing Room 29, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Steve Adams, State Treasurer
John Morgan, Comptroller of the Treasury
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Genie Whitesell
Janie Porter, Attorney General's Office
Charles Harrison, Comptroller's Office
Mark Wood, Secretary of State's Office
Dennis Raffield, THEC
Jerry Preston, Tennessee Board of Regents
John Gregory, Tennessee Wildlife Resources Agency
Cliff Steger, Department of Finance and Administration
Keith Robinson, Tennessee Board of Regents
Nancy Blevins, Department of Finance and Administration
Ken Scalf, Department of Finance and Administration
Pat Haas, Bond Finance
Philip Scheurer, University of Tennessee
Alvin Payne, University of Tennessee

Mike Gower, Middle Tennessee State University
Karen Hall, Comptroller's Office
Charles Gregory, Middle Tennessee State University
George Kemp, Mid-Cumberland Community Services Agency
Faye Head, MCCSA
Beverly Bass, MCCSA
Debbie Dunn, Department of Children's Services
Philisa Bennett, Department of Environment and Conservation
Jan Tollett, Department of Environment and Conservation
Tim Schwarz, Department of Environment and Conservation
Larry Lance, Department of Environment and Conservation
Jimmie Lee Clark, Department of Environment and Conservation
Annette Crutchfield, Legislative Budget Analysis
Tom Swanson, TVA
Carol Glover, TVA
Charles Nicholson, TVA
Tim Libson, Invenergy
Enio Ricci, Invenergy
Doug Roberts

Commissioner Goetz called the meeting to order at 10:32 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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UNIVERSITY OF TENNESSEE

LINE ITEM APPROPRIATIONS

1) Approved the following projects and designers as requested:

- 1) **Melrose Hall Renovation**
Estimated Project Cost: \$300,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-09-03
- 2) **Dunford Hall Renovation**
Estimated Project Cost: \$400,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-10-03
- 3) **Hoskins Renovation**
Estimated Project Cost: \$350,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-11-03
- 4) **Walters Life Science Building**
Estimated Project Cost: \$230,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-13-03
Designer: WEST WELCH REED
- 5) **Student Services Building Renovation**
Estimated Project Cost: \$500,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-19-03
- 6) **Cumberland District Office**
Estimated Project Cost: \$660,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-21-03
Designer: DESIGN INNOVATIONS
- 7) **Hill Area Site Improvements**
Estimated Project Cost: \$750,000.00
Source of Funding: Facilities Fee
SBC Project No. 540/009-20-03
Designer: ROSS FOWLER

Comptroller Morgan stated that it was his understanding that the University was committed to working with the interested parties regarding parking and suggested that, when these issues were resolved, they should bring back for "show and tell". The Subcommittee concurred.

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Mr. Fitts reminded the Subcommittee that the Building Commission had referred to them, with authority to act, a request to fully plan a project and acknowledgement of the source of funding for **Dairy Farm Relocation** at the University of Tennessee at Knoxville, and the selection of a designer to plan the project. Secretary of State Darnell stated that when the land was bought, it was explained that no additional dollars would be needed. He said he didn't feel comfortable with a \$10 million capital projects item. He said there was no discussion of a building at the time and he felt like they weren't given the full story. Larry Kirk apologized if that was the impression since, he said, it was always their intention to build a building. Secretary of State Darnell replied that it was the University's responsibility to disclose the proposed project. After further discussion, the Subcommittee approved the request to fully plan the project and the selection of Bullock-Smith & Partners to plan the project.

Estimated Project Cost: \$10,150,000.00
Estimated Planning Cost: \$ 400,000.00
SBC Project No. 540/009-22-03

UNIVERSITY OF TENNESSEE HEALTH SCIENCE CENTER, MEMPHIS, TN

- 1) Approved a project to **Demolish the Former Kirby Chevrolet Building** at the University of Tennessee Health Science Center in Memphis, Tennessee.

Estimated Project Cost: \$0.00
SBC Project No. 540/013-04-03

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LEASE AGREEMENT

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

Location: **Putnam County – 1221 Burgess Falls Road, Cookeville, TN – Trans. No. 02-12-903 (RS)**

Purpose: To provide office and related space for the Cookeville Environmental Assistance Center.

Term: September 1, 2003 thru August 31, 2008 (5 yrs.)

Proposed Amount: 9,142 Square Feet
Annual Contract Rent
Incl. Water & Sewer Cost: \$64,000.00 @\$7.00/sf
Est. Annual Utility Cost: \$10,056.20 @\$1.10/sf
Est. Annual Janitorial Cost: \$10,056.20 @\$1.10/sf
Total Annual Effective Cost: \$84,112.40 @\$9.20/sf

Current Amount: 9,142 Square Feet
Annual Contract Rent
Incl. Water & Sewer Cost: \$59,255.00 @\$6.48/sf
Est. Annual Utility Cost: \$10,056.20 @\$1.10/sf
Est. Annual Janitorial Cost: \$10,056.20 @\$1.10/sf
Total Annual Effective Cost: \$79,367.40 @\$8.68/sf

Type: New Lease – Advertisement – Second Lowest Proposal of (6) Proposals from (2) Proposers

FRF Rate: \$13.00 Per Square Foot

Purchase Option: None

Lessor: G.O.L.D. Company
Barry P. Clouse and Mike Callahan, Partners

SSC Report: 8-18-03. Bob King summarized the transaction. He advised that the lowest proposal was not suitable for State use and several concerns were raised by the agency. He stated the site is a multi-tenant warehouse with a section converted into office space and functionality of the space is poor. Mr. King stated the second lowest proposal is recommended. Staff referred to Sub-committee with recommendation.

SC Action: 8-25-03. Charles Garrett presented the transaction for review and requested approval as recommended. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES / MCCSA

LEASE AMENDMENT

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

Location: **Davidson County – 531 Metroplex Drive, Nashville, TN – Trans. No. 03-03-912 (JS)**

Purpose: To provide training and office and related space for Mid-Cumberland Community Services Agency.

Term: December 1, 2003 thru November 30, 2005 (2 yrs.)

Proposed Amount:

<u>11,851 Square Feet</u>		
Annual Contract Rent		
Incl. Utility & Janitorial Cost:	\$165,439.92	@\$13.96/sf
Ann. Tenant Alterations:	\$ 7,075.00	@\$ 0.60/sf
Total Annual Effective Cost:	\$172,514.92	@\$14.56/sf

Current Amount:

<u>8,883 Square Feet</u>		
Annual Contract Rent		
Incl. Utility & Janitorial Cost:	\$124,000.08	@\$13.96/sf
Total Annual Effective Cost:	\$124,000.08	@\$13.96/sf

Type: Amendment No. 1 – 2,968 Additional Square Feet

FRF Rate: \$18.00 Per Square Foot

Purchase Option: No – Multi-tenant

Lessor: Papermill Associates

Comment: Amendment #1 is for an additional 2,968 rentable square feet of office space at the same effective rate of \$13.96 per square foot plus an additional \$0.60 per square foot for tenant alteration for a total effective square foot rate of \$14.96. Estimated tenant alteration cost is \$25,400.00. The State will reimburse the Lessor a total of \$14,150.00 as its share of the tenant alteration cost and Lessor will pay the remainder of \$11,260.00.

SSC Report: 07/14/03. Bob King summarized the transaction. Staff deferred review pending further analysis.

SSC Report: 08/18/03. After review and discussion, staff referred to Sub-committee for discussion.

SC Action: 8-25-03. Charles Garrett presented the transaction for review and requested approval as recommended. Sub-committee approved the request as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of an EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: **Anderson County – 26.6 +/- Acres – Sundquist Wildlife Management Area – Trans. No. 03-07-009 (CH)**

Purpose: Disposal by Permanent Easement of an existing access road. TVA needs access for a wind energy project, including a new substation on adjoining property.

Estimated Sale Price: Fair Market Value

Term: Twenty-seven (27) years with (2) Five year options

Grantee: Tennessee Valley Authority (TVA)

SSC Report: 8-18-03. John Gregory, TWRA, advised that TVA will maintain the road and it will be a shared access road. Staff referred to Sub-committee for discussion.

SC Action: 8-25-03. Charles Garrett presented the transaction for review. Mr. Garrett introduced John Gregory, TWRA. Mr. Gregory advised tht the subject access road is an old mining road. He stated the road will be improved and maintained by TVA. Sub-committee approved the request as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: **Anderson County – 300 +/- Acres – Sundquist Wildlife Management Area – Trans. No. 03-07-008 (CH)**

Purpose: Disposal by Easement to provide noise and set back variance from a turbine center for a wind energy project.

Term: Twenty-seven (27) years with (2) Five year options

Estimated Sale Price: Fair Market Value

Grantee: Invenergy, LLC

SSC Report: 8-18-03. John Gregory, TWRA, summarized the transaction. He introduced Tom Swanson and Carol Glover, TVA. Mr. Swanson summarized the Wind Energy Project. John Gregory stated the easement area would have no impact on State property and there would be no new transmission lines across State property. Discussion ensued and staff referred to Sub-committee for discussion.

SC Action: 8-25-03. Charles Garrett presented the transaction for review and introduced John Gregory, TWRA, for any additional information. Mr. Gregory introduced Mr. Tom Swanson, TVA, and Mr. Tom Libson, Invenergy, LLC. Mr. Swanson presented a project information package and summarized the project. Mr. Swanson stated only one wind turbine will affect State property and that easement area cannot have any construction that would restrict wind flow to the turbine. Mr. Garrett stated that if the substation is not constructed by 2006, the easement becomes terminated. Sub-committee approved the transaction as presented. Final action.

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 – 1.4 +/- Acres with Improvement – 2111 E. Main Street, Murfreesboro, TN – Trans. No. 03-07-003 (LW)**

Purpose: Acquisition in Fee of adjacent property identified in the Master Plan for MTSU's Intramural Recreation Fields Program.

Source of Funding: Recreational Reserve Fund

Estimated Cost: Fair Market Value

Estimated Value: \$450,000.00

Owner(s): Lee Roberts, Jr.

SSC Report: 8-18-03. Jerry Preston advised the property is vacant and for sale. He stated it will be used for intramural recreational opportunities and the structures will also be utilized. Staff referred to Sub-committee with recommendation.

SC Action: 8-25-03. Sub-committee approved as recommended. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

JOINT INSTITUTE FOR COMPUTATIONAL SCIENCES AND THE OAK RIDGE CENTER FOR
ADVANCED STUDIES FACILITIES, OAK RIDGE, TENNESSEE

- 1) Approved a request to reallocate the budget on a project for the Joint Institute for Computational Sciences and the Oak Ridge Center for Advanced Studies facilities, Oak Ridge, Tennessee.

Estimated Project Cost: \$10,000,000.00
SBC Project No. 529/094-01-01

STATE BUILDING COMMISSION

MINUTES

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on July 21, 2003.

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Following approval of the Consent Agenda, the meeting adjourned at 11:10 a.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **Department of Transportation – Sevier County**
Transaction: Disposal in Fee – Snyder Road
Provision: Waiver of Advertisement

- B. Agency: **Department of Transportation – Sevier County**
Transaction: Disposal in Fee – Dolly Parton Parkway
Provision: Waiver of Advertisement

- C. Agency: **Department of Transportation – Dickson County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Sevier County – 1.328 +/- Acres (3 Tracts) – Snyder Road, Pigeon Forge, TN – Trans. No. 03-07-010 (BM)

Purpose: Disposal in Fee of surplus right-of-way to adjoining landowner for assemblage purposes.

Original Cost to State:

Date of Original
Conveyance: 1971 thru 1972

Grantor Unto State: Various Landowners

Estimated Sale
Price: Fair Market Value

Grantee: B. S & J. Enterprises, Only Interested Adjoining Landowner

Comment: Other adjacent property owners state they have no interest in the property.

SSC Report: 8-18-03. Referred to Sub-committee for consent agenda.

SC Action: 8-25-03. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Sevier County – 0.193 +/- Acres – Dolly Parton Pkwy. And Cherokee Circle, Sevierville, TN – Trans. No. 03-07-004 (BM)

Purpose: Disposal in Fee of surplus right-of-way to the only adjoining property owner for assemblage purposes.

Original Cost to State: \$22,000.00 – 4.07 Acres

Date of Original
Conveyance: June 1964

Grantor Unto State: R. B. Hailey, et al

Estimated Sale
Price: Fair Market Value

Grantee: David F. Baker, Only Interested Adjoining Landowner

SSC Report: 8-18-03. Referred to Sub-committee for consent agenda.

SC Action: 8-25-03. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: Dickson County – 0.348 +/- Acres – Mathis Drive, Dickson, TN – Trans. No. 03-07-005 (BM)

Purpose: Disposal in Fee of surplus right-of-way to adjacent property owner for parking purposes.

Original Cost to State: \$66,300.00 – 0.671 Acres

Date of Original Conveyance: May 1989

Grantor Unto State: Donald Mathis

Estimated Sale Price: Fair Market Value

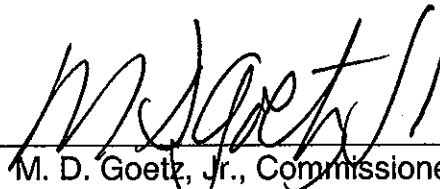
Grantee: Phil Hall, Only Interested Adjacent Landowner

Comment: Other adjacent property owner has no interest in the property.

SSC Report: 8-18-03. Referred to Sub-committee for consent agenda.

SC Action: 8-25-03. Sub-committee approved the transaction as requested. Final action.

Approved by: _____



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