The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Vice-Chairman Tre Hargett called the meeting to order at 10:31 a.m. and requested action on the following matters as presented by State Architect Bob Oglesby.

**STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT**

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

**STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT**

Chairman Mark Emkes, Commissioner, Department of Finance and Administration

**OTHERS PRESENT**

Bob Oglesby, State Architect  
Georgia Martin, Office of the State Architect  
Peter Heimbach, Department of General Services  
Joy Harris, Treasurer’s Office  
Bruce Davis, Legislative Budget Office  
Jonathan Rummel, Secretary of State’s Office  
Janie Porter, Attorney General’s Office  
Jurgen Bailey, Department of General Services  
Robbi Stivers, University of Tennessee  
Dick Tracy, Tennessee Board of Regents  
John Carr, Department of Finance and Administration  
Steve Cates, Department of General Services  
Chloe Shafer, Department of General Services  
Crystal Collins, THEC  
Chris Tarnacki, THEC  
Steve Berry, Department of General Services  
Ron Colter, Department of General Services  
Bob Qualey, Department of General Services  
Terry Bonham, Department of Environment and Conservation  
Mark Cherpack, Department of Finance and Administration
CONSENT AGENDA

Approved the following real property transactions which had been reviewed and recommended for approval by Sub-Committee staff:

A. Agency: University of Tennessee Health Science Center – Shelby County
   Transaction: Lease Agreement
   Provision: Waiver of advertisement

B. Agency: Tennessee Board of Regents – Rutherford County
   Transaction: Disposal in fee
   Provision: Approval of advertisement and two appraisals

C. Agency: Tennessee Board of Regents – Rutherford County
   Transaction: Disposal by easement
   Provision: Waiver of advertisement and appraisals

D. Agency: Tennessee Board of Regents – Rutherford County
   Transaction: Acquisition in fee
   Provision: Waiver of advertisement and appraisals

E. Agency: Tennessee Board of Regents – Putnam County
   Transaction: Acquisition in fee
   Provision: Waiver of advertisement and appraisals

F. Agency: Tennessee Wildlife Resource Agency – Anderson County
   Transaction: Disposal by easement
   Provision: Waiver of advertisement and appraisals

G. Agency: Tennessee Wildlife Resource Agency – Anderson County
   Transaction: Disposal by easement
   Provision: Waiver of advertisement and appraisals

H. Agency: Tennessee Wildlife Resource Agency – Anderson County
   Transaction: Disposal by easement
   Provision: Waiver of advertisement and appraisals
University of Tennessee, Knoxville, Knox County, Tennessee

Requested Action: Approval of a project budget, scope, source(s) of funding and to utilize the same designer as selected for the planning of the new future housing project

Project Title: Shelborne Towers Demolition

Project Description: This project will demolish Shelborne Towers

SBC Number: 540/009-01-2013

Total Project Budget: $1,900,000.00

Source of Funding: $1,900,000.00 Plant (Auxiliary) (A)

Comment: Shelborne Towers was acquired by the University of Tennessee in 2010 and the site will be used for future student housing. The University is requesting that professional services required for demolition be provided by the same designer as selected on the project for planning the new future housing project, SBC No. 540/009-15-2012. The expense of such services will be included in this project.

Minutes: 02/25/2013. Approved a project budget, scope, source(s) of funding and utilizing the same designer (Cope Associates) as selected for the planning of the new future housing project.
University of Memphis, Memphis, Shelby County, Tennessee

Requested Action: Approval of a revision in source(s) of funding

Project Title: Research Facilities Improvements

Project Description: Renovate facilities to accommodate research

SBC Number: 166/007-13-2012

Revised Project Budget: $1,145,000.00

Source of Funding:

<table>
<thead>
<tr>
<th>Original</th>
<th>Change</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>150,000.00</td>
<td>(150,000.00)</td>
<td>0.00</td>
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<tr>
<td>995,000.00</td>
<td>150,000.00</td>
<td>1,145,000.00</td>
</tr>
</tbody>
</table>

Federal Grants (F)
Plant (Non-Auxiliary) (A)

Original Project Budget: 1,145,000.00
Change in Funding: 0.00
Revised Project Budget: $1,145,000.00

Comment: Federal funds were paid to the campus for maintenance and operations of the program. The campus is using those to provide part of the project funding. The funds were originally deposited in the plant fund account, so this action is merely correcting the funding sources. This project will make improvements, modifications, equipment installations, etc. to building spaces and systems to accommodate research needs.

Previous Action:
10/11/2012 SBC Approved project
11/19/2012 ESC Selected designer (Allen & Hoshall, Inc.)

Minutes:
02/25/2013 ESC Approved a revision in source(s) of funding
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Cumberland Mountain State Park, Crossville, Cumberland County, Tennessee

Requested Action: Approval of a revision in project budget and source(s) of funding

Project Title: Sewer Plant Replacement

Project Description: Decommission existing sewage treatment plant and connect remaining facilities in the park to the Crossville Municipal treatment system

SBC Number: 126/030-01-2003

Total Project Budget: $1,710,000.00

Source of Funding:  

<table>
<thead>
<tr>
<th>Original</th>
<th>Change</th>
<th>Revised</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,700,000.00</td>
<td>$(250,000.00)</td>
<td>$1,450,000.00</td>
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<td>90,000.00</td>
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<td>90,000.00</td>
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<tr>
<td>0.00</td>
<td>140,000.00</td>
<td>140,000.00</td>
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</table>

2003 GO Bonds Cap Improv (A)
2002 GO Bonds Cap Maint (A)
2002 CurrFunds CapImprov (R)
2003 CurrFunds CapImprov (R)

Original Project Budget: $1,820,000.00
Change in Funding: $(110,000.00)
Revised Project Budget: $1,710,000.00

Comment: The project was de-funded by $250,000.00 due to an administrative error, which left insufficient funds for the last phase of the project which was the decommissioning of the existing sewage treatment plant and completion of the sewer system to connect the remaining areas of the park, which were not in the previous phase. The last phase was bid out on January 2, 2013, which produced a successful low bidder, however, because the project fund was reduced, the bid cannot be awarded without replenishing some of the funding.

Previous Action:  
07/10/2003 SBC Approved project; designer to ESC  
08/21/2003 SBC Recorded designer (James + Associates)  
12/08/2005 SBC Approved grant  
02/11/2010 SBC Revised scope  
12/13/2012 SBC Report sole source procurement  
02/14/2013 SBC Referred to ESC with authority to act

Minutes: 02/25/2013 ESC Approved a revision in project budget and source(s) of funding
DEPARTMENT OF GENERAL SERVICES

North Data Center, Nashville, Davidson County, Tennessee

Requested Action: Approval of the Guaranteed Maximum Price (GMP) for Phase 2 construction services

Project Title: Systems Update – Phase 3

Project Description: Interior space modifications, renovate interior finishes, fire suppression and sprinkler systems, security system upgrades, and modifications to mechanical and electrical systems.

SBC Number: 529/031-01-2011

Total Project Budget: $8,800,000.00

Source of Funding:

<table>
<thead>
<tr>
<th>Year</th>
<th>Source</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>FRF-G O Bonds Cap Maint</td>
<td>$48,363.48</td>
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<td>FRF-CurrFunds-CapMaint</td>
<td>$200,000.00</td>
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<tr>
<td>2006</td>
<td>OIR Operating</td>
<td>$200,000.00</td>
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<tr>
<td>2011</td>
<td>FRF GO Bonds-CapMaint</td>
<td>$2,200,000.00</td>
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<td>2012</td>
<td>FRF Reserves</td>
<td>$1,200,000.00</td>
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<tr>
<td>2013</td>
<td>OIR Operating</td>
<td>$800,000.00</td>
</tr>
<tr>
<td>2013</td>
<td>FRF Operating (501.03)</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>$8,800,000.00</td>
</tr>
</tbody>
</table>

Comment: This project is for approval of the GMP Phase 3 construction services for the sub project.

Previous Action:

09/08/2011 SBC  Approved project
09/29/2011 ESC  Selected designer (3D Engineering)
04/12/2012 SBC  Approved fully plan add'I scope; revised TPB
07/12/2012 SBC  Revised project budget and sources of funding
08/20/2012 SBC  Approved CMGC delivery method
10/11/2012 SBC  Approved award to parent company for CMGC
01/10/2013 SBC  Cancelled designer & selected Centric Architecture

Minutes: 02/25/2013 ESC  Approved GMP for Phase 2 construction services
DEPARTMENT OF GENERAL SERVICES

**Lease Amendment**

**Requested Action:** Approval of lease amendment

**Location:** Shelby County – 4240 Hickory Hill Road, Memphis, TN – Trans. No. 10-03-906 (Lotspiech)

**Purpose:** Office space

**Original Term:** January 1, 2012 – December 31, 2021

**Term of Revision:** July 1, 2013 – December 31, 2021

**Proposed Amount:** 14,400 rentable sf

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual rent cost:</td>
<td>$176,832.00</td>
<td>@ $12.28/ sf</td>
</tr>
<tr>
<td>Annual utility cost:</td>
<td>$25,200.00</td>
<td>@ $1.75/ sf</td>
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<tr>
<td>Annual janitorial cost:</td>
<td>$15,840.00</td>
<td>@ $1.10/ sf</td>
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<tr>
<td>Annual total cost:</td>
<td>$217,872.00</td>
<td>@ $15.13/ sf</td>
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</tbody>
</table>

**Current Amount:** 9,260 rentable sf

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<thead>
<tr>
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<th>Amount</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Annual rent cost:</td>
<td>$113,712.80</td>
<td>@ $12.28/ sf</td>
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<tr>
<td>Annual utility cost:</td>
<td>$16,205.00</td>
<td>@ $1.75/ sf</td>
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<tr>
<td>Annual janitorial cost:</td>
<td>$10,186.00</td>
<td>@ $1.10/ sf</td>
</tr>
<tr>
<td>Annual total cost:</td>
<td>$140,103.80</td>
<td>@ $15.13/ sf</td>
</tr>
</tbody>
</table>

**Type:** Negotiated lease amendment

**FRF Rate:** $18.00 (for reference)

**Source of Funding:** 100% Federal (F)

**Lessor:** Pedigo Hickory Properties, LP

**Comment:** Original lease was advertised in accordance with TCA 12-2-114 and was the lowest proposal of two (2) proposals. Terms of the original lease are being maintained including cancellation provisions. Interior tenant improvements are to be in accordance with plans and specifications approved by the State. Increase in square footage is due to relocation of staff from other locations.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for discussion.

**Minutes:** 02/25/2013 Approved lease amendment
DEPARTMENT OF GENERAL SERVICES

**Special Item:**

**Requested Action:** Approval of the revised lease template

**Comment:** Revises the current statewide lease template that has not been updated in 20 years in order to take into account current lease standards.

**SSC Report:** 02/15/2013. Peter Heimbach presented the item. After discussion, Staff referred it to the Executive Subcommittee with recommendation.

**Minutes:** 02/25/2013. Subcommittee approved the revised lease template as presented.
Minutes of Executive Subcommittee Meeting

1) Approved the Minutes of the Executive Subcommittee meetings held on January 18 and 31, 2013.

Designer Selections

The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.

1) University of Memphis
   (Women's Softball Training Facility - Planning)
   Total Project Budget: $1,800,000.00
   Current Funding: $ 100,000.00
   SBC Project No. 166/007-02-2013
   Designer: ROSS WITT

2) University of Tennessee Knoxville
   (Shelborne Towers Demolition)
   Total Project Budget: $1,900,000.00
   SBC Project No. 540/009-01-2013
   Designer: COPE ASSOCIATES

* * * * * * * *

There being no further business, the meeting adjourned at 10:37 a.m.
Lease Agreement

Requested Action: Approval of lease agreement with waiver of advertisement

Location: Shelby County – 50 North Dunlap Street, Memphis, TN – Trans. No. 13-01-947

Purpose: Educational & research programs

Term: March 1, 2013 – February 28, 2023

Proposed Amount:
- 45,208 rentable sf
- Annual rent cost: $316,456.00 @ $ 7.00/ sf
- Annual utility cost: $ Inc. @ $ 0.00 / sf
- Annual janitorial cost: $ Inc. @ $ 0.00 / sf
- Annual total cost: $316,456.00 @ $ 7.00 / sf

Current Amount:
- 42,460 rentable sf
- Annual rent cost: $296,969.00 @ $ 6.99 / sf
- Annual utility cost: $ Inc. @ $ 0.00 / sf
- Annual janitorial cost: $ Inc. @ $ 0.00 / sf
- Annual total cost: $296,969.00 @ $ 6.99 / sf

Type: Negotiated lease

FRF Rate: $18.00 (for reference)

Source of Funding: Campus Plant Funds – Non-auxiliary Sources (A)

Lessor: LaBonheur Children’s Hospital

Comment: The proposed lease contains cancellation provision due to termination or consolidation of University operations or programs housed in the lease premises because of loss of funding; lack of funding by the appropriate Legislative Body for obligations required of the University under this lease; or at any time by giving 90 days written notice. The change is due to the reconfiguration of build out. Original lease was approved for academic space in March 1993. That lease was amended to increase the amount of space available for academic programs in 2003 and a 10 yr. extension option exercised in 2008. The current agreement has an expiration date of December 31, 2018 and will be terminated pending approval of the proposed lease. Rent may be adjusted annually based on increases in cost, but never to exceed 4% of prior year’s rental. - Department of Pediatrics allocation of Unrestricted Funds comprised from State appropriations and tuition/ fee revenues.
<table>
<thead>
<tr>
<th>SSC Report:</th>
<th>02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.</th>
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<tbody>
<tr>
<td>Minutes:</td>
<td>02/25/2013. Approved lease agreement with waiver of advertisement</td>
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</table>
TENNESSEE BOARD OF REGENTS

Land Transaction

Requested Action: Approval of disposal in fee with advertisement and two appraisals

Description: Rutherford County – 135+/- acres 312 Manson Pike Stark Farm, Murfreesboro, TN – Trans. No. 13-01-009 (Woodard)

Purpose: Disposal in fee of former dairy farm operations for the School of Agribusiness and Agriscience. The dairy farm moved to a new location on Guy James Road in 2011.

Original Cost to State: $325,000

Date of Original Conveyance: May 7, 1969

Grantor Unto State: Clifford. N. and Pauline W. Stark

Grantee: State of Tennessee

Estimated Sale Price: Fair Market Value

Comment: In 2005, land to the east of the main campus was purchased that was better suitable and easily accessible for the dairy operations. The property is no longer needed by the university. No capital improvements have been made over the 44 year (1969) ownership of the property.

SSC Report: 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

Minutes: 02/25/2013. Approved disposal in fee with advertisement and two appraisals
**TENNESSEE BOARD OF REGENTS**

**Land Transaction**

**Requested Action:** Approval of disposal by easement with waiver of advertisement and appraisals

**Description:** Rutherford County - .58+/- acres – MTSU campus, Murfreesboro, TN – Trans. No. 13-01-015 (Woodard)

**Purpose:** Disposal by easement to facilitate the construction of new electric substation

**Estimated Sale Price:** Grant for Public Purpose

**Source of Funding:** Plant / Non-Auxiliary (REM fees) (A)

**Term:** 50 year term

**Grantee:** Murfreesboro Electric Department

**Comment:** The new electric substation is needed to serve the growing demand for electrical power by MTSU and the surrounding community. The demand for electric services is due to the addition of recent buildings and the anticipated load for the new science building. The substation will be built on open land near MTSU’s parking and radio station tower. The need for this was addressed in MTSU 2008 Master Plan.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013 Approved disposal by easement with waiver of advertisement and appraisals.
**Land Transaction**

**Requested Action:** Approval to obtain title work, survey, phase 1 environmental assessment and accept as gift with waiver of advertisement and appraisals

**Description:** Putnam County – 0.18+/− acres – 901 N. Whitney Street, Cookeville TN – Trans No. 13-01-013 (Maholland)

**Purpose:** Acquisition in fee for a vacant lot. The property has been used by the Tennessee Technological University (TTU) for the past 12 years. This property is in the TTU **2010 Master Plan**.

**Estimated Sale Price:** Gift

**Source of Funding:** Campus Plant Non-auxiliary Funds (Admin. Fees) (A)

**Owner(s):** Tennessee Technological University Foundation

**Comment:** Date of last property transfer: February 2001
Purchase Price: $15,000
Property Assessor’s Value: $13,000
Improvements Square Footage: N/A

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013 Approved obtaining title work, survey, phase 1 environmental assessment and accept as gift with waiver of advertisement and appraisals.
### 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:** Putnam County – 0.5+/-acres – 242 W/ Eight Street, Cookeville, TN – Trans. No. 13-01-014 (Maholland)

**Purpose:** Acquisition in fee to acquire property for the benefit of expanding parking for a new science building at Tennessee Technological University (TTU). The property is in the TTU **2010 Master Plan**.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** Campus Plant Funds Non-auxiliary (A)

**Owner(s):** James Dial, Mary Frances Dial Bennett, and Charles Dial

**Comment:** The structure will be demolished when needed for parking for TTU's science building construction. There will be no capital expenditures in the near future.

- Date of last property transfer: October 2005
- Purchase Price: Inheritance
- Property Assessor’s Value: $161,900
- Improvements Square Footage: 2,380 sq. ft.

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 02/25/2013 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.
TENNESSEE WILDLIFE RESOURCE AGENCY

Land Transaction

Requested Action: Approval of disposal by easement with waiver of advertisement and appraisals

Description: Anderson County – 1.67 +/- acres – near Highway 116 – Trans. No. 13-01-010 (Jackson)

Purpose: Disposal by easement to provide a gas well, pipeline and access as needed on Sundquist Wildlife Management Area (WMA). Well sites AH-1001

Estimated Sale Price: $500.00 (REM fees)

Grantee: CNX Gas Company LLC/Knox Energy

Comment: The mineral rights are not owned by the State. An agreement was in place at the time the State purchased the property outlining fee transfers for mineral extractions sites. The company has agreed to use easement in lieu of fee transfers. The total consideration is $500 for up to 4.77 acres, per the agreement.

SSC Report: 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

Minutes: 02/25/2013. Approved disposal by easement with waiver of advertisement and appraisals.
Land Transaction

Requested Action: Approval of disposal by easement with waiver of advertisement and appraisals

Description: Campbell County – 5.54+/- acres – Near Highway 116 – Trans. No. 13-01-011 (Jackson)

Purpose: Disposal by easement to provide a gas well, pipeline and access as needed on Sundquist Wildlife Management Area (WMA). Well sites AH-1008

Estimated Sale Price: $580.00 (REM fees)

Grantee: CNX Gas Company LLC/Knox Energy

Comment: The mineral rights are not owned by the State. An agreement was in place at the time the State purchased the property outlining fee transfers for mineral extractions sites. The company has agreed to use easement in lieu of fee transfers. The total consideration is $500 for up to 4.77 acres, per the agreement.

SSC Report: 02/15/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

Minutes: 02/25/2013. Approved disposal by easement with waiver of advertisement and appraisals.
### TENNESSEE WILDLIFE RESOURCE AGENCY

#### Land Transaction

<table>
<thead>
<tr>
<th>Requested Action:</th>
<th>Approval of disposal by easement with waiver of advertisement and appraisals</th>
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</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Campbell County – 1.52+/-acres – Near Highway 116 – Trans. No. 13-01-012 (Jackson)</td>
</tr>
<tr>
<td>Purpose:</td>
<td>Disposal by easement to provide a gas well, pipeline and access as needed on Sundquist Wildlife Management Area (WMA). Well sites AH-1006</td>
</tr>
<tr>
<td>Estimated Sale Price:</td>
<td>$500.00 (REM fees)</td>
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<tr>
<td>Grantee:</td>
<td>CNX Gas Company LLC/Knox Energy</td>
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<tr>
<td>Comment:</td>
<td>The mineral rights are not owned by the State. An agreement was in place at the time the State purchased the property outlining fee transfers for mineral extractions sites. The company has agreed to use easement in lieu of fee transfers. The total consideration is $500 for up to 4.77 acres, per the agreement.</td>
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<tr>
<td>Minutes:</td>
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</tbody>
</table>
Approved:

Mark A. Emkes, Commissioner
Department of Finance and Administration