

**MINUTES**  
STATE BUILDING COMMISSION  
Executive Subcommittee  
January 22, 2018

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The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner Martin called the meeting to order at 11:00 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

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

ORGANIZATION

- Department of General Services
- Tennessee Board of Regents
- Department of Environment & Conservation
- West Tennessee River Basin Authority
- State Building Commission

PRESENTER

John Hull  
Dick Tracy  
Bill Avant  
Bill Avant  
Ann McGauran

CONSENT AGENDA

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

- A. Agency: Department of General Services – Anderson County  
Transaction: Acquisition – Fee (Gift)  
Provision(s): Waiver of advertisement and appraisals
  
- B. Agency: Department of General Services – Anderson County  
Transaction: Disposal – Lease (Land)  
Provision(s): Waiver of advertisement and appraisals
  
- C. Agency: Department of General Services – Cocke County  
Transaction: Disposal – Fee (with Right to Hire a Broker)  
Provision(s): n/a
  
- D. Agency: Department of General Services – Bedford County  
Transaction: Disposal – Fee (with Right to Hire a Broker)  
Provision(s): n/a
  
- E. Agency: Department of General Services – Knox County  
Transaction: Acquisition – Lease (Space)  
Provision(s): n/a

DEPARTMENT OF GENERAL SERVICES

Disposal – Fee (with Right to Hire a Broker)

**Requested Action:** Approval to issue a Request for Qualifications for a real estate brokerage firm to assist with the disposal

**Transaction Description:** Transaction No. 15-06-004-BN  
• **Location:** Citizens Plaza  
Davidson County- 0.57 +/- acres – 400 Deaderick Street, Nashville, TN  
• **Estimated Sale Price:** Fair Market Value  
• **Estimated Broker Cost:** To be negotiated

**Comment:** This request is to hire a real estate brokerage firm, experienced in the disposal of commercial/office properties, to assist the State with the sealed bid sale of the property. Use of a real estate brokerage firm is requested to effectively market this large office building.

Date of Last Transfer: July 1, 1986  
Previous Owner: Citizens Plaza, LTD  
Original Cost to State: \$25,360,630  
Square Footage Improvements: 277,000

**Previous Action:** 12/18/2017 ESC approved disposal in fee.

**Minutes:** 01/22/2018 Approved issuing a Request for Qualifications for a real estate brokerage firm to assist with the disposal.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 17-09-901-SH

● **Proposed Lease**

- **Location:** Knox County – 724 Dutch Valley Drive, Knoxville, TN
- **Landlord:** Key Holdings, LLC
- **Term:** 5 years/ two one year renewal options
- **Area / Costs:** 4,500 Square Feet

First Year Contract Rent:	\$59,625.00	\$13.25/sf
Average Annual Contract Rent	64,125.00	14.25/sf
Estimated Annual Utility Cost	7,875.00	1.75/sf
Estimated Annual Janitorial Cost	4,950.00	1.10/sf
Total Annual Effective Cost	\$76,950.00	\$17.10/sf

● **Current Lease**

- **Location 1:** Knox County – 4420 Whittle Springs Road, Suite A, Knoxville, TN
- **Landlord:** Michael Cohen
- **Term:** September 1, 2017 to August 31, 2020
- **Area / Costs:** 3,602 Square Feet

Annual Contract Rent	\$40,000.00	\$11.11/sf
Estimated Utilities Cost	6,303.50	1.75/sf
Estimated Janitorial Cost	3,962.20	1.10/sf
Total Annual Effective Cost	\$50,265.70	\$13.96/sf

- **Location 2:** Washington County - 508 Princeton Road, Johnson City, TN
- **Landlord:** SHARA, LLC
- **Term:** (5 years) July 1, 2015 to June 30, 2020
- **Area / Costs:** 1,650 Square Feet

Annual Contract Rent	\$24,948.00	\$15.12/sf
Estimated Utilities Cost	2,887.50	1.75/sf
Estimated Janitorial Cost	1,815.00	1.10/sf
Total Annual Effective Cost	\$29,650.50	\$17.97/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$18.00

**Comment:** This lease will provide office space for the Alcoholic Beverage Commission. The leases at the current locations will be terminated when the new location is available, anticipated to be the first or second quarter of 2019. Evidence storage will be regionalized requiring this new lease with increased square footage in Knoxville.

Rent will increase \$.50 in each year. The renewal option cost is \$15.00 /sf for each of the 2 renewal options.

Tenant may terminate this Lease after the 24<sup>th</sup> month any time by giving written notice to Landlord at least 120 days prior to the date the termination becomes effective with payment of a termination fee.

**Minutes:** 01/22/2018 Approved a lease.

DEPARTMENT OF GENERAL SERVICES

**Report Item:**

Pursuant to State Building Commission Policy and Procedures, Item 8.01 (J) Report Item as approved

For all acquisition and disposals of interest in real property, closed in the previous quarter, that have been previously approved by the Executive Subcommittee, shall be reported back to the Executive Subcommittee by STREAM on a quarterly basis (October 1, 2017 – December 3, 2017).

**Minutes:**                      01/22/2018                      Subcommittee acknowledged receipt of the report.

TENNESSEE BOARD OF REGENTS

Tennessee Technological University, Cookeville, Putnam County, Tennessee

**Requested Action:** Approval of a revision in project budget and funding in order to award a contract

**Project Title:** Several Buildings Upgrades Phase 2

**Project Description:** Update systems and spaces in buildings that were a part of the Master Plan follow-up assessment study. Abate asbestos materials as required.

**SBC Number:** 166/011-05-2016

**Total Project Budget:** \$6,331,687.00

<b>Source of Funding:</b>	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$5,340,000.00	\$ 0.00	\$5,340,000.00	16/17	CurrFunds-CapMaint	(A)
	0.00	991,687.00	991,687.00		Plant Funds (Non-Aux)	(A)
<b>Original Project Budget:</b>	<u>\$5,340,000.00</u>					
<b>Change in Funding:</b>		<b>\$991,687.00</b>				
<b>Revised Project Budget:</b>			<b>\$6,331,687.00</b>			

**Comment:** Four bids were received on December 13<sup>th</sup> with W & O Construction Company, Inc. submitting the low bid. Additional funds are for base bid plus 2 alternates. There will be no additional designer fees.

**Previous Action:** 07/14/2016 SBC Approved project  
07/25/2016 ESC Selected designer (Upland Design Group)

**Minutes:** 01/22/2018 ESC Approved a revision in project budget and funding in order to award a contract.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

**Disposal - Lease (Crop)**

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

**Transaction Description:** Transaction No. 17-12-006-DM

- **Proposed Lease**

- **Location:** Henderson County – 40 +/- acres - Highway 22, Parkers Crossroads, TN
- **Tenant:** Joe Lewis
- **Term:** March 1, 2018 to December 31, 2018
- **Area / Costs:** 40 +/- acres / \$3,200

- **Current Lease**

- **Location:** Henderson County – 40 +/- acres - Highway 22, Parkers Crossroads, TN
- **Tenant:** Joe Lewis
- **Term:** 5 year (December 1, 2012 to December 31, 2017)
- **Area / Costs:** 40 +/- acres / \$3,200/year

**Comment:** TDEC is requesting to enter into a new crop lease with the previous farmer. This lease will allow for the harvest of the newly planted crop as well as provide TDEC time to advertise and competitively procure a new lease for 2019.

**Minutes:** 01/22/2018 Approved a disposal by lease with waiver of advertisement and appraisals.



WEST TENNESSEE RIVER BASIN AUTHORITY

**Acquisition – Fee (Gift)**

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

**Transaction Description:** Transaction No. 17-11-014-DM  
• **Location:** West Tennessee River Basin Authority (WTRBA)  
Madison County – 11.8 +/- acres (2 tracts) – E Baymeadows Drive, Jackson, TN  
• **Owner(s):** Leonard C Diffie  
• **Estimated Purchase Price:** Gift  
• **Source of Funding:** West Tennessee River Basin Authority (REM fees) (O)

**Comment:** WTRBA, is looking to accept as a gift, two parcels as a mitigation project to resolve the issue of Dyer Creek flooding which is impacting approximately 25+ homes. This acquisition will be paid for by WTRBA and WTRBA will be responsible for management and maintenance of the property. It is anticipated that the costs of the project on this property and the management and maintenance of this property can be covered without a request for additional State funds.

Date of Last Transfer: March 24, 1998  
Purchase Price: \$1,000.00  
Property Assessor's Value: \$8,000.00  
Square Footage Improvements: N/A

Date of Last Transfer: August 6, 1997 (Larger Tract)  
Purchase Price: N/A  
Property Assessor's Value: \$25,100.00  
Square Footage Improvements: N/A

**Minutes:** 01/22/2018 Approved obtaining title work, survey, and environmental assessment, and accepting as gift the required interest with waiver of advertisement and appraisals.

## STATE BUILDING COMMISSION

### Minutes of Executive Subcommittee Meeting

Approved the Minutes of the Executive Subcommittee meeting held on December 18, 2017.

### Acquisition – Fee (Purchase)

Subcommittee acknowledged reporting of the following acquisition in fee approved in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** STREAM / TWRA  
**Transaction Description:** Transaction No. 17-05-002-RA
  - **Location:** Catoosa Wildlife Management Area  
Cumberland County – 82 +/- acres – Smith Mountain Road, Cumberland, TN
  - **Owner(s):** Michael A. McLeod
  - **Estimated Purchase Price:** Fair Market Value
  - **Source of Funding:** 17/18 TWRA Op Funds (A)  
Heritage Conservation Trust Fund (O)**Approval:** Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

### Disposal – Fee

Subcommittee acknowledged reporting of the following disposal in fee approved in accordance with Item 2.04(E)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** STREAM / TDOT  
**Transaction Description:** Transaction No. 17-12-003-DM
  - **Location:** Knox County – 5.029 +/- acres – 1740 Riverside Drive, Knoxville, TN
  - **Estimated Sale Price:** Fair Market Value
  - **Estimated Realtor Cost:** N/A
  - **Grantee:** Knoxville Utilities Board**Approval:** Approval of disposal in fee with waiver of advertisement

### Disposal Easements (Public Use and Utility)

Subcommittee acknowledged reporting of the following disposal easements approved in accordance with Item 2.04(E)(3) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** Middle Tennessee State University  
**Transaction Description:** Transaction No. 17-11-005
  - **Location:** Rutherford County – 0.04+/-acres Temporary Easements and 0.02+/-acres Permanent Easements – Compton Road and Sam Jared Drive, Murfreesboro, TN
  - **Grantee:** Consolidated Utility District
  - **Estimated Sale Price:** Fair Market Value
  - **Source of Funding:** Consolidated Utility District**Approval:** Approval of disposal by easement with waiver of advertisement and appraisals

- 2) **State Procurement Agency:** Tennessee Board of Regents  
**Transaction Description:** Transaction No. 17-10-014  
• **Location:** Pellissippi State Community College  
Knox County – 3,672+/-sf Temporary Slope and Construction Easement – 1610 E. Magnolia Avenue, Knoxville, TN  
• **Grantee:** City of Knoxville  
• **Estimated Sale Price:** Fair Market Value  
• **Source of Funding:** City of Knoxville  
**Approval:** Approval of disposal by easement with waiver of advertisement and appraisals
- 3) **State Procurement Agency:** Austin Peay State University  
**Transaction Description:** Transaction No. 17-11-021  
• **Location:** Austin Peay State University  
Montgomery County – 195.65+/-sf Sidewalk Easement and Temporary Construction Agreement – 204 Marion Street, Clarksville, TN  
• **Grantee:** City of Clarksville  
• **Estimated Sale Price:** Fair Market Value  
• **Source of Funding:** City of Clarksville  
**Approval:** Approval of disposal by easement with waiver of advertisement and appraisals
- 4) **State Procurement Agency:** Austin Peay State University  
**Transaction Description:** Transaction No. 17-11-022  
• **Location:** Austin Peay State University  
Montgomery County – 50.12+/-sf Sidewalk Easement and Temporary Construction Agreement – 220 Marion Street, Clarksville, TN  
• **Grantee:** City of Clarksville  
• **Estimated Sale Price:** Fair Market Value  
• **Source of Funding:** City of Clarksville  
**Approval:** Approval of disposal by easement with waiver of advertisement and appraisals

### 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.

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|---|--|
| <p>1) <b>University of Memphis</b><br/> (Wilder Tower 12<sup>th</sup> Floor)<br/> Total Project Budget: \$650,000<br/> SBC Project No. 166/007-10-2017<br/> Designer: <b>URBANARCH ASSOCIATES</b></p>       | <p>3) <b>Austin Peay State University</b><br/> (MEP Consultant)<br/> Total Project Budget: Not Applicable<br/> SBC Project No. 373/003-01-2018<br/> Designer: <b>GENESIS ENGINEERING GROUP LLC</b></p>               |
| <p>2) <b>Austin Peay State University</b><br/> (Architectural Consultant)<br/> Total Project Budget: Not Applicable<br/> SBC Project No. 373/003-01-2018<br/> Designer: <b>RUFUS JOHNSON ASSOCIATES</b></p> | <p>4) <b>Tennessee School for the Deaf</b><br/> (Student Cottages Replacement)<br/> Total Project Budget: \$23,000,000<br/> SBC Project No. 168/007-01-2017<br/> Designer: <b>THE LEWIS GROUP ARCHITECTS INC</b></p> |

- 5) **West Tennessee Regional Health Office**  
(Interior Renovation)  
Total Project Budget: \$3,630,000  
SBC Project No. 408/005-01-2017  
Designer: CLARK & ASSOCIATES ARCHITECTS

Other Business

- 1) **Memphis Tourism Development Zone**, Memphis, Shelby County, Tennessee  
Amendment concerning Memphis Tourism Development Zone – The Subcommittee approved the Department of Finance & Administration’s request to defer this item to a future ESC meeting.
  
- 2) **Department of General Services on behalf of Department of Correction**, Brushy Mountain Prison Complex, Petros, Morgan County, Tennessee  
The Subcommittee approved the clarification that the approved Disposal to Cumberland Utility District on August 4, 2014 (Transaction No. 14-07-018) included the land referred to as Tract 8 and Tract 4b. The acreage in the minutes included both tracts and both tracts are necessary to protect the reservoir and dispose of all State property in the complex.

There being no further business, the meeting adjourned at 11:07 a.m.

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DEPARTMENT OF GENERAL SERVICES**Acquisition – Fee (Gift)**

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

**Transaction Description:** Transaction No. 18-01-001-MB

- **Location:** Green McAdoo Cultural Center  
Anderson County - 2.52 +/- acres (2 parcels) – 416 & 420 West Broad Street, Clinton, TN
- **Owner(s):** City of Clinton
- **Estimated Purchase Price:** Gift
- **Source of Funding:** City of Clinton (REM fees) (O )

**Comment:** The Green McAdoo Cultural Center provides visitors with the detailed story of the 1956 desegregation of Clinton High School in life-size pictures with dramatic narrative. The property includes two structures, a school house that serves as a historical center and a gymnasium that provides meeting and gathering space.

The Tennessee State Museum would like to acquire this property as a gift from the City of Clinton. After acquisition, the Museum plans to enter into a multi-year lease with the City to manage and operate the Green McAdoo Cultural Center.

Date of Last Transfer:	March 1, 1999 (Larger Tract)
Purchase Price:	\$0
Property Assessor's Value:	\$0
Square Footage Improvements:	3,285 sf (School) 5,462 sf (Gym)

Date of Last Transfer:	September 11, 2008
Purchase Price:	\$50,000.00
Property Assessor's Value:	\$10,300.00
Square Footage Improvements:	N/A

**Minutes:** 01/22/2018 Approved obtaining title work, survey, and environmental assessment, and accepting as gift the required interest with waiver of advertisement and appraisals.

DEPARTMENT OF GENERAL SERVICES

Disposal – Lease (Land)

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

**Transaction Description:** Transaction No. 18-01-001-MB

- **Location:** Green McAdoo Cultural Center  
Anderson County - 2.52 +/- acres (2 parcels) – 416 & 420 West Broad Street, Clinton, TN
- **Tenant:** City of Clinton
- **Term:** 5 years/ two 5 year renewal options
- **Area / Costs:** 8,747 sf / No Cost
- **Source of Funding:** City of Clinton (REM Fees) (O)

**Comment:** The Green McAdoo Cultural Center provides visitors with the detailed story of the 1956 desegregation of Clinton High School in life-size pictures with dramatic narrative. The property includes two structures, a school house that serves as a historical center and a gymnasium that provides meeting and gathering space.

The Tennessee State Museum requests to enter into the proposed lease with the City for the management and operations of the facility. If the City fails to maintain the Green McAdoo Cultural Center, then the State shall have the right to terminate the lease. If the State does not provide funding for the Green McAdoo Cultural Center, then the City shall have the right to terminate the lease.

Pursuant to 2017 Public Chapter 460, section 63, item 2, the Museum will provide an annual grant to the City of \$100,000 for maintenance, restoration, and operational expenses of the Green McAdoo Cultural Center. In addition, the State will be responsible for all major maintenance at the center.

**Minutes:** 01/22/2018 Approved disposal by lease with waiver of advertisement and appraisals.

DEPARTMENT OF GENERAL SERVICESDisposal – Fee (with Right to Hire a Broker)

**Requested Action:** Approval to utilize the Central Procurement Office procedures to contract with a Broker to assist with the disposal

**Transaction Description:** Transaction No. 13-11-001-BN  
 • **Location:** Cocke County – 0.1 +/- acres – 440 Eastern Plaza Shopping Center, Newport, TN  
 • **Estimated Sale Price:** Fair Market Value  
 • **Estimated Broker Cost:** To be negotiated

**Comment:** The property did not produce the results required under the sealed bid method. Previous Sealed Bids were held on December 4, 2014 and May 17, 2016.

The request to hire a broker is to assist the State in the sale of the property. The building is unique in that it is located within a shopping center (in-line with other tenants) and Newport is a small market, therefore a broker experienced in the local market is requested.

The proceeds from the sale, less any State investment, are required by federal law (29 CFR Part 97) to go to the replacement or upgrading of existing Reed Act buildings and will be deposited into the Department of Labor's Unemployment Trust Fund as stated in TEG#3-07 #6, and used pursuant to the requirements of the Federal Reed Act. The State Investment amount will be deposited in to the Facility Revolving Fund (FRF) in accordance with TCA § 12-2-119.

Date of Last Transfer: January 24, 1964  
 Previous Owner: Charles T. Rhyne & Patsy Rhyne Williams  
 Original Cost to State: \$66,019 (\$11,000 land) (\$55,019 construct building)  
 Square Footage Improvements: 3,200 sf

**Previous Action:** 06/23/2014 Approved disposal in fee with waiver of one appraisal.

**Minutes:** 01/22/2018 Approved utilizing the Central Procurement Office procedures to contract with a Broker to assist with the disposal.

DEPARTMENT OF GENERAL SERVICES

Disposal – Fee (with Right to Hire a Broker)

**Requested Action:** Approval to utilize the Central Procurement Office procedures to contract with a Broker to assist with the disposal

**Transaction Description:** Transaction No. 13-11-002-BN  

- **Location:** Bedford County – 2.66 +/- acres –3010 North Main Street, Shelbyville, TN
- **Estimated Sale Price:** Fair Market Value
- **Estimated Broker Cost:** To be negotiated

**Comment:** The property did not produce the results required under the sealed bid method. Previous Sealed Bids were held on September 4, 2014, December 4, 2014 and May 17, 2016. The request is to hire a broker, experienced with the local market, to assist the State.

The proceeds from the sale, less any State investment, are required by federal law (29 CFR Part 97) to go to the replacement or upgrading of existing Reed Act buildings and will be deposited into the Department of Labor’s Unemployment Trust Fund as stated in TEG#3-07 #6, and used pursuant to the requirements of the Federal Reed Act. The State Investment amount will be deposited in to the Facility Revolving Fund (FRF) in accordance with TCA § 12-2-119.

Date of Last Transfer: January 26, 1964  
Previous Owner: Charles T. Rhyne & Patsy Rhyne Williams  
Original Cost to State: \$139,052 (\$11,000 land) (\$53,052 construct building) (\$75,000 construct addition)  
Square Footage Improvements: 4,734 sf

**Previous Action:** 06/23/2014 Approved disposal in fee with waiver of one appraisal.

**Minutes:** 01/22/2018 Approved utilizing the Central Procurement Office procedures to contract with a Broker to assist with the disposal.



DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 17-01-907-WW

• **Proposed Lease**

- **Location:** Knox County – 400 Harriett Tubman Street, Knoxville, TN
- **Landlord:** Knox County
- **Term:** 10 years
- **Area / Costs:** 4,600 Square Feet

Years 1-5 Contract Rent:	\$73,876.00	\$16.06/sf
Years 6-10 Contract Rent (Utilities and Janitorial included)	66,700.00	14.50/sf

• **Current Lease**

- **Location:** Knox County – 400 Harriett Tubman Street, Knoxville, TN
- **Landlord:** Knox County
- **Term:** 5 years (October 1, 2009 to September 30, 2014) – Holdover
- **Area / Costs:** 4,600 Square Feet

Annual Contract Rent (Utilities and Janitorial included)	\$64,404.00	\$14.00/sf
Total Annual Effective Cost	\$64,404.00	\$14.00/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Directly Negotiated
- **FRF Rate:** \$18.00

**Comment:** This lease will provide office space for Department of Children’s Services. Advertising is not required because the Landlord is a governmental entity.

The tenant improvements are amortized over the first five years, therefore, rent will decrease in the 6<sup>th</sup> lease year to \$14.50/sf.

The tenant may terminate this lease at any time by giving 90 days written notice to the landlord. Prior to the 60<sup>th</sup> month, termination for convenience will require payment of a termination fee.

**Minutes:** 01/22/2018 Approved a lease.

Approved:



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