

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
March 21, 2016

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room 30, Legislative Plaza, 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 Peter Heimbach.

MEMBERS PRESENT

Larry Martin, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer

MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Tennessee Board of Regents
- Department of Environment & Conservation
- Department of Transportation
- Department of General Services
- State Building Commission

PRESENTER

Dick Tracy
Bill Avant
Jeff Hoge
John Hull
Peter Heimbach

CONSENT AGENDA

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

- A. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and appraisals
- B. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal – Easement (Access)
Provision(s): Waiver of advertisement and appraisals
- C. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and appraisals
- D. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and appraisals
- E. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and appraisals
- F. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal – Easement (Access)
Provision(s): Waiver of advertisement and appraisals
- G. Agency: Tennessee Board of Regents – Carter County
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement
- H. Agency: Department of Safety and Homeland Security – White County
Transaction: Acquisition – Lease (Land)
- I. Agency: Tennessee Wildlife Resources Agency – Maury County
Transaction: Disposal – Easement (Access)
Provision(s): Waiver of advertisement and one appraisal
- J. Agency: Tennessee Wildlife Resources Agency – Anderson County
Transaction: Disposal – Easement (Access)
Provision(s): Waiver of advertisement and one appraisal
- K. Agency: Department of Transportation – Knox County
Transaction: Disposal – Fee (Land)
Provision(s): Waiver of one appraisal
- L. Agency: Department of Transportation – Hamilton County
Transaction: Disposal – Fee (Land)
Provision(s): Waiver of advertisement and one appraisal

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

Requested Action: Approval of a project, budget, scope, funding and source(s) of funding

Project Title: Demolition – 129 City View Drive

Project Description: This project provides for the demolition of 129 City View Drive in Murfreesboro, Tennessee in accordance with the MTSU 2013 Master Plan.

SBC Number: 166/009-01-2016

Total Project Budget: \$2,800.00

Source of Funding: \$2,800.00 Plant Funds (Non-Auxiliary)

Comment: The property was acquired in 2003. The Tennessee Historical Commission has determined that this project will not adversely affect this State-owned resource of 50+ years, and no further action is necessary.

Minutes: 03/21/2016 ESC Approved a project, budget, scope, funding and source of funding.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Fee (Third Party)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment; exercise an option to acquire the required interest, not to exceed fair market value; and to utilize third party with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 15-11-013-DM

- **Location:** South Cumberland State Park
Franklin & Marion Counties – 4,220+/-acres – Sherwood Rd., Winchester, TN
- **Owner(s):** Sherwood Mining Co., LLC
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 15/16 State Lands Acquisition Fund (A)
Forest Legacy Grant (F)
US Fish & Wildlife Service (USFWS) Recovery Land Acquisition Grant (F)
Open Space Institute (O)
- **Third Party:** The Conservation Fund & The Land Trust for Tennessee

Comment: Per TCA 67-4-409, this property is on the state lands acquisition priority list and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

The Sherwood Forest acquisition is a multi-agency project that will protect critical natural resources. The property is contiguous to the Carter State National Area and Franklin State Forest. The Conservation Fund, in collaboration with The Land Trust for Tennessee, will purchase the tracts and transfer to the State. The federal match is being provided by USFWS. The State contribution is approximately less than 15% of the purchase price. No additional management costs are anticipated with this acquisition.

Sherwood Mining Co. LLC (SMC) will retain rights to mine entire property for initial 50 year period, with option to extend for 50 years subject to written State and mine owner approval. All mining will be room and pillar method and restricted to specific depths well below surface, but SMC can construct ventilation shafts at specific locations and can access shafts for construction and maintenance via gravel roads across property.

Date of Last Transfer:	December 15, 2010
Purchase Price:	\$0.00
Property Assessor's Value:	\$3,983,100 (3,063.19 acres)
Square Footage Improvements:	None

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Date of Last Transfer: December 15, 2010
Purchase Price: \$0.00
Property Assessor's Value: \$13,900 (2.00 acres)
Square Footage Improvements: 8 x 28

Date of Last Transfer: December 15, 2010
Purchase Price: \$0.00
Property Assessor's Value: \$2,135,000 (1,500.00 acres)
Square Footage Improvements: None

Minutes:

03/21/2016 Approved obtaining title work, appraisal, survey, and environmental assessment; exercise an option to acquire the required interest, not to exceed fair market value; and to utilize third party with waiver of advertisement and one appraisal.

DEPARTMENT OF TRANSPORTATION

Disposal – Fee (Land)

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

Transaction Description: Transaction No. 16-02-011-FB
● **Location:** Shelby County – 0.186+/-acres - North side of Sam Cooper, Memphis, TN
● **Grantee:** Greg Touliatos
● **Estimated Sale Price:** Fair Market Value

Comment: The subject property is surplus to the agency's needs and lies between Sam Cooper Boulevard and Autumn Avenue, a City street. The Memphis City Council has approved the abandonment of Autumn Avenue pending the acquisition of the subject parcel by the Grantee. The result of the abandonment of Autumn Avenue is that the Grantee would be the sole adjoining landowner to the subject property. The subject property was appraised by a TDOT appraiser pursuant to TCA §12-2-112(a)(8)(C)(i). Given that the appraised value of the subject property is low; the land area of the subject property is so small that it is extremely unlikely to be useful to any other party; and the Grantee will become the sole adjoining landowner, it is in the best interest of the State to convey the subject property directly to the Grantee.

Date of Last Transfer: 1968 - 1969
Previous Owner: Multiple owners
Original Cost to State: \$63,660 (larger tract)
Square Footage Improvements: None

Minutes: 03/21/2016 Approved disposal in fee with waiver of advertisement and one appraisal.

DEPARTMENT OF GENERAL SERVICES

Disposal - Lease Amendment

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 95-02-009-SL

- **Proposed Amendment**

- **Location:** Davidson County – 5.23+/-acres – Farmers' Market, Nashville, TN

- **Current Lease**

- **Location:** Davidson County – 10+/-acres – Farmer's Market, Nashville, TN
- **Lessee:** Metropolitan Government of Nashville and Davidson County (Metro)
- **Term:** 20 years with two 20 year options
- **Area / Costs:** 1st year - \$645,000
2 – 19 years \$10.00
20 – 40 years \$10.00
40 – 60 years \$10.00

- **Source of Funding:** 15/16 FRF Current Funds-Capital Improvement (A)

Comment: The lease is amended to remove the land on which the north sheds and appurtenances are located from the leased premises. The State will pay \$4,000,000, the fair market value of the leasehold interest, in connection with the amendment. The lease amendment provides that parking lot intended to be constructed on this property will serve both the museum and the Farmers' Market, although the State will have the right to reserve the parking area for museum use only. The lease amendment also allows the Farmers' Market to continue to use this property to access its north loading dock. Funding is provided from SBC project 529/050-01-2015.

Previous Action: 04/24/1995 Approved lease concept subject to resolution of lease issues and to come back for final approval

05/01/1995 Approved the lease as presented

Minutes: 03/21/2016 Discussion ensued about the rights of the parties for use of the parking lots. It was explained that there is normally shared used of the new lot, but the State has the right to close it off for special events. In addition, if Metro ceases to have a Farmer's Market, the lots revert to the State. Subcommittee approved the lease amendment as presented.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on February 22, 2016.

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) **UT Space Institute - Tullahoma**
(Upgrade Infrastructure Systems, Phase 1)
Total Project Budget: \$2,000,000
SBC Project No. 540/020-02-2015
Designer: **COGENT STUDIO LLC**
- 2) **Andrew Jackson State Office Bldg - Nashville**
(Energy Systems Upgrade)
Total Project Budget: \$1,504,000
SBC Project No. 529/073-01-2016
Designer: **OLIVER LITTLE GIPSON ENGINEERING**
- 3) **Ellington Agricultural Center**
(Porter Lab Energy Systems Upgrade)
Total Project Budget: \$1,161,000
SBC Project No. 100/000-01-2016
Designer: **OLERT ENGINEERING**
- 4) **Department of Environment & Conservation**
(CCC Cabin Renovations)
Total Project Budget: \$5,900,000
SBC Project No. 126/000-03-2015
Designer: **SPARKMAN & ASSOCIATES**

Other Business

Peter Heimbach reminded the Subcommittee that a called meeting of the State Building Commission was scheduled for March 30 to review the Early Design Phase of the new Tennessee State Museum as requested by the Secretary of the State.

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

TENNESSEE BOARD OF REGENTS

Disposal – Easement (Utility)

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

Transaction Description: Transaction No.16-03-007

- **Location:** University of Memphis
Shelby County – 200+/- sf drain easement – Patterson and Norriswood, Memphis, TN
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** City of Memphis

Comment: This drain easement is necessary to alleviate flooding and catch the rain water in this location. Easement will not adversely affect UoM's property.

Date of Last Transfer: June 12, 1969
Original Cost to State \$36,000.00

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTS

Disposal – Easement (Access)

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

Transaction Description: Transaction No. 16-03-006

- **Location:** University of Memphis
Shelby County – 2,369+/- sf pedestrian easement – Patterson and Norriswood, Memphis, TN
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** City of Memphis

Comment: This pedestrian easement is necessary for the redevelopment that has taken place with Centennial Hall and the installation of the sidewalks at this location. Easement will not adversely affect UoM's property.

Date of Last Transfer: January 13, 1975
 Original Cost to State \$36,500.00

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTSDisposal – Easement (Utility)

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

Transaction Description: Transaction No. 16-03-009

- **Location:** University of Memphis
Shelby County – 0.07 +/- acres permanent sanitary sewer easement, and a 20' wide temporary construction easement – Houston and Goodman, Memphis, TN
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** City of Memphis

Comment: This Southern sanitary sewer easement is necessary for the increased usage from construction of the new facilities in this area, including private student housing, the proposed recreation center, and future UoM facilities in the master plan. Easement will not adversely affect UoM's property.

Date of Last Transfer: May 15, 1964
Original Cost to State \$35,168.55

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTS

Disposal – Easement (Utility)

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

Transaction Description: Transaction No. 16-03-010

- **Location:** University of Memphis
Shelby County – .07+/-acres permanent sanitary sewer easement, 20' wide temporary construction easement – Houston and Goodman, Memphis, TN
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** City of Memphis

Comment: This Southern sanitary sewer easement is necessary for the increased usage from construction of the new facilities in this area, including private student housing, the proposed recreation center, and future UoM facilities in the master plan. Easement will not adversely affect UoM's property.

Date of Last Transfer: August 06, 1962
 Original Cost to State \$10.00

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTSDisposal – Easement (Utility)

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

Transaction Description: Transaction No.16-03-008

- **Location:** University of Memphis
Shelby County – 0.30+/-acres permanent sanitary sewer easement, and a 20' temporary construction easement – Houston and Goodman, Memphis, TN
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** City of Memphis

Comment: This southern sanitary sewer easement is necessary for the increased usage from construction of the new facilities in this area, including private student housing, the proposed recreation center, and future UoM facilities in the master plan. Easement will not adversely affect UoM's property.

Date of Last Transfer: June 25, 1964
Original Cost to State \$8,375.00

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTSDisposal – Easement (Access)

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

Transaction Description: Transaction No. 16-03-005

- **Location:** University of Memphis
Shelby County – 6,084+/- sf traffic easement - Intersection of Goodlett and Park Avenue, Memphis, TN
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** City of Memphis

Comment: This traffic easement is necessary to direct the flow of vehicle traffic in and out of the University of Memphis' South Campus Facilities to the public right-of-way. Easement will not adversely affect UoM's property.

Date of Last Transfer: September 20, 1967
Original Cost to State \$0.00

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTSAcquisition – Lease (Space)

Requested Action: Approval of a lease with waiver of advertisement

Transaction Description: Transaction No. 16-03-038

- **Proposed Lease**

- **Location:** Northeast State Community College
Carter County – 386 Highway 91, Elizabethton, TN
- **Landlord:** Carter County Tomorrow
- **Term:** July 1, 2016 thru June 30, 2021
- **Area / Costs:** 27,758 Square Feet

Annual Average Contract Rent	\$177,066.00	@\$6.38 / sf
Estimated Annual Utility Cost	\$ 62,144.00	@\$2.24 / sf
Estimated Annual Janitorial Cost	\$ 30,500.00	@\$1.10 / sf
Total Annual Effective Cost	\$269,710.00	@\$9.72 / sf

- **Current Lease**

- **Location:** Carter County – 386 Highway 91, Elizabethton, TN
- **Landlord:** Carter County Tomorrow
- **Term:** July 1, 2010 thru December 31, 2013
- **Area / Costs:** 27,758 Square Feet

Annual Contract Rent	\$177,066.00	@\$6.38 / sf
Estimated Utilities Cost	\$ 38,861.20	@\$1.40 / sf
Estimated Janitorial Cost	\$ 30,533.80	@\$1.10 / sf
Total Annual Effective Cost	\$246,461.00	@\$8.88 / sf

- **Source of Funding:** Plant Funds (Non-Auxiliary)
- **Procurement Method:** Negotiated
- **FRF Rate:** \$14.00

Comment: NeSCC has occupied this space since 1996 and desires to remain. Advertising is not required since the lessor is a government entity.

Minutes: 03/21/2016 Approved a lease with waiver of advertisement.

DEPARTMENT OF SAFETY AND HOMELAND SECURITYAcquisition – Lease (Land)

Requested Action: Approval of a lease agreement

Transaction Description: Transaction No. 16-03-002-MB

- **Proposed Lease**

- **Location:** White County – 1.00+/-acres – 403 Mose Dr., Sparta, TN

- **Lessor:** White County Emergency Communications District

- **Term:** 30 years

- **Area / Costs:** Mutual Benefit – No cost

- **Source of Funding:** Department of Safety & Homeland Security Operating Funds

Comment: The lease is for a radio tower communication site as part of the Public Safety Interoperable Communication System approved SBC project 502/001-01-2011.

Date of Last Transfer: July 28, 2015

Purchase Price: \$200,000

Property Assessor's Value: \$369,900

Square Footage Improvements: 5,742

Minutes: 03/21/2016 Approved a lease agreement.

TENNESSEE WILDLIFE RESOURCES AGENCY

Disposal – Easement (Access)

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

Transaction Description: Transaction No. 16-02-009-MB
 • Location: Maury County - .03+/- acres - 1548 Fountain Heights Rd., Columbia, TN
 • Grantee: Jeff Halter
 • Estimated Sale Price: Fair Market Value

Comment: Mr. Halter is seeking to obtain an easement for an existing driveway that crosses TWRA land and has done so for 50 years. Mr. Halter will pay all cost associated with the request.

Date of Last Transfer: August 2, 2002
 Original Cost to State Gift

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and one appraisal.

TENNESSEE WILDLIFE RESOURCES AGENCYDisposal – Easement (Access)

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

Transaction Description: Transaction No. 16-02-008-MB

- **Location:** Anderson County – 0.20+/-acres – New River Hwy, Oliver Springs, TN
- **Grantee:** Buford Phillips
- **Estimated Sale Price:** Fair Market Value

Comment: Mr. Phillips has been using an unimproved private road for ingress and egress to State Highway 116 for a significant period of time. Mr. Phillips will pay all cost associated with the request.

Date of Last Transfer: January 28, 2003
Original Cost to State \$3,453,500

Minutes: 03/21/2016 Approved disposal by easement with waiver of advertisement and one appraisal.

DEPARTMENT OF TRANSPORTATION

Disposal – Fee (Land)

Requested Action: Approval of disposal in fee with waiver of one appraisal

Transaction Description: Transaction No. 16-02-012-FB
• **Location:** Knox County – 0.626+/-acres – Corner of Patton St. & Willow Ave., Knoxville, TN
• **Estimated Sale Price:** Fair Market Value

Comment: The property was acquired for the construction of SR-1 in association with I-40 and is now surplus to the agency's needs.

Date of Last Transfer: May 16, 2007
Previous Owner: Willow & Associates
Original Cost to State: \$950,000 (larger tract)
Square Footage Improvements: None

Minutes: 03/21/2016 Approved disposal in fee with waiver of one appraisal.

DEPARTMENT OF TRANSPORTATION

Disposal – Fee (Land)

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

Transaction Description: Transaction No. 16-02-013-FB

- **Location:** Hamilton County – 0.448+/-acres – 8876 Old Lee Highway, Collegedale, TN
- **Estimated Sale Price:** Fair Market Value
- **Grantee** Ooltewah Holdings, LLC

Comment: The property was acquired for the construction of State Route 2 and the widening and relocation of old State Route 2. The property is surplus to the agency’s needs. All adjoining landowners were offered the opportunity to acquire the property. The requestor is the sole adjoining landowner desirous of acquiring the property. It is the intent of the Grantee to assemble property for development.

Date of Last Transfer: Nov. 11, 1956
 Previous Owner: Howard Hundley Interchange Properties
 Original Cost to State: \$19,950 (0.448 acres)
 Square Footage Improvements: None

Minutes: 03/21/2016 Approved disposal in fee with waiver of advertisement and one appraisal.

Approved:



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