

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MAY 26, 2009

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Jurgen Bailey, Real Property Administration
Bob King, Real Property Administration
Dottie Hagood, Real Property Administration
Melinda Parton, Comptroller's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Joy Harris, Treasurer's Office
Mark Wood, Secretary of State's Office
John Carr, Department of Finance & Administration
Karen Hale, Comptroller's Office
Mark Cherpack, Department of Finance and
Administration
Cindi Liddell, Bond Finance
Annette Crutchfield, Legislative Budget Office
Dick Tracy, Tennessee Board of Regents
Jerry Preston, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Russ Deaton, THEC
Stephanie Steele, THEC
Jeff Hoge, Department of Transportation
Gale Wagner, Department of Transportation
Fred Hix, Mental Retardation Services
Steve Norris, Mental Retardation Services

Commissioner Goetz called the meeting to order at 10:35 a.m. and requested action on the following matters as presented by State Architect Mike Fitts. Treasurer Lillard had some questions regarding the Consent Agenda. He questioned Jerry Preston regarding environmental issues at Southwest Technical Community College. Mr. Preston responded that there are environmental concerns, but that the clean-up will run 3-5% of the construction costs, which is manageable. Commissioner Goetz asked if the current owner had any responsibility, and Mr. Preston replied, "he may". He said that this is federal money used to monitor and clean the site, and he had to appear in court. After discussion, Subcommittee approved the following real property transactions, which had been reviewed and recommended for approval by Sub-Committee staff:

CONSENT AGENDA

- A. Agency: **University of Tennessee – Gibson County**
Transaction: Disposal in fee
- B. Agency: **University of Tennessee – Knox County**
Transaction: Disposal in fee
- C. Agency: **Tennessee Board of Regents – Hamilton County**
Transaction: Lease agreement
- D. Agency: **Tennessee Board of Regents – Claiborne County**
Transaction: Lease agreement
Provision: Waiver advertisement
- E. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Demolish improvements
- F. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Waiver of REM fee
- G. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition in fee
Provision: Waiver of REM fee
- H. Agency: **Tennessee Board of Regents – Scott County**
Transaction: Acquisition in fee
Provision: Waiver of advertisement & appraisal

- I. Agency: **Tennessee Wildlife Resources Agency – Carter County**
Transaction: Acquisition in fee
- J. Agency: **Tennessee Wildlife Resources Agency – Fayette County**
Transaction: Acquisition in fee
- K. Agency: **F & A for Mental Retardation Services – Greene County**
Transaction: Acquisition in fee
- L. Agency: **Finance & Administration – Davidson County**
Transaction: Disposal by easement

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: **Shelby County – 675 Union Avenue, Memphis, TN – Trans. No. 09-04-005 (AM)**
- Purpose: Acquisition in fee for the benefit of Southwest TN. Community college for construction of the nursing, natural science and biotechnology building. TBR would also like to request that if the owner does not accept the \$425,000 offer (appraisal) that they have approval to proceed with condemnation.
- Source of Funding: Campus Plant Funds
- Appraisal Value: \$425,000
- Owner(s): Calvin Curtis
- SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.
- SC Action: 05-26-09. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

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

Description: **Greene County – 1.805 +/- acres – Mosheim, TN – Trans. No. 09-04-008 (FB)**

Purpose: Disposal in fee of surplus TDOT right of way.

Original Cost to State: \$825.00

Date of Original Conveyance: 1968

Grantor Unto State: Mrs. Hope Brown

Estimated Sale Price: \$200,000

Grantee: Donald Rogers Petroleum, Inc.

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. City of Mosheim mistakenly deeded Donald Rogers a piece of land to which TDOT held title. Donald Rogers built a business with 13 gas pumps, 4 underground tank, a canopy and 2 on premise signs and most of his parking lot is on State right of way. This right of way is surplus to the departments needs and wants to clear up this title problem by selling property for fair market value. Staff referred to Subcommittee with recommendation.

SC Action: 05-26-09. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION
FOR
MENTAL RETARDATION SERVICES

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: Shelby County – 8951 Lake Springs Cove, Memphis, TN – Trans. No. 09-05-001 (BW)

Purpose: Acquisition in fee for the property and house to be used as a location for a Community Home.

Source of Funding: DMRS Operational funds 344.01

Estimated Cost: \$98,000

Owner(s): James B. Nutter

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Mental Retardation Services leased this property until the former owner defaulted on his mortgage. The home has various ADA improvements to permit to MR client to live in. This client was to be evicted from the property. The mortgage company is interested in allowing the State to acquire it for no more than they have into it, approximately \$97,000. Staff referred to Subcommittee with recommendation.

SC Action: 05-26-09. Jurgen Bailey presented the request. Commissioner Steve Norris was present and responded to questions regarding single person placements. After discussion, Subcommittee approved the request without objection.

STATE BUILDING COMMISSION

BY-LAWS, POLICY & PROCEDURES OF THE STATE BUILDING COMMISSION

- 1) Approved the following revisions to the *By-laws, Policy & Procedures of the State Building Commission* for recommendation to the full Commission.

5.01 REQUIREMENTS FOR ALL PROCUREMENT

A. Diversity ~~Minority~~ participation in projects

It is the express desire of the State Building Commission to include an emphasis on diversity in its contractual relationships with contractors for the construction, demolition or renovation of State projects under the jurisdiction of the Commission. The Commission acknowledges that firms who demonstrate and embrace diversity within their programs and policies are assisting the State in achieving its goals in building a more reflective marketplace of the community within this state. [SBC meeting minutes 3/10/94 and 1/8/04]

1. It is a policy of the State Building Commission that the above statement shall accompany the bidding or proposal documents for State projects under the jurisdiction of the Commission.
2. It is a requirement of all successful bidders or proposers on projects under the jurisdiction of the State Building Commission that they report to the State the names and amounts of contracts entered into with ~~diversity minority~~-owned businesses on their contract with the State in order for the State to collect data on such participation.
3. For projects under the jurisdiction of the State Building Commission which utilize a procurement process for selection of a contractor which involves an evaluation of qualifications and experience as well as price, it is the intent of the Commission that such proposal evaluations will recognize the positive qualifications and experience of proposers utilizing minority, women, small and disabled businesses as well as a diverse workforce to meet service needs. In support of the above, it is the intent of the Commission to require proposers or bidders to submit in the qualification section of the procurement document:
 1. A description of the Proposer's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, persons with a disability and small business enterprises
 2. A listing of the Proposer's current contracts with business enterprises owned by minorities, women, persons with a disability and small business enterprises

3. An estimate of the level of participation by business enterprises owned by minorities, women, persons with a disability and small business enterprises in a contract awarded to the Proposer pursuant to this RFP
 4. The percent of the Proposer's current employees listed by gender, noting ethnicity and disability
- a) ~~In support of the above it is the intent of the Commission to require proposers or bidders to submit in the qualification section of the procurement document a description of proposers existing programs and procedures encouraging diversity participation.~~
- b) ~~In addition, proposers are to submit the following:~~
- 1) ~~Listing of proposer's current contracts involving diversity participation~~
 - 2) ~~Estimated dollar amount and percentage of proposed diversity participation in the current procurement~~
 - 3) ~~Percent of proposer's current employees by ethnicity, sex and disability~~

**13.01 NASHVILLE THERMAL TRANSFER CORPORATION BOARD MEMBERSHIP
METRO NASHVILLE DISTRICT ENERGY SYSTEM**

The Commission, in accordance with the Charter of the ~~Nashville Thermal Transfer Corporation~~ Metro Nashville District Energy System, will appoint, by name and State title, ~~two one~~ members to the ~~Board of Trustees~~ Advisory Board for the ~~Nashville thermal Transfer Corporation~~ Metro Nashville District Energy System.

SPECIAL ITEM

- 1) The Subcommittee nominated Joy Harris, Staff Assistant to the Treasurer, to serve as the State's representative on the Advisory Board for the Metro Nashville District Energy System for recommendation to the full Commission for approval.

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meetings held on April 6, April 20 and April 27, 2009.

There being no further business, the meeting adjourned at 10:53 a.m.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following Disposal in Fee of interest in real property with WAIVER OF (1) APPRAISAL AND ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description: Gibson County – 0.464 acres in Milan, TN – Trans. No. 09-02-025 (FB)

Purpose: Disposal in Fee for relocation and installation of railroad spur for Milan Arsenal.

Estimated Cost: Fair Market Value

Grantee: United States of America

SSC Report: 03-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-23-09. Subcommittee approved the request as presented.

Further Action Requested: Request approval to convey property to United States of America for mutual benefit. Requesting waiver of appraisals and advertisement.

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following Disposal in Fee of interest in real property with WAIVER OF (1) APPRAISAL AND ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description: **Knox County – 1.86 acres located at Riverside Drive, Knoxville, TN – Trans. No. 09-02-026 (FB)**

Purpose: Disposal in fee simple for realigning the approaches on Riverside Drive in the replacement of a bridge over a railroad.

Estimated Cost: Fair Market Value

Grantee: City of Knoxville

SSC Report: 03-16-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 03-23-09. Subcommittee approved the request as presented.

Further Action Requested: Request approval to convey property to City of Knoxville for mutual benefit. Requesting waiver of appraisals and advertisement.

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

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

Location: Hamilton County – 2733 Kanasita Drive, Hixson, TN – Trans No. 09-04-917

Purpose: To provide office and classroom space for the truck driving program offered by the Tennessee Technology Center at Chattanooga.

Term: June 1, 2009 thru May 30, 2014 (5 yrs)

Proposed Amount: 2,450 Square Feet

Annual Contract Rent:	\$37,200.00	@\$15.18 / sf
Est. Annual Utility Cost:	\$ 3,430.00	@\$ 1.40 / sf
Est. Annual Janitorial Cost:	<u>\$ 2,695.00</u>	<u>@\$ 1.10 / sf</u>
Total Annual Effective Cost:	\$43,325.00	@\$17.68 / sf

Current Amount: 2,450 Square Feet

Annual Contract Rent:	\$31,200.00	@\$12.73 / sf
Est. Annual Utility Cost:	\$ 3,430.00	@\$ 1.40 / sf
Est. Annual Janitorial Cost:	<u>\$ 2,695.00</u>	<u>@\$ 1.10 / sf</u>
Total Annual Effective Cost:	\$37,325.00	@\$15.23 / sf

Type: New lease – Advertised – received four (4) proposals from two (2) proposers.

FRF Rate: \$18.00

Purchase Option: No

Lessor: Simpson Properties, LLC, current lessor

Comment: Proposed lease provides the following: No cancellation except for cause and/ or lack of funding; lessor to provide approximately 2,450 rsf of existing space. Agency to pay for the trash pick up at an annual cost of \$264.00.

SSC Report: 05-18-09. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

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

Location: **Claiborne County – 1325 Claiborne Street, Tazewell, TN – Trans No. 09-04-918**

Purpose: To provide office, classroom, laboratories, library, and storage space for Walters State Community College.

Term: July 1, 2009 thru June 30, 2014 (5 yrs)

Proposed Amount: **10,000 Square Feet**

Annual Contract Rent:	\$ 80,000.00	@ \$ 8.00 / sf
Est. Annual Utility Cost:	\$ 14,000.00	@ \$ 1.40 / sf
Est. Annual Janitorial Cost:	<u>\$ 11,000.00</u>	<u>@ \$ 1.10 / sf</u>
Total Annual Effective Cost:	\$105,000.00	@ \$10.50 / sf

Current Amount: **8,266 Square Feet**

Annual Contract Rent:	\$43,800.00	@ \$5.30 / sf
Est. Annual Utility Cost:	\$11,572.40	@ \$1.40 / sf
Est. Annual Janitorial Cost:	<u>\$ 9,092.60</u>	<u>@ \$1.10 / sf</u>
Total Annual Effective Cost:	\$64,465.00	@ \$7.80 / sf

Type: New lease – Negotiated

FRF Rate: \$14.00

Purchase Option: No

Lessor: Walters State Community College Foundation

Comment: Proposed lease has ninety (90) day State cancellation.

SSC Report: 05-18-09. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

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, APPROVAL to DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 678 Beale Street, Memphis, TN – Trans. No. 08-08-004 (BW)

Purpose: Acquisition in fee for student and faculty parking on the Union Campus of Southwest Tennessee Community College.

Source of Funding: Campus Plant Funds

Estimated Cost: \$925,000.00

Owner(s): HPTC, LLC

SSC Report: 09-15-08. Jurgen Bailey summarized the transaction. Jerry Preston is checking to see if this building is on the Historical Registration. Staff referred to Subcommittee for consent.

SC Action: 09-30-08. Subcommittee approved the request as presented.

Further approval Requested:

Requesting to amend this prior approval. The Southwest Tennessee Community College Foundation purchased the subject property for Southwest TN. Community College. The Foundation is selling this to the college for cost of \$925,000. Appraised value is \$987,000.

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

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 and WAIVER OF REM FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 3606 Watauga Avenue, Memphis, TN – Trans. No. 08-11-003 (BW)

Purpose: Acquisition in fee for the future expansion of the University of Memphis. This property is part of the 102 properties approved on 7-23-07.

Source of Funding: G O Bonds

Appraised Value: \$157,000

Owner(s): William G. Webb

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

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 AND WAIVER OF REM FEE required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County –3618 Walker Avenue, Memphis, TN – Trans. No. 08-06-028 (AM)

Purpose: Acquisition in fee for the future expansion of the University of Memphis. This property is part of the 102 properties approved on 7-23-07 and in the Master Plans.

Source of Funding: G O Bonds

Appraised Value: \$621,000

Owner(s): University Lodge #722

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

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, and WAIVER OF APPRAISALS AND ADVERTISEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Scott County – 6.1 +/- acres – Baker Hwy, Helenwood, TN – Trans. No. 09-04-009 (AM)

Purpose: Acquisition in fee for the future expansion of Roane State Community College

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): W. H. Swain Trust

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. W. H. Swain Trust is donating this 6.1 acres tract which is adjacent to a 40 acre tract that they previously gifted to Roane State Community College in 1991. This will provide control of the levy of a pond and additional acreage for expansion. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCE AGENCY

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: Carter County – 25 +/- acres – Elizabethton City, TN – Trans. No. 09-04-004 (04-10-008) (RJ)
- Purpose: Acquisition in fee from the City. City has requested to retain a reversionary clause, first right of refusal, plus some reserved easement rights for the sewer utility lines, nonexclusive recreation easement near an existing greenway trail.
- Source of Funding: T W R A
- Estimated Cost: Fair Market Value
- Owner(s): State of Tennessee
- SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
- SC Action: 05-26-09. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCE AGENCY

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: **Fayette County – 243.98 +/- acres – LaGrange/Collierville City, TN – Trans. No. 09-04-007 (RJ)**
- Purpose: Acquisition in fee to acquire the property by gift from Wolf River WMA area. This was approved under Trans. No 07-06-017 on 7-23-07, but was put on hold while Wolf River Conservancy did a land swap with developer.
- Source of Funding: TWRA Wetland Fund
- Estimated Cost: \$5,145.93
- Owner(s): Wolf River Conservancy
- SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Property adjoining Wolf River and is more desirable for TWRA than previous land configuration. Staff referred to Subcommittee for consent agenda.
- SC Action: 05-26-09. Subcommittee approved the transaction as presented.

FINANCE & ADMINISTRATION
FOR
MENTAL RETARDATION SERVICES

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: Greene County – Tracts 1, 2, 3 & 4 of the Herman Goddard Property No .1 – Trans. No. 09-04-010 (JB)

Purpose: Acquisition in fee for the property to be used as location for four (4) ICF/MR Group Homes.

Source of Funding: Current funds & Bonds – SBC/346/000-05-2005

Estimated Cost: \$100,000

Owner(s): Luke Goddard

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. This is a four acre acquisition to build four (4) MR Homes. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER OF APPRAISALS, ADVERTISING and REM FEE as required by TCA 4-15-102 and 12-2-112:

Description: Davidson County – 2+/- acres – 3000 Morgan Road, Formerly TN Youth Center – Trans. No. 09-04-002 (LW)

Purpose: Disposal by Easement to provide utility services to FAA tower
Located on state property and leased to Metro.

Estimated Cost: Public Purpose

Grantee: Nashville Electric Services

Comment: State entered a lease in 1975 to provide utility service to FAA tower. The lines need to be relocated to restore lights to the tower for the safety of the flying public.

SSC Report: 05-18-09. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 05-26-09. Subcommittee approved the transaction as presented.

Approved by: _____


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