

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

NOVEMBER 22, 2010

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

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

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

OTHERS PRESENT

Alan Robertson, Acting State Architect
Georgia Martin, State Architect's Office
Jurgen Bailey, Real Property Administration
Janie Porter, Attorney General's Office
Melinda Parton, Comptroller's Office
Jonathan Rummel, Secretary of State's Office
John Carr, Department of Finance & Administration
Dick Tracy, Tennessee Board of Regents
Dottie Hagood, Real Property Administration
Lynelle Jensen, Department of General Services
Scott Boelscher, THEC
Robbi Stivers, University of Tennessee
George Criss, University of Tennessee
Charles Peccolo, University of Tennessee
David Primeau, Department of General Services
David Gregory, Tennessee Board of Regents
Bruce Davis, Legislative Budget Office
Gordon Martin, TWRA
Dwight Hensley, TWRA
Steve Maher, MJM Architects
Mark Cherpack, Department of Finance and Administration
Representative Tim Wirgau
Lisa Stetar, The Ark/Crossroads Community Campus
Jim Dixey, Real Property Administration
Cindy Liddell, State & Local Finance

Commissioner Morrow called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by Acting State Architect Alan Robertson.

CONSENT AGENDA

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

- A. Agency: University of Tennessee – Weakley County
Transaction: Acquisition in fee
Provision: Waiver of appraisal

- B. Agency: University of Tennessee – Knox County
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals

- C. Agency: Tennessee Board of Regents – Davidson County
Transaction: Acquisition in fee
Provision: Appraisal only to be done

- D. Agency: Tennessee Higher Education Commission – Davidson County
Transaction: Lease Amendment #2

- E. Agency: Tennessee Housing Development Agency – Davidson County
Transaction: Lease Amendment #1

- F. Agency: Department of Environment & Conservation – Humphreys County
Transaction: Disposal in fee
Provision: Waiver of advertisement & one (1) appraisal

- G. Agency: Department of Environment & Conservation – Humphreys County
Transaction: Acquisition in fee
Provision: Waiver of advertisement & one (1) appraisal

- H. Agency: Tennessee Wildlife Resources Agency – Coffee County
Transaction: Acquisition in fee

- I. Agency: Department of Finance and Administration – Knox County
Transaction: Disposal by easement
Provision: Waiver of advertisement & appraisals

UNIVERSITY OF TENNESSEE

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 ONE (1) APPRAISAL AND ADVERTISEMENT required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – 1.0170 +/- acres – 208 South Dudley Street, Memphis, TN – Trans. No. 10-10-019 (Baugh)**

Purpose: Acquisition in fee to acquire the property referenced above at a purchase price that is equal to or less the appraised value. The University Master Plan will be revised to include this property.

Source of Funding: UT – land acquisition account (O)

Estimated Cost: Fair Market Value

Owner(s): Dudley Properties, LLC

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Robbi Stivers stated that the building called the Beale Building was built in 1951 and has been reviewed by their facility staff. Staff requested that Mr. Stivers provide a general report of the findings of the facility. They also requested that they be notified by e-mail on what the property appraised for. They also requested a balance on U.T.'s land acquisition account. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: **Knox County – 0.88 +/- acres – 1520 Cherokee Trail, Knoxville, TN – Trans. No. 10-10-022 (Baugh)**

Purpose: Disposal by lease to amend a lease between UT and University Health Systems, Inc. for a sublease with a period of 65 years.

Lease Term: Sixty Five (65) years

Consideration: \$150,476.00

Lessee: University Health Systems, Inc. subleases to Meadows and Ohly LLC

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction and stated the request has five components.

- 1) Approval to amend/extend 0.88 acres in the LTA for approximately 26 years beyond the LTA with a 2049 expiration date.
- 2) Approval of Amendment No. 1 to Lease and Transfer Agreement.
- 3) Approval of the Fee Owner Encroachment Agreement.
- 4) Approval of the Declaration of Easement and Restriction agreement.
- 5) Approval of a 65 year ground lease between UHS and Meadows & Ohly.

Staff referred to Sub Committee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Secretary Hargett stated that, while a 65-year lease is not what they were accustomed to doing, he thought it had become more prevalent in the market place. Robbi Stivers, representative from the University of Tennessee, responded that a 65-year lease was out of the ordinary. He stated that they have had conversations with their bonding folks and with some of the local developers in the area and, for a \$20 million facility of this type, they were told it was not that uncommon. Secretary Hargett asked for some specific examples, or if they have evidence of other areas where they have exceeded 50 years. Mr. Stivers replied that the University has never done a lease for 65 years. He said they have looked at other projects that have proposed a 65-year build out, such as the cancer research hospital in Memphis, and were exposed to that term at that point. Treasurer Lillard asked if the University owns the hospital, and Mr. Stivers responded that they own the fee interest in the land and the facilities. He said it was disposed of through the lease and transfer agreement to University

Health Systems who has the right to develop the campus and provide facilities to the underserved for the area. Treasurer Lillard stated that the facilities are owned by the University and are subject to the ground lease, but asked if the operations of the hospital and certificate of need is owned by the University or by UHS, and was told "UHS". Mr. Stivers said that UHS has complete responsibility for the maintenance and operation of the campus. Treasurer Lillard asked if it was pursuant to a sale, and was told "yes", that it was disposed of in a lease and transfer agreement in 1999, which expires in 2049. Treasurer Lillard stated that the hospital has not been disposed of totally to UHS except in the context of the lease and operating agreement, and that the University has made a decision that it's in their long term interest to continue this arrangement. Mr. Stivers stated that, if for some unforeseen reason, the lease and transfer agreement does not get extended in 2049, the improvements will also revert back to the University. In the interim, they get the use of it and to expand their graduate School of Medicine. Treasurer Lillard asked if the reversion in 2049 would include all rights to operations like certificate of need. Mr. Stivers said he was not sure about the certificate of need, but they would have the premises back in their possession. Treasurer Lillard stated that the University of Tennessee has made a decision that it is in their long term best interest to enter into this extended arrangement, and moved for approval of the item. The motion was properly seconded and passed without objection.

UNIVERSITY OF TENNESSEE

University of Tennessee, Knoxville, Tennessee

- 1) Approved a request for a revision in funding from \$1,350,000.00 to \$1,650,000.00 (\$300,000.00 increase) of a project for **Alumni Memorial & HPER Buildings Roof Replacement** at the University of Tennessee, Knoxville, and authorization to award a contract to C. M. Henley Company, in the amount of \$1,386,858.00, which includes the base bid plus Alternates 1 and 2, based on bids received November 9, 2010.

Revised Estimated Project Cost:	\$1,650,000.00		
<u>Source of Funding:</u>	<u>Original</u>	<u>Increase</u>	<u>Revised</u>
ARRA Funds (F)	\$ 107,300.00	\$300,000.00	\$ 407,300.00
2011 State Funds (A)	<u>1,242,700.00</u>	<u>0.00</u>	<u>1,242,700.00</u>
TOTAL	\$1,350,000.00	\$300,000.00	\$1,650,000.00
SBC Project No.	540/009-06-2010		

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: Stewart County – 0.043 +/- acres – Kentucky Lake, TN – Trans. No. 10-05-004 (Jackson)

Purpose: Acquisition in fee to allow the State of Tennessee to receive a permit from the Corps of Engineers to allow construction of a boat ramp to improve Kentucky lake boating access.

Source of Funding: TWRA – 25% (A)
Federal Funds – 75% (F)

Appraised Value: \$23,600

Owner(s): Earl H. Pemberton

SSC Report: 10/18/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for discussion.

SC Action: 11/01/10. Jurgen Bailey deferred the request for one month.

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Gordon Martin stated that the nearest public boat ramp was five miles away. The locals are very supportive of this boat ramp. The Option is near to expiring and time is of the essence. Staff referred to Subcommittee for discussion.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Secretary Hargett noted that Representative Tim Wirgau was present in support of the project. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES 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: Sullivan County – 4.4 +/- acres – Bristol City, TN – Trans. No. 09-11-023 (Jackson)

Purpose: Acquisition in fee of an in-holding adjoining State property by the Conservation Fund at a bargain price; the Conservation fund will later sell property to TWRA at 25% below market value. The Cornett family has agreed to this arrangement.

Source of Funding: TWRA (A)

Estimated Cost: \$145,000

Owner(s): The Cornett Family

SSC Report: 12-14-09. Jurgen Bailey summarized the transaction. This transaction will be brought back for approval when the State acquires the property from the Conservation Fund. Staff referred to Sub-committee for consent agenda.

SC Action: 12-21-09. Subcommittee approved the transaction as presented.

Further Approval needed:

TWRA is requesting approval to revise funding from 100% Federal to 75% of the purchase price to be from Federal Sports Fishing Restoration Program Funds with 25% required matching funds from TWRA General Funds from Bass license plates. This constitutes a change in funding from 100% Federal Funds to 75 % Federal and 25% State funds.

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

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 ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Fayette County – 111.11 +/- acres – Gilliland Tract, Piperton, TN – Trans. No. 10-10-006 (Jackson)

Purpose: Acquisition in fee to acquire (1) wetland tract that will become part of Wolf River WMA. These tracts have been identified and are part of the Wolf River North American Wetland Conservation Act Grant.

Source of Funding: TWRA Wetland (A)

Estimated Cost: \$100,000 estimated price

Owner(s): Wolf River Conservancy / Keith Kirkland

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Gordon Martin stated that these transactions had been approved by SBC to be acquired by Gift (approved by SBC on 7/23/2007); however the Wolf River Conservancy has recently changed management and has decided to sell them to the state instead. This tract is critical acreages to the State because it will meet the requirements of the North American Wetland Conservation Act Grant whereby the state will receive \$1 million dollars in Federal Funds upon completion of this acquisition. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER OF ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

- Description: **Fayette County – 83.89 +/- acres – Knox Tract, Piperton, TN – Trans. No. 10-10-007 (Jackson)**
- Purpose: Acquisition in fee to acquire (1) wetland tract that will become part of Wolf River WMA. These tracts have been identified and are part of the Wolf River North American Wetland Conservation Act Grant.
- Source of Funding: TWRA Wetland (A)
- Estimated Cost: \$75,500 estimated price
- Owner(s): Wolf River Conservancy / Keith Kirkland
- SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Gordon Martin stated that these transactions had been approved by SBC to be acquired by Gift (approved by SBC on 7/23/2007); however the Wolf River Conservancy has recently changed management and has decided to sell them to the state instead. This tract is critical acreages to the State because it will meet the requirements of the North American Wetland Conservation Act Grant whereby the state will receive \$1 million dollars in Federal Funds upon completion of this acquisition. Staff referred to Subcommittee with recommendation.
- SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER OF ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

- Description: **Fayette County – 154.84 +/- acres – Spinolo Tract, Piperton, TN – Trans. No. 10-10-008 (Jackson)**
- Purpose: Acquisition in fee to acquire (3) wetland tracts located in Fayette County. These will become part of Wolf River WMA. These tracts constitute properties identified as being the priorities for acquisition utilizing funds from the Wetland Acquisition Fund.
- Source of Funding: TWRA Wetland (A)
- Estimated Cost: \$250,000 estimated price
- Owner(s): Charles M. Spinolo
- SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. This transaction is a current priority for T.W.R.A.'s wetland acquisition program. Staff referred to Subcommittee with recommendation.
- SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN APPRAISAL, and EXERCISE OPTION to ACQUIRE or ACCEPT GIFT, and WAIVER OF ONE APPRAISAL the required interest in the following real property:

Description: Unicoi County – 0.0814+/- acres – Clear Branch Road near I-26 Welcome Center, Ernestville, TN – Trans. No. 10-11-002 (Bailey)

Purpose: Acquisition of Waterline and Sewer line Easement to serve I-26 Welcome Center (SBC#241-010-01-2005) (A)

Estimated Cost: Fair Market Value

Grantor: E.D.M. Trust

Comment: Easement will be conveyed to Ervin Utilities upon completion of Project.

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN APPRAISALS, and EXERCISE OPTION to ACQUIRE or ACCEPT GIFT, and WITH WAIVER OF ONE APPRAISAL the required interest in the following real property:

Description: Unicoi County – 0.10+/- acres – Clear Branch Road near I-26 Welcome Center, Ernestville, TN – Trans. No. 10-11-003 (Bailey)

Purpose: Acquisition of Waterline and Sewer line Easement to serve I-26 Welcome Center (SBC#241-010-01-2005) (A)

Estimated Cost: Fair Market Value

Grantor: Richard Wilson

Comment: Easement will be conveyed to Ervin Utilities upon completion of Project.

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of a RIGHT OF ENTRY to allow Non-Profit Organization to complete a Feasibility Study on property and improvements owned by the State to determine if a Master Plan is feasible for a Long Term Lease to convert property into a campus setting for Homeless Shelter, No-Kill Animal Shelter, Job Training facility and business incubation center.

Description: Davidson County – 52+/- acres & improvements located at Spencer Youth Center, Nashville, TN – Trans. No. 10-11-004 (Bailey)

Purpose: The Non-Profit's plan is to turn land and mothballed buildings into campus setting providing housing for homeless people, animal care facilities, tree nursery and large scale community gardens.

Estimated Cost: No Cost

Grantee: The Ark at the Crossroads Community Campus, 501(c)(3)

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Lisa Stetar, Executive Director for the ARK at the Crossroads Community Campus, stated that they are looking at developing this site as a campus for a homeless shelter, animal shelter with job training as their focus. They will determine with this feasibility study if they can utilize this tract and the various buildings. She stated that they various sources of funds they will use in this development. Alan Robertson stated that he would contact Children Services to determine their level of support for this project. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Comptroller Wilson asked if the Department of Children's Services was aware of the item. Mr. Bailey replied, "yes", and that they were very supportive of the idea. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and WAIVER of REM FEE as required by T.C.A. 4-15-102 and 12-2-112:

Description: **Knox County – 21.9+/- acres – Lakeshore Property, Knoxville, TN – Trans. No. 10-09-007 (Jackson)**

Purpose: Disposal in Fee as provided in the agreement concerning implementation of the Lakeshore Master Plan (October 15, 1999) as approved by the SBC on July 30, 1999. The state will convey part of Tract 13, which includes Chapel, Peach, Spruce, Pine, Magnolia, Apple, Dogwood, Cherry Village and Cedar buildings and a designated amount of surrounding property for each building, to the City of Knoxville. This transfer is in agreement with the above referenced "Agreement Concerning Implementation of Lakeshore Master Plan". This agreement involved the participation of the State Dept. of Finance and Administration (F&A), Dept. of Mental Health (MH), Dept. of Veterans Affairs (VA), and the University of TN and allows for the transfer of vacated areas of the property to the City of Knoxville as MH vacates such areas. The agreement is an executed contract. This area of Tract 13 has now been vacated by MH. Language in the agreement states, "The City may develop the park as it deems appropriate and may construct buildings, recreation facilities, playgrounds, gardens, park and recreation offices and other improvements of general public benefit within the park." Five acres may be "used for other public purposes" as long as that purpose does not "generate significant noise or sound." The conveyance will include a reversionary clause, which provides that ownership of the conveyed property will revert to the State, at the State's option, if the property is no longer used for a public recreational purpose, as per the original agreement.

Original to State: Gift

Estimated Sales Price: Grant to City of Knoxville for recreational purposes

Grantor: John J. Craig, etux

SSC Report: 10/18/10. Jurgen Bailey summarized the transaction. Staff referred to subcommittee for consent agenda.

SC Action: 11/01/10. Subcommittee deferred action until next month due to language being omitted from the lead sheet regarding a reversionary clause.

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11/22/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on November 1, 2010.

Report of Change Orders Resulting in Cumulative Change Order Costs to Exceed 10% of Base Contract Amount

At the SBC meeting on 11/10/10, Treasurer Lillard made a motion to request that all of these items be discussed at Staff level and brought to the Subcommittee for further action. Mr. Robertson stated that he had met recently with staff and discussed the many issues surrounding change orders, in particular change orders exceeding 10% of the base contract amount. He mentioned that the SBC Policy and Procedures require that these items be reported to the State Building Commission, but that the approval comes to the State Architect. He said he reviews each item to make sure they fall within the scope of the project and that project managers are asked the question whether the remaining contingencies in the budget support the completion of the project, and with the possibility of further change orders involved in the project to get to completion, and also to make sure it's within the original scope intended for the project. He said he would like to further discuss their concerns regarding projects that bid way over the target, where there are surplus funds and how to track those remaining dollars. He said he drafted and distributed to them a lengthy memo regarding this subject for their information.

Treasurer Lillard thanked Mr. Robertson for following up on his motion and for his memo. He said, as he understood it, these are just report items that have already been approved through the administrative process, and that they have been making motions in the past when no motion was necessary. Mr. Robertson responded that he thought perhaps an acknowledgment would be appropriate, as well as any questions or concerns raised regarding the change orders. He offered to provide more information to give the members better insight about the scope of the project and whether the contingency was sufficient to complete the project. Treasurer Lillard said he would review his memo in more detail but didn't think the projects were being held up since the change orders had already been approved. He said that because there are some huge cumulative percentages on a cumulative basis, he thought they needed to continue to look at this. Comptroller Wilson thanked Mr. Robertson for his memo. He said they may want to change the procedures, but were not prepared to do so that day. Treasurer Lillard made a motion to acknowledge the report of the change orders exceeding 10% of the base contract amount. The motion was seconded and passed without objection.

- 1) **Cumberland Mountain State Park**
(Site/Building Upgrades)
- | | |
|-----------------------|--------------------|
| Change Order No. | 8 |
| Contract Amount: | \$314,530.00 |
| Change Order Amount: | \$11,484.00 |
| Change Order Percent: | 3.65 |
| Cumulative Percent | 20.59 |
| SBC Project No. | 126/030-01-2006-01 |

- 2) **Piedmont Gas Building**
(Interior Renovation)
Change Order No. 4
Contract Amount: \$628,230.00
Change Order Amount: \$65,713.00
Change Order Percent: 10.46
Cumulative Percent 18.95
SBC Project No. 529/012-01-2009

- 3) **Piedmont Gas Building**
(Interior Renovation)
Change Order No. 5
Contract Amount: \$628,230.00
Change Order Amount: \$62,216.96
Change Order Percent: 9.90
Cumulative Percent 28.85
SBC Project No. 529/012-01-2009

- 4) **TN Highway Patrol District III**
(Building Upgrades)
Change Order No. 3
Contract Amount: \$102,249.00
Change Order Amount: \$8,940.43
Change Order Percent: 8.74
Cumulative Percent 16.27
SBC Project No. 502/030-01-2009

- 5) **Tennessee Technological University**
(Accessibility Adaptations)
Change Order No. 4
Contract Amount: \$195,450.00
Change Order Amount: \$3,559.81
Change Order Percent: 1.82
Cumulative Percent 11.51
SBC Project No. 166/011-05-1999

- 6) **Austin Peay State University**
(Chemical Engineering Tech Facility)
Change Order No. 13
Contract Amount: \$5,038,508.00
Change Order Amount: (\$21,244.00)
Change Order Percent: (0.42)
Cumulative Percent 14.99
SBC Project No. 166/003-01-2009

- 7) **Walters State Community College**
(Student Services Bldg & Renovations)
Change Order No. 2
Contract Amount: \$198,500.00
Change Order Amount: \$23,430.49
Change Order Percent: 11.80
Cumulative Percent 14.08
SBC Project No. 166/023-03-1993
- 8) **Chattanooga State Community College**
(Allied Health Facilities Improvements)
Change Order No. 8
Contract Amount: \$1,494,000.00
Change Order Amount: \$40,114.40
Change Order Percent: 2.69
Cumulative Percent 12.53
SBC Project No. 166/012-03-2005
- 9) **Chattanooga State Community College**
(Athletic Fields Upgrade)
Change Order No. 5
Contract Amount: \$1,598,000.00
Change Order Amount: \$4,595.50
Change Order Percent: 0.29
Cumulative Percent 11.16
SBC Project No. 166/012-04-2008

Designer Selections

- 1) Approved the following designer selections from the November 10 SBC meeting, as referred by the State Building Commission, with authority to act.
- 1) **Tennessee School for the Blind**
(Resurface Parking Areas)
Estimated Project Cost: \$300,000.00
SBC Project No. 168/005-02-2010
Designer: **BARGE CAUTHEN & ASSOCIATES**
- 2) **Greene Valley Developmental Center**
(Essential Maintenance)
Estimated Project Cost: \$800,000.00
SBC Project No. 344/007-03-2010
Designer: **ENGINEERING SERVICES GROUP**

- 3) **Moccasin Bend Mental Health Institute**
(Replace Air Handlers)
Estimated Project Cost: \$180,000.00
SBC Project No. 344/009-01-2010
Designer: **ENGINEERING SERVICES GROUP**

- 4) **Department of Tourist Development**
(Civil War Interpretive Exhibits)
Estimated Project Cost: \$1,000,000.00
SBC Project No. 660/000-01-2010
Designer: **VAN POND ARCHITECT**

- 5) **Middle Tennessee State University**
(Several Buildings Envelope Repair)
Estimated Project Cost: \$1,100,000.00
SBC Project No. 166/009-17-2010
Designer: **KAATZ BINKLEY JONES MORRIS**

- 6) **Tennessee State University**
(RaSP Facility Buildout)
Estimated Project Cost: \$1,469,148.00
SBC Project No. 166/001-05-2010
Designer: **JOHNSON JOHNSON CRABTREE**

- 7) **Chattanooga State Community College**
(CBIH Parking Lot)
Estimated Project Cost: \$700,000.00
SBC Project No. 166/012-05-2010
Designer: **HEFFERLIN + KRONENBERG**

- 8) **Chattanooga State Community College**
(Chemistry Lab Updates)
Estimated Project Cost: \$740,000.00
SBC Project No. 166/012-06-2010
Designer: **TIM BURNEY ARCHITECT**

There being no further business, the meeting adjourned at 11:02 a.m.

UNIVERSITY OF TENNESSEE

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

Description: Weakley County – 0.44 +/- acres – 114 Old Fulton Road, Martin, TN – Trans. No. 10-10-020 (Baugh)

Purpose: Acquisition in fee to accept the property referenced above as a gift. The property is contiguous to UT Martin's Agricultural property. The University Master Plan will be revised to include this property.

Source of Funding: N/A

Estimated Cost: Gift (0)

Owner(s): Walter & Susan Benson Collins

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

B.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: **Knox County – 18.59 +/- acres – Cherokee Farm, Knoxville, TN – Trans. No. 10-10-021 (Baugh)**

Purpose: Disposal by easement for the Knoxville Utilities Board (KUB) for several permanent utilities easements across the Cherokee Farms site. KUB seeks authorization for access and utilities ingress and egress over, under and across the property for the purpose of repairing and serving utilities.

Estimated Sale Price: Mutual Benefits

Grantee: Knoxville Utilities Board

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN APPRAISAL ONLY and WAIVER OF ADVERTISEMENT & ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

- Description: **Davidson County – 5318 Hickory Hollow Parkway, Antioch, TN – Trans. No. 10-10-032 (Maholland)**
- Purpose: Acquisition in fee to acquire property which includes: 9.3 +/- acres, with 68,500 sf building plus adjacent 31,400 sf annex building; property has 519 +/- parking spaces.
- Source of Funding: Campus Operating Funds (A)
- Estimated Cost: unknown
- Owner(s): Kir Hickory Hollow LP / Kimco Realty
- Comment: The full time student population served by Nashville State Campus is 4,067 students an analysis of NSCC's enrollment determined that 2,359 full time students are from the Antioch area. This satellite campus could accommodate 1,200 students, which would enable the main campus to expand some of their courses, which now they cannot. This property is in a convenient location with easy access to I-24 and MTA access.
- SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Dick Tracey explained that the property is attractive to the Board of Regents if they can get it at a fair price. There will be some build-out required to meet staff's needs. The Staff Subcommittee recommended that an appraisal be completed and have the transaction come back as soon as possible. Staff referred to Subcommittee for consent agenda for appraisal only.
- SC Action: 11/22/10. Subcommittee approved the transaction as presented.

D.

TENNESSEE HIGHER EDUCATION COMMISSION

LEASE AMENDMENT

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

Location: Davidson County – 404 James Robertson Parkway, Suite 1800, Nashville, TN – Trans. No. 07-12-905 (Baltz)

Purpose: To provide additional office space for four (4) new staff part of the College Access Challenge Federal Program.

Term: March 1, 2011 thru July 31, 2018 (7 yrs. 5 mons.)

Proposed Amount: 38,046 Square Feet
Average Annual Contract Rent Incl.
Utility & Janitorial Cost: \$624,715.32 @\$16.42 / sf
Total Annual Effective Cost: \$624,715.32 @\$16.42 / sf

Current Amount: 37,063 Square Feet
Average Annual Contract Rent Incl.
Utility & Janitorial Cost: \$608,574.46 @\$16.42 / sf
Total Annual Effective Cost: \$608,574.46 @\$16.42 / sf

Type: Amendment #2

FRF Rate: \$18.00 (A)

Lessor: Northeastern Security Development Corp. / Parkway Towers Mezz, LLC

Comment: Lessor is to provide Suite 1800 (983 sf) and alterations and modifications to the amended space, according to plans and specifications agreed upon between the Lessor and the State, shall be performed prior to occupancy by the State. Costs of these alterations and modifications shall be borne entirely by the Lessor.

Except as hereinafter modified and amended, all other terms and conditions of the Lease Agreement shall remain unchanged and in full force and effect.

SSC Report: 11/15/10. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

E.

TENNESSEE HOUSING DEVELOPMENT AGENCY

LEASE AMENDMENT

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

Location: Davidson County – 404 James Robertson Parkway, Suite LL103 Nashville, TN – Trans. No. 06-07-927 (Baltz)

Purpose: To provide additional office space for ten (10) new staff part of the Hardest Hit Fund Program.

Term: November 1, 2010 thru January 31, 2012 (1 yr. 3 mons.)

Proposed Amount: 45,600 Square Feet
Average Annual Contract Rent Incl.
Utility & Janitorial Cost: \$726,408.00 @\$15.93 / sf
Total Annual Effective Cost: \$726,408.00 @\$15.93 / sf

Current Amount: 43,200 Square Feet
Average Annual Contract Rent Incl.
Utility & Janitorial Cost: \$688,064.00 @\$15.93 / sf
Total Annual Effective Cost: \$688,064.00 @\$15.93 / sf

Type: Amendment #1

FRF Rate: \$18.00 (A)

Lessor: Northeastern Security Development Corp. / Parkway Towers Mezz, LLC

Comment: Lessor is to provide Suite LL103 and alterations and modifications to the amended space, according to plans and specifications agreed upon between the Lessor and the State, shall be performed prior to occupancy by the State. Costs of these alterations and modifications shall be borne entirely by the Lessor. Except as hereinafter modified and amended, all other terms and conditions of the Lease Agreement shall remain unchanged and in full force and effect.

SSC Report: 11/15/10. Melanie Buchanan summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

F.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Humphreys County – 61 +/- acres – 3241 Forks River Road, Waverly, TN – Trans. No. 10-10-017 (Jackson)

Purpose: Disposal in fee for mutually beneficial land swap. TDEC would like to acquire Mr. Stewart's property because additional Mississippian Indian sites have been found on the property. TDEC is disposing of 61 +/- acres from the Link Farm Archeological Area in Humphrey County.

Original Cost to State: \$971,528.80

Date of Original Conveyance: November 7, 2008

Grantor Unto State: Arthur R. Cushman

Estimated Sale Price: \$9,000 expenses for appraisal, survey & title cost

Grantee: Scott Stewart

Comment: Only 61 acres out of the total 441.604 acres will be exchanged.

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

G.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Humphreys County – 61 +/- acres – 3241 Forks River Road, Waverly, TN – Trans. No. 10-10-018 (Jackson)

Purpose: Acquisition in fee for mutually beneficial land swap. TDEC would like to acquire Mr. Stewart's property because additional Mississippian Indian sites have been found on the property. TDEC is disposing of 61 +/- acres from the Link Farm Archeological Area in Humphrey County.

Source of Funding: State Land Acquisition Fund (A)

Estimated Cost: \$9,000 expenses for appraisal, survey & title cost

Owner(s): Scott Stewart

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

H.

TENNESSEE WILDLIFE RESOURCES 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: Coffee County – 1,155.07 +/- acres – Bark Camp Barrens, Manchester, TN – Trans. No. 10-10-003 (Jackson)

Purpose: Acquisition in fee requested by the owners that the property be gifted to TWRA for continued protection and reservation as a wetland.

Source of Funding: Gift (O)

Owner(s): National Ecological Foundation / Tony Campbell

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 11/22/10. 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 AND ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description: Knox County – 3.58+/- acres – East TN Veteran Cemetery Site, Knoxville, TN – Trans. No. 10-11-001 (Bailey)

Purpose: Disposal by Easement to allow KUB and KCUB to bring in power and water to SBC Project No. 682/000-03-2006-FAI TN-06-10 Veteran Cemetery Expansion, 2200 East Governor John Sevier Hwy., Knoxville, TN

Estimated Cost: Grant for public purpose.

Grantee: Knoxville Utility Board (electrical)
Knox Chapman Utility District (water)

SSC Report: 11/15/10. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 11/22/10. Subcommittee approved the transaction as presented.

Approved by: Mike Morrow

Mike Morrow, Commissioner
Department of Finance and Administration