

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
October 24, 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 11:01 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
Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Tennessee Board of Regents
- Department of Education
- Department of General Services
- State Building Commission

PRESENTER

Dick Tracy
Eric Williams
Ted Hayden
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 – Rutherford County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- C. Agency: Tennessee Board of Regents – Knox County
Transaction: Disposal – Easement (Utility and Access)
Provision(s): Waiver of advertisement and one appraisal

- D. Agency: Tennessee Board of Regents – Hamblen County
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement

- E. Agency: Tennessee Wildlife Resources Agency – Madison & Carroll Counties
Transaction: Acquisition – Fee (Third Party)
Provision(s): Waiver of advertisement and one appraisal, and to utilize third party

- F. Agency: Department of Environment & Conservation – Morgan County
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- G. Agency: Department of Environment & Conservation – Hardin County
Transaction: Acquisition – Easement (Conservation)
Provision(s): Waiver of advertisement and appraisals

- H. Agency: Department of Environment & Conservation – Hamblen County
Transaction: Disposal – Lease (Land)
Provision(s): Waiver of advertisement with plans and specs to be approved by the Office of the State Architect

TENNESSEE BOARD OF REGENTS

Dyersburg State Community College, Dyer County, Dyersburg, Tennessee

Requested Action: Approval of a revision in project budget, funding, and source(s) of funding in order to award a contract

Project Title: Accessibility (ADA) Adaptations

Project Description: Implement accessibility adaptations responding to ADA. Project will ensure program accessibility at all universities and colleges.

SBC Number: 166/017-02-2010

Total Project Budget: \$437,648.35

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$ 4,478.35	\$ 0.00	\$ 4,478.35	05/06	CurrFunds-CapMaint	(A)
	8,335.00	0.00	8,335.00	06/07	CurrFunds-CapMaint	(A)
	8,335.00	0.00	8,335.00	07/08	CurrFunds-CapMaint	(A)
	12,500.00	0.00	12,500.00	08/09	CurrFunds-CapMaint	(A)
	12,500.00	0.00	12,500.00	09/10	CurrFunds-CapMaint	(A)
	24,500.00	0.00	24,500.00	10/11	CurrFunds-CapMaint	(A)
	30,000.00	0.00	30,000.00	11/12	CurrFunds-CapMaint	(A)
	50,000.00	0.00	50,000.00	14/15	CurrFunds-CapMaint	(A)
	175,000.00	0.00	175,000.00	15/16	CurrFunds-CapMaint	(A)
	0.00	112,000.00	112,000.00		Plant (Non-Auxiliary)	(A)

Original Project Budget: \$325,648.35

Change in Funding: \$112,000.00

Revised Project Budget: \$437,648.35

Comment: Two bids were received on October 5th for the subproject with Allen Searcy Builders-Contractor, Inc. submitting the low bid. Additional funds are for base bid only. There will be no additional designer fees.

Previous Action:

07/08/2010	SBC	Approved project
07/23/2010	ESC	Selected designer (McGehee Nicholson Burke Architects)
07/14/2011	SBC	Revised funding
07/10/2014	SBC	Revised funding
07/09/2015	SBC	Revised funding
10/13/2016	SBC	Referred to ESC with authority to act

Minutes: 10/24/2016 ESC Approved a revision in project budget, funding, and sources of funding in order to award a contract.

DEPARTMENT OF EDUCATION

Alvin C. York Institute, Jamestown, Fentress County, Tennessee

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

Project Title: Demolition – 701 Main Street

Project Description: This project provides for the demolition of 701 Main Street, Building #3, in Jamestown, Tennessee.

SBC Number: 168/001-01-2016

Total Project Budget: \$10,000.00

Source of Funding: \$10,000.00 07/08 CurrFunds-CapImprov (R)

Comment: The home, built in 1963, is in extreme disrepair, unsuitable for inhabiting and no longer needed. The Tennessee Historical Commission has determined that this project will not adversely affect this State-owned resource and no further action is necessary.

Minutes: 10/24/2016 ESC Approved a project, budget, scope, funding and source of funding.

DEPARTMENT OF GENERAL SERVICES

Disposal – Fee (with Right to Hire an Auction Firm)

Requested Action: Approval of disposal in fee with waiver of one appraisal and to release an RFP for auctioneer services

Transaction Description: Transaction No.15-06-006-BN

- **Location:** Davidson County – 2.11+/-acres – 450 & 460 James Robertson Pkwy, Nashville, TN
- **Estimated Sale Price:** Fair Market Value
- **Estimated Auctioneer Cost:** To be negotiated

Comment: The Tennessee Regulatory Authority building is property that's in excess of the State's needs. Considering the downtown location, age and condition of the building, this is believed to be an appropriate property to pilot a sale by auction process.

The Tennessee Historical Commission determined that the **disposal** of this 50+ year old property does adversely affect this State-owned resource. The mitigation plan worked out with the Tennessee Historical Commission (THC) is that marketing materials will discuss possible property qualification for a 20% Federal Investment Tax Credit for historical buildings, and STREAM shall make photographic record of the building in the manner requested by THC.

Date of Last Transfer: January 2, 1986
Previous Owner: Northwestern Mutual Life Insurance Co.
Original Cost to State: \$3,800,000
Square Footage Improvements: 45,900

Minutes: 10/24/2016 Comptroller Wilson stated he was not objecting, but was curious as to how STREAM came to the idea to sell this property by auction. Ted Hayden responded that based on their understanding of the merits and strengths of the auction process, they thought this property was a good match. Subcommittee approved disposal in fee with waiver of one appraisal and to release an RFP for auctioneer services.

DEPARTMENT OF GENERAL SERVICES

Statewide

Requested Action: Approval to award a contract to the best evaluated proposer for a Power Purchase Agreement (PPA)

Project Title: Energy Generation Systems

Project Description: Generation of electricity from systems installed and maintained by others and located on State owned properties.

SBC Number: 460/000-06-2015

Comment: The State seeks to reduce electrical utility cost and consumption through the installation of on-site renewable energy generating systems. The energy generating systems will be contracted through a PPA and the term of the contract will be for 25 years with a right to terminate with removal after six years. Payments will be diverted from the User Agencies' electrical operating costs and will be less than the current annual energy expenditures. The projected operating cost savings are due to the reduced cost of electricity from the on-site systems as compared to purchasing electricity from the grid. All sites will be subject to the approval of the State Building Commission. Sites on which energy generating systems will be installed are:

Department of Correction

- Bledsoe County Correctional Complex
- Northeast Correctional Complex
- Northwest Correctional Complex
- Tennessee Prison for Women

General Services

- RS Gass Complex – various buildings
- Ellington Agricultural Center – Porter Lab

Nine proposals were received on September 1, 2016. The Notice of Intent to award was issued on October 12, 2016 naming Hannah Solar as the best evaluated proposer. No protests were received in the protest period.

Previous Action:	09/10/2015	SBC	Referred to the ESC with authority to act
	09/21/2015	ESC	Agency requested deferral to a called meeting
	09/23/2015	ESC	Approved project and release of RFP
	12/17/2015	SBC	Approved award of a contract to Hannah Solar
	06/09/2016	SBC	Approved issuance of RFP for PPA; referred award to ESC

Minutes:	10/24/2016	ESC	Approved award of a contract to Hannah Solar
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DEPARTMENT OF GENERAL SERVICES

Report Item:

Pursuant to *State Building Commission Policy and Procedures*, Item 8.01 (J) Report Item as approved on September 19, 2011.

For all acquisitions and disposals of interests in real property, closed in the previous quarter, that have been previously approved by the Executive Subcommittee, the following information shall be reported back to the Executive Subcommittee by STREAM on a quarterly basis (July 1, 2016 – September 30, 2016).

1. Resulting appraisal value(s)
2. Final purchase or sales price
3. Amount(s) and source of funding used or received
4. 3rd Party Costs

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on September 19, 2016.

Designer Selections

- 1) Report received of the following designer selections as delegated to the State Architect for projects below the major maintenance threshold:

Location: Tennessee School for the Deaf
Project Title: HVAC Replacement
Total Project Budget: \$424,600
SBC Project No. 168/007-02-2016
Designer: EDMONDS ENGINEERING INC

Location: Middle Tennessee State University
Project Title: Cope Building Interior Renovations
Total Project Budget: \$420,000
SBC Project No. 166/009-08-2016
Designer: GOULD TURNER GROUP

Location: University of Memphis
Project Title: McWherter Library Chiller Replacement
Total Project Budget: \$485,000
SBC Project No. 166/007-07-2016
Designer: HNA ENGINEERING PLLC

- 2) Report received of the following on SBC Policy 4.01D – Standard Form of Agreement Between Owner and Designer not executed within 180 days:

Project: CCC Cabin Renovations – Various Locations
SBC Number: 126/000-03-2015
Designer: Sparkman & Associates, Inc.
Approval Date: 03/21/2016
Comment: The Designer was approved in April and the contract was not able to be executed prior to July 1 requiring that the contract be rewritten on the new form. This rewriting and the associated routing has proceeded but was not completed within the 180 day time period. It is STREAM's intent to continue the routing and enter into the contract with this Designer as originally intended.

- 3) 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) Pellissippi State Community College
(Strawberry Plains Science Labs)
Total Project Budget: \$1,550,000
SBC Project No. 166/032-01-2016
Designer: COMMUNITY TECTONICS ARCHITECTS</p> <p>2) Tennessee State University
(Health Sciences Facility)
Total Project Budget: \$38,800,000
SBC Project No. 166/001-02-2016
Designer: EARL SWENSSON ASSOCIATES</p> <p>3) University of Memphis
(Advanced Manufacturing Research Lab)
Total Project Budget: \$2,100,000
SBC Project No. 166/007-06-2016
Designer: BRAGANZA DESIGN/GROUP</p> <p>4) University of Tennessee Chattanooga
(Academic Classroom Bldgs Reno-Lupton/Fine Arts)
Total Project Budget: \$37,910,000
SBC Project No. 540/005-01-2015
Designer: FRANKLIN ASSOCIATES ARCHITECTS</p> <p>5) University of Tennessee Chattanooga
(Professional Consulting Services-Electrical)
Total Project Budget: \$210,000
SBC Project No. 540/005-06-2015
Designer: WEST WELCH REED ENGINEERS INC</p> <p>6) University of Tennessee Health Science Center
(Elevator Improvements Ph 1)
Total Project Budget: \$5,300,000
SBC Project No. 540/013-03-2016
Designer: CANUP ENGINEERING INC</p> <p>7) RS Gass Complex
(TDEC Field Office Envelope Repair)
Total Project Budget: \$1,965,000
SBC Project No. 529/020-01-2016
Designer: GOBBELL HAYS PARTNERS INC</p> | <p>8) Clover Bottom Campus
(Essential Maintenance)
Total Project Budget: \$4,149,500
SBC Project No. 346/003-02-2016
Designer: SMITH SECKMAN REID INC</p> <p>9) Library & Archives Building
(Elevator Backup Power)
Total Project Budget: \$424,600
SBC Project No. 529/043-01-2016
Designer: SMITH SECKMAN REID INC</p> <p>10) Department of General Services
(Architectural Consultant – Middle Tennessee)
SBC Project No. 529/000-08-2012
Designer: EOA ARCHITECTS PLLC</p> <p>11) Department of General Services
(Various Facilities – Arc Flash Studies)
SBC Project No. 529/000-05-2015
Designer: FISHER ARNOLD</p> <p><i>The following selections were delegated to the State Architect for projects below the major maintenance threshold:</i></p> <p>12) Tennessee School for the Deaf
(HVAC Replacement)
Total Project Budget: \$424,600
SBC Project No. 168/007-02-2016
Designer: EDMONDS ENGINEERING INC</p> <p>13) Middle Tennessee State University
(Cope Building Interior Renovations)
Total Project Budget: \$420,000
SBC Project No. 166/009-08-2016
Designer: GOULD TURNER GROUP</p> <p>14) University of Memphis
(McWherter Library Chiller Replacement)
Total Project Budget: \$485,000
SBC Project No. 166/007-07-2016
Designer: HNA ENGINEERING PLLC</p> |
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Other Business

There being no other business, the meeting adjourned at 11:09 a.m.

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Purchase)

Requested Action: 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

Transaction Description:

Transaction No. 16-09-009

• **Location:**

Middle Tennessee State University
Rutherford - .32+/-acres – 630 Crestland Avenue, Murfreesboro, TN

• **Owner(s):**

DPR Investments

• **Estimated Purchase Price:**

Fair Market Value

• **Source of Funding:**

Rental Funds (Auxiliary)

Comment:

The campus intends to use the structures located on the property as rentals. This property is in MTSU's 2016 Master Plan acquisition area. A facility condition assessment has been performed and the property can be used without significant capital investment.

Date of Last Transfer: March 15, 1999
Purchase Price: \$8,666
Property Assessor's Value: \$263,200
Square Footage 3,990
Improvements:

Minutes:

10/24/2016 Approved obtaining 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.

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Purchase)

Requested Action: 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

Transaction Description:

Transaction No. 16-09-008

• **Location:**

Middle Tennessee State University

Rutherford - .32+/-acres – 2541-47 Middle Tennessee Boulevard, Murfreesboro, TN

• **Owner(s):**

James E. Partin

• **Estimated Purchase Price:**

Fair Market Value

• **Source of Funding:**

Rental Funds (Auxiliary)

Comment:

The campus intends to use the structures located on the property as rentals. This property is in MTSU's 2016 Master Plan acquisition area. A facility condition assessment has been performed and the property can be used without significant capital investment.

Date of Last Transfer:	March 15, 1999
Purchase Price:	\$23,554
Property Assessor's Value:	\$215,600
Square Footage	4,290
Improvements:	

Minutes:

10/24/2016 Approved obtaining 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.

TENNESSEE BOARD OF REGENTS

Disposal – Easement (Utility and Access)

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

Transaction Description: Transaction No. 16-10-001

- **Location:** Pellissippi State Community College (total of 1.81 acres of permanent easements)
 - Knox County – 17,770+/-sf permanent access and utility easement, 15' wide 18,870+/-sf temp construction easement – 2435 Soloway Road, Knoxville, TN
 - Knox County – 19,986+/-sf permanent access and utility easement and 15' wide 18,220+/-sf temp construction easement – 10915 Hardin Valley Road, Knoxville, TN
 - Knox County – 20' wide 27,745+/-sf permanent access and utility easement and 15' wide 36,983+/-sf temporary construction easement – 10915 Hardin Valley Road, Knoxville, TN
 - Knox County – 11,193+/-sf permanent access and utility easement and 15' wide 14,532+/-sf temporary construction easement

• **Grantee:** West Knox Utility District (WKUD)

• **Estimated Sale Price:** \$38,300

• **Source of Funding:** Knox County Utility District

Comment: These easements are for WKUD's planned force main that will serve as a connecting line between WKUD's existing water treatment facility and a new water treatment facility.

Date of Last Transfer: July 10, 1984

Original Cost to State: Various

Minutes: 10/24/2016 Approved disposal by easement with waiver of advertisement and one appraisal.

TENNESSEE BOARD OF REGENTS

Acquisition – Lease Amendment

Requested Action: Approval of a lease amendment with waiver of advertisement

Transaction Description: Transaction No. 15-03-906

- **Proposed Amendment**

- **Area / Costs:** 13,796 Square Feet

Annual Average Contract Rent	\$124,164.00	\$ 9.00/sf
Estimated Annual Utility Cost	24,143.00	1.75/sf
Estimated Annual Janitorial Cost	15175.60	1.10/sf
Total Annual Effective Cost	\$163,482.60	\$11.85/sf

- **Current Lease**

- **Location:** Walters State Community College
Hamblen County – 215 S. Liberty Hill Road, Morristown, TN
- **Landlord:** Investment Properties
- **Term:** June 15, 2015 through June 14, 2025
- **Area / Costs:** 10,446 Square Feet

Annual Average Contract Rent		
Estimated Utilities Cost	\$ 94,014.00	\$ 9.00/sf
Estimated Janitorial Cost	18,280.50	1.75/sf
Total Annual Effective Cost	11,490.60	1.10/sf
	\$123,785.10	\$11.85/sf

- **Source of Funding:** Workforce Investment Act (WIA) Grant (F)

- **FRF Rate:** \$14.00 (for reference only)

Comment: Waiver of advertisement is requested because the Adult Education program has grown to the point that an additional 3,350 sf is needed in order to accommodate the additional students.

Previous Action: 03/23/2015 Approved a lease with waiver of advertisement.

Minutes: 10/24/2016 Approved a lease amendment with waiver of advertisement.

TENNESSEE WILDLIFE RESOURCES AGENCYAcquisition – Fee (Third Party)

Requested Action: 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; and to utilize a third party

Transaction Description: Transaction No. 16-09-007-DM

- **Location:** Madison & Carroll Counties – 202+/-acres (2 tracts) – Jackson & Huntingdon, TN
- **Owner(s):** Stegall Company Limited Partnership
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 16/17 Wetland Acquisition Fund (A)
- **Third Party:** Tennessee Wildlife Federation

Comment: Per TCA 11-14-402, this property is on the wetlands priority list and has been approved for purchase by the Commissioner of the Department of Agriculture and Executive Director of Tennessee Wildlife Resources Agency. The property is contiguous to the Spring Creek Wildlife Management Area. The purchase will protect and preserve watershed functions in the Spring Creek ecosystem. No additional management costs are anticipated with this acquisition.

Utilization of the third party is requested because of the need to close more quickly than would be possible under the State process. No additional third party costs are requested as part of this transaction.

Date of Last Transfer: June 30, 2005 (Spring Crk Rd., Carroll County)
 Purchase Price: \$0.00 (Quit Claim)
 Property Assessor's Value: \$5,900 (24 acres)
 Square Footage Improvements: None

Date of Last Transfer: June 27, 2005 (Hwy 70 E., Madison County)
 Purchase Price: \$0.00 (Quit Claim)
 Property Assessor's Value: \$168,400 (178 acres)
 Square Footage Improvements: None

Minutes: 10/24/2016 Approved obtaining 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; and to utilize a third party.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Purchase)

Requested Action: 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

Transaction Description: Transaction No. 16-09-005-DM

- **Location:** Morgan County – 73.0+/-acres – North of State Route 62, Wartburg, TN
- **Owner(s):** Vernon McPeters
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 16/17 State Lands Acquisition Fund (A)

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 property is contiguous to Frozen Head State Park. The purchase of this property would prevent future development and preserve watershed and view shed. No additional management costs are anticipated with this acquisition.

Date of Last Transfer: August 13, 2003
 Purchase Price: \$0.00
 Property Assessor's Value: \$22,200
 Square Footage Improvements: None

Minutes: 10/24/2016 Approved obtaining 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.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONAcquisition – Easement (Conservation)

Requested Action: Approval to accept conservation easement with waiver of advertisement and appraisals

Transaction Description: Transaction No. 16-10-005

- **Location:** Shiloh National Military Park
Hardin County – 37.8+/-acres – (2 tracts) 271 Shiloh Rd., Savannah, TN
- **Owner(s):** James W. Fullwood, Jr.
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Civil War Trust (REM fees) (O)

Comment: The Civil War Trust requests that the Tennessee Historical Commission (THC) hold a conservation easement for the preservation of the Battle of Shiloh. This property is adjacent to other lands on which THC also holds a conservation easement.

Date of Last Transfer:	August 5, 1992
Purchase Price:	\$0.00
Property Assessor's Value:	\$220,100 (34.0 acres)
Square Footage Improvements:	2,339

Date of Last Transfer:	December 20, 1996
Purchase Price:	\$3,600
Property Assessor's Value:	\$8,000 (3.84 acres)
Square Footage Improvements:	None

Minutes: 10/24/2016 Approved accepting conservation easement with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Disposal – Lease (Land)

Requested Action: Approval of disposal by lease with waiver of advertisement with plans and specs to be approved by the Office of the State Architect

Transaction Description: Transaction No. 16-04-008-DM

- **Location:** Panther Creek State Park
Hamblen County - 74.16+/-acres - 2010 Panther Creek Road, Morristown, TN
- **Tenant:** Hamblen County
- **Term:** (10 years) with a 10 year renewal option
- **Area / Costs:** 74.16+/-acres / Mutual Benefit/no cost
- **Source of Funding:** 16/17 State Lands Acquisition Fund (REM fees) (A)

Comment: Lease permits Hamblen County to construct, maintain, and operate an 18-hole Disc-Golf Course.

Date of Last Transfer: \$0.00
 Original Cost to State: September 26, 1967
 Square Footage Improvements: None

Minutes: 10/24/2016 Approved disposal by lease with waiver of advertisement with plans and specs to be approved by the Office of the State Architect.

Approved:



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