

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

NOVEMBER 1, 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

Dave Goetz, 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
Genie Whitesell, Attorney General's Office
Melinda Parton, Comptroller's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
John Carr, Department of Finance & Administration
Felenceo Hill, Dept of Finance and Administration
Dick Tracy, Tennessee Board of Regents
Murray Crow, Department of Environment and Conservation
Dottie Hagood, Real Property Administration
Melanie Buchanan, Real Property Administration
Matt Ingham, Real Property Administration
Stephanie Burd, Real Property Administration
Nick DePalma, Real Property Administration
Bob Qualey, Real Property Administration
Lynelle Jensen, Department of General Services
Fred Hix, Division of Intellectual Disabilities Services
George Brummett, Division of Intellectual Disabilities Services
Diane Uhler, Tennessee Board of Regents

Scott Boelscher, THEC
Tom Robinson, Department of Correction
Robbi Stivers, University of Tennessee
Charles Peccolo, University of Tennessee
Greg Duncan, Department of Transportation
Alan Durham, Department of Transportation
Dave Thurman, Legislative Budget Office
Bob Bumbalough, Department of Safety
Rudy Johnson, Rufus Johnson Associates
Mark Cherpack, Department of Finance and Administration
Terry Mason, Comptroller's Office
David Primeau, Department of General Services
David Gregory, Tennessee Board of Regents
Bruce Davis, Legislative Budget Office
Candy Toler, American Council of Engineering Companies
Al Thomas, Thomas Miller & Partners
Gordon Martin, Tennessee Wildlife Resources Agency

Commissioner Goetz 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 that had been reviewed and recommended for approval by Subcommittee staff, except for Item "M", which was deferred until the next meeting:

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

- B. Agency: Tennessee Board of Regents - Shelby County
Transaction: Acquisition in fee
Provision: Waiver of REM fees & one appraisal

- C. Agency: Tennessee Board of Regents - Washington County
Transaction: Acquisition in fee
Provision: Waiver of one appraisal

- D. Agency: Tennessee Board of Regents - Shelby County
Transaction: Acquisition in fee
Provision: Waiver of one appraisal and demolish improvements

- E. Agency: Tennessee Board of Regents - Shelby County
Transaction: Disposal by easement
Provision: Waiver of appraisals and advertisement

- F. Agency: Tennessee Board of Regents - Sullivan County
Transaction: Disposal by easement
Provision: Waiver of appraisals and advertisement

- G. Agency: Department of Human Services - Hamblen County
Transaction: Lease agreement

- H. Agency: Department of Labor Workforce Development - Shelby County
Transaction: Lease agreement

- I. Agency: Department of Safety DLI & THP - Hamblen County
Transaction: Lease agreement

- J. Agency: **Department of Correction – Davidson County**
Transaction: Disposal by lease
Provision: Waiver of appraisals and advertisement
- K. Agency: **Department of Transportation – Roane County**
Transaction: Acquisition in fee
Provision: Waiver of one appraisal
- L. Agency: **Tennessee Wildlife Resources Agency – Roane County**
Transaction: Acquisition in fee
Provision: Waiver of one appraisal
- M. Agency: **Finance & Administration – Knox County**
Transaction: Disposal in fee
Provision: Waiver of appraisals, advertisement and REM Fees
Subcommittee deferred until next meeting
- N. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Demolition – 802 Wiles Court
Provision: SBC Project No. 166/009-15-2010
- O. Agency: **Tennessee Board of Regents – Rutherford County**
Transaction: Demolition – 806/808 Wiles Court
Provision: SBC Project No. 166/009-16-2010
- P. Agency: **Department of Safety – Shelby County**
Transaction: Demolish Modular & Storage Buildings
Provision: SBC Project No. 502/007-01-2010
- Q. Agency: **Department of Agriculture – Davidson County**
Transaction: Demolish Four Buildings – Fire Tower Road
Provision: SBC Project No. 100/010-02-2010

TENNESSEE BOARD OF REGENTS

Statewide

- 1) Approved a request for a revision in source of funding for the following ARRA funded projects to non-recurring 2011 State Funds:

| Project Number | Institution | Total Project Cost | Current ARRA Funding | Revised ARRA Funding | Amount of New Funding | New Funding Source |
|-----------------|-------------|--------------------|----------------------|----------------------|-----------------------|--------------------|
| 166/005-01-2009 | ETSU | 4,000,000.00 | 4,000,000.00 | 800,000.00 | 3,200,000.00 | 2011 State Funds * |
| 166/005-06-2009 | ETSU | 6,431,910.00 | 6,000,000.00 | 2,171,890.00 | 3,828,110.00 | 2011 State Funds * |
| 166/005-08-2009 | ETSU | 1,500,000.00 | 1,500,000.00 | 900,000.00 | 600,000.00 | 2011 State Funds * |
| 166/005-01-2010 | ETSU | 1,000,000.00 | 1,000,000.00 | 520,000.00 | 480,000.00 | 2011 State Funds * |
| 166/011-01-2007 | TTU | 1,559,400.00 | 318,000.00 | 0 | 318,000.00 | 2011 State Funds * |
| 166/011-03-2010 | TTU | 2,092,000.00 | 1,182,000.00 | 0 | 1,182,000.00 | 2011 State Funds * |
| 166/017-01-2010 | DSCC | 550,000.00 | 550,000.00 | 7,016.00 | 542,984.00 | 2011 State Funds * |
| 166/038-03-2010 | NeSCC | 483,000.00 | 483,000.00 | 0 | 483,000.00 | 2011 State Funds * |
| 166/000-01-2002 | PSCC | 53,152,000.00 | 5,403,800.00 | 5,203,800.00 | 200,000.00 | 2011 State Funds * |
| 166/032-02-2009 | PSCC | 380,000.00 | 340,000.00 | 185,889.64 | 154,110.36 | 2011 State Funds * |
| 166/032-03-2009 | PSCC | 350,000.00 | 350,000.00 | 23,836.88 | 326,163.12 | 2011 State Funds * |
| 166/032-01-2010 | PSCC | 1,420,000.00 | 1,420,000.00 | 290,000.00 | 1,130,000.00 | 2011 State Funds * |
| 166/032-02-2010 | PSCC | 100,000.00 | 100,000.00 | 7,167.49 | 92,832.51 | 2011 State Funds * |
| 166/032-03-2010 | PSCC | 500,000.00 | 500,000.00 | 29,838.90 | 470,161.10 | 2011 State Funds * |
| 166/032-04-2010 | PSCC | 215,000.00 | 215,000.00 | 7,863.20 | 207,136.80 | 2011 State Funds * |
| 166/032-05-2010 | PSCC | 425,000.00 | 425,000.00 | 18,951.40 | 406,048.60 | 2011 State Funds * |
| 166/027-01-2010 | RSCC | 875,000.00 | 725,000.00 | 0 | 725,000.00 | 2011 State Funds * |
| 166/033-02-2009 | STCC | 1,520,000.00 | 1,520,000.00 | 0 | 1,520,000.00 | 2011 State Funds * |
| 166/033-03-2009 | STCC | 1,400,000.00 | 700,000.00 | 16,550.85 | 683,449.15 | 2011 State Funds * |

- 2) Approved a request as referred to the Subcommittee, with authority to act, for a revision in scope and funding from \$500,000.00 to \$1,000,000.00 (\$500,000.00 increase) for **Management Assistance** statewide in order to either fund staff until other funds can be implemented, or a return to the use of vendor(s).

| | | | |
|--|-----------------------|-----------------|----------------|
| Revised Estimated Project Cost: | \$1,000,000.00 | | |
| <u>Source of Funding:</u> | <u>Original</u> | <u>Increase</u> | <u>Revised</u> |
| 08/09 Current Funds-Capital Maint (A) | \$200,000.00 | \$ 0.00 | \$ 200,000.00 |
| 09/10 Current Funds-Capital Maint (A) | 300,000.00 | 0.00 | 300,000.00 |
| 10/11 Current Funds-Capital Maint (A) | 0.00 | 500,000.00 | 500,000.00 |
| TOTAL | \$500,000.00 | \$500,000.00 | \$1,000,000.00 |
| SBC Project No. | 166/000-02-2008 | | |

East Tennessee State University, Johnson City, Washington County, Tennessee

- 1) Approved a request as referred to the Subcommittee, with authority to act, for approval of a revision in funding from \$1,280,000.00 to \$1,445,000.00 (\$165,000.00 increase) for **CoM Student Center** at East Tennessee State University, Johnson City, and authorization to award a construction contract to Daniel Co (DANCO), Inc. in the amount of \$1,259,000.00, based upon the base bid and three alternates received October 6, 2010. After discussion, the request was approved without objection.

| | | | |
|--|-----------------------|-----------------|----------------|
| Revised Estimated Project Cost: | \$1,445,000.00 | | |
| <u>Source of Funding:</u> | <u>Original</u> | <u>Increase</u> | <u>Revised</u> |
| TSSBA (Student Fees) (O) | \$1,280,000.00 | \$ 0.00 | \$1,280,000.00 |
| Student Fees (O) | 0.00 | 165,000.00 | 165,000.00 |
| TOTAL | \$1,280,000.00 | \$165,000.00 | \$1,445,000.00 |
| SBC Project No. | 166/005-04-2009 | | |

- 2) Approved a request as referred to the Subcommittee, with authority to act, for a revision in source of funding and the selection of BurWil Construction Company, Inc., as Construction Manager / General Contractor for **CoM Building 119 Research Labs Renovation** at East Tennessee State University, Johnson City, based upon proposals received September 9, 2010.

| | | | |
|--------------------------------|-----------------------|------------------|----------------|
| Estimated Project Cost: | \$9,127,000.00 | | |
| <u>Source of Funding:</u> | <u>Original</u> | <u>Change</u> | <u>Revised</u> |
| Federal NIH Grant (F) | \$9,127,000.00 | (\$9,127,000.00) | \$ 0.00 |
| ARRA Funds (NIH Grant) (F) | 0.00 | 9,127,000.00 | 9,127,000.00 |
| TOTAL | \$9,127,000.00 | \$ 0.00 | \$9,127,000.00 |
| SBC Project No. | 166/005-03-2010 | | |

Austin Peay State University, Clarksville, Montgomery County, Tennessee

- 1) Mr. Robertson stated that, on April 19, 2010, the Subcommittee approved a project for **Foust House Demolition** located at 318 Home Avenue in Clarksville, contingent upon review by the Tennessee Historical Commission (THC). After further discussions with the Tennessee Board of Regents, the THC issued a letter dated 10/20/10 stating that TBR's proposal to undertake a display reflecting the history will adequately mitigate the adverse affect of this significant cultural resource, and that no additional action is necessary. Comptroller Wilson asked if the cost of the display was included in the project cost, and was told "yes". The Subcommittee acknowledged the update with no action required.

| | |
|--------------------------------|------------------------|
| Estimated Project Cost: | \$25,000.00 |
| <u>Source of Funding:</u> | Campus Plant Funds (A) |
| SBC Project No. | 166/003-07-2010 |

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following ACQUISITION 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: **Hamilton County – 1+/- acres – Amnicola Hwy located near Chickamauga Dam, Chattanooga, TN – Trans. No.10-09-019 (Baugh)**

Purpose: Acquisition by Lease of 1+/- acres, TVA term easement to the State overlaps Railroad Right of Way in Hamilton County. This will clear up encroachment.

Source of Funding: Funding to be used from Federal Sources. No State funds will be used to support operation of the test track.

Estimated Cost: Rent will be \$2,400 annual with an annual rent escalator tied to US Bureau of Labor Statistics Consumer Index. (The annual cost of General Liability Insurance Policy is approximately \$8,900 and Pollution Legal Liability Insurance is approximately \$11,000.

Owner/Lessor: Norfolk Southern Railway Company

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Subcommittee approved the request 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: Stewart County – 0.043 +/- acres – Kentucky Lake, TN – Trans. No. 10-08-001 (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 (A)

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.

DEPARTMENT OF TRANSPORTATION

Region 4 – Raleigh, Shelby County, Tennessee

- 1) Mr. Robertson reminded the Subcommittee that they had deferred action on February 22, 2010 to approve a project to **Demolish Old Dealership** located at 3101 Austin Peay Highway in Shelby County. Treasurer Lillard had expressed concern about it being off a major highway and visible to the public and requested that the Department use landscaping or other means to buffer it. Alan Durham, TDOT representative, was recognized, and distributed copies of the landscaping plan. Treasurer Lillard discussed the expected use of the facility and specific landscaping requirements. After further discussion, Subcommittee approved the request as reviewed by the Tennessee Historical Commission, with the stipulation that the specified holly bushes be a minimum of 8 feet tall for adequate screening.

Estimated Project Cost: **\$36,000.00**
Source of Funding: Plant Construction Funds (A)
SBC Project No. 244/010-01-2010

DEPARTMENT OF FINANCE & ADMINISTRATION
for
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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: Madison County – 37 Executive Drive, Jackson, TN – Trans. No. 09-09-910 (Lotspiech)

Purpose: To provide office space for the county

Term: November 1, 2010 thru October 31, 2015 (5 yrs)

| | | | |
|------------------|------------------------------|--------------------|---------------------|
| Proposed Amount: | <u>10,200 Square Feet</u> | | |
| | Annual Contract Rent: | \$68,500.00 | @\$6.72 / sf |
| | Est. Annual Utility Cost: | \$17,850.00 | @\$1.75 / sf |
| | Est. Annual Janitorial Cost: | <u>\$11,220.00</u> | <u>@\$1.10 / sf</u> |
| | Total Annual Effective Cost: | \$97,570.00 | @\$9.57 / sf |

| | | | |
|-----------------|------------------------------|--------------------|---------------------|
| Current Amount: | <u>10,200 Square Feet</u> | | |
| | Annual Contract Rent: | \$68,850.00 | @\$6.75 / sf |
| | Est. Annual Utility Cost: | \$14,280.00 | @\$1.40 / sf |
| | Est. Annual Janitorial Cost: | <u>\$11,220.00</u> | <u>@\$1.10 / sf</u> |
| | Total Annual Effective Cost: | \$94,350.00 | @\$9.25 / sf |

Type: New lease – advertise – receive three (3) proposals from three (3) proposers.

FRF Rate: \$18.00

Purchase Option: No

Lessor: Susan Cox, current lessor

Comment: The proposed lease has no cancellation cause except for the lack of funding. Lessor shall make all improvements that is listed on the lease at no cost to the State.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Comptroller Wilson asked why downtown Jackson was not included in the boundaries of the RFP. Fred Hix was recognized and stated that their original request addressed the area within the city

limits of Jackson, preferably to the north or east of I-40, adding that their existing space for the last 10 years is acceptable to them. Secretary Hargett said that they requested the city limits, and yet gave a preference. Mr Hix responded that this preference speaks to commercial office rental space that has parking available for the public to come and go. Secretary Hargett commented that with the revitalizations of downtowns across the state, this was a potential opportunity for a tenant to get a good deal on some space in a downtown area that would be centrally located and accessible to more people. Mr. Hix stated that the perimeters benefit his agency since they don't have to incur the cost of moving expenses. Comptroller Wilson stated that the moving costs could be made part of the RFP, and that it appears the RFP was written around the agency's current location.

Secretary Hargett asked what role Real Property Administration plays in the RFP process. Assistant Commissioner Dottie Hagood responded that they try to give the agency what they want and need based on their criteria as long as it is not prejudicial, which they do look at. She added that relocating employees is very expensive, and from their experience, most people prefer not to go downtown as long as there is bus service available to an outside location. Secretary Hargett stated he would like staff to meet with the Director of Leases to help understand these issues further. After discussion, Subcommittee approved the request, with Comptroller Wilson objecting, noting that there would be discussion of boundaries at a future date.

DEPARTMENT OF FINANCE & ADMINISTRATION
for
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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: **Shelby County – 50 ft wide easement, Arlington, TN – Trans. No. 10-09-003 (Woodard)**

Purpose: Disposal by easement for temporary construction easement (4.8 acres) and permanent sewer easement (4.01 acres).

Estimated Sale Price: Grant for public purpose

Grantee: Town of Arlington

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Secretary Hargett asked that the easement be amended to include the following:

1. No fee for the state to tap into the line
2. Unlimited or future capacity for the state to tap into the line as deemed necessary
3. The ability to cross the easement for access roads, etc. as needed for future development

Comptroller Wilson stated that this should be standard operating procedures in all matters that come before this Subcommittee. He said he would like to assume that all easement issues have been resolved, or if not, that they are told about them. Subcommittee approved the request, as amended, without objection.

DEPARTMENT OF FINANCE & ADMINISTRATION
for
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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

Description: Davidson County – 1.49 +/- acres (2 lots) – 328 Dennywood Drive, Nashville, TN – Trans. No. 10-09-004 (Woodard)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC 346/000-05-2005

Estimated Cost: \$237,900.00 (A)

Owner(s): Argus Young

Comments: The State will purchase the site and improvements and follow the normal process to get Historical Commission's approval to complete the demolition. These building do not have any historical significance and therefore we except approval fairly quickly. We will then follow an RFP process and package as many of these sites as possible for demolition to get the best price possible.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION
for
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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 FEES, ONE (1) APPRAISAL and APPROVAL TO DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Davidson County – 0.94 +/- acres – 920 Allen Road, Nashville, TN – Trans. No. 10-09-005 (Woodard)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC 346/000-05-2005

Estimated Cost: \$179,900 (A)

Owner(s): Toby Horton

Comments: The State will purchase the site and improvements and follow the normal process to get Historical Commission's approval to complete the demolition. These building do not have any historical significance and therefore we except approval fairly quickly. We will then follow an RFP process and package as many of these sites as possible for demolition to get the best price possible.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION
FOR
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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 FEES, ONE (1) APPRAISAL and APPROVAL TO DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Wilson County – 2 +/- acres – 1012 Lakeview Drive, Hermitage, TN – Trans. No. 10-09-006 (Woodard)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC 346/000-05-2005

Estimated Cost: \$224,900 (A)

Owner(s): Joyce & Donald Patrock

Comments: The State will purchase the site and improvements and follow the normal process to get Historical Commission's approval to complete the demolition. These building do not have any historical significance and therefore we except approval fairly quickly. We will then follow an RFP process and package as many of these sites as possible for demolition to get the best price possible.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION
FOR
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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 FEES, ONE (1) APPRAISAL and APPROVAL TO DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Davidson County – 620 Gailwood Lane, Cloverhill Subdivision Section 7, Nashville, TN – Trans. No. 10-09-018 (Woodard)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC 346/000-05-2005

Estimated Cost: \$159,936 (A)

Owner(s): Jerry & Mary Stevens

Comments: The State will purchase the site and improvements and follow the normal process to get Historical Commission's approval to complete the demolition. These building do not have any historical significance and therefore we except approval fairly quickly. We will then follow an RFP process and package as many of these sites as possible for demolition to get the best price possible.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE & ADMINISTRATION
FOR
DIVISION OF INTELLECTUAL DISABILITIES SERVICE

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

Description: Davidson County – 0.83 +/- acres – 3244 Knobview Drive, Nashville, TN – Trans. No. 10-10-002 (Woodard)

Purpose: Acquisition in fee to construct an Intermediate Care Group Home.

Source of Funding: SBC 346/000-05-2005

Estimated Cost: \$224,900 (A)

Owner(s): Christy & Adam Twining

Comments: The State will purchase the site and improvements and follow the normal process to get Historical Commission's approval to complete the demolition. These building do not have any historical significance and therefore we except approval fairly quickly. We will then follow an RFP process and package as many of these sites as possible for demolition to get the best price possible.

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

SC Action: 11/01/10. 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 ACQUIRE or ACCEPT a GIFT for PUBLIC PURPOSE the required interests in the following real property: WAIVER of APPRAISALS and further requesting APPROVAL to ACCEPT ACCESS EASEMENT along with property:

Description: **Shelby County – 1.955+/- acres located on Poplar Avenue, Memphis, TN – Trans. No. 09-08-001 (Woodard)**

Purpose: Acquisition in Fee to build new Shelby County Regional Forensic Center and approval to acquire 0.32 acre easement for access to site.

Source of Funding: \$5,000,000.00-G.O.Bonds (A)
\$8,000,000.00-G.O.Bonds-Facilities Revolving Fund (A)
SBC No.: 400/000-01-2005

Owner: Shelby County

Comment: This Regional forensic center project will replace the present facility that is inadequate to meet the needs of Shelby County. Shelby County and the State will enter into a lease agreement whereby County will pay rent to pay off its proportional share of principal and interest, and related financing cost for the development of the regional forensic facility. The State and County shall equally share cost of all operating costs, repairs and maintenance including utilities, security services and capital maintenance.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. After discussion, Treasurer Lillard made a motion to approve the documents, as specified, and asked when a notice to proceed would be issued. Nick DePalma, Real Property Administration, responded that they expect to break ground in early January. Treasurer Lillard's motion was then seconded, and passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM:

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER OF APPRAISALS AND ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112: and APPROVAL of AGREEMENT BETWEEN the STATE and SHELBY COUNTY for Development, Use and Subsequent Disposition of New Regional Forensic Center:

Description: **Shelby County – 1.955+/- acres located on Poplar Avenue, Memphis, TN – Trans. No.10-10-001 (Walla)**

Purpose: Disposal by Lease and Agreement to finance the development and operation of a new Regional Forensic Center in Memphis, Tennessee.

Total Cost: \$13,000,000.00 (SBC Project: 400/000-01-2005)
\$5,000,000.00 (State's contribution) Bonds (A)
\$8,000,000.00 (Shelby County's contribution) FRF Bonds (A)

Term: Twenty Years (20)

Grantee: Shelby County

Comment: Shelby County desires the State to finance the development of the RFC facility, not expected to exceed \$13,000,000. The State and Shelby County will enter into a lease agreement whereby the County will pay as rent the lesser of (62%) or (\$8,000,000.) of the State's total principal debt not to exceed \$13,000,000. The State will be responsible for the remaining debt Service (38%). The State and County will share expenses of the facility; pursuant to the negotiated MOU and lease agreement. After the payoff of the debt service in twenty years, the property will be conveyed to County for a nominal consideration.

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

SC Action: 11/01/10. Jurgen Bailey presented the transaction. After discussion, Treasurer Lillard made a motion to approve the documents, as specified, and asked when a notice to proceed would be issued. Nick DePalma, Real Property Administration, responded that they expect to break ground in early January. Treasurer Lillard's motion was then seconded, and passed without objection.

DEPARTMENT OF FINANCE AND ADMINISTRATION

State Capitol, Legislative Plaza and War Memorial Building, Nashville, Tennessee

- 1) Mr. Robertson reminded the Subcommittee that the SBC had referred to them, with authority to act, a request for approval of a revision in estimated project cost from \$16,500,000.00 to \$29,000,000.00 (\$12,500,000.00 increase), approval of a revision in funding for Phase 1 & 2 from \$2,700,000.00 to \$14,200,000.00 (\$11,500,000.00 increase), and authorization to proceed with Phase 2 for **Mechanical & Electrical Upgrade** at State Capitol, Nashville, Tennessee.

Alan Robertson commented that the main increase of the total project cost of \$29,000,000 that the \$12,500,000 reflects the increased monies associated with the (Phase 3) Legislative Plaza and War Memorial Building which is current in the pre-planning stage. Treasurer Lillard commented that the \$11,500,000 was not actually an increase, but an acknowledgment of the line-item appropriation for full funding through Phase 2. After general discussion, the request was approved with that understanding.

| | | | |
|--|------------------------|----------------------|----------------------|
| Revised Estimated Project Cost: | \$29,000,000.00 | | |
| Revised Estimated Phase 1 & 2 Cost: | \$14,200,000.00 | | |
| <u>Source of Phase 1 & 2 Funding:</u> | <u>Original</u> | <u>Increase</u> | <u>Revised</u> |
| Facilities Revolving Fund (501.04) (A) | \$2,700,000.00 | \$ 0.00 | \$ 2,700,000.00 |
| 10 G.O. Bonds (FRF) (A) | <u>0.00</u> | <u>11,500,000.00</u> | <u>11,500,000.00</u> |
| TOTAL | \$2,700,000.00 | \$11,500,000.00 | \$14,200,000.00 |
| <i>SBC Project No.</i> | <i>529/005-01-2005</i> | | |

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on September 20, 2010.

Designer Selections

- 1) Approved the following correction to the July 23, 2010 Subcommittee Minutes:

- Correct designer name from “**Architects Engineers Planners**” to “**AEI**” on page 20, Item 48, and page 22, Item 90.

- 2) Approved the following designer selections from the October 14 SBC meeting, as referred by the State Building Commission, with authority to act.

- | | |
|---|---|
| 1) Department of Safety (Radio Towers) Estimated Project Cost: \$1,090,000.00 SBC Project No. 502/001-02-2010 Designer: BARGE WAGGONER SUMNER CANNON | 5) Roan Mountain State Park (Maintenance Facilities Replacement) Estimated Project Cost: \$830,000.00 SBC Project No. 126/086-01-2010 Designer: BEESON LUSK & STREET |
| 2) Department of Human Services (88 Hermitage Ave Exterior Bldg Upgrades) Estimated Project Cost: \$465,000.00 SBC Project No. 442/005-01-2010 Designer: GREG MAYO ARCHITECTURE | 6) University of Tennessee (Dougherty Engineering Building Improvements) Estimated Project Cost: \$2,000,000.00 SBC Project No. 540/009-48-2010 Designer: MICHAEL BRADY, INC. |
| 3) Tennessee Rehabilitation Center (Campus Systems Upgrade Phase 2) Estimated Project Cost: \$2,160,000.00 SBC Project No. 442/006-01-2010 Designer: I.C. THOMASSON ASSOCIATES | 7) Tennessee Technology Center @ Dickson (Clarksville Industrial Training Facility) Estimated Project Cost: \$16,000,000.00 SBC Project No. 166/046-01-2010 Designer: HART FREELAND ROBERTS |
| 4) Bicentennial Mall State Park (Fountain Repair) Estimated Project Cost: \$300,000.00 SBC Project No. 126/124-01-2010 Designer: HETHCOAT & DAVIS | 8) Tennessee Technology Center @ Elizabethton (Campus Consolidation) Estimated Project Cost: \$16,000,000.00 SBC Project No. 166/052-01-2010 Designer: REEDY & SYKES / SHAW & SHANKS, A JOINT VENTURE |

- | | |
|--|--|
| <p>9) Austin Peay State University (Clement Hall Foundation Repair) Estimated Project Cost: \$850,000.00 SBC Project No. 166/003-20-2010 Designer: KAATZ BINKLEY JONES MORRIS</p> <p>10) Middle Tennessee State University (Todd Hall Indoor Air Quality Upgrades) Estimated Project Cost: \$160,000.00 SBC Project No. 166/009-14-2010 Designer: TLC ENGINEERING FOR ARCHITECTURE</p> | <p>11) University of Memphis (Intramural Field Lighting) Estimated Project Cost: \$260,000.00 SBC Project No. 166/007-09-2010 Designer: CANUP ENGINEERING</p> <p>12) Nashville State Community College (Central Plant Infrastructure Corrections) Estimated Project Cost: \$750,000.00 SBC Project No. 166/034-03-2010 Designer: SMITH SECKMAN REID</p> <p>13) I-40 Solar Farm Education & Welcome Center (New Construction) Estimated Project Cost: \$4,000,000.00 SBC Project No. 244/010-02-2010 Designer: ASKEW NIXON FERGUSON</p> |
|--|--|

- 3) Mr. Robertson presented a request for approval of the following revised SBC Designer Selection Process. Treasurer Lillard complimented everyone for their hard work and said that the comments received helped to make it a better document. He said this extensive participation by the design community and all the people in State government results in a great step forward in terms of openness and transparency in State government. Treasurer Lillard said he thinks it gives clarity to the process and is a guide to those who wish to participate in the process, and also gives a good basis for evaluating these contracts as we go forward. He then made a motion to approve the new SBC Designer Selection Process. Comptroller Wilson seconded the motion, expressing particular thanks to Treasurer Lillard and Joy Harris for their excellent work, and the motion passed without objection.

State Building Commission – Designer Selection Process

The overall goal is to secure the most qualified designers for State projects resulting in the development of suitably functioning facilities meeting the user's needs within time and budget limitations in the overall best interest of the State.

Objectives of the designer selection process:

- Provide clear guidance.
- Promote access by all interested professionals.
- Promote competition.
- Promote transparency and accountability.
- Secure the best designer resulting in quality work on state capital projects.
- Encourage clear communication between the State and design professionals interested in working on State projects.

Registration: Architects, Engineers and other Design Professionals shall submit annually the standard registration information in a format that will be made available on the State Architect's website (<http://www.tennessee.gov/finance/rpa/archit.shtml>). Registration is required for all projects (Major, Standard and Minor) and should be completed before expressing formal interest in a project. This information will include but is not limited to the following:

- (1) General firm information including name(s) of principals and their corresponding architectural and/or engineering state license number, primary office location, number of staff including breakdown of professionals and years in business and primary email address to receive notifications;
- (2) General project experience;
- (3) State project experience; and
- (4) Services available.

Public Announcement: The Office of the State Architect shall each year, no later than 30 days following the presentation of the Governor's Annual Budget Request to the State Legislature, send a notification, electronically or otherwise, as determined by the State Architect's office, with the Governor's proposed capital projects list to Architects, Engineers and other Design Professionals licensed in the State of Tennessee who have previously registered with the Office of the State Architect (see "Registration" above). The letter should also include information, such as website information of the State Procurement Agency (SPA) where solicitation of designer services for particular projects under their purview will be posted. SPAs include the University of Tennessee, Tennessee Board of Regents and Real Property Administration of the Department of Finance and Administration. The Office of the State Architect shall also provide notice of subsequent non-disclosed projects. On the websites the SPA should clearly define:

- (1) Name of user agency (UA), (a user agency is the entity responsible for the operation and maintenance of the facility);
- (2) Project title;
- (3) Overview of the project, including any specialized or general design requirements;
- (4) The date the project was posted to the website;
- (5) The deadline for submission of interest;
- (6) Designer selection and general submission requirements; and
- (7) UA project contact name, email and phone number.

The SPA and the UA will assign the appropriate e-mail contact(s) for electronic submission for each project.

All projects are subject to the State's fee calculation as determined by the State Architect's office and approved by the State Building Commission.

The issuance of any formal Request for Qualifications (RFQ) shall be posted in the RFQ section of SPAs website.

Standards of Practice

1. Only Tennessee firms are normally considered unless there is a specific need for expertise not available within the State.

2. Regional Designers are considered for regional projects (i.e., West Tennessee firms do west Tennessee projects; Middle Tennessee firms for Middle Tennessee projects, etc.)
3. RFQs shall be issued and administered consistent with the standards and models of the Department of Finance and Administration, except as provided herein.
4. Submission of responses to RFQs shall not create rights, interest, or claims of entitlement for any proposer, including the best evaluated proposer.
5. The State reserves the right, at its sole discretion, to reject any and all submittals for projects and to waive immaterial irregularities in accordance with applicable laws, regulations, policies and case law.
6. Whenever the State proposes to reject all submittals for a certain RFQ such action shall be taken only for the following reasons:
 - a) Failure of all submittals to meet technical specifications;
 - b) Error in the request for qualifications;
 - c) Cessation of need;
 - d) Unavailability of funds; or
 - e) Any other reason approved by the State Building Commission.
7. All members of an evaluation team/committee for "Major" and "Standard" projects shall execute a signed conflict of interest statement, as approved by the State Architect's office, prior to completion of the member's review.

Projects: Projects will be listed in three (3) categories:

"Major Projects," projects greater than \$20,000,000;

"Standard Projects," projects \$20,000,000 or less, and above \$3,000,000; and

"Minor projects" projects \$3,000,000 or less.

The State will not require joint ventures for any state projects. A UA and/or the SPA, when posting projects, may state their desire to receive joint venture proposals.

Selection Process:

"Major Projects" will require a formal RFQ. This will be open to all Architects, Engineers and/or other Design Professionals who have registered with the State Architect.

REQUIREMENTS FOR FORMAL RFQ PROCUREMENT

A. Establishment of Evaluation Team:

The ability to provide an objective, fair, knowledgeable and competent evaluation team is critical to the success of the Designer Selection Process. The following criteria should be considered by the SPA and UA in the selection of evaluation team members:

1. As a standard, the evaluation team should be composed of five (5) State employees, but in no case, less than three (3) employees.
2. Member selection and selection of a RFQ coordinator from among the evaluation team members is the responsibility of the SPA and/or UA.
3. Team members should be knowledgeable of the goals, scope and technical criteria of the project and be familiar with the design and construction process.
4. An understanding of the particular procurement process by all members of the team is essential.
5. Objectivity and avoidance of the appearance of impropriety shall be of uppermost importance to the team.
6. Where appropriate, additional technical advisors in such areas as financial, scheduling, references, submittal compliance, design, etc., should be given consideration.

B. Selection Procedures

1. Weighting of Evaluation Criteria.
 - a.) The determination of the weighting of individual factors will be made and included in the technical response portion of the RFQ. Factors to be considered are ones warranted by the specific project needs and, at a minimum, should include:
 - 1) General qualifications;
 - 2) Recent and relevant experience of designer;
 - 3) Past performance of designer including any state designer evaluation;
 - 4) Designer's technical approach to the project;
 - 5) Designer's ability to provide qualified professional project management and design team;
 - 6) Project scheduling; and
 - 7) Proximity of staff to and familiarity with the area where project is located.
 - b) The criteria and their relative weights shall be included in any RFQ so that potential designers are aware of the requirements.
2. Evaluation and selection
 - a) The State's evaluation team will be responsible for assigning a score for each submittal for the technical response portion of any RFQ, following the procedures set forth in the RFQ.

- b) In any prequalification of an RFQ, a minimum score will be pre-established and only those submissions receiving the minimum score or higher will be allowed to proceed to the next step in the process.
- c) Unless an alternative approach is approved by the SBC, the highest total technical score in an RFQ will identify the recommended Designer for contract award.
- d) Upon SBC approval of an awarded contract, the files will be open for public inspection.

“Standard Projects” will require interested Architects, Engineers and other Design Professionals to submit a letter of interest to the SPA and the UA. The letter of interest will be limited to between two (2) and four (4) pages and should include responses to the following general design requirements applicable to design submissions for all projects:

- a) Expertise to address the scope of the project.
- b) Proposed design or consultant team for the project, and the projects these members are currently working and similar past work.
- c) Current and proposed firm work load and State projects previously awarded.
- d) Record of similar successfully completed projects including experience in meeting project budgets, schedules and project programs.
- e) Proposed project administration capabilities and approach.
- f) Proximity of staff to and familiarity with the area where project is located.
- g) A list of up to the last five (5) state projects previously awarded.
- h) Record of past evaluations on prior State projects that the designer was awarded if applicable. If no or limited prior State projects, prior experience on completed non-State projects will be considered.
- i) Record of any ongoing litigation or disputes, and any contracts terminated for cause.
- j) Consideration will be given to the volume of State work design firms currently hold, and State projects they have previously completed.

Specialized design requirements may be developed by UA and/or SPA, as necessary for individual projects, and posted in addition to the general requirements by the SPA to the SPAs website, as referenced in number three (3) under the *Public Announcement* section of this Designer Selection Process. All of the necessary requirements must be submitted by the posted deadline in order for a designer to be considered for the project.

Evaluation of Letters of Interest for Standard Projects: Upon receiving letters of interest from Architects and Engineers, the SPA and/or UA will have established an evaluation committee of at least three members, including at least one representative from the SPA and one representative from the UA, to review and evaluate the letters of interest and corresponding information. The Evaluation Committee will prepare a brief written evaluation of each letter of interest identifying the factors constituting the relative merits of each letter relative to the requirements of the proposed project. The Evaluation Committee shall also prepare a written ranking and detailed summary of the top three designer proposals in order of preference of award of a contract for design services. The prepared evaluation will clearly convey to successful and unsuccessful designers the material factors upon which the agency determined its rankings of the top three including justification for their listing above all other entrants. Copies of the evaluation of each letter of interest shall be promptly furnished to the State Architect who shall house the documentation and make it available for inspection by all interested

professionals following approval of an Architect, Engineer or other design professional by the SBC. Following completion of the selection process, the SPA shall promptly notify by written notification, electronic or as otherwise determined by the SPA, each design applicant of the results.

Submitting Candidates for Standard Projects to the State Building Commission: The evaluation committee will send an evaluation report to the State Architect to be distributed to the State Building Commission members. This evaluation report will include:

1. A detailed summary of the top three candidates, in order of ranking, chosen by the evaluation committee for the specific project.
2. For the top three candidates, the State Architect's office will provide the current five year summary of state projects for those firms.
3. A list of all design professionals that submitted letters of interest for the project and a brief description on how each compared with the top three firms chosen.

"Minor projects" will not require a letter of interest as defined under "Standard Projects." The SPA and UA will have the discretion to determine how to receive and process information from Architects, Engineers and/or other design professionals expressing interest in a project in this category. Nonetheless, the SPA and UA will be responsible for preparing a written summary that includes the number of Architect, Engineers, and/or other design professionals who formally expressed interest and how they were evaluated and compared with the top three chosen. This summary shall be promptly furnished to the State Architect who shall house the documentation and make it available for inspection by all interested proposers following approval of a design professional by the SBC.

Submitting Candidates for Minor Projects to the State Building Commission: The SPA and UA will be required to submit to the State Architect, to be distributed to the State Building Commission, a detailed summary of the proposed top three designers ranked in order of preference, and a list of the other Architects, Engineers, and/or other design professionals who formally expressed interest.

Evaluation of completed performance for all project categories: SBC standard Designer Performance Evaluation forms are to be completed by the SPA during the course of a project development and upon completion of the project. The forms are to be submitted to the State Architect's office for electronic compilation available as a reference for use by SPA and UA(s) in future evaluations.

Open Records for all project categories: The evaluations of letters of interest, the ranking of the top three design professionals, along with the evaluation of completed performance will be kept on record for public access through the State Architect's office in accordance with Tennessee Code Annotated, Section 10-7-504(a)(7).

The State Building Commission reserves the authority to modify, waive or add additional requirements or procedures to this designer selection process in the event that circumstances exist such that it would be in the best interest of the State to take such action in the selection of a designer.

SPECIAL ITEM

- 1) Secretary Hargett brought up from the floor a discussion regarding the proposed job description and plan to advertise for the selection of a State Architect. He made a motion to recommend to the State Building Commission that they recommend, in concept, the State Architect job description, the plan to advertise and selection process schedule. Commissioner Goetz suggested that the design community have one view of it to get a sense of how this fits, how they understand the duties, and how the market will respond. Secretary Hargett said that those were good suggestions as more input might be useful. His motion was seconded and passed without objection.

There being no further business, the meeting adjourned at 11:25 a.m.

A.

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

Description: Knox County – 1.80 +/- acres (142,984 sf) – 860 20th Street, Knoxville, TN - Trans. No. 10-09-014 (Baugh)

Purpose: Acquisition in fee to purchase the property and improvement which is in the Master Plan.

Source of Funding: University of Tennessee

Estimated Cost: Fair Market Value

Owner(s): Shelbourne Towers LP

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

B.

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

Description: **Shelby County – 0.1950 +/- acres – 3548 Midland Street, Memphis, TN – Trans. No. 10-07-014 (Maholland)**

Purpose: Acquisition in fee to purchase this property for future campus expansion. Property is in the Master Plan.

Source of Funding: G. O. Bonds

Appraisal Value: \$165,000 per appraisal

Owner(s): Joseph K. L. Moulton, Sr.

Comment: This is one of the "102" properties that was approved in July 2007.

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

SC Action: 11/01/10. Subcommittee approved the request 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 ONE (1) APPRAISAL required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Washington County – 14.81 +/- acres – Fulkerson Road, Gray, TN – Trans. No. 10-09-008 (Maholland)

Purpose: Acquisition in fee so that ETSU will enable to extend the fossil dig site. Property is in ETSU Master Plan for the fossil site and for parking spaces in the future.

Source of Funding: Plant Funds

Appraisal Value: \$178,000 per appraisal

Owner(s): Tom Chambers

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

D.

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

Description: Shelby County – 1.6 +/- acres – 616 Alabama Avenue, Memphis, TN – Trans. No. 10-09-010 (Maholland)

Purpose: Acquisition in fee to acquire property for future campus expansion. TTC of Memphis is severely deficient in space. Demolish the dilapidated apartment complex on that site. Property is in the Master Plan.

Source of Funding: TTC Capitol Surplus funds

Estimated Cost: \$180,000

Estimated Cost for demolition: \$50,000 to \$75,000

Owner(s): Boshwit Brothers (BPAM, LLC)

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

E.

TENNESSEE BOARD OF REGENTS

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: **Shelby County – 3.24 +/- acres – University of Memphis, Central Avenue, Memphis, TN – Trans. No. 10-09-011 (Maholland)**

Purpose: Disposal by easement for three (3) easements. Permanent drainage easement (0.94 +/- acres) for installation of permanent drainage structures. Permanent sidewalk easement (1.60 +/- acres) to provide safe pedestrian circulation along Central Avenue also to move existing power poles and provide a green space between curb/sidewalk. Temporary construction easement (0.70 +/- acres) for the duration of the project construction for areas on both the north and south ROW of Central Avenue.

Estimated Sale Price: Grant for public purpose

Grantee: City of Memphis

Comment: The intent of the project is to improve safety for students, faculty & visitors crossing Central Avenue from the University parking lot to their destination. There have been several traffic accidents, one resulting in a fatality at this location. These easements are part of SBC Project#166/007-04-003 approved by SBC in 2003.

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

TENNESSEE BOARD OF REGENTS

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: **Sullivan County – 515 square foot & 0.326 +/- acres – Northeast State Community College, Aviation Drive, Blountville, TN – Trans. No. 10-09-015 (Maholland)**

Purpose: Disposal by easement for two (2) easements with Tri Cities Reg. Airport for new storm drains and future relocation of Aviation Drive. Permanent drainage easements in the amount of 289 sf and 226 sf and temporary construction easement in the amount of 0.326 +/- acres.

Source of Funding: Grant for public purpose

Grantee: Tri Cities Regional Airport

Comment: Aviation Drive is adjacent to NESCC south entrance. The construction project will improve the traffic flow on campus with relocation of this road. Another benefit will be improvements to the storm drains resulting in better storms water management and improving appearance of the campus.

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

G.

DEPARTMENT OF HUMAN SERVICES

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: Hamblen County – 2412 West Andrew Johnson Highway, Morristown, TN – Trans. No. 10-05-925 (Lotspiech)

Purpose: To provide office space for that county

Term: January 1, 2011 thru December 31, 2015 (5 yrs)

Proposed Amount: 8,000 Square Feet
Annual Contract Rent incl.
Gas/water/sewer Cost: \$74,000.00 @\$ 9.25 / sf
Est. Annual Utilities Cost: \$ 6,800.00 @\$ 0.85 / sf
Est. Annual Janitorial Cost: \$ 8,800.00 @\$ 1.10 / sf
Total Annual Effective Cost: \$89,600.00 @\$11.20 / sf

Current Amount: 8,000 Square Feet
Annual Contract Rent incl.
Gas/water/sewer Cost: \$74,000.00 @\$ 9.25 / sf
Est. Annual Utilities Cost: \$ 6,800.00 @\$ 0.85 / sf
Est. Annual Janitorial Cost: \$ 8,800.00 @\$ 1.10 / sf
Total Annual Effective Cost: \$89,600.00 @\$11.20 / sf

Type: New lease – advertise – received twelve (12) proposals from six (6) proposers.

FRF Rate: \$14.00

Purchase Option: No – multi tenant bldg.

Lessor: HHD Partners / George Haggard, current lessor

Comment: The proposed lease has a no cancellation cause except for lack of funding. Lessor shall complete all improvements listed on the lease at no additional cost to the State.

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

H.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

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: Shelby County – 4240 Hickory Hill Road, Memphis, TN – Trans. No. 10-03-906 (Lotspiech)

Purpose: To provide office space for the county

Term: January 1, 2012 thru December 31, 2021 (10 yrs)

| | | | |
|------------------|------------------------------|---------------------|----------------------|
| Proposed Amount: | <u>9,260 Square Feet</u> | | |
| | Annual Contract Rent: | \$113,700.00 | @\$12.28 / sf |
| | Est. Annual Utility Cost: | \$ 16,205.00 | @\$ 1.75 / sf |
| | Est. Annual Janitorial Cost: | <u>\$ 10,186.00</u> | <u>@\$ 1.10 / sf</u> |
| | Total Annual Effective Cost: | \$140,091.00 | @\$15.13 / sf |

| | | | |
|-----------------|---|--------------------|----------------------|
| Current Amount: | <u>6,521 Square Feet</u> | | |
| | Annual Contract Rent Incl. Utilities and Janitorial Cost: | <u>\$88,034.00</u> | <u>@\$13.50 / sf</u> |
| | Total Annual Effective Cost: | \$88,034.00 | @\$13.50 / sf |

Type: New lease – advertise – received two (2) proposals from two (2) proposers.

FRF Rate: \$18.00

Purchase Option: No

Lessor: Pedigo Hickory Properties, LP

Comment: Lessor shall provide renovate to suit building of 9,260 sf office space including interior tenant improvements at no additional cost to the State. The lease has 180 day cancellation after the 5th year.

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

DEPARTMENT OF SAFETY

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: Hamblen County – 1000 Trade Street, Morristown, TN – Trans. No. 10-03-901 (Lotspiech)

Purpose: To provide office space for DLI & THP

Term: July 1, 2011 thru June 30, 2021 (10 yrs)

| | | | |
|------------------|------------------------------|--------------------|----------------|
| Proposed Amount: | <u>7,249 Square Feet</u> | | |
| | Annual Contract Rent: | \$67,400.00 | @ \$ 9.30 / sf |
| | Est. Annual Utility Cost: | \$12,685.75 | @ \$ 1.75 / sf |
| | Est. Annual Janitorial Cost: | <u>\$ 7,973.90</u> | @ \$ 1.10 / sf |
| | Total Annual Effective Cost: | \$88,059.65 | @ \$12.15 / sf |

Current location: Modular unit since 1984

Type: New lease – advertised – received sixteen (16) proposals from eight (8) proposers. One (1) proposal was non-conforming in that it was a multi tenant building and the advertisement required a single tenant building.

FRF Rate: \$14.00

Purchase Option: Yes

Lessor: Donald Kenley

Comment: Lessor shall construct a building of 7,249 sf office space including interior tenant improvements at no additional cost to the State. The lease has 180 day cancellation after the 5th year.

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

DEPARTMENT OF CORRECTION

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: **Davidson County – 54.55 +/- acres – Charles Bass Correctional Complex site 2, Nashville, TN – Trans No. 10-08-019 (Jackson)**

Purpose: Disposal by easement for an aviation easement that will provide for the free and unobstructed flight and passage of aircraft in and through the airspace above, over and across the surface of the TDOC property.

Estimated Sale Price: Grant for public purpose. Airport authority will build new 2-lane service road for TDOC.

Grantee: Metropolitan Nashville Airport Authority

Comment: Airspace easement is required by the Federal Government

SSC Report: 10/18/10. Jurgen Bailey summarized the transaction. Tom Robinson explained that this aviation easement was required by Federal authorities for unobstructed flights. Staff referred to Subcommittee for consent agenda.

SC Action: 11/01/10. Subcommittee approved the request as presented.

K.

DEPARTMENT OF TRANSPORTATION

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: **Roane County – 2.934 +/- acres – Harriman, TN – Trans. No. 10-09-016 (Baugh)**

Purpose: Acquisition in fee to expand storage area for TDOT Region 1, District 16 garage facility

Source of Funding: Plant Construction funds

Appraisal Value: \$41,100

Owner(s): Bill Baxter Properties, LP

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

SC Action: 11/01/10. 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: Roane County – 48.89 +/- acres – Oak Ridge City, TN – Trans. No. 10-09-012 (Jackson)

Purpose: Acquisition in fee for this property that was acquired by Tennessee Parks & Greenways. They have agreed to sell the property to the State of Tennessee for \$26,000.

Source of Funding: T. W. R. A.

Estimated Cost: \$100,000 estimated value

Actual Cost: \$26,000

Owner(s): Dianne Naff / TN Parks & Greenways

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

SC Action: 11/01/10. Subcommittee approved the request as presented.

M.

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 TCA 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 for the further implementation of the Lakeshore Master Plan (October 15, 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."

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 the next meeting due to language being omitted from the lead sheet regarding a reversionary clause.

N.

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

- 1) Approved a project to **Demolish House** located at 802 Wiles Court in Murfreesboro, as reviewed by the Tennessee Historical Commission.

| | |
|--------------------------------|------------------------|
| Estimated Project Cost: | \$45,000.00 |
| <u>Source of Funding:</u> | Campus Plant Funds |
| <i>SBC Project No.</i> | <i>166/009-15-2010</i> |

TENNESSEE BOARD OF REGENTS

Middle Tennessee State University, Murfreesboro, Rutherford County, Tennessee

- 1) Approved a project to **Demolish Duplex** located at 806/808 Wiles Court in Murfreesboro, as reviewed by the Tennessee Historical Commission.

| | |
|--------------------------------|------------------------|
| Estimated Project Cost: | \$45,000.00 |
| <u>Source of Funding:</u> | Campus Plant Funds |
| <i>SBC Project No.</i> | <i>166/009-16-2010</i> |

DEPARTMENT OF SAFETY

District 4 – THP Headquarters, Memphis, Shelby County, Tennessee

- 1) Approved a project to **Demolish Modular & Storage Buildings** located at the Tennessee Highway Patrol Headquarters District 4, Memphis, as reviewed by the Tennessee Historical Commission.

| | |
|--------------------------------|------------------------|
| Estimated Project Cost: | \$24,000.00 |
| Source of Funding: | Operating Funds |
| <i>SBC Project No.</i> | <i>502/007-01-2010</i> |

Q.

DEPARTMENT OF AGRICULTURE

Division of Forestry – Davidson County, Tennessee

- 1) Approved a project to **Demolish Four Buildings** located at 6087 Fire Tower Road, Nashville, Tennessee, as reviewed by the Tennessee Historical Commission.

| | |
|--------------------------------|------------------------|
| Estimated Project Cost: | \$25,000.00 |
| <u>Source of Funding:</u> | Operating Funds |
| <i>SBC Project No.</i> | <i>100/010-02-2010</i> |

Approved by: Mike Morrow
Mike Morrow, Commissioner
Department of Finance and Administration