

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JANUARY 20, 2004

The State Building Commission Executive Sub-committee met this day at 10:00 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

John Morgan, Comptroller of the Treasury
Riley Darnell, Secretary of State
Dale Sims, State Treasurer

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Janie Porter, Attorney General's Office
Mark Wood, Secretary of State's Office
Dennis Raffield, THEC
Pat Haas, Bond Finance
George Brummett, Department of Finance and Administration
Karen Hale, Comptroller's Office
Jerry Preston, Tennessee Board of Regents
Alvin Payne, University of Tennessee
Ken Scalf, Department of Finance and Administration
John Gregory, Tennessee Wildlife Resources Agency
Ralph Mickle, Department of Mental Health & Developmental Disabilities
Annette Crutchfield, Legislative Budget Office

Secretary of State Riley Darnell called the meeting to order at 10:07 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

TENNESSEE BOARD OF REGENTS

EAST TENNESSEE STATE UNIVERSITY, JOHNSON CITY

- 1) Approved a request for a revision in the source of funding for the **Master Plan Update** for East Tennessee State University in Johnson City, Tennessee.

Estimated Project Cost:

\$ 175,000.00

SBC Project No. 166/005-06-02

DISCUSSION OF BIDS

- 1) Tennessee Technological University
(New Nursing and Health Services Building)
SBC Project No. 166/011-03-02
Bid date: 01/14/04
Subcommittee action: No action required

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

Description: Hamilton County –Building Improvements – 601 Douglas Street, Chattanooga, TN – Trans. No. 03-12-010 (GM)

Purpose: Acquisition in Fee of building improvements only and acceptance of reverted real property. The Sorority's deed states that their fee simple real property interest reverts to the University for the market value cost of the building improvements should the said property cease to be used as a sorority.

Source of Funding: Gift Funds

Estimated Cost: Fair Market Value – Building Improvements Only

Owner(s): Alpha Delta Pi Sorority

SSC Report: 1-12-04. Alvin Payne, University of Tennessee, advised that the 3,300 square foot facility will be used as an International House for International students. He stated the program exists in various building on the campus. Discussion ensued regarding the additional square feet in the formula for funding. Staff referred to Subcommittee with recommendation.

SC Action: 1-20-04. Charles Garrett summarized the transaction. He advised that the land reverts to the State by deed and the proposed acquisition will be fair market value for the improvements only. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: **Shelby County – 2.0 +/- Acres – Trans. No. 03-12-009 (CH)**

Purpose: Acquisition in Fee of land used for mitigation of wetland impacts. Property adds to WMA owned by TWRA at this mitigation site and will be used for wildlife viewing and habitat along the Loosahatchie River.

Source of Funding: Gift

Estimated Cost: Gift

Estimated Value: \$8,000.00

Owner(s): FCD Development LLC (dba Faison & Associates Inc., a North Carolina LLC)

SSC Report: 1-12-04. John Gregory, TWRA Representative, advised that the proposed property is for wetland mitigation. He advised that the owner must recreate the property to wetlands and has 5 years to complete the mitigation. After review and discussion, Staff referred to Sub-committee for discussion.

SC Report: 1-20-04. Charles Garrett presented the transaction for review. John Gregory summarized the transaction. After review and discussion, Sub-committee approved the transaction as presented. Final action.

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 ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Greene County – 1.0 +/- Acres – State Access Road, Greene Valley Development Center, Greeneville, TN – Trans. No. 03-12-013 (CH)

Purpose: Disposal by Lease to allow for construction of an Emergency Medical Service substation to provide emergency medical and ambulance services to eastern Greene County and the GVDC.

Term: Fifty (50) Years with two 25-Year Options to Renew

Consideration: Grant – Mutual Benefit

Lessee: Greene County

SSC Report: 1-12-04. Ralph Mickle, agency representative, advised that the transaction greatly benefits the GVDC. He stated that quicker access to emergency medical services will be greatly improved in transporting patients from building to building on campus or to a hospital. He stated the County will install utility services and construct the facility and the City of Tusculum will maintain the facility. Staff recommended that the transaction contain a reversion clause in the event the property is no longer used as an emergency medical services sub-station. Referred to Sub-committee with recommendation.

SC Action: 1-20-04. Charles Garrett summarized the transaction. Ralph Mickle, agency representative, advised that at Staff recommendation the State will receive a reduction in services rates as part of the consideration. He stated the proposed transaction will benefit the GVDC as well as eastern Greene County. Sub-committee approved the transaction as presented. Final action.

STATE BUILDING COMMISSION

MINUTES OF THE STATE BUILDING COMMISSION EXECUTIVE SUBCOMMITTEE

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on December 15, 2003.

Following approval of the Consent Agenda, the meeting adjourned at 10:20 a.m.

CONSENT AGENDA

Approved the following Real Property transactions that have been reviewed and recommended for Approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Weakley county**
Transaction: Acquisition in Fee
- B. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition in Fee
- C. Agency: **TN Board of Regents – Shelby County**
Transaction: Acquisition in Fee
- D. Agency: **TN Board of Regents – Rutherford County**
Transaction: Acquisition in Fee
- E. Agency: **TN Wildlife Resources Agency – Anderson County**
Transaction: Disposal by Permanent Easement
Provision: Revision of Previous Approval
- F. Agency: **Department of Safety – Madison County**
Transaction: Lease Agreement
- G. Agency: **Finance & Administration – Davidson County**
Transaction: Lease Amendment for Safety, Title & Registration

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

Description: Weakley County – 0.51 +/- Acres – 738 University Street, University of Tennessee at Martin – Trans. No. 03-12-004 (CH)

Purpose: Acquisition in Fee for campus expansion and within the UTM Master Plan.

Source of Funding: Institutional Funds

Estimated Cost: \$105,000.00 – Fair Market Value

Owner(s): Reelfoot Bank

Comment: Original State Building Commission approval was obtained in October 1992 to acquire in fee from Mr. Davis Weldon. Since that time the property was foreclosed upon by the Reelfoot Bank, the current owner. Finance and Administration is requesting approval to acquire the property from Reelfoot Bank at fair market value.

SSC Report: 1-12-04. Alvin Payne, University of Tennessee, advised that the property would be used for surface parking. After review and discussion, Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Sub-committee approved as presented. Final action.

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

Description: Knox County – 0.25 +/- Acres – 1811 Andy Holt Avenue, Knoxville, TN – Trans. No. 03-12-011 (GM)

Purpose: Acquisition in Fee for campus expansion. Property is within the Master Plan for the University of Tennessee at Knoxville, Student Health Center.

Source of Funding: Land Acquisition Funds

Estimated Cost: Fair Market Value

Owner(s): Aileen Pettit

SSC Report: 1-12-04. Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Sub-committee approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: **Shelby County – 0.31 +/- Acres with Improvement – 3595 Norriswood Avenue, Memphis, TN – Trans. No. 03-12-007 (LW)**

Purpose: Acquisition in Fee for future campus expansion. Property is within the UoM's land acquisition master plan and the house will be rented until needed for expansion purposes.

Source of Funding: Land Acquisition Funds

Estimated Cost: Fair Market Value

Estimated Value: \$144,000.00

Owner(s): Clyde H. Dixon

SSC Report: 1-12-04. Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Sub-committee approved as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

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

Description: **Rutherford County – 0.53 +/- Acres with Improvement – 123 City View Drive, Murfreesboro, TN – Trans. No. 03-12-008 (LW)**

Purpose: Acquisition in Fee for future campus expansion. Property is within the MTSU land acquisition master plan and the house will be rented until needed for expansion purposes

Source of Funding: Institutional Auxiliary Funds

Estimated Cost: Fair Market Value

Estimated Value: \$73,000.00

Owner(s): Margaret Stevens/ Catherine Crockett

SSC Report: 1-12-04. Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Sub-committee approved as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

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

Description: Anderson County – 26.6 +/- Acres – Sundquist Wildlife Management Area – Trans. No. 03-07-009 (CH)

Purpose: Disposal by Permanent Easement of an existing access road. TVA needs access for a wind energy project, including a new substation on adjoining property.

Estimated Sale Price: Fair Market Value

Term: Twenty-seven (27) years with (2) Five year options

Grantee: Tennessee Valley Authority (TVA)

SSC Report: 8-18-03. John Gregory, TWRA, advised that TVA will maintain the road and it will be a shared access road. Staff referred to Sub-committee for discussion.

SC Action: 8-25-03. Charles Garrett presented the transaction for review. Mr. Garrett introduced John Gregory, TWRA. Mr. Gregory advised that the subject access road is an old mining road. He stated the road will be improved and maintained by TVA. Sub-committee approved the request as presented. Final action.

Request to Revise the Previous APPROVAL of a DISPOSAL by EASEMENT to a DISPOSAL of a PERMANENT EASEMENT of an Existing Access Road and Removal of the TERM as previously approved.

SSC Report: 1-12-04. Jurgen Bailey presented the transaction and requested the previous approval be revised to that of a Permanent Easement to TVA of an existing access road as required by TVA. He further requested that the previously approved easement term of 27 years be removed. Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Sub-committee revised the previous approved as requested. Final action.

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: **Madison County – Whitehall Street, Jackson, TN – Trans. No. 03-08-900 (TH)**

Purpose: To provide office and related space for a West Tennessee Satellite location for issuance of commercial vehicle operations.

Term: October 1, 2004 thru September 30, 2014 (10 yrs.)

Proposed Amount: **3,250 Square Feet**

Annual Contract Rent:	\$34,800.00	@\$10.70/sf
Est. Annual Utility Cost:	\$ 4,550.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,575.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$42,925.00	@\$13.20/sf

Type: New Lease – Advertisement – Lowest of (9) Proposals from (5) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Brent and Sam McLemore

Comment: Proposed lease provides (1) Lessor will construct 3,250 square feet of office and related space including interior build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease term except cause and/or lack of funding and 180 days notice thereafter and (3) State's Option to Purchase.

SSC Report: 1-12-04. After review and discussion, Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Comptroller John Morgan inquired as to the transaction being in the agency's strategic plan. Charles Garrett stated that in working with the agency the plan is to open satellite offices in east and west Tennessee. He stated that all commercial vehicles must come to the Headquarters on Foster Avenue. The proposed satellite office would alleviate overcrowding and extreme distance traveled by some individuals and firms by locating an office in West Tennessee utilizing existing employee positions. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

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

Location: **Davidson County – 44 Vantage Way, Nashville, TN – Trans. No.**

Purpose: Lease Amendment to provide additional space for file storage and distribution for the Division of Title and Registration.

Term: February 1, 2004 thru August 31, 2005 (1 yr., 7 mos.)

Proposed Amount: 52,994 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$755,164.50 @\$14.25/sf
Total Annual Effective Cost: \$755,164.50 @\$14.25/sf

Current Amount: 50,804 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$723,957.00 @\$14.25/sf
Avg. Annual Effective Cost: \$723,957.00 @\$14.25/sf

Type: Amendment No. 3 – 2,190 Square Feet

FRF Rate: \$18.00 Per Square Foot

Purchase Option: No – Multi-tenant Facility

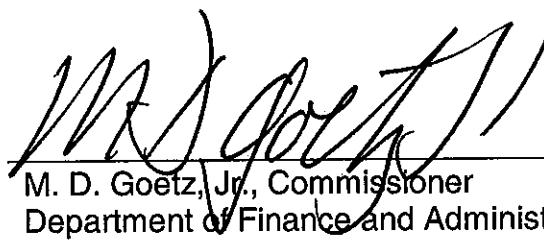
Lessor: ATAPCO Vantage, Inc.

Comment: The proposed amendment is necessary to satisfy TOSHA requirements. All other terms and conditions of the lease agreement remain in full force and effect.

SSC Report: 1-12-04. Staff referred to Sub-committee for consent agenda.

SC Action: 1-20-04. Sub-committee approved as presented. Final action.

Approved by:



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