

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

JULY 10, 2008

The State Building Commission Executive Subcommittee met this day at 1:00 p.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, Assistant State Architect
Charles Harrison, Comptroller's Office
Jurgen Bailey, Real Property Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Afsoon Hagh, Attorney General's Office
Mark Cherpack, Department of Finance and Administration
John Carr, Finance & Administration
Cindy Liddell, Bond Finance
Annette Crutchfield, Legislative Budget Analysis
Dave Thurman, Legislative Budget Analysis
Robert Greene, Department of Education
Deborah Davis, Department of Education
George E. York, York Patriotic Foundation
Andrew York, York Patriotic Foundation
Dan Brown, Tennessee Preservation Trust
Michael Birdwell, Tennessee Technological University
Representative Henry Fincher
Brian Dobbs, Bass Berry & Sims
Lee Barfield, Bass Berry & Sims
Richard Tune, TN Historical Commission

Randal Williams, UCDD
Steve Westerman, Real Property Administration
Anne Martin, Real Property Administration
Bill Finney, Real Property Administration
Mark Wood, Secretary of State's Office
Lola Potter, Department of Finance and Administration
Nancy Blevins, Department of Finance and Administration
Mike Morrow, Department of Finance and Administration
Donald Ray Smith, YAI teacher
Erin Smith, YAI teacher

Commissioner Goetz called the meeting to order at 1:15 p.m. and requested action on the following matters as presented by State Architect Mike Fitts.

DEPARTMENT OF EDUCATION

ALVIN C. YORK INSTITUTE, FENTRESS COUNTY, TENNESSEE

- 1) Mr. Fitts began a discussion of a project for **Demolition of the Original High School** at the Alvin C. York Institute at Jamestown, Tennessee. He presented the Subcommittee with documents for their reference to the discussion. He introduced Assistant Commissioner Robert Greene to present the Department of Education's position. Commissioner Greene stated that their position was the same as yesterday, and that the best thing was to demolish the building. He said different architects and engineers have looked at the situation, teachers, Advisory and Student Councils, and community have viewed it, and the County voted 10-0 in favor of demolishing it. Mr. Fitts stated that at yesterday's meeting the Foundation had requested bringing their engineer to show where the State was inaccurate or incorrect. Their engineer did not find that to be true. In summary, it was presented by the State's engineer, EMC, that to demolish the facility using a wet demolition process would cost \$500,000. He further stated that the estimates that they received from Dillingham & Smith indicated that it would take \$1 million to stabilize the building for two years.

Commissioner Goetz asked what the difference was between stabilization and mothballing. Mr. Fitts responded that stabilization would make the facility structurally safe and would keep it from falling vs. keeping the building relatively intact for future restoration for an extended period of time. He added that mothballing for longer than two years would require more work and money. Chris Holt of Dillingham & Smith stated that they had not looked at longer than two years, but the additional cost could add roughly another \$1 million. Mr. Fitts said that most everyone agreed that, with enough money, the building could be restored. He said that it, functionally, was best suited for administrative space and less functional for education classroom space or such things as cafeterias. He said if the interior load-bearing walls were taken out, it might jeopardize its ability to remain on the historic register. He said, taking into consideration safety, hazardous materials, disruption of school and the education of children, interim aesthetics and economics, he thought it was in the best interest of the State to take the building down. He said the imminent threat of collapse had been confirmed at the meeting the day before.

Treasurer Sims asked if there had been any consensus and was there still a dispute. Lee Barfield said that the building can be stabilized so not to be a danger to children, and that their contractor, WASCO, offered to stabilize the building for \$173,000. He said the work would involve three phases: (1) stabilization; (2) mothballing it until the State decided how to use the building; and (3) renovation. He added that everybody agreed that this building can be stabilized, that it can be mothballed, and they think it would cost less than \$1 million, but they haven't submitted estimates. Treasurer Sims commented that their engineer's (Bender) information doesn't talk about an extended period of stabilization. He said that, at a past meeting, there had been extensive discussion on the issue and that they were talking about a permanent stabilization. He said that some estimates indicate that

\$500,000 to \$1 million could mothball the building for 15-20 years, but they were envisioning something for a longer period. He said it was his understanding that they had tasked people to look into that. Mr. Barfield said that no one has submitted any costs for mothballing for longer than two years, but two years should be enough for the State to decide what they want to do with it. Treasurer Sims said he was concerned over the issue of liability and who is responsible if they proceed with stabilization and the worst does happen and there are children hurt or killed. Mr. Barfield said their contractor's insurance would cover the liability if they were at fault; if on premises, the State would be liable. He said the Foundation recognizes that the safety issue is the question. He said they propose a three-step plan: (1) Begin stabilization on Monday with WASCO, who will do it for \$173,000 to comply with all legal requirements, for completion by August 13; (2) Mothballing should follow immediately; and (3) Renovate the building. Mr. Barfield discussed various estimates for actual renovation and restoration compared to demolition and building new.

Michael Birdwell, Tennessee Technological University, was recognized and discussed the history of Alvin York Institute and how Sgt York brought about the school. Dan Brown was recognized. He said the Tennessee Historical Commission has mentioned the possibility of grants. He said there was no justification for destroying the building and that demolition would be a direct attack on Veterans. Commissioner Goetz asked if the Tennessee Preservation Trust raised money and how much have they put into this project. Mr. Brown said they offered to pursue grants that had not been applied for. Commissioner Goetz discussed with Mr. Brown the funding provided by the TPT. He said it was one thing to advocate for it and another to bring something forward. Mr. Barfield stated that if they had a Memorandum of Understanding then they could have something that would allow them to pull together additional funding. Representative Henry Fincher commented that it was hard for them to commit until they knew that the State was committed to preservation. Commissioner Goetz commented that they have been put on notice by several that there is a significant risk to this building. Representative Fincher commented that this building was part of the legacy of the Upper Cumberland and that the cheaper way was to save it. He asked that the Alvin York Institute not be a victim of inertia. Mr. Barfield asked if it costs more than \$1 million to mothball, who would pay for it. He added that, on behalf of the Foundation, he was submitting a letter in which they were committing the amount of money for all the reasonable costs in excess of the \$500,000 committed by the State to mothball the facility. He said they would like to put this in a MOU with the Foundation and York family. He said they don't know how much money that is going to be and they need to know what the State's needs are.

Comptroller Morgan stated that he appreciated the effort everyone was trying to make to help get a positive resolution. He said if they go forward with this plan and the \$1 million estimate is feasible, the State could avoid having to spend \$325,000 on portables. He said if they can't, and they have to spend money for portables, it would make their financial challenge a little grayer. He said their offer to supplement the State dollars was predicated on \$500,000 and, if the wall can't be stabilized by the time school starts, they would have to buy the portables. Chris Holt said their position was that, whatever is done with stabilization, they would not want children in the adjacent classrooms. Mark Buchanan of EMS stated that both their contractor, Walter Knestrick, and Dillingham & Smith would not put their forces in the building, and he asked WASCO how they were going to remove the hazardous materials without going into the building. WASCO did not provide an answer.

Mr. Barfield said there is no need to rush this thing before school starts and that they believe danger has been overstated by the State's engineers. Comptroller Morgan said the State has already made the decision to move the kids out of the classrooms and he was going to be hard pressed to move kids

back in where they have been forced out. Treasurer Sims stated that this was not necessarily a money issue but it was also an emotional one. In the State's plan, if it is demolished, the portables come off the table, and building a new building could be more than replacement cost. He said the State doesn't have the money to mothball the facility. He added that their offer to the County was for them to take the property and present the State a plan for them to mothball the building for 30 years. He said if the Foundation can't accept that offer in one day, then the State will be forced to demolish the building.

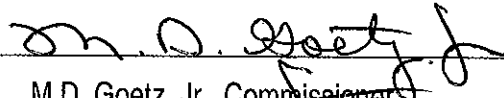
Treasurer Sims proposed that (1) the Foundation be given title to the building and underlying land; (2) the State's \$500,000 allocation for demolition would be granted to the Foundation for the purpose of mothballing; (3) the Foundation takes obligation to stabilize in a fashion satisfactory to the State so students can occupy classrooms in August; and (4) Within a reasonable period of time, the Foundation would get the building in shape for a prolonged period of time. He added that the stabilization has to be in the 10-20 year range. He said this would give the Foundation both the responsibility that they have advocated, but the State needed to know quickly. Mr. Barfield discussed approvals needed by the State. Treasurer Sims said that stabilization has to be implemented to the degree that students are comfortable with reoccupying the existing adjacent classroom. Commissioner Goetz asked Chris Holt to confirm his schedule that, by August 11, they would have the building torn down except for the foundation. Mr. Holt responded that they could and they would be able to occupy the classrooms. Mr. Fitts clarified that, contrary to what was said earlier by Mr. Barfield, the engineer Bender did not in writing, or at the meeting, say that the State's engineers overstated the danger represented by the current state of the building.

A motion was made and seconded that Treasurer Sims' proposal be approved and the Foundation be given until Monday, July 14, 2008 at 4:30 p.m. to have a signed agreement acceptable to both parties. Treasurer Sims commented that if the offer of transfer of title is accepted, then they would need to authorize purchase of portables and, if the offer is not accepted, then the portables won't be needed. That action was agreed upon by the Subcommittee. Secretary of State Darnell confirmed that by Monday at 4:30 p.m. an agreement will either be in place or, if not, the State will proceed to demolish the facility. Treasurer Sims said the right State people will have to agree to when the students can reoccupy the existing adjacent classroom spaces. Secretary of State Darnell said they need an agreement in principle, a Memorandum of Understanding. Mr. Barfield commented that they appreciated the Subcommittee's time and consideration of the matter on behalf of the Foundation and York family.

SBC Project No. 168/001-01-2008

There being no further business, the meeting adjourned at 2:35 p.m.

Approved by: _____


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