

# MINUTES

## STATE BUILDING COMMISSION MEETING

### EXECUTIVE SUB-COMMITTEE

NOVEMBER 24, 2008

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

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

#### STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

#### OTHERS PRESENT

Mike Fitts, State Architect  
Alan Robertson, Assistant State Architect  
Georgia Martin, State Architect's Office  
Charles Harrison, Comptroller's Office  
Mark Wood, Secretary of State's Office  
Dottie Hagood, Real Property Administration  
Jurgen Bailey, Real Property Administration  
Bob King, Real Property Administration  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Mark Cherpack, Dept of Finance & Administration  
Lynn York, Post Conviction Defenders  
Don Dawson, Post Conviction Defenders  
Kayla Shewcraft, Bond Finance  
Sandi Thompson, Bond Finance  
Gail Best, Board of Probation & Parole  
Debra Hudson, Board of Probation & Parole  
John Lamar, Department of Revenue  
Reagan Farr, Department of Revenue  
Stan Dunlap, Department of Revenue  
Glen Page, Department of Revenue  
Ed Eldridge, Department of Revenue

Robbi Stivers, University of Tennessee  
Mike Carlton, Dept of Environment & Conservation  
Bill Evant, Dept of Environment and Conservation  
Ralph Knoll, The Conservation Fund  
Bruce Davis, Legislative Budget Office  
Ralph Mickle, Dept of Mental Health and  
Developmental Disabilities  
Kim Adkins, lobbyist for Buchart-Horn, Inc.  
Jerry Preston, Tennessee Board of Regents  
John Carr, Department of Finance & Administration  
Alvin Payne, University of Tennessee  
Jim Fyke, Dept of Environment and Conservation  
Terry Mason, Dept of Finance and Administration  
Nancy Blevins, Dept of Finance and Administration

Comptroller Morgan called the meeting to order at 10:38 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

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CONSENT AGENDA

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

- A. Agency: University of Tennessee – Knox County  
Transaction: Disposal by easement  
Provision: Waiver Advertisement & Appraisal
- B. Agency: University of Tennessee – Knox County  
Transaction: Acquisition in fee
- C. Agency: University of Tennessee – Knox County  
Transaction: Acquisition in fee
- D. Agency: Tennessee Board of Regents – Rutherford County  
Transaction: Acquisition in fee
- E. Agency: Tennessee Board of Regents – Rutherford County  
Transaction: Acquisition in fee
- F. Agency: Tennessee Board of Regents – Shelby County  
Transaction: Acquisition in fee
- G. Agency: Tennessee Board of Regents – Shelby County  
Transaction: Acquisition in fee
- H. Agency: Department of Human Services – Rhea County  
Transaction: Lease agreement  
Provision: Waiver advertisement
- I. Agency: Department of Human Services – Cumberland County  
Transaction: Lease agreement
- J. Agency: Department of Transportation – Rutherford County  
Transaction: Disposal in fee  
Provision: Waiver advertisement
- K. Agency: Tennessee Wildlife Resource Agency – Blount County  
Transaction: Disposal by easement  
Provision: Waiver advertisement & appraisals
- L. Agency: Department of Environment & Conservation – Polk County  
Transaction: Acquisition by lease

- M. Agency: **Department of Environment & Conservation – Davidson County**  
Transaction: Appraisal only
  
- N. Agency: **Department of Environment & Conservation – Rutherford County**  
Transaction: Acquisition

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Shelby County - 0.87 +/- acres - 5,900 sq. ft. residence located at 36 Morningside Place- Trans No. 07-06-024 (GM)

Purpose: Disposal in Fee to dispose of former Chancellor's residence.

Original Cost to State: \$1,325,000.00

Date of Original Conveyance: August 1, 2005

Grantor Unto State: Charles H. Gray, IV, et ux.

Estimated Sale Price: Fair Market Value

Grantee: Highest bidder

SSC Report: 07-16-07. Jurgen Bailey summarized the transaction. Gary Rogers explained that the University is getting out of the housing business for Chancellors. Staff referred to Sub-Committee with recommendation.

SC Action: 07-23-07. Subcommittee approved the request as presented. Final action.

**Further approval request:** Requesting approval to sell for less than fair market value. Property appraised at \$1,100,000. We have an offer for \$815,000 minus 3% of closing cost not to exceed \$24,450; \$710.00 for Home Warranty, termite inspection for \$150.00 and \$41,892.50 in real estate commissions.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Alvin Payne stated that UT will sell the home "AS IS" with no improvements. Staff referred to Subcommittee for discussion.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Treasurer Sims stated that his approval was based upon the University's policy decision not to offer Chancellor Residences to their Chancellors in the future. Subcommittee approved the request with that stipulation.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Weakley County – 74.0 +/- acres – Courtright Road, Martin, TN – Trans. No. 08-10-010 (GM)

Purpose: Disposal in fee at a price equal to or greater than appraised value.

Original Cost to State: Part of 131 acres for \$86,350.00

Date of Original Conveyance: April 27, 1970

Grantor Unto State: Jeff L. Parrish

Estimated Sale Price: Fair Market Value

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Alvin Payne stated that the funds from the sale of this transaction will be used to acquire the property at 634 Old Fulton Road, Martin, Tennessee. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

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 – 53 +/- acres – 634 Old Fulton Road, Martin, TN – Trans. No. 08-10-011 (GM)

Purpose: Acquisition in fee or easement to acquire the property. Property is in the Master Plan.

Source of Funding: UT

Estimated Cost: Fair Market Value

Owner(s): Raphael Walker

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

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 – 0.25 & 0.16 +/- acres – 301 Martin Luther King Blvd., Chattanooga, TN – Trans. No. 08-10-012 (GM)

Purpose: Acquisition in fee to have the property improvements appraised, title searched, surveyed Phase 1 Inspection performed and approval to acquire the property. Property is in the Master Plan.

Source of Funding: UT

Estimated Cost: Fair Market Value

Owner(s): 28<sup>th</sup> Legislative District CDC

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Alvin Payne stated that this acquisition is subject to Lynhurst, Benwood and the University of Chattanooga Foundations funding the \$1.7 million of the \$2.7 million estimated cost. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

UNIVERSITY OF TENNESSEE

LAND ITEM

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

- Description: Knox County - 196.40 +/- acres - Cherokee Farms, 1709 Alcoa Hwy, Knoxville, TN - Trans. No. 08-10-015 (FB)
- Purpose: Disposal by lease to create and approve a template lease for Cherokee Farm a Research Center.
- Term: Fifty (50) years
- Lessee:
- SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. UT's Alvin Payne discussed the template lease transaction. He stated that this property had formerly been used as a dairy. The dairy farm has since been relocated to Townsend, TN. \$32 million in infrastructure has been approved by SBC for development of roads and utilities for this research park. Staff recommended that consideration for the land lease, demolition of the buildings, and review and approval of the building plans by state officials should all be addressed in the template lease. These issues are not addressed in the current proposed lease. Staff volunteered to assist UT in formulating language to address these three issues. Concern was that at the end of the 50 year term that the University would be stuck with a liability instead of an asset. Staff referred to Subcommittee for discussion.
- SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subsequent to the Staff Subcommittee, the University revised the template lease to include language addressing the staff's concern about the University's responsibility for demolition of buildings and the review and approval of the plans of the proposed buildings by the State Building Commission. Secretary Darnell made a motion to approve the transaction, subject to the appropriate consideration language being included in the final documents. Treasurer Sims added that the University would always be free to bring a lease with alternative consideration for Subcommittee approval. He said they were approving a template lease, presuming consideration is included, while still giving the University of Tennessee flexibility in their negotiations for alternative consideration subject to SBC approval. Subcommittee approved the request without objection.



TENNESSEE BOARD OF REGENTS

**Statewide**

- 1) Approved Delivery Order #1 at the University of Memphis and a revision in funding from \$29,522,000.00 to \$39,122,000.00 (a \$9,600,000.00 increase), and acknowledgement of source of funding for **Performance Contracting** at University of Memphis in Memphis, Tennessee.

<b>Estimated Project Cost:</b>	<b>\$ 60,000,000.00</b>
<b>Estimated Delivery Order #1 Cost:</b>	<b>\$ 9,600,000.00</b>
<b>SBC Project No.</b>	<b>166/000-01-2002</b>

**Tennessee Technological University, Cookeville, Tennessee**

- 1) Approved a revision in estimated project cost and funding from \$6,500,000.00 to \$6,596,000.00 (a \$96,000.00 increase) and acknowledgement of source of funding for **Science, Technology, Engineering, and Math Center** at Tennessee Technological University in Cookeville, Tennessee.

<b>Revised Estimated Project Cost:</b>	<b>\$6,596,000.00</b>
<b>SBC Project No.</b>	<b>166/011-01-2005</b>

DEPARTMENT OF REVENUE

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: **Bedford County – 875 Union Street, Suites B & C, Shelbyville, TN – Trans. No. 06-07-900 (RS)**

Purpose: To provide office space for Regional tax enforcement / collection office.

Term: February 1, 2009 thru January 31, 2014 (5 yrs)

Proposed Amount: 4,031 Square Feet  
Annual Contract Rent: \$44,196.00 @\$10.96/sf  
Est. Annual Utility Cost: \$ 5,643.40 @\$ 1.40/sf  
Est. Annual Janitorial Cost: \$ 4,434.10 @\$ 1.10/sf  
Total Annual Effective Cost: \$54,273.50 @\$13.46/sf

Current Amount: 2,955 Square Feet  
Annual Contract Rent: \$21,600.00 @\$ 7.31/sf  
Est. Annual Utility Cost: \$ 3,250.50 @\$ 1.10/sf  
Est. Annual Janitorial Cost: \$ 3,250.50 @\$ 1.10/sf  
Total Annual Effective Cost: \$28,101.00 @\$ 9.51/sf

Type: New Lease – Advertised – Received nine (9) proposals from four (4) proposers.  
**Approval to accept the second lowest proposal.**

FRF Rate: \$14.00

Purchase Option: No – multi tenant

Lessor: Shelbyville Centers, LLC / Scott Graby

Comment: Proposed lease provides the following: No cancellation except for cause and/or lack of funding; Lessor to provide 4,031 rsf of existing space and shall make all requested alterations and upgrades at no additional cost to the State.

SSC Report: 11-17-08. Bob King summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Bob King presented the transaction. After discussion, Subcommittee approved the request as presented.

BOARD OF PROBATION & PAROLE

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: Obion County – Sherwood Drive, Union City, TN – Trans. No. 08-02-912 (AL)

Purpose: To provide office space for the county operations

Term: July 1, 2009 thru June 30, 2019 (10 yrs)

Proposed Amount: 2,000 Square Feet

Annual Contract Rent:	\$30,552.00	@\$15.28/sf
Est. Annual Utility Cost:	\$ 2,800.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 2,200.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$35,552.00	@\$17.78/sf

Current Amount: 795 Square Feet

Annual Contract Rent:	\$7,350.00	@\$ 9.25/sf
Est. Annual Utility Cost:	\$1,113.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 874.50</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$9,337.50	@\$11.75/sf

Type: New Lease – Advertised – Received three (3) proposals from one (1) proposer

FRF Rate: \$14.00

Purchase Option: No

Lessor: SLR, LLC / Allan Searcy

Comment: Proposed lease provides the following: Lessor shall provide a build to suit building of 2,000 rsf space and shall include all build outs at no additional cost to the State and proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter.

SSC Report: 11-17-08. Bob King summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Bob King presented the transaction. After discussion, Subcommittee approved the request as presented.

POST CONVICTION DEFENDERS

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: Davidson County – 401 Union Street, Nashville, TN – Trans. No. 07-09-902 (AL)

Purpose: To provide office space

Term: July 1, 2009 thru June 30, 2019 (10 yrs)

Proposed Amount: 8,472 Square Feet  
Average Annual Contract Rent Incl.  
Utility & Janitorial Cost: \$136,204.34 @ \$16.08/sf  
Total Annual Effective Cost: \$136,204.34 @ \$16.08/sf

Current Amount: 5,082 Square Feet  
Average Annual Contract Rent Incl.  
Utility & Janitorial Cost: \$58,443.00 @ \$11.50/sf  
Total Annual Effective Cost: \$58,443.00 @ \$11.50/sf

Type: New Lease – Advertised – Received six (6) proposals from three (3) proposers

FRF Rate: \$18.00

Purchase Option: No – multi tenant

Lessor: JP Nashville, LLC / Mark Jordan

Comment: Proposed lease provides the following: Lessor shall provide office space of 8,472 rsf and shall include all build outs at no additional cost to the State and proposed lease has no cancellation for the first five (5) years except for cause and/or lack of funding and 180 days thereafter.

SSC Report: 11-17-08. Bob King summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Bob King presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property as required by TCA 4-15-102 and 12-2-112:

Description: **Maury County – 204 West 4<sup>th</sup> Street, Columbia, TN – Trans. No. 08-03-009 (AM)**

Purpose: Disposal in fee to sell surplus piece of property.

Original Cost to State: \$15,000

Date of Original Conveyance: 7-14-1959

Grantor Unto State: L.D. Hill & F. A. Greer

Estimated Sale Price: \$260,000

Grantee: Michael A. Ford & Alan C. Thomason

Comment: Request approval to accept below fair market value, appraised at \$278,000, negotiated sale at \$260,000.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Grundy County – 2590 +/- acres – Savage Gulf, Tracy City, TN – Trans. No. 07-05-019 (FB)

Purpose: Acquisition in fee for the State requested that a third party, The Conservation Fund, enter into negotiations for the acreage that has been identified as critical pieces of land protecting boundary and view shed integrity.

Source of Funding: State Land Acquisition Fund - \$2,500,000  
Heritage Conservation Trust Fund - \$3,500,000  
Private Funds - \$500,000  
The Conservation Fund - \$330,000

Estimated Cost: \$6,830,000

Estimated Title, Appraisal and Survey fees: Fair Market Value

Owner(s): The Conservation Fund

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Approval is subject to F & A's review and approval of the \$5.45 million appraisal & property owner accepting the appraised value instead of the negotiated cost. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Cheatham County – 69 +/- acres – Kingston Springs, TN – Trans. No. 08-04-017 (FB)

Purpose: Acquisition in fee of property that is adjacent to Mound Bottom. State has been trying to purchase for a number of years. Purchased by Tennessee Parks and Greenways Foundation, request approval to purchase from them and pay their expenses.

Source of Funding: State Land Acquisition Fund

Estimated Cost: \$350,000

Estimated Title,  
Appraisal and  
Survey fees: Fair Market Value

Owner(s): TN Parks and Greenways Foundation

SSC Report: 11-17-2008. Jurgen Bailey summarized the transaction. Agency reps stated that \$350,000 is the land cost for the transaction. They have \$375,000 obligated to this project from the State Land Acquisition Fund to pay expenses, appraisal, survey, title work and F&A fees. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Secretary Darnell and Treasurer Sims disclosed that they were members of the Board of Tennessee Parks and Greenways Foundation, but had no involvement in this purchase. After discussion, the Subcommittee approved the request as presented.

DEPARTMENT OF MENTAL HEALTH AND  
DEVELOPMENTAL DISABILITIES

LAND ITEM

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

Description: **Knox County – Lakeshore Mental Health Institute, Knoxville, TN – Trans No. 08-10-003 (RJ)**

Purpose: Disposal in fee to consolidate space at Lakeshore eliminated the use of four (4) buildings (Spruce, Peach, Pine cottages and Chapel building). Surrendering the said buildings to the City of Knoxville as per the October 15, 1999 agreement.

Original Cost to State: N/A

Date of Original Conveyance: 1872

Grantor Unto State: N/A

Estimated Sale Price: Fair Market Value

Grantee: City of Knoxville

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for discussion.

SC Action: 11-24-08. Jurgen Bailey summarized the transaction. After confirming that the Department is reserving enough land at the site for a future mental health facility, Subcommittee approved the request as presented.



FINANCE & ADMINISTRATION  
for  
MENTAL RETARDATION SERVICES

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

Description:               **Hardeman County – 518 Pecan Grove, Bolivar, TN – Trans. No. 08-10-004 (BW)**

Purpose:                       Acquisition in fee to purchase existing Group Home from TN Local Development Corp. as per construction agreement.

Source of Funding:       08-09 Capital Budget, Current Funds

Owner(s):                  TN Local Development Authority

SSC Report:                11-17-08. Jurgen Bailey summarized the transaction. December pay off is \$177,639.54. Staff referred to Subcommittee with recommendation.

SC Action:                 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION  
for  
MENTAL RETARDATION SERVICES

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

Description: **Hardeman County – 622 North Water Street, Bolivar, TN – Trans. No. 08-10-005 (BW)**

Purpose: Acquisition in fee to purchase existing Group Home from TN Local Development Corp. as per construction agreement.

Source of Funding: 08-09 Capital Budget, Current Funds

Owner(s): TN Local Development Authority

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. December pay off is \$150,889.96. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION  
for  
MENTAL RETARDATION SERVICES

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

Description: **Hardeman County – 107 College Street, Whiteville, TN – Trans. No. 08-10-006 (BW)**

Purpose: Acquisition in fee to purchase existing Group Home from TN Local Development Corp. as per construction agreement.

Source of Funding: 08-09 Capital Budget, Current Funds

Owner(s): TN Local Development Authority

SSC Report: 11-17-08. Jürgen Bailey summarized the transaction. December pay off is \$178,622.55. Staff referred to Subcommittee with recommendation.

SC Action: 11-24-08. Jürgen Bailey presented the transaction. Subcommittee approved the request as presented.

FINANCE & ADMINISTRATION  
for  
MENTAL RETARDATION SERVICES

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

Description:                   **Fayette County – 80 Yum Yum Road, Somerville, TN – Trans. No. 08-10-007 (BW)**

Purpose:                           Acquisition in fee to purchase existing Day Services from TN Local Development Corp. as per construction agreement.

Source of Funding:           08-09 Capital Budget, Current Funds

Owner(s):                      TN Local Development Authority

§SSC Report:                  11-17-08. Jurgen Bailey summarized the transaction. December pay off is \$178,736.31. Staff referred to Subcommittee with recommendation.

SC Action:                     11-24-08. Jurgen Bailey presented the transaction. Subcommittee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DAVID CROCKETT STATE PARK , LAWRENCEBURG, TENNESSEE

- 1) State Architect Mike Fitts presented a request for approval of a revision in scope of a project for **New Cabins**, at David Crockett State Park, Lawrenceburg, Tennessee, to reduce the number of proposed new cabins from ten to seven cabins. He stated that the original project called for ten new cabins, but that the designer's final construction cost estimate indicated that the budget would only support eight cabins. Mr. Fitts added that, based upon bids received, they were having to reduce the number to seven cabins. Secretary Darnell asked how far do they have to go before deciding to back off. Treasurer Sims asked if the project was rebid today, would they get a better price. Mr. Fitts responded that there was always that chance. Commissioner Fyke stated that the bids are just a month old. After discussion, the Subcommittee approved the request for a revision in scope, subject to Commissioner Goetz's approval.

**Estimated Project Cost:       \$2,250,000.00,**  
*SBC Project No.       126/033-01-2006*

STATE BUILDING COMMISSION

MINUTES OF EXECUTIVE SUBCOMMITTEE MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on October 20, 2008.

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There being no further business, the meeting adjourned at 11:00 a.m..

UNIVERSITY OF TENNESSEE

LAND ITEM

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

Description: Knox County – .013 +/- acre – 1611 Laurel Avenue, Knoxville, TN – Trans. No. 08-10-016 (FB)

Purpose: Disposal by easement for a permanent easement at UTK's Laurel Apartment Complex for the purpose of a Fire Pump Electric Primary

Estimated Sale Price: N/A

Grantee: Knoxville Utilities Board

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

B.

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 – 2104 Lake Avenue (lot & house), Knoxville, TN – Trans. No. 08-10-017 (FB)

Purpose: Acquisition in fee to purchase house & lot. Property is in the Master's Plan.

Source of Funding: University of Tennessee

Estimated Cost: Fair Market Value

Owner(s): Carl & Helen D. Sublett & Eric Sublett

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.



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 – 917 22<sup>nd</sup> Street (lot & house), Knoxville, TN – Trans. No. 08-10-018 (FB)

Purpose: Acquisition in fee to purchase house & lot. Property is in the Master's Plan.

Source of Funding: University of Tennessee

Estimated Cost: Fair Market Value

Owner(s): Alva Farr, Stephen J. Farr & James S. Farr

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction 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, required interest in the following real property, not to exceed the appraised value being acquired:

Description: Rutherford County -- 1815 Jordan Ave., Murfreesboro, TN -- Trans. No. 08-04-009(AM)

Purpose: Acquisition in Fee to purchase & lease the house until needed for future campus expansion. University's Master Plan.

Source of Funding: Auxiliary Funds

Estimated Cost: \$175,000.00

Owner(s) Daniel J. O'Lannerghty

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 05-27-08. Sub-committee approved the transaction as presented.

**Further approval Request:**

**TBOR request a change of funding from Auxiliary Funds to G. O. Bonds. This property is part of the 62 properties in MTSU's Master Plan previously approved on 6-26-08.**

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction 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 required interest in the following real property, APPROVAL to DEMOLISH the HOUSE, if necessary, not to exceed the appraised value for the property being acquired:

Description: Rutherford County – 2423 - 2425 Middle Tenn Blvd., Murfreesboro, TN – Trans. No. 08-04-012 (BW)

Purpose: Acquisition in fee to purchase the property and, if necessary, demolish the house due to fire damage. Property is in the University Master Plan.

Source of Funding: 2007-2008 Auxiliary Plant Funds

Estimated Cost: \$100,000.00

Owner(s): J. C. Hankins

SSC Report: 05-12-08. Charles Garrett summarized the transaction. Jerry Preston stated the cost of the fire damage is approximately \$30,000 - \$40,000. Owner informed that he intends to demolish the house. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-27-08. Subcommittee approved the transaction as presented.

**Further approval Request:**

**TBOR request a change of funding from Auxiliary Funds to G. O. Bonds. This property is part of the 62 properties in MTSU's Master Plan previously approved on 6-26-08.**

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County -- 3557 Watauga Avenue, Memphis, TN -- Trans. No. 08-07-027 (AM)

Purpose: Acquisition in fee to purchase property for future campus expansion and in the Master's Plan.

Source of Funding: G. O. Bonds

Estimated Cost: \$198,000 per appraisal

Owner(s): Haralson Brothers Holding Co., LLC

Comment: This is part of the 101 properties located in Memphis with an overall approval on 7-23-07. The appraisal and title have already been completed along with an option signed by the 3<sup>rd</sup> party.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction 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, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Shelby County – 438 South Highland Street, Memphis, TN – Trans. No. 08-07-028 (AM)

Purpose: Acquisition in fee to purchase property for future campus expansion and in the Master's Plan.

Source of Funding: G. O. Bonds

Estimated Cost: \$151,000 per appraisal

Owner(s): Richard Sorak, Jr.

Comment: This is part of the 101 properties located in Memphis with an overall approval on 7-23-07. The appraisal and title have already been completed along with an option signed by the 3<sup>rd</sup> party.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

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

Location: Rhea County – 202 4<sup>th</sup> Avenue, Dayton, TN – Trans. No. 08-10-901 (AL)

Purpose: To provide office space for county operations

Term: January 1, 2009 thru December 31, 2014 (5 yrs)

Proposed Amount: 6,795 Square Feet  
Annual Contract Rent Incl. Utility Cost: \$65,571.75 @\$ 9.65/sf  
Est. Annual Janitorial Cost: \$ 7,474.50 @\$ 1.10/sf  
Total Annual Effective Cost: \$73,046.25 @\$10.75/sf

Current Amount: 6,795 Square Feet  
Annual Contract Rent Incl. Utility Cost: \$56,058.75 @\$8.25/sf  
Est. Annual Janitorial Cost: \$ 7,474.50 @\$1.10/sf  
Total Annual Effective Cost: \$63,533.25 @\$9.35/sf

Type: New Lease – Negotiated with the City of Dayton

FRF Rate: \$14.00

Purchase Option: No

Lessor: City of Dayton

Comment: Proposed lease provides the following: No cancellation except for cause and/or lack of funding; lessor to provide 6,795 rsf of existing space and shall make all requested alterations and upgrades at no additional cost to the State.

SSC Report: 11-17-08. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

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: Cumberland County – 32 Daniel Drive, Crossville, TN – Trans. No. 08-02-916 (RS)

Purpose: To provide office for county operations

Term: July 1, 2009 thru June 30, 2014 (5 yrs)

Proposed Amount:	<u>4,900 Square Feet</u>		
	Annual Contract Rent:	\$52,675.00	@\$10.75/sf
	Est. Annual Utility Cost:	\$ 6,860.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,390.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$64,925.00	@\$13.25/sf

Current Amount:	<u>5,000 Square Feet</u>		
	Annual Contract Rent:	\$37,440.00	@\$ 7.49/sf
	Est. Annual Utility Cost:	\$ 7,000.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$49,940.00	@\$ 9.99/sf

Type: New Lease – Advertised – Received two proposals from two (2) proposers

FRF Rate: \$14.00

Purchase Option: No – multi tenant

Lessor: Paul Gaw General Partnership

Comment: Proposed lease provides the following: Proposed lease has ninety (90) day State cancellation except for cause and/or lack of funding; lessor to provide 4,900 rsf of existing space and shall make all requested alterations and upgrades at no additional cost to the State.

SSC Report: 11-17-08. Bob King summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER OF ADVERTISING as required by TCA 4-15-102 and 12-2-112:

Description: **Rutherford County – 0.674+/- acres – located along Nissan Blvd. (Lee Victory Hwy), Murfreesboro, TN - Trans. No. 08-10-021(JB)**

Purpose: Disposal in fee of TDOT surplus right of way to adjoining property owner for assemblage.

Original Cost to State: \$34,425 for 1.377 acres.

Grantor Unto State: Peebles Family

Estimated Sales Price: \$75,000+

Grantee: John Haney/Bob Parks

Comment: The property was acquired in Rutherford County's name for the construction of Nissan Blvd. TDOT put in 78% and Rutherford County put in 22% of the monies for the acquisition and construction. Rutherford County has agreed to accept 22% of the consideration and TDOT will receive 78% of the consideration to sell property.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.



TENNESSEE WILDLIFE RESOURCES AGENCY

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: **Blount County – 0.05 +/- acres – Nine Mile Creek, Maryville, TN – Trans. No. 08-10-008 (RJ)**

Purpose: Disposal by easement for the process of improving the road over Nine Mile Creek. Utility Company request is for an easement that goes out & around where TDOT's work to be performed.

Estimated Sale Price: Public Benefit

Grantee: South Blount County Utility District

Comment: Place a 6' inch public utility water line.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

- Description: **Polk County – Oswald Dome on Bean Mountain, Benton, TN – Trans. No. 08-10-013 (RJ)**
- Purpose: Acquisition by lease to renew the license agreement with Premier Towers, LLC and would like to lengthen the term of the license agreement from 5 to 10 years.
- Source of Funding: Division of TN State Parks
- Estimated Cost: \$500
- Owner(s): Premier Towers, LLC
- SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.
- SC Action: 11-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

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

Description: Davidson County – 5 +/- acres – Radnor Lake, Oak Hill, TN – Trans. No. 08-10-014 (FB)

Purpose: Appraisal of the Yarbrough Tract.

Source of Funding: TDEC

Estimated Cost: \$1,000

Owner(s): Friends of Radnor Lake

Comments: The Yarbrough tract at Radnor Lake is one of four tracts that the Friends of Radnor Lake is donating to the State. We need an appraisal on this tract to a LWCF Conversion process.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Sub Committee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following PERMANENT EASEMENT, OBTAIN SERVEY and ACCEPT as GIRFT of interest in real property with as required by TCA 4-15-102 and 12-2-112.

Description: **Rutherford County – 1.20 +/- acres – 466 Nissan Drive / Sam Davis property – Trans. No. 08-11-005 (BW)**

Purpose: Emergency access easement for new State facility.

Estimated Sale Price: Grant

Grantor/Owner: Department of Environment & Conservation

Trustees of Property: Sam Davis Association

Grantee: Department of Finance & Administration

Comment: Sam Davis Association has tentatively approved the easement at their Board Meeting on November 13, 2008.

SSC Report: 11-17-08. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda.

SC Action: 11-24-08. Subcommittee approved the transaction as presented.

Approved by: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "M.D. Goetz, Jr.", is written over a horizontal line. The signature is stylized and cursive.

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