

**MINUTES**  
STATE BUILDING COMMISSION  
Executive Subcommittee  
April 22, 2019

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The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner McWhorter called the meeting to order at 11:02 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Stuart McWhorter, Commissioner, Department of Finance and Administration  
Tre Hargett, Secretary of State  
David Lillard, State Treasurer

MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Department of General Services
- State Building Commission

PRESENTER

John Hull  
Ann McGauran

CONSENT AGENDA

Approved the following real property transactions and capital projects which have been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: University of Tennessee – Knoxville  
Transaction: Acquisition – Sublease  
Provision(s): Waiver of advertisement and appraisals
  
- B. Agency: Tennessee Board of Regents / Cleveland State Community College  
Project Title: Campus Revitalization  
SBC Project No: 166/013-01-2018  
Requested Action: Approval to award a contract to the best evaluated proposer for a Construction Manager/General Contractor
  
- C. Agency: Department of Environment & Conservation  
Transaction: Disposal – Lease (Land)  
Provision(s): Waiver of advertisement and appraisals
  
- D. Agency: Department of General Services  
Transaction: Disposal – Fee  
Provision(s): Waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICES

**Acquisition - Lease Amendment**

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

**Transaction Description:** Transaction No. 07-05-901

• **Proposed Amendment**

○ **Term:** 13 years (July 1, 2009 – June 30, 2022)

○ **Area / Costs:** 6,400 Square Feet

Annual Contract Rent: (Years 11-13)	\$73,600.00	\$11.50/sf
Estimated Annual Utility Cost:	11,200.00	1.75/sf
Estimated Annual Janitorial Cost:	7,040.00	1.10/sf
<b>Total Average Annual Effective Cost:</b>	<b>\$91,840.00</b>	<b>\$14.35/sf</b>

• **Current Lease**

**Location:** Cumberland County – 136 Dooley Street, Suite 101, Crossville, TN

**Landlord:** Paul Gaw General Partnership

○ **Term:** 10 years (July 1, 2009 – June 30, 2019)

○ **Area / Costs:** 6,400 Square Feet

Annual Contract Rent: (Years 1-10)	\$73,600.00	\$11.50/sf
Estimated Annual Utility Cost:	8,960.00	1.40/sf
Estimated Annual Janitorial Cost:	7,040.00	1.10/sf
<b>Total Average Annual Effective Cost:</b>	<b>\$89,600.00</b>	<b>\$14.00/sf</b>

• **Source of Funding:** FRF Operating Funds

• **FRF Rate:** \$14.00

**Comment:** This lease will provide office space for Department of Safety Driver License Issuance and Tennessee Highway Patrol.

This Amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

Based on a review of the financial aspects, occupancy requirements and market indicators, this lease is deemed to be in the State's best interest at this time.

**Previous Action:** 02/25/2008 ESC Approved lease agreement

**Minutes:** 04/22/2019 Commissioner McWhorter asked if the increase is over the FRF threshold. Deputy Commissioner John Hull replied that the lease rate itself will stay the same for the next three years but the average utility cost has gone up 35%, putting this lease \$0.35 over the FRF Rate.

The Subcommittee approved a lease amendment with waiver of advertisement.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 25, 2019.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following three capital projects with total project cost of \$100,000 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
  - 1) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College  
**Location:** Knoxville, Tennessee  
**Project Title:** Entry Road Modifications  
**Project Description:** Make modifications at the Hardin Valley Road entries.  
**SBC Project No.** 166/032-01-2018  
**Total Project Budget:** \$217,500  
**Source of Funding:** \$195,000 Plant Funds (Aux-Student Fees) (A)  
\$ 22,500 Plant Funds (Non-Aux) (A)  
**Approval:** Approved a revision in project budget and funding to increase the project budget by \$22,500 in order to award a contract  
**Approval Date:** 04/04/2019
  - 2) **State Procurement Agency:** University of Memphis  
**Location:** Memphis, Tennessee  
**Project Title:** Campus Parking Repaving  
**Project Description:** This project will repave several deteriorated parking lots on the main campus and at the Lambuth campus.  
**SBC Project No.** 367/007-07-2019  
**Total Project Budget:** \$300,000  
**Source of Funding:** Plant Funds (Aux-Parking) (A)  
**Approval:** Approved project utilizing Campus Resources for design and Campus Procurement for construction  
**Approval Date:** 04/02/2019
  - 3) **State Procurement Agency:** STREAM / Department of Correction  
**Location:** Pikeville, Tennessee  
**Project Title:** BCCX Replacement Barn  
**Project Description:** Construct a replacement barn on BCCX property and all required related work.  
**SBC Project No.** 142/013-01-2019  
**Total Project Budget:** \$371,300  
**Source of Funding:** \$ 25,000 18/19 TDOC Op Funds (A)  
\$346,300 Insurance Proceeds (O)  
**Approval:** Approved project and to select a designer  
**Approval Date:** 04/02/2019

Designer Selections

- Reported the following designer selection for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
  - 1) **State Procurement Agency:** University of Memphis  
**Location:** Memphis, Tennessee  
**Project Title:** Physical Plant Work Space  
**SBC Project No.** 367/007-06-2019  
**Total Project Budget:** \$275,000  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Designer:** Brg3s, Inc.  
**Approval Date:** 03/25/2019
  
- Reported a designer name change from “**SYLVANIA Lighting Services Corp.**” to “**WESCO Services, LLC**” on all State projects.
  
- The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.
  - 1) **Various Facilities**  
(State Building Audio/Visual Infrastructure Upgrades)  
**Total Project Budget:** \$550,000  
**SBC Project No.** 529/000-09-2013  
**Designer:** **HURST-ROSCHE INC**

Other Business

There being no further business, the meeting adjourned at 11:05 a.m.

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UNIVERSITY OF TENNESSEEAcquisition - Sublease

**Requested Action:** Approval of a sublease with waiver of advertisement and appraisals

**Transaction Description:** Transaction No. 2019-04-01

- **Proposed Amendment**

- **Area / Costs:** 2.75 +/- Acres  
Contract Rent \$30.00
- **Term:** May 1, 2019 – July 29, 2099

- **Current Lease**

- **Location:** University Health System, Inc. Campus  
Knox County – Civil District Nine, Twenty-fourth Ward
- **Landlord:** University Health System, Inc.
- **Term:** January 1, 2002 - ongoing
- **Area / Costs:** 2.33 +/- acres  
Contract Rent \$20.00

- **Source of Funding:** Plant Funds (Non-Auxiliary)(A)

- **FRF Rate:** \$18.00 (for reference only)

**Comment:**

UT-Knoxville's Anthropology Research Facility (ARF) is the first of its kind to permit systematic study of human decomposition. ARF began on a tract of land adjacent to the property transferred to University Health System, Inc. (UHS) when operation of the UT Medical Center was transferred to UHS. In 2002 and 2009, additional land was needed for research and education and subleased from UHS. ARF needs additional land for similar purposes and proposes to replace the existing sublease agreement with a new sublease for all property used by ARF.

Either party may terminate this agreement by providing one (1) years written notice. Due to the adjacency requirement to the existing research tracts and the nominal lease rate, waiver of advertisement and appraisals is requested.

**Minutes:** 04/22/2019 Approved a sublease with waiver of advertisement and appraisals



DEPARTMENT OF ENVIRONMENT AND CONSERVATIONDisposal – Lease (Land)

**Requested Action:** Approval of disposal by lease with waiver of advertisement and appraisals

**Transaction Description:** Transaction No. 18-12-006

- **Proposed Lease**

- **Location:** Hampton Creek Cove State Natural Area  
Carter County – 0 Hampton Creek Road, Elizabethton, TN
- **Tenant:** Southern Appalachian Highlands Conservancy, Inc. (SAHC)
- **Term:** 10 years
- **Area / Costs:** 693.29 +/- acres / Mutual Benefit

- **Prior Lease**

- **Location:** Hampton Creek Cove State Natural Area  
Carter County – 0 Hampton Creek Road, Elizabethton, TN
- **Tenant:** Southern Appalachian Highlands Conservancy, Inc. (SAHC)
- **Term:** 10 years (September 1, 2008 – August 31, 2018)
- **Area / Costs:** 693.29 +/- acres / Mutual Benefit

- **Source of Funding:** 18/19 State Lands Acquisition Fund (REM Fee) (A)

**Comment:** SAHC is a nonprofit organization that bought the property and transferred it to the State for its protection in 1986, at which time it was designated a state natural area. The group has continued to provide management of the property by lease. This lease replaces a previously approved lease amendment to extend the term of the prior lease because it was not completed on time. The prior lease expired on August 31, 2018.

Date of Last Transfer:	01/08/1986
Purchase Price:	\$657,100.00
Square Footage Improvements:	600 sf Building 800 sf Cabin

**Minutes:** 04/22/2019 Approved disposal by lease with waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICES

Disposal – Fee

**Requested Action:** Approval of disposal in fee with waiver of advertisement and appraisals

**Transaction Description:** Transaction No. 18-05-004

- **Location:** Milton Ball Park  
Rutherford County – 1.1± acres – 0 Milton Street, Milton, TN
- **Grantee:** Rutherford County
- **Estimated Sale Price:** No Cost/Public Purpose

**Comment:** This property has been determined to be surplus to the Department’s needs; and Rutherford County has requested that the State donate this property for the benefit of the Milton community. This property is not adjacent to any State lands and the County tax assessor lists this property as owned by the State. After extensive title search, no deed could be found to establish ownership. The property commonly known as the Milton Ball Park was said by historians to be gifted to Milton in 1850, but there are no records to that effect.

The deed for this conveyance will contain a “Public Use” Restriction. Rutherford County may remove the restriction in the future by paying to the State half of the fair market value, to be established as the higher of (a) the Rutherford County tax assessed value at that time, or (b) the purchase price to be paid to convey the property to a non-governmental or private use buyer.

Date of Last Transfer: 1820  
 Previous Owner: Gideon Thompson  
 Original Cost to State: \$0.00  
 Square Footage Improvements: N/A

**Minutes:** 04/22/2019 Approved disposal in fee with waiver of advertisement and appraisals

Approved:



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