

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
November 19, 2018

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 Martin called the meeting to order at 11:00 a.m. and requested action on the following matters as presented by Assistant State Architect Alan Robertson.

MEMBERS PRESENT

Larry Martin, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer
Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Department of General Services
- Department of Correction
- Department of Finance & Administration
- State Building Commission

PRESENTER

John Hull
Steve Westerman
Eugene Neubert
Alan Robertson

OTHER PARTICIPANTS

Mayor Jim Strickland, City of Memphis
Paul Young, City of Memphis
Representative Mark White
John Gleason, Senator Brian Kelsey's office

CONSENT AGENDA

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

- A. Agency: Tennessee Board of Regents / Roane State Community College
Project Title: Campus-wide Paving
SBC Project No: 166/027-02-2016
Requested Action: Approval of a revision in project budget and funding in order to award a contract

- B. Agency: Middle Tennessee State University
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- C. Agency: University of Tennessee Health Science Center
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement and appraisals

- D. Agency: Department of Agriculture
Transaction: Disposal – Fee
Provision(s): Waiver of one appraisal

- E. Agency: Department of Environment & Conservation
Transaction: Disposal – Lease (Crop)
Provision(s): n/a

- F. Agency: Department of Environment & Conservation
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and appraisals

- G. Agency: Department of General Services
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement

- H. Agency: Department of General Services
Transaction: Acquisition – Lease (Space)
Provision(s): n/a

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-06-927 and 17-06-926

● **Proposed Lease**

- **Location:** Campbell County – 2221 Jacksboro Pike, Ste.C19B, LaFollette, TN
- **Landlord:** Woodson's Cash Stores, Inc.
- **Term:** 7 years with three one year renewal option
- **Area / Costs:** 15,400 Square Feet

First Year Contract Rent (includes utilities & janitorial)	\$270,732.00	\$17.58/sf
Average Annual Contract Rent (includes utilities & janitorial)	287,012.01	18.64/sf
Total Average Annual Effective Cost	<u>\$287,012.01</u>	<u>\$18.64/sf</u>

● **Current Lease**

- **Location:** Campbell County – 2221 Jacksboro Pike, Ste.C19B, LaFollette, TN
- **Landlord:** Woodson's Cash Stores, Inc.
- **Term:** 10 years (January 1, 2003 to December 31, 2012) (Holdover)
- **Area / Costs:** 22,175 Square Feet

Annual Contract Rent	\$168,530.04	\$7.60/sf
Estimated Utilities Cost	38,806.25	1.75/sf
Estimated Janitorial Cost	24,392.50	1.10/sf
Total Annual Effective Cost	<u>\$231,728.79</u>	<u>\$10.45/sf</u>

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$14.00

Comment:

This lease will provide office space for the Department of Human Services and the Department of Children's Services. The reduction in space needs is a result of implementation of Alternative Work Solutions at this location. One proposal was received for this procurement. The proposed location will be renovated to meet the State's needs.

Rent adjusts in each renewal option, if exercised, as follows: \$16.52/sf in year 8, \$16.92/sf in year 9, \$17.33/sf in year 10.

The tenant may terminate this lease at any time by giving 90 days written notice to the landlord, with payment of a termination fee.

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.

The Knox Office Realty commission amount is \$32,647.62 for the 7-year base term; if each renewal option is exercised the commission will be \$45,352.81.

Previous Action: 05/02/2002 ESC Approved the lease as presented

Minutes: 11/19/2018 ESC Comptroller Wilson asked if the rate is higher than the FRF rate for Campbell County. Deputy Commissioner John Hull replied that the actual rent is \$10.80 but this lease includes the utilities and a build out

cost that is amortized into this lease. The build out cost is what is really adding to this lease.

Comptroller Wilson asked about the parking situation and stated that he understood that the parking requirement in the advertisement required a different type of parking than was accepted by the State in this lease. Deputy Commissioner Hull replied that the advertisement in the newspaper indicated that all parking spaces were required to be in a secured zone, but that the other procurement documents did not contain this same requirement. Deputy Commissioner Hull stated that STREAM has worked with the agency and they are very satisfied with the amount of parking and the security of the parking that they are getting with this space. Comptroller Wilson stated that there was only one bidder and asked if any other bidders were reluctant to bid due to the parking requirements that were advertised. Deputy Commissioner Hull replied STREAM talked with the potential bidders and none expressed a concern about the parking. He relayed that there were three potential bidders, one was the incumbent who received the award; the second choose not to bid and they said it was not because of parking; and the final potential bidder could not receive financing for the lease and did not propose.

The Subcommittee approved a lease.

DEPARTMENT OF CORRECTION

Statewide, Tennessee

Requested Action: Approval of a revision in project budget, scope and funding

Project Title: Sallyports Upgrades Phase III

Project Description: Replacement and upgrade of vehicular sallyports and equipment, along with upgrades of pedestrian trap gates, at *Riverbend Maximum Security Institution*, and all required related work.

SBC Number: 140/001-03-2016

Total Project Budget: \$3,100,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$2,500,000.00	\$ 0.00	\$2,500,000.00	16/17	CurrFunds-CapMaint (SA)	(A)
	0.00	600,000.00	600,000.00	12/13	CurrFunds-CapImp (SA)	(R)
Original Project Budget:	<u>\$2,500,000.00</u>					
Change in Funding:		\$600,000.00				
Revised Project Budget:			\$3,100,000.00			

Comment: Two (2) responsive bids were received on October 11, 2018. An increase in funding is needed to award a contract to FTM Contracting for the base bid and three alternates. There will be no additional designer fees.

The increase in project budget is attributed to the recent significant cost increases occurring in the construction industry in the Nashville area, and not fully accounting for the complexity of incorporating the new work into the existing operations. Bid alternates are recommended to provide increased security options to the sally port and associated gate house. This includes electronic locks, high-security doors and glazing, paved surfaces for both vehicle and foot traffic, and ground lights to allow inspection of vehicle undercarriages as they enter/exit the facility.

The scope at Northeast Correctional Complex is being removed because work at Riverbend will cost in excess of total project budget, and Riverbend is the higher priority. Northeast will be addressed in a future capital request.

Previous Action: 09/08/2016 SBC Approved project and to select a designer
09/19/2016 ESC Approved designer selection (Rufus Johnson Associates)
11/08/2018 SBC Referred to ESC with authority to act

Minutes: 11/19/2018 ESC Approved a revision in project budget, scope and funding

DEPARTMENT OF FINANCE & ADMINISTRATION

Memphis Fairgrounds Tourism Development Zone, Memphis, Shelby County, Tennessee

Requested Action: Approval of certification of the Memphis Fairgrounds Tourism Development Zone and certification of a Youth Sports and Events complex and associated development on the fairgrounds campus as a Qualified Public Use Facility under the Convention Center and Tourism Development Financing Act of 1988, TCA § 7-88-101, et seq. (the "Act")

Comment: Pursuant to TCA § 7-88-108(a), The City of Memphis (the "City") filed with the Department of Finance and Administration ("F&A") an application (the "Application") seeking certification of the Fairgrounds Tourism Development Zone (the "TDZ") and a planned public use facility, i.e. a Youth Sports and Events complex and associated development, as a qualified public use facility (the "QPUF"). In accordance with TCA § 7-88-108(b), F&A has consulted with Departments of Tourism and Economic & Community Development, certified the TDZ and forwarded the Application to the State Building Commission "for review and approval or disapproval".

The QPUF includes: (a) Youth Sports and Events complex (to be constructed); (b) Liberty Bowl Memorial Stadium (to be improved); (c) the Children's Museum of Memphis; (d) the historic Creative Arts Building (to be rehabilitated and leased for a new family attraction); (e) the Pipkin Building, a civic event space (slated for exterior improvements); and (f) three historic buildings known as the Armory buildings. F&A has reviewed the Application and confirmed that: (i) the QPUF is qualified within the requirements of the Act and (ii) the entirety of the QPUF is located on the 155-acre fairgrounds campus.

The TDZ zone boundaries do extend beyond one mile from the perimeter of the QPUF as necessitated by the mix of commercial and residential areas surrounding the fairgrounds; however, the proposed zone is 2.97 square miles and does not exceed 3.0 square miles in accordance with TCA § 7-88-105.

If the State Building Commission approves the certification of the TDZ, the City intends either in late 2019 or early 2020 to issue bonds (the "Bonds") relative to the cost of the QPUF pursuant to TCA § 7-88-107. Before the Bonds are issued, the proposed debt amortization schedule(s) for the Bonds will be reviewed and approved by the Commissioner of F&A in accordance with TCA § 7-88-109 and the issuance of the Bonds will be reviewed and approved by the State Funding Board in accordance with TCA § 7-88-107. In the Application, the City has stated that "any and all revenues produced by the TDZ in excess of those needed to fund the Phase 2 and 3 projects outlined in this application will be used for early repayment of debt service." The City understands that the TDZ will end once all TDZ bonds have been retired and all sales tax revenues will then revert to the appropriate taxing authority.

Previous Action: 11/08/2018 SBC Referred to ESC with authority to act

Minutes: 11/19/2018 ESC Deputy Commissioner Eugene Neubert stated that the QPUF approval includes: (1) the indoor youth sports building to be constructed; (2) the enclosed portions of the Liberty Bowl Memorial Stadium; (3) the historic Pipkin Building; (4) the historic Creative Arts Building; and (5) the three historic Armory buildings.

The proposed TDZ boundaries do extend beyond one mile from the perimeter of the QPUF; however, F&A determined the geographical configuration of the City required this unusually shaped TDZ in accordance

with TCA § 7-88-105. The zone is 2.97 square miles and meets the statutory requirement of not exceeding 3.0 square miles.

Deputy Commissioner Neubert stated that should the committee approve this application, the city has committed to not seek modification of this application in the future. As such the city has proposed a list of potential projects beyond the indoor youth sports building and renovations to the Liberty Bowl they are considering Phase 3 of the overall fairgrounds revitalization.

The city has committed to identifying and commencing work on any of the phase 3 projects within five years of the completion of Phase 2. Additionally, the city has committed to spending no more than \$30 million on Phase 3 projects and proposes to attain those funds through a second bond issuance that will be submitted to and must be approved by the State Funding board in accordance with state law.

Further, the city has committed that any and all revenues produced by the TDZ in excess of those needed to fund Phase 2 and the identified Phase 3 projects (not to exceed \$30 million) will be used for early repayment of debt service. The city understands once the TDZ bonds are retired, all sales tax and revenues will revert to the appropriate taxing authority even if the 30 year time period of the TDZ has not expired.

Deputy Commissioner Neubert introduced Mayor Strickland of Memphis. He also stated that Representative White and John Gregory, in Senator Kelsey's office, were present and wanted to make statements in support of this action.

Mayor Strickland stated that competitive youth sports is a huge business. Retail establishments, restaurants, and hotels all do booming business when involved with youth sports. The City of Memphis has done a lot of research to make sure their position as a sports complex is in a competitive niche and they can shine in basketball, volleyball, indoor track, mat sports and cheerleading.

Mayor Strickland stated that this is a different project and a very different approach than in 2013. This project will be funded with TDZ funds and substantial private dollars and, if there are no private dollars, there will be no project. If the State Building Commission approves the project today, it will allow the City of Memphis to raise private dollars. The project will not move forward until the State Funding Board approves the bonds necessary to construct the project, and that request will come forward at a later date.

Mayor Strickland stated that this project is anticipated to have two future phases and revenues in excess of what is necessary to pay for the scope of work will be used to accelerate the debt service. Mayor Strickland stated that they are only interested in moving forward with this project if it is in the best interest of the State and the City of Memphis and they believe they have crafted the vision with that goal in mind.

Mayor Strickland introduced Paul Young, Director of Housing & Community Development for the presentation. Mr. Young gave a presentation about the proposed project elements. Mr. Young stated that Phase 3 will start within

five years of completing Phase 2. He added that the use of TDZ funds in Phase 3 would be limited to \$30 million, and all surplus TDZ dollars not needed for Phases 2 and 3 would be used for early repayment of debt.

Representative Mark White stated that he met with Mayor Strickland and the City a few weeks back and wanted to be present to state his support for the project. As a resident of Memphis for the past fifty-two years he has seen positive growth. Representative White stated that he believes this is a great project and they have put together a good proposal and he is very supportive. Commissioner Martin thanked Representative White for attending.

John Gleason, Research Analyst for the Senate Judiciary Committee and Chairman Brian Kelsey was recognized. Mr. Gleason stated that Senator Kelsey thanks the Commission for allowing him to read the statement on the Senator's behalf. "I strongly support the creation of a tourist development zone at the Memphis Fairgrounds. The City of Memphis put together a great plan and I look forward to the economic and community development that will occur as a result of this project. I encourage you to approve the request for this TDZ."

Comptroller Wilson stated that he understands that Tourism has reviewed the projections submitted from the City of Memphis and found the projections not to be unreasonable. Deputy Commissioner Neubert stated that is correct. Comptroller Wilson stated that the City of Memphis submitted two letters concerning their applications and asked if they would be part of the record and Deputy Commissioner Neubert replied that they would.

Comptroller Wilson confirmed that nothing will happen until the bonds are approved by the State Funding Board. He added that the State Funding Board has many of the same members as the State Building Commission and that they will not proceed with the bonds until the State Funding Board has confirmed the private money has been raised. Deputy Commissioner Neubert stated that is correct and, under State law amended this past session, any debt issuance must be approved by the State Funding Board related to a TDZ. Comptroller Wilson stated that he had been very suspicious of this project but he is satisfied this is the appropriate thing to do.

Commissioner Martin stated that the City of Memphis has come a long way with this TDZ from 2013 to the plan in front of them now. Commissioner Martin commended Mayor Strickland and his administration for a job well done. He added that this plan has gotten strong support from members of the legislature. Commissioner Martin stated that they wish Memphis well with the project and look forward to seeing the fruits of their labor.

The Commission approved the certification of the Memphis Fairgrounds Tourism Development Zone and certification of a Youth Sports and Events complex and associated development on the fairgrounds campus as a Qualified Public Use Facility under the Convention Center and Tourism Development Financing Act of 1988, TCA § 7-88-101, et seq. (the "Act").

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on October 18, 2018.
- 2) Approved the Minutes of the Executive Subcommittee meeting held on October 29, 2018.

Report of Items Approved by Office of the State Architect

Initial Approvals of Capital Projects

- Reported the following capital improvement with total project cost of less than \$100,000 in accordance with Item 2.04(A)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Board of Regents / Dyersburg State Community College
Location: Dyersburg, Tennessee
Project Title: Demolition – 212 Parkview Street
Project Description: This project provides for the demolition of a house located at 212 Parkview Street, Dyersburg, Tennessee in accordance with the DSCC's 2013 Master Plan.
SBC Project No. 166/017-02-2018
Total Project Budget: \$35,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a project
Approval Date: 10/29/2018

- Reported the following seven 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:** Middle Tennessee State University
Location: Murfreesboro, Tennessee
Project Title: Center for Popular Music Renovation
Project Description: Install high-density shelving system and replace ageing lighting and carpeting and all related work. Remove existing pre-fabricated mezzanine storage platform.
SBC Project No. 366/009-10-2018
Total Project Budget: \$416,800
Source of Funding: \$211,800 Plant Funds (Non-Aux) (A)
\$205,000 Federal Funds (Grant-NEH) (F)
Approval: Approved a project utilizing campus resources for design and campus procurement to perform the work
Approval Date: 10/31/2018

- 2) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Maple Street Houses Renovation and Code Corrections
Project Description: Renovate and complete minor code corrections to Maple Street 902, 908, 914, 916 and 920. The work will include plumbing, electrical, HVAC, ADA, fire safety and other minor renovations to improve the usability of the space.
- SBC Project No.** 369/005-12-2018
Total Project Budget: \$450,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a project and to select a designer
Approval Date: 10/23/2018
- 3) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Buc Ridge Buildings P & Q HVAC Upgrades Phase I
Project Description: Upgrade existing HVAC systems for Buc Ridge P & Q apartments to correct system deficiencies with humidity and heating.
- SBC Project No.** 369/005-13-2018
Total Project Budget: \$480,000
Source of Funding: Plant Funds (Aux-Housing) (A)
Approval: Approved a project and to select a designer
Approval Date: 10/23/2018
- 4) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Nave Center Renovation
Project Description: Renovate space to accommodate the audiology clinics. Space to be demolished and clinics constructed with observation windows. The work to include carpentry, electrical, HVAC, flooring and miscellaneous plumbing.
- SBC Project No.** 369/005-14-2018
Total Project Budget: \$492,750
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a project and to select a designer
Approval Date: 10/23/2018
- 5) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Millennium Centre Computer Science Renovation
Project Description: Renovate the main level of the Millennium Centre for Computer Science classrooms and offices. The work to include reconfiguration of some walls to meet the departmental requirements. Upgrade and conversion of the IT infrastructure to ETSU standards will also be required.
- SBC Project No.** 369/005-15-2018
Total Project Budget: \$450,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a project and to select a designer
Approval Date: 10/23/2018

- 6) **State Procurement Agency:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Softball Field Improvements
Project Description: Installation of new softball stands and press box components that will replace existing stands and related site work.
SBC Project No. 373/003-11-2018
Total Project Budget: \$350,000
Source of Funding: \$100,000 Plant Funds (Non-Aux)
\$250,000 Gift (O)
Approval: Approved a project utilizing an Agency Consultant for design and campus procurement for a portion of the work
Approval Date: 10/31/2018
- 7) **State Procurement Agency:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Dunn Center Arena Lighting Upgrade
Project Description: Work includes upgrading arena lighting fixtures with energy efficient fixtures and some upgrades to the emergency light fixtures and lighting controls.
SBC Project No. 373/003-12-2018
Total Project Budget: \$320,000
Source of Funding: \$160,000 TDEC Grant (Clean Energy) (I)
\$160,000 Plant Funds (Non-Aux) (A)
Approval: Approved a project utilizing an Agency Consultant for design
Approval Date: 11/05/2018

Approvals of Contract Amendments

- Reported the following approval of a capital grant amendment in accordance with Item 2.04(C)(3) of the *SBC By-Laws, Policy & Procedures*:
- 1) **State Procurement Agency:** STREAM / Department of General Services
Location: Nashville, Tennessee
Project Title: Watkins College of Art, Design, & Film – Grant
Project Description: Grant to provide maintenance assistance.
SBC Project No. 460/000-02-2015
Total Project Budget: \$1,100,000
Source of Funding: \$ 300,000 15/16 CurrFunds-CapImp (A)
\$ 300,000 16/17 CurrFunds-CapMaint (A)
\$ 500,000 17/18 CurrFunds-CapMaint (A)
Approval: Approved an amendment to grant extending the term
Approval Date: 10/30/2018

Approvals of Acquisitions and Disposals of State Property

- Reported the following four acquisitions of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 18-08-008
Location: Fall Creek Falls State Park
Van Buren County – 60 +/- acres – 0 Indian Camp Branch Rd
Owner(s): Gary Dodson
Estimated Purchase Price: Fair Market Value
Source of Funding: 18/19 State Lands Acquisition Fund (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 10/23/2018
 - 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 18-08-011
Location: Pogue Creek Canyon State Natural Area
Fentress County – 218 +/- acres – 0 Pogue Creek Rd
Owner(s): Tony Sloan LLC
Estimated Purchase Price: Fair Market Value
Source of Funding: 18/19 State Lands Acquisition Fund (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 10/23/2018
 - 3) **State Procurement Agency:** Tennessee Board of Regents / TCAT – Morristown
Transaction Description: Transaction No. 18-10-001
Location: TCAT – Morristown
Hamblen County, 6.96 +/- acres – 300 & 410 Dice Street, Morristown, TN
Owner(s): City of Morristown
Estimated Purchase Price: Gift
Source of Funding: Plant Funds (REM Fees) (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 10/23/2018
 - 4) **State Procurement Agency:** Tennessee Board of Regents / Dyersburg State Community College
Transaction Description: Transaction No. 18-10-006
Location: Dyersburg State Community College
Dyer County, 100' x 184' – 212 Parkview Street, Dyersburg, TN
Owner(s): Kathy Lorraine Blaire and Robert Orren Kirby
Estimated Purchase Price: Fair Market Value
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 11/05/2018

Designer Selections

- 1) 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.

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|---|---|
| <p>1) University of Tennessee – Chattanooga
(Consultant - Structural)
Total Project Budget: Not Applicable
SBC Project No. 540/005-06-2015
Designer: BENNETT & PLESS INC</p> | <p>7) Tennessee State University
(MPE System Upgrades)
Total Project Budget: \$800,000
SBC Project No. 166/001-09-2018
Designer: IC THOMASSON ASSOCIATES INC</p> |
| <p>2) University of Tennessee – Knoxville
(Residence Hall Improvements)
Total Project Budget: \$9,000,000
SBC Project No. 540/009-04-2018
Designer: DESIGN INNOVATIONS ARCHITECTS INC</p> | <p>8) Tennessee State University
(Safety Upgrades & Improvements)
Total Project Budget: \$200,000
SBC Project No. 166/001-11-2018
Designer: IC THOMASSON ASSOCIATES INC</p> |
| <p>3) Statewide
(Consultant - ADA)
Total Project Budget: \$1,400,000
SBC Project No. 166/000-03-2017
Designer: JENSEN HUGHES INC</p> | <p>9) University of Memphis
(Student Recreation Center Reroof & Repairs)
Total Project Budget: \$7,000,000
SBC Project No. 367/007-05-2018
Designer: LRK INC</p> |
| <p>4) Tennessee State University
(Building Envelope & Structural Repairs)
Total Project Budget: \$1,900,000
SBC Project No. 166/001-04-2018
Designer: AMERICAN STRUCTUREPOINT INC</p> | <p>10) University of Memphis
(Student Housing Improvements)
Total Project Budget: \$1,800,000
SBC Project No. 367/007-07-2018
Designer: URBAN ARCH ASSOCIATES PC</p> |
| <p>5) Tennessee State University
(HVAC Repairs)
Total Project Budget: \$1,100,000
SBC Project No. 166/001-05-2018
Designer: KURZYNSKE & ASSOCIATES</p> | <p>11) Austin Peay State University
(Baseball Field Improvements)
Total Project Budget: \$1,300,000
SBC Project No. 373/003-10-2018
Designer: LYLE COOK MARTIN ARCHITECTS INC</p> |
| <p>6) Tennessee State University
(Electrical Upgrades Phase I)
Total Project Budget: \$550,000
SBC Project No. 166/001-06-2018
Designer: IC THOMASSON ASSOCIATES INC</p> | |

Other Business

There being no further business, the meeting adjourned at 11:23 a.m.

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TENNESSEE BOARD OF REGENTSRoane State Community College, Harriman, Roane County, Tennessee

Requested Action: Approval of a revision in project budget and funding in order to award a contract

Project Title: Campus-wide Paving

Project Description: Repair parking lots including curbs and islands.

SBC Number: 166/027-02-2016

Total Project Budget: \$755,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>			
	\$160,000.00	\$ 0.00	\$160,000.00	16/17	CurrFunds-CapMaint	(A)
	550,000.00	0.00	550,000.00	17/18	CurrFunds-CapMaint	(A)
	0.00	45,000.00	45,000.00	14/15	CurrFunds-CapMaint	(R)
Original Project Budget:	\$710,000.00					
Change in Funding:		\$45,000.00				
Revised Project Budget:			\$755,000.00			

Comment: Two bids were received on October 3rd with Southeast Contractors, Inc. submitting the low bid. Bids were over target due to significant cost increases in paving materials and labor. Additional funds are to replenish the contingency to award base bid only. Site work totaling \$74,785 was completed in a previous phase. There will be no additional designer fees.

Previous Action:

07/14/2016	SBC	Approved project
07/25/2016	ESC	Approved designer selection (Adams Craft Herz Walker, Inc.)
07/13/2017	SBC	Approved a revision in budget and funding
11/08/2018	SBC	Referred to ESC with authority to act

Minutes:

11/19/2018	ESC	Approved a revision in project budget and funding in order to award a contract (Southeast Contractors, Inc.)
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MIDDLE TENNESSEE STATE UNIVERSITY

Acquisition – Fee (Purchase)

Requested Action: Approval of acquisition in fee with waiver of advertisement and one appraisal

Transaction Description:

Transaction No. 18-08-005

• **Location:**

Middle Tennessee State University

Rutherford County – 0.27 +/- acres 610 Crestland Avenue, Murfreesboro, TN

• **Owner(s):**

Norrita L. Kowalski

• **Estimated Purchase Price:**

Fair Market Value

• **Source of Funding:**

Plant Funds (Aux-Housing) (A)

Comment:

The University intends to use the structure located on the property as rental in the near future. This property is identified in the **2016 Master Plan** acquisition area with future use identified for a parking deck. This property is directly adjacent to property currently owned by the University to the south and east.

MTSU estimates that \$7,400 will be required for repairs to existing property. This includes demolition of small outbuilding, deck repairs, partial fascia replacement, and installation of GFCI outlets and additional smoke detectors.

Date of Last Transfer: February 10, 2011

Purchase Price: Unknown

Property Assessor's Value: \$ 117,100

Square Footage Improvements: 994

Minutes:

11/19/2018 Approved acquisition in fee with waiver of advertisement and one appraisal

UNIVERSITY OF TENNESSEEDisposal - Lease (Space)

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

Transaction Description: Transaction No. 18-11-003

- **Proposed Lease**
 - **Location:** University of Tennessee Health Science Center
Suite 801, 930 Madison Avenue, Memphis Tennessee
 - **Landlord:** UT Medical Group (dba University Clinical Health-Dermatology)
 - **Term:** January 1, 2019 thru December 31, 2023
 - **Area / Costs:** 4,657 square feet/\$83,826 per year
- **Current Lease**
 - **Location:** University of Tennessee Health Science Center
Suite 801, 930 Madison Avenue, Memphis Tennessee
 - **Tenant:** UT Medical Group (dba University Clinical Health-Dermatology)
 - **Term:** October 14, 2013 thru October 13, 2018
 - **Area / Costs:** 4,657 square feet/\$83,826 per year
- **FRF Rate:** \$18.00/sf (for reference only)
- **Procurement Method:** Negotiated

Comment: This space would continue to be leased to the physician practice arm of the UTHSC College of Medicine's Kaplan-Amonette Department of Dermatology. The academic offices of this department are also located on the 8th floor of this building. Having physician practice space adjacent to the academic activities is very efficient for the faculty as well as their students and residents. A waiver of advertising and appraisal are requested due to the affiliation between UTHSC and University Clinical Health and the University determining from a market survey that the rental is at fair market value. Either party may terminate for convenience with sixty (60) days-notice.

Minutes: 11/19/2018 Approved disposal by lease with waiver of advertisement and appraisals

DEPARTMENT OF AGRICULTURE

Disposal – Fee

Requested Action: Approval of disposal in fee with waiver of one appraisal

Transaction Description: Transaction No. 18-09-007

- **Location:** Cumberland County – 1.5+/-acres – Peavine Firetower Rd. Crossville, TN
- **Estimated Purchase Price:** Fair Market Value

Comment: This property has been determined to be surplus to the Department needs, due to combining three county offices into one new facility located in Crossville, TN. The proceeds will be deposited into the forestry maintenance reserve in accordance with TCA § 12-2-122 and 2018 Public Chapter 1061, Section 2, Item 12.

The Tennessee Historical Commission (THC) has determined that the disposal of the fire tower on this property does adversely affect this State-owned resource and the THC encourages consultation with their office to explore alternatives that would avoid, minimize or mitigate the adverse effect.

Date of Last Transfer: 09/19/1938
Purchase Price: \$1.00
Property Assessor's Value: N/A
Square Footage Improvements: 85 sq. ft. Tower (1938)
1,100 sq. ft. Residence (1966)
1,600 sq. ft. Work Center (circa 1950's, addition circa 1980's)

Minutes: 11/19/2018 Approved disposal in fee with waiver of one appraisal

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONDisposal – Lease (Crop)

Requested Action: Approval of disposal by lease

Transaction Description: Transaction No. 18-06-013

- **Proposed Lease:**
 - **Location:** Parkers Crossroads Battlefield
Henderson County- 40+/- acres Highway 22, Parkers Crossroads, TN
 - **Tenant:** Colton Moore & Trevor Moore
 - **Term:** January 1, 2019 to December 31, 2023
 - **Area/Costs:** 40 +/- acres / \$4,920.00/year
- **Current Lease:**
 - **Location:** Parkers Crossroads Battlefield
Henderson County- 40+/- acres Highway 22, Parkers Crossroads, TN
 - **Tenant:** Joe Lewis
 - **Term:** March 1, 2018 to December 31, 2018
 - **Area/Costs:** 40 +/- acres / \$3,200.00/year

Comment: The crop lease was advertised and three proposals were opened on 10/08/2018. Colton and Trevor Moore offered the highest rental rate.

Date of Last Transfer: 12/28/2007
 Original Cost to State: \$779,520.00
 Square Footage Improvements: N/A

Minutes: 11/19/2018 Approved disposal by lease

DEPARTMENT OF ENVIRONMENT CONSERVATION

Disposal – Fee

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

Transaction Description: Transaction No. 18-09-006
 • **Location:** Franklin County – 15 +/- foot strip – Tims Ford State Park Winchester, TN
 • **Grantee:** William Blanton & Sadie A. Davis (Parcel No. 045 024.00)
 Max Carter Northcutt (Parcel No. 045 024.01)
 Patrick Wiley & Nena Sue Stills (Parcel No. 045 024.02)
 Christopher L Raulston (Parcel No. 045 024.03)
 • **Estimated Purchase Price:** Fair Market Value

Comment: This property has been determined to be surplus to the Department’s needs. Disposal to the adjacent landowners is recommended because there would be no anticipated value to other potential buyers. Purchase prices will be established from the assessed value of the land. Fifty percent of the proceeds from the sale will go to the Tennessee Department of Environment and Conservation and the remaining fifty percent will go the counties impacted by the development of Tims Ford Reservoir, in accordance with TCA § 11-3-110 and pursuant to 1996 Public Chapter 817, section 4.

Date of Last Transfer: N/A
 Purchase Price: \$0
 Property Assessor’s Value: N/A
 Square Footage Improvements: N/A

Minutes: 11/19/2018 Approved disposal in fee with waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

Requested Action: Approval of a lease amendment for waiver of advertisement

Transaction Description: Transaction No. 04-05-919

- **Proposed Amendment:**

- **Term:** 13 years (February 1, 2009 – January 31, 2022)
- **Area / Costs:** 12,700 Square Feet

Annual Contract Rent:	\$133,858.00	\$ 10.54/sf
Estimated Annual Utility Cost:	22,225.00	1.75/sf
Estimated Annual Janitorial Cost:	<u>13,970.00</u>	<u>1.10/sf</u>
Total Average Annual Effective Cost:	\$170,053.00	\$13.39/sf

- **Current Lease**

- **Location:** Lawrence County – 527 Crews Street, Lawrenceburg, TN
- **Landlord:** Pedigo-Lawrenceburg Properties, LP
- **Term:** 10 years (February 1, 2009 – January 31, 2019)
- **Area / Costs:** 12,700 Square Feet

Annual Contract Rent:	\$124,920.00	\$ 9.84/sf
Estimated Annual Utility Cost:	17,780.00	1.40/sf
Estimated Annual Janitorial Cost:	<u>13,970.00</u>	<u>1.10/sf</u>
Total Average Annual Effective Cost:	\$156,670.00	\$12.34/sf

- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** \$14.00

Comment: This lease will provide office space for the Department of Human Services and Department of Children's Services.

The current termination for convenience in this lease is 18 months; the amendment revises that to 90 days for the extended term.

This request to waive advertisement is in the best interests 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: 11/29/2004 ESC Approved lease agreement

Minutes: 11/19/2018 ESC Approved a lease amendment for waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-06-939

● **Proposed Lease**

- **Location:** Putnam County - 1000 England Dr., Ste. B, Cookeville, TN
- **Landlord:** Upper Cumberland Business Center, LLC
- **Term:** 7 years with three one year renewal option
- **Area / Costs:** 15,000 Square Feet

Annual Contract Rent (includes utilities & janitorial)	\$144,000.00	\$9.60/sf
Total Annual Effective Cost	\$144,000.00	\$9.60/sf

● **Current Lease**

- **Location:** Putnam County - 1000 England Dr., Ste. B, Cookeville, TN
- **Landlord:** Upper Cumberland Business Park, LLC
- **Term:** 10 years (October 1, 2005 to September 30, 2015) (Holdover)
- **Area / Costs:** 22,700 Square Feet

Annual Contract Rent (includes utilities)	\$223,595.00	\$9.85/sf
Estimated Janitorial Cost	24,970.00	1.10/sf
Total Annual Effective Cost	\$248,565.00	10.95/sf

- **Source of Funding:** FRF
- **Procurement Method:** LPR on template
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for The Department of Human Services. Six proposals were received; however one was disqualified. The reduction in space needs is a result of implementation of Alternative Work Solutions at this location. The proposed lease is the lowest cost proposer.

The tenant may terminate the lease at any time by giving 90 days written notice to the landlord.

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.

The CBRE commission amount is \$13,860.00 for the 7 year base term; if each renewal option is exercised the commission will be \$19,800.00.

Minutes: 11/19/2018 Approved a lease

Approved:



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