



MEMORANDUM

To: Save Studio A, Trey Bruce
From: Larry Ward / Kenny Beam
Date: September 24, 2014
Subject: RCA Victor Studio A Building
Client: Save Studio A, Trey Bruce

Our firm has been asked to review and make general comments concerning the condition of the RCA Victor Studio A property relative to the engineering reports made public through the news media listed below:

Smith Gee Studio Field Report No. 1 dated August 15, 2014 ([available here](#))
Project: 30 Music Square West

Genesis Engineering Group, LLC Memorandum dated August 26, 2014 ([available here](#))
Re: 30 Music Square West, Nashville, TN – Existing Building Observation

Our study included a review of public tax records, satellite images and public photos, “For Sale” documents provided by the previous owner, discussions with existing and past tenants along with the reports cited above as provided by the current owner. Because of limited access, a detailed site visit was not conducted.

Property

Owner records indicate that the building sits on a 235’ by 150’ lot containing about 35,250 square feet, or approximately 0.81 acres.

Building

The building itself is rectangular in shape and is approximately 185’ wide by 50’ deep as it faces Music Square West. Roughly one-half of the building footprint is a three-story recording studio space on the north end of the building, while the remaining portion is three stories of office space. The studio and control room contains approximately 5,000 sf, while the 3-stories of offices contain approximately 12,750 sf. Other storage and related spaces make up approximately 2,500 sf for a total of around 20,250 square feet.

East College Station
216 East College Street
Building D, Suite 1
Dickson, TN 37055

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Structure

The RCA Studio A building was originally constructed around 1964. The structure was built using a combination of steel frame, reinforced concrete slabs and concrete masonry with interior drywall partitions. The first floor was built as a concrete slab on grade while the upper floors employed concrete slabs on steel decking. Exterior walls are a mixture of brick veneer and stone veneer. A building built during this era using commercial type materials and systems, if maintained and operated in reasonable condition, would generally be expected to have a continued viable and useful life for many more years, perhaps indefinitely, similar to other commercial buildings in downtown Nashville.

A recent sales Information Sheet (For Sale by Owner) document failed to identify any major building deficiencies. Instead, the following building improvements were noted as having been completed:

- 2002 – Elevator upgrades
- 2003 – New rubber roof
- 2004 – New smoke alarm system
- 2004 – Central HVAC / New units in 1st floor offices and Studio C

Occupancy

Based on information provided by existing tenants it is our understanding that the office areas stay substantially leased and when vacancies do occur, there is robust demand to fill those spaces. It is also our understanding that the Studio A area enjoys strong market demand for its services from both a national and international client base. It is our understanding that tenants are satisfied with the condition and ongoing maintenance of the building under its current use.

Architectural and Engineering Reports provided by Bravo Development

The published reports listed above appear to focus on three categories:

- 1) Recommendations for practical improvements to the building that would be reasonable for the owner to consider under normal conditions for the property under its current use.
- 2) A recommendation in the Smith Gee Studio report that “Prior to proceeding with any renovation, the owner will need to contract for a full hazardous material inspection and testing service”. There is no specific identification of hazardous materials in the reports, no cost estimates provided and to our knowledge, there have been no qualified environmental assessments conducted. Of course, this also assumes that extensive renovation or reconstruction is to be undertaken.
- 3) Broad recommendations for major structural, mechanical and electrical design and code upgrades that appear to relate to some undisclosed merger of the existing Studio A property with an unknown major future development plan. These code upgrades would not normally apply, absent such a renovation or reconstruction. It is common for these types of issues to

be present in older buildings and not be addressed until a major renovation and/or addition occurs to the building.

Overall, the building seems to be in reasonably good condition for its intended purpose. We agree with the observations offered in the first two categories above and believe that the reports identify some areas of improvement to the building that if addressed would bring the property up to a very high standard of operating condition relative to its age.

In our judgment, it would be impossible to estimate a cost for the third category above without a fully developed set of architectural and engineering plans that would describe in detail the scope of the proposed redevelopment project and how it would connect to the existing Studio A space.

Building Codes

Obviously, buildings constructed in the mid 1960's do not fully comply with the current 2006 International Building Code, which has been adopted and is currently enforced by the Davidson Metro Codes Department. Generally speaking, if a building is maintained in reasonable condition, property owners are not required to upgrade buildings when new codes are adopted. Nor does the sale of a building trigger building code upgrades. However, when a building is added on to or undergoes significant renovations, the new codes can come into play. This seems to be the scenario the owner/developer's consulting architect and engineer took into account when they wrote the reports referred to above.

Compliance with the Americans with Disability Act (ADA)

The following is stated in "ADA Update: A Primer for Small Business" published by the Department of Justice:

The ADA requires that small businesses remove architectural barriers in existing facilities when it is "readily achievable" to do so. Readily achievable means "easily accomplishable without much difficulty or expense." This requirement is based on the size and resources of a business. So, businesses with more resources are expected to remove more barriers than businesses with fewer resources. Readily achievable barrier removal may include providing an accessible route from a parking lot to the business's entrance, installing an entrance ramp, widening a doorway, installing accessible door hardware, repositioning shelves, or moving tables, chairs, display racks, vending machines, or other furniture. When removing barriers, businesses are required to comply with the Standards to the extent possible. For example, where there is not enough space to install a ramp with a slope that complies with the Standards, a business may install a ramp with a slightly steeper slope. However, any deviation from the Standards must not pose a significant safety risk.

Using this standard, there are a few things that should be addressed, such as handicapped parking spaces, a wheelchair accessible entrance, and wheelchair accessible public toilets and drinking fountains. These could be provided at reasonable cost.

Environmental Issues

The following is a quote from an article in The Tennessean on July 28, 2014:

"The new owner of RCA Studio A painted a bleak picture of a building not worth saving on Monday – one with asbestos and mold problems, but also prime redevelopment potential."

Although no environmental reports prepared by qualified professionals addressing specific asbestos containing materials (ACM) have been made available by the owner to date, it is reasonable to assume that these materials do exist in some form within the Studio A building. Building materials that include limited amounts of asbestos are typical for buildings constructed prior to the 1980's and are present in full functioning buildings throughout the Nashville area and the United States.

Upon completion of a valid environmental study, and if ACM is identified, a management plan can be developed and put into action. The plan will most likely require little or no action if the ACM is in remote or inaccessible locations and is not friable. If the ACM is determined to be friable, the property owner can choose to either A) encapsulate the material to avoid the risk of it becoming airborne or B) contract with a local firm to have the material abated (removed). Management of ACM in commercial buildings is a routine maintenance procedure that is in no way catastrophic to the continued operation or overall value of most commercial properties.

We found no specific mention of problematic mold issues in the architectural or engineering reports provided above but we understand there have been statements to the press concerning mold in the building. Mold is a common occurrence in both commercial and residential buildings in the southeast. Mold is a naturally occurring organism and the EPA has not established any acceptable minimal levels. The following is stated in an EPA publication:

In most cases, if visible mold growth is present, sampling is unnecessary. Since no EPA or other federal limits have been set for mold or mold spores, sampling cannot be used to check a building's compliance with federal mold standards.

If mold is observed within a building, the first step is to attempt to identify and repair the source of moisture, and then treat or remediate the identified mold. If the problem persists, we recommend contacting one of many local contractors who can evaluate and treat these types of issues at a reasonable cost.

Conclusion

We have carefully reviewed the general observations made in the architectural and engineering reports provided by the owner. We estimate that the cost of completing the readily achievable ADA upgrades, as well as completing the identified repair and maintenance issues addressed for Studio A, under its current use, to be less than \$375,000. Additional funds should be budgeted for routine on-going annual maintenance.

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