

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
February 22, 2021

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. via WebEx electronic meeting, with the following members and Departments present. Commissioner Eley called the meeting to order at 11:01 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Butch Eley, Commissioner, Department of Finance and Administration, participated via electronic communication
Tre Hargett, Secretary of State, participated via electronic communication
David Lillard, State Treasurer, participated via electronic communication
Jason Mumpower, Comptroller of the Treasury, participated via electronic communication

ORGANIZATION

PRESENTER

- | | |
|--|---|
| • Tennessee Wildlife Resources Agency | Chief of Federal Aid & Real Estate Division Tim Churchill |
| • Department of Environment & Conservation | Real Property Manager Daniel Chuquin |
| • Department of General Services | Deputy Commissioner John Hull |
| • State Building Commission | State Architect Ann McGauran |

Commissioner Eley stated the purpose of this meeting was to consider the items on the agenda for the February meeting of the Executive Sub-Committee of the State Building Commission. Tennessee Code Annotated §8-44-108 provides that if a quorum of members is not physically present at the meeting, other members may be retained for a vote via electronic or other means of communication if certain statutory requirements are met.

A determination had been made that the electronic communication in this meeting by the members was a necessity based on the following facts and circumstances:

1. The Executive Sub-Committee has regularly scheduled monthly meetings around which agencies and institutions plan, and a delay will cause an operational hardship for certain of the agencies and institutions having time sensitive matters on today's agenda.
2. The current public health crisis resulting from the COVID-19 virus has resulted in declarations of a "State of Emergency" by the State and local governments.
3. Meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 outbreak

Commissioner Eley, Secretary Hargett, Comptroller Mumpower, and Treasurer Lillard participated electronically. At a roll call vote all members voted aye and approved the use of electronic communication for this meeting.

CONSENT AGENDA

At a roll call vote all members voted aye and approved the following items which have been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: **East Tennessee State University**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: **University of Tennessee Health Science Center**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement

- C. Agency: **University of Tennessee Institute of Agriculture**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and appraisals

- D. Agency: **University of Memphis**
Transaction: Disposal – Lease Amendment (Space)
Provision(s): Waiver of advertisement

- E. Agency: **University of Memphis**
Transaction: Disposal – Lease Amendment (Space)
Provision(s): Waiver of advertisement

- F. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and one appraisal

- G. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Fee
Provision(s): Waiver of advertisement and one appraisal

- H. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- I. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- J. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

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

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

- M. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- N. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- O. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- P. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement
- Q. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Easement (Conservation)

Requested Action: Approval of acquisition by conservation easement

Transaction Description: Transaction No 20-02-011

- **Location:** Tackett Creek Wildlife Management Area (TCWMA)
Claiborne & Campbell Counties – 43,000 ± acres – Tackett Creek Unit, TN
- **Owner(s):** CF Ataya LLC (CF), an affiliate of The Nature Conservancy (TNC)
- **Estimated Purchase Price:** \$7,980,000.00
- **Source of Funding:** 20/21 Wetlands Acquisition Fund (A)

Comment: The prior request was presented as the first phase (15,556+/- acres) of the phased acquisition of the entire 43,000+/- acre leased property based upon the then-available funding. The appraisal was later completed reflecting a lower value than was anticipated and funding has since been increased by \$980,000. Therefore, the request is now to acquire the entirety of the leased property by conservation easement in a single transaction.

This property is currently being leased by TWRA and has been leased by TWRA intermittently since 2014.

Date of Last Transfer: 12/17/2007
Purchase Price: \$39,945,099 (larger tract)
Property Assessor's Value: \$29,094,700 (larger tract)
Square Footage Improvements: N/A

Previous Action: 04/20/2020 Approved acquisition by conservation easement with waiver of advertisement and one appraisal

Minutes: 02/22/2021 Commissioner Eley commented that it's not often that the price is significantly lower than what was anticipated and stated that this was good news.

At a roll call vote all members voted aye and approved an acquisition by conservation easement.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Third Party)

Requested Action: **Approval of acquisition in fee and to utilize third party with waiver of advertisement and one appraisal**

Transaction Description: Transaction No. 21-01-010

- **Location:** Warren County – 531.95± Acres – 324, 345 C Cardwell Road, McMinnville, TN
- **Owner(s):** Patricia L. Black, Trustee
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 State Lands Acquisition Fund (A)
- **Third Party:** The Conservation Fund (TCF), TennGreen Land Conservancy (TGLC), & The Nature Conservancy (TNC)

Comment: Per T.C.A. §67-4-409, this property is on the state lands acquisition priority list and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

This acquisition will preserve and protect at-risk cultural, historic and archeological resources at Cardwell Mountain, including the viewshed of the tallest mountain peak in Warren County, an excavated mound, rock house with petroglyphs, a “Pit Cave with Human Burials,” all of which is listed on the National Register of Historic Places, and the property may include endangered bat habitat in need of protection.

The site will initially be used for research and academics. Once areas of interest have been investigated, limited public access may be opened in the future. The structures on the property will be used as a Park Ranger residence and for storage.

Utilization of the third parties is requested because TFC, TGLC, & TNC have built a relationship with the seller(s) and can purchase the property more quickly than the State’s process. They will purchase the property and then TDEC will purchase from these third parties. The state will not incur any additional third-party expenses tied to this transaction. TDEC will address any future management expenses for the property within existing resources.

Date of Last Transfer: 08/20/2005
Purchase Price: \$1,130,000.00
Property Assessor’s Value: \$842,800.00
Square Footage Improvements: House (1,840 sf, 1996); Barn (1,000 sf, 1996); & storage building (980 sf,1996)

Minutes: 02/22/2021 At a roll call vote all members voted aye and approved an acquisition in fee and utilizing third party with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease Amendment

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

Transaction Description: Transaction No. 06-10-901

• **Proposed Lease**

○ **Term:** 13 years (March 1, 2011 – February 28, 2024)

○ **Area / Costs:** 8,700 Square Feet

Annual Contract Rent (Years 11-13)	\$90,906.00	\$10.45/sf
Average Annual Contract Rent	85,132.15	9.79/sf
Estimated Annual Utility Cost	15,225.00	1.75/sf
Estimated Annual Janitorial Cost	9,570.00	1.10/sf
Total Average Annual Effective Cost	\$109,927.15	\$12.64/sf

• **Current Lease**

○ **Location:** Rutherford County – 1711 Old Fort Parkway, Suite C, Murfreesboro, TN

○ **Landlord:** Pedigo-Murfreesboro Properties, LP

○ **Term:** 10 years (March 1, 2011 – February 28, 2021)

○ **Area / Costs:** 8,700 Square Feet

Annual Contract Rent	\$83,400.00	\$9.59/sf
Estimated Utilities Cost	12,180.00	1.40/sf
Estimated Janitorial Cost	9,570.00	1.10/sf
Total Annual Effective Cost	\$105,150.00	\$10.00sf

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

• **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Correction.

A request to waive advertising and approve amendment is in best interest of the State at this time for strategic alignment of existing in-term lease expirations for long-term planning to effectuate a balance of portfolio and resources.

The long-term procurement is currently in the preliminary phase; and will be presented to ESC pursuant to applicable SBC policy at a future date. STREAM and the agency are confident amended procurement can be awarded prior to expiration of this lease.

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: 05/21/2007 ESC Approved lease agreement

Minutes: 02/22/2021 ESC Commissioner Eley asked to confirm that the long-term lease procurement process is in motion for the Department of Correction (TDOC) leases on pages 6, 8 and 9 and that they are comfortable that the long term leases will be finalized in this time period. Deputy Commissioner Hull replied that was correct and that the Department of General Services is working closely with the Department of Correction to ensure that all information needed to

initiate the procurement comes back quickly. The Department of Correction has taken their time in order to figure out how they will AWS these locations and they want to do the right thing long-term. DGS and TDOC are working closely to get these done in the next few years.

At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease Amendment

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

Transaction Description: Transaction No. 18-06-907

• **Proposed Amendment**

○ **Term:** 5 years 7 months (September 1, 2018 – March 31, 2024)

○ **Area / Costs:** 4,308 Square Feet

Annual Contract Rent	\$62,121.36	\$14.42/sf
Average Annual Contract Rent	62,157.82	14.43/sf
Estimated Annual Utility Cost (gas & electric only)	6,031.20	1.40/sf
Estimated Annual Janitorial Cost	4,739.00	1.10/sf
Total Average Annual Effective Cost	\$ 72,928.02	\$16.93/sf

• **Current Lease**

○ **Location:** Wilson County – 1432 West Main Street, Lebanon TN

○ **Landlord:** Harold E. Crye Living Trust

○ **Term:** 2 years 7 months (September 1, 2018 – March 31, 2021)

○ **Area / Costs:** 4,308 Square Feet

Annual Contract Rent	\$60,312.00	\$14.00/sf
Estimated Annual Utility Cost (electric/gas only)	6,246.00	1.45/sf
Estimated Annual Janitorial Cost	4,738.80	1.10/sf
Total Annual Effective Cost	\$71,296.80	\$16.55/sf

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

• **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Correction.

A request to waive advertising and approve amendment is in best interest of the State at this time for strategic alignment of existing in-term lease expirations for long-term planning to effectuate a balance of portfolio and resources.

The long-term procurement is currently in the preliminary phase; and will be presented to ESC pursuant to applicable SBC policy at a future date. STREAM and the agency are confident a new procurement can be awarded prior to expiration of this lease.

In the amended term rent increases in year one to \$14.42/sf, year two \$14.85/sf, year three \$15.30/sf.

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: 07/23/2018 ESC Approved lease agreement

Minutes: 02/22/2021 ESC At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 06-11-907

• **Proposed Amendment**

Term: 15 years (April 1, 2009 – March 31, 2024)

Area / Costs: 9,534 Square Feet

Annual Contract Rent (Years 13-15)	\$117,885.00	\$12.36/sf
Average Annual Contract Rent:	110,703.00	11.61/sf
Estimated Annual Utility Cost	16,684.50	1.75/sf
Estimated Annual Janitorial Cost	10,487.40	1.10/sf
Total Average Annual Effective Cost	\$137,874.90	\$14.46/sf

• **Current Lease**

Location: Washington County – 195 Freckles Court, Johnson City, TN

Landlord: David Quillen

Term: 12 years (April 1, 2009 – March 31, 2021)

Area / Costs: 9,534 Square Feet

Annual Contract Rent (Years 11-12)	\$117,885.00	\$12.36/sf
Estimated Annual Utility Cost	16,684.50	1.75/sf
Estimated Annual Janitorial Cost	10,487.40	1.10/sf
Total Annual Effective Cost	\$145,056.90	\$15.21/sf

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

• **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Correction Community Supervision office.

A request for waiver of advertisement and to amend the current lease by three (3) years is in the best interest of the State at this time for strategic alignment of existing in-term lease expirations for the long-term planning to effectuate a balance of portfolio and resources.

The long-term procurement is currently in the preliminary phase; and will be presented to ESC pursuant to applicable SBC policy at a future date. STREAM and the agency are confident a new procurement can be awarded prior to expiration of this lease

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: 10/22/2007 ESC Approved lease agreement
 01/28/2019 ESC Approved lease amendment with waiver of advertisement

Minutes: 02/22/2021 ESC At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 07-05-904

● **Proposed Amendment**

○ **Term:** 12 years (April 1, 2010 – March 31, 2022)

○ **Area / Costs:** 9,500 Total Square Feet

Annual Contract Rent (Year 12)	\$179,718.00	\$18.92/sf
Average Annual Contract Rent	166,133.00	17.48/sf
Estimated Annual Utility Cost (electric only)	10,450.00	1.10/sf
Estimated Annual Janitorial Cost	10,450.00	1.10/sf
Total Average Annual Effective Cost	\$187,003.00	\$19.68/sf

● **Current Lease**

○ **Location:** Knox County, 430 Montbrook Lane, Knoxville, TN

○ **Landlord:** Apex Bank

○ **Term:** 11 years (April 1, 2010 – March 31, 2021)

○ **Area / Costs:** 9,500 Square Feet

○ **Current:**

Annual Contract Rent (Year 11)	\$179,718.00	\$18.92/sf
Estimated Annual Utility Cost (electric only)	10,450.00	1.10/sf
Estimated Annual Janitorial Cost	10,450.00	1.10/sf
Total Annual Effective Cost	\$200,618.00	\$21.12/sf

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

● **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Safety and Homeland Security.

This amendment is in the best interest of the State while the new long-term location is being constructed. The long-term lease was approved at September 2020 ESC and is estimated to commence March 2022 based on the required renovation.

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:

12/17/2007	ESC	Approved lease agreement
01/28/2020	ESC	Approved lease amendment with waiver of advertisement
03/23/2020	ESC	Approved lease amendment with waiver of advertisement

Minutes: 02/22/2021 ESC At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease and amendment of existing lease

Transaction Description: Transaction No. 19-03-930 & 19-05-903

● **Proposed Lease**

- **Location:** Grainger County – 8421 Rutledge Pike, Rutledge, TN
- **Landlord:** Irrevocable Trust FBO Rylie Z. Daniel & Kendyl P. Daniel – Lori Michelle Turner, Trustee
- **Term:** 7 Years with one 3-year renewal option
- **Area / Costs:** 8,848 Square Feet

Annual Contract Rent	\$161,918.40	\$18.30/sf
Estimated Annual Utilities Cost	15,484.00	1.75/sf
Estimated Annual Janitorial Cost	9,732.80	1.10/sf
Total Annual Effective Cost	\$187,135.20	\$21.15/sf

● **Proposed Amendment**

- **Location:** Grainger County – 8421 Rutledge Pike, Rutledge, TN
- **Landlord:** Irrevocable Trust FBO Rylie Z. Daniel & Kendyl P. Daniel – Lori Michelle Turner, Trustee
- **Term:** 12 years (March 1, 2021 – February 28, 2023)
- **Area / Costs:** 8,400 Square Feet

Annual Contract Rent	\$ 86,520.00	\$10.30/sf
Estimated Utilities Cost	14,700.00	1.75/sf
Estimated Janitorial Cost	9,240.00	1.10/sf
Total Annual Effective Cost	\$110,460.00	\$13.15/sf

● **Current Lease**

- **Location:** Grainger County – 8421 Rutledge Pike, Rutledge, TN
- **Landlord:** Irrevocable Trust FBO Rylie Z. Daniel & Kendyl P. Daniel – Lori Michelle Turner, Trustee (Dirk A. Daniel)
- **Term:** 10 years (March 1, 2011 – February 28, 2021)
- **Area / Costs:** 8,400 Square Feet

Annual Contract Rent	\$ 84,000.00	\$10.00/sf
Estimated Utilities Cost	11,760.00	1.40/sf
Estimated Janitorial Cost	9,240.00	1.10/sf
Total Annual Effective Cost	\$105,000.00	\$12.50/sf

- **Source of Funding:** FRF
- **Procurement Method:** LPR on template
- **FRF Rate:** \$15.00

Comment: This lease and lease amendment will provide office space for Department of Human Services & Department of Children’s Services. For the seven-year lease, three proposals from two proposers were received and evaluated. The lease is estimated to commence in June 2022 based on the renovations needed.

Rent decreases in the renewal option, if exercised, to \$17.80/sf for years 8-10.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a termination fee.

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

The Knox Office Realty broker commission is \$18,894.93 for the 7-year base term, if the renewal option is exercised the commission will be \$26,899.02.

The lease amendment will bridge the gap between the expiration date of the current lease and the seven-year lease. It is in the best interest of the State to allow continuity of operations at this location until the new lease is ready for occupancy. Advertising is not required for the lease amendment pursuant to SBC Policy.

Previous Action: 11/29/2004 ESC Approved lease agreement
02/20/2007 ESC Approved lease amendment

Minutes: 02/22/2021 ESC Treasurer Lillard confirmed that the new seven-year lease was advertised and received three proposals from two proposers. Deputy Commissioner Hull replied "yes".

Treasurer Lillard asked DGS to explain the twelve-year proposed amendment. Deputy Commissioner Hull replied that it is an amendment to the original ten year lease that started March 2011. The current lease ends in March 2021 and a two year amendment is needed while the landlord renovates this location to start the long term lease. Treasurer Lillard asked if the subcommittee is just approving the two year amendment at this time. Deputy Commissioner Hull stated that this request is to approve both; the approval of the amendment up to two years and the new lease up to ten years.

Treasurer Lillard asked if they advertised for the lease. Deputy Commission Hull stated that the long term lease had two proposers and they received and evaluated. The amendment is to the current lease to stay at the current location and doesn't require advertising by policy.

At a roll call vote all members voted aye and approved a lease and amendment of existing lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) At a roll call vote all members voted aye and approved the Minutes of the Executive Subcommittee meeting held on January 25, 2021 with corrections to the Current Lease Area/Costs information on page 8.

• **Current Lease**

○ Area / Costs:	<u>45,000 Square Feet</u>		
	Annual Contract Rent	\$400,950.00 303,750.00	\$8.91 6.75/sf
	Estimated Utilities Cost	78,750.00 63,000.00	1.75 1.40/sf
	Estimated Janitorial Cost	49,500.00	1.10/sf
	Total Annual Effective Cost	<u>\$529,200.00</u> 416,250.00	<u>\$11.76</u> 9.25/sf

Report of Items Submitted to the ESC

- 1) Status Update Reports from the State Procurement Agencies in accordance with SBC Policy & Procedures Item 2.03.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following nine 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:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Kingston Pike Bldg Improvements
Project Description: This project will upgrade the buildings systems to enable growth in the power distribution systems for the campus high performance computing systems. These improvements include enhancements to mechanical systems, electrical distribution, and to purchase equipment for expansion of the data center.
- SBC Project No.** 540/009-03-2021
Total Project Budget: \$480,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Consultant for design and Campus Resources and System Procurement for construction
Approval Date: 01/27/2021

- 2) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Chamique Holdsclaw Storm Line Upgrades
Project Description: The project will upgrade the storm line and catch basin structures along Chamique Holdsclaw from Pat Head Summit to Lake Loudon.
SBC Project No. 540/009-04-2021
Total Project Budget: \$225,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Consultant for design and Campus Resources and System Procurement for the work
Approval Date: 01/28/2021
- 3) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Ceramic Annex Bunker Demolition
Project Description: ~~This project will demolish the coal bunker roof, partially demolish north and south walls while stabilizing the road bank and creating greenspace. The project will also waterproof the remaining wall.~~ *This project will reinforce the coal bunker structure along with correcting drainage issues from adjacent road.*
SBC Project No. 540/009-29-2019
Total Project Budget: \$173,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget, scope, and funding (increase budget \$59,000)
Approval Date: 02/02/2021
- 4) **State Procurement Agency:** University of Tennessee Health Science Center
Location: Memphis, Tennessee
Project Title: Coleman Storage Tank Replacement
Project Description: This project will remove the underground diesel storage tank and replace it with an above ground tank.
SBC Project No. 540/013-01-2021
Total Project Budget: \$128,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Consultant for design
Approval Date: 02/05/2021
- 5) **State Procurement Agency:** Tennessee Board of Regents / Roane State Community College
Location: Harriman, Tennessee
Project Title: Dunbar Classroom Elevator Replacement
Project Description: Replace elevator in the Dunbar Classroom Building and Gymnasium.
SBC Project No. 166/027-02-2018
Total Project Budget: \$471,900.00
Source of Funding: \$320,000.00 18/19 CurrFunds-CapMaint (A)
\$151,900.00 Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding (increase budget \$14,900)
Approval Date: 02/08/2021

- 6) **State Procurement Agency:** Tennessee Technological University
Location: Cookeville, Tennessee
Project Title: Crawford Hall Roof Replacement
Project Description: Replace the roof shingles and install new wood deck over existing tectum deck. Repair/replace flashing, decking, coping and other roof components as needed. Repair masonry above the roof and dormers as required.
SBC Project No. 364/011-01-2021
Total Project Budget: \$450,000.00
Source of Funding: Plant Funds (Aux-Housing) (A)
Approval: Approved project and to select a designer
Approval Date: 01/27/2021
- 7) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: UC Theater Lighting Truss Replacement
Project Description: Replace existing non operable lighting truss at the University Center (UC) Theater.
SBC Project No. 367/007-02-2020
Total Project Budget: \$207,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding in order to award a contract (increase budget \$57,000)
Approval Date: 02/01/2021
- 8) **State Procurement Agency:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Memorial Health – Electrical Closet Relocation
Project Description: Replace and relocate electrical service from below-grade mechanical room to a new electrical closet; in-kind replacement of mechanical equipment and transformer; and all related work.
SBC Project No. 373/003-05-2020
Total Project Budget: \$240,000.00
Source of Funding: Plant Funds (Non-Aux)
Approval: Approved a revision in project budget and funding in order to award a contract (increase budget \$20,000)
Approval Date: 02/03/2021
- 9) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Buchanan, Tennessee
Project Title: Paris Landing State Park Courtesy Docks
Project Description: Replacement of courtesy docks and all required related work.
SBC Project No. 126/075-01-2021
Total Project Budget: \$205,300.00
Source of Funding: \$153,900.00 Federal Grant (LWCF) (F)
\$ 51,400.00 20/21 TDEC Op Funds (A)
Approval: Approved project utilizing a Central Procurement Office contract to perform the work
Approval Date: 02/03/2021

Approvals of Revisions to Existing Capital Projects

- Reported the following approval of an addition of scope for capital project in accordance with Item 2.04(B)(3) of the *SBC By-Laws, Policy & Procedures*:

1) **State Procurement Agency:** University of Tennessee Health Science Center
Location: Memphis, Tennessee
Project Title: 910 Madison Ave Renovation
Project Description: This project will renovate the 5th floor including abatement of flooring material, new carpet and furniture, replace ceiling grid, tile, and light fixtures, and HVAC maintenance for the 1st and 5th floors. *Also includes renovations for 4th floor carpeting and 10th floor buildout of two offices.*
SBC Project No. 540/013-01-2020
Total Project Budget: \$475,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project scope
Approval Date: 02/01/2021

- Reported the following approval of a guaranteed maximum price (no change in total project budget) in accordance with Item 2.04(B)(4) of the *SBC By-Laws, Policy & Procedures*:

1) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Knoxville, Tennessee
Project Title: Energy & Enviro. Science Research Bldg. (Ellington)
Project Description: The site for this new project is the current location of the Ellington Plant Science Building which will be demolished. The new building will house teaching laboratories, research/public service labs, offices, classrooms, 500-seat teaching and learning center with appropriate support space. Included will be a new Surge Building constructed on the Ag Campus. In FY 12/13, \$2M was approved for planning. In FY 18/19, \$4M was approved for planning and construction of a new surge building.
SBC Project No. 540/001-04-2013
Total Project Budget: \$101,000,000.00
Source of Funding:
\$ 4,000,000.00 18/19 CurrFunds-CapImp (A)
\$ 81,500,000.00 19/20 CurrFunds-CapImp (A)
\$ 12,650,000.00 Plant Funds (Non-Aux) (A)
\$ 2,850,000.00 Gifts (O)
Approval: Approved a Guaranteed Maximum Price (GMP) to perform the work
Approval Date: 02/04/2021

Designer Selections

- SELECTION of DESIGNERS for projects approved by the State Building Commission as recommended by the State Procurement Agencies.

- 1) **Department of Military**
(Consultant – Architectural, Civil & Structural)
Total Project Budget: Not Applicable
SBC Project No. 361/000-02-2020
Designer: **AECOM Technical Services, Inc.**

Other Business

There being no further business, the meeting adjourned at 11:21 a.m.

* * * * *

EAST TENNESSEE STATE UNIVERSITY**Disposal – Fee**

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

Transaction Description: Transaction No. 20-04-007
 • **Location:** Johnson City Community Theatre
 Washington County - 0.344+/- acres - 600 East Maple Street, Johnson City, TN
 • **Sale Price:** Fair Market Value

Comment: This property has been determined to be surplus to the University's needs. This property has been leased to and operated by the Johnson City Community Theatre since approximately 1968 with current rent at \$50 per year. Waiver of advertisement is requested to sell the property to Johnson City Community Theatre. This would allow the University to dispose of an unneeded property and support local theater and the arts. It would also allow the theater to continue to invest in the building, offer programming, and operate from its historical location.

The THC has determined that disposal of this property will not adversely affect this State-owned resource of 50+ years, and no further action is necessary.

Date of Last Transfer: 11/20/1953
 Previous Owner: Upper East Tennessee Workshop for the Blind, Inc.
 Original Cost to State: \$15,000.00

Previous Action: 07/24/1989 Approved lease

Minutes: 02/22/2021 Approved disposal in fee with waiver of advertisement and one appraisal

UNIVERSITY OF TENNESSEE**Acquisition - Lease Amendment****Requested Action:** Approval of a lease amendment with waiver of advertisement**Transaction Description:** Transaction No. 11-02-912● **Proposed Amendment**

- **Term:** 15 years (March 20, 2011 - March 19, 2026) with an option to extend for five (5) years
- **Area / Costs:** 3,086 square feet
Annual Rent (incl utilities and janitorial) (Years 10-15) \$61,720.00 \$20.00/sf

● **Current Lease**

- **Location:** University of Tennessee Health Science Center (UTHSC)
Shelby County - 756 Ridge Lake Boulevard, Memphis, TN
- **Landlord:** Couch Realty, LLC
- **Term:** 10 years (March 20, 2011 - March 19, 2021)
- **Area / Costs:** 3,999 square feet
Annual Rent (incl utilities and janitorial) \$79,980.00 \$20.00/sf
- **Source of Funding:** Research Grants and Indirect Cost Revenue
- **FRF Rate:** \$18.00 (for reference only)

Comment:

In 2011, SBC approved a lease for five years with a five-year option to extend. The space is used for diabetes research and investigates the long-term impact of weight loss interventions on overweight/obese individuals with type 2 diabetes. In addition, the CANDLE Study is an NIH initiative following mother-child pairs from pregnancy through childhood and adolescence to investigate neurocognitive development in children.

The University proposes to extend the lease for 3,086 square feet through March 19, 2026, with an option to extend for an additional five years. The lease rate will remain at \$20.00/sf during the initial five-year amendment period. At the beginning of the extension option and each year thereafter, the lease rate will increase by two percent (2%) per year. The small reduction in square footage is due to some grants moving to non-clinical phases and others adapting to COVID restrictions.

The lessor is responsible for maintenance, utilities and janitorial service. The lease may be terminated due to a reduction in grant funding for research at this location with 120 days-notice, for cause and due to termination or consolidation of programs housed in the leased premises because of loss of funding. It is also subject to continued appropriations of the appropriate legislative body.

This space was built out by the landlord for this specific use and the location remains desirable because it is conveniently located to patient populations intended to benefit by these grants. In addition, the lease rate did not increase and will remain flat over the five-year extension period. As a result, waiver of advertisement is requested.

Previous Action: 03/21/2011 Approved lease agreement and waiver of advertisement
12/17/2018 Approved a lease amendment with waiver of advertisement

Minutes: 02/22/2021 Approved a lease amendment with waiver of advertisement

UNIVERSITY OF TENNESSEE**Disposal – Fee**

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

Transaction Description: Transaction No. 21-02-003

- **Location:** University of Tennessee - Institute of Agriculture (UTIA)
Morgan County – 1.6 +/- acres of Cumberland Forest
- **Grantee** Stevens Baptist Church (aka Stephens Baptist Church)
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: UTIA's Cumberland Forest Research and Education Center includes approximately 8,361 +/- acres in Morgan and Scott Counties. In 1952, the University granted Stevens Baptist Church the perpetual right to use approximately 0.42 +/- acres of Cumberland Forest property to build and operate a Church building. It has been determined that a portion of the building was constructed outside this area and the Church has used an additional area parking.

The University proposes to transfer fee simple ownership of approximately 1.6 +/- acres of property to the Church. The transfer of this acreage is based on several factors including:

- The current agreement renders the area being transferred unusable because it is beyond the Church footprint, narrow, bisected by a road and has a stream running through it.
- The University reserves the right to perform research studies on the property at no cost to UT.
- The University reserves the right to park in the Church parking lot at no cost to UT.
- This action will resolve prior boundary issues and clearly delineate the property to be utilized by the Church, while minimizing liability for the University and state.

STREAM and UT have completed a market analysis and determined the property has minimal value and the existing agreement renders the additional acreage unmarketable to others. As a result, the University proposes to transfer the property at no cost.

Date of Last Transfer: Unknown
Original Cost to State: Unknown

Minutes: 02/22/2021 Approved disposal in fee with waiver of advertisement and appraisals

THE UNIVERSITY OF MEMPHIS**Disposal - Lease Amendment (Space)**

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

Transaction Description: Transaction No. 18-02-902

- **Proposed Amendment**

- **Term:** 6 years (April 1, 2018 – March 31, 2024)

- **Current Lease**

- **Location:** University of Memphis – Lambuth Campus

- **Tenant:** UMRF Ventures, Inc.

- **Term:** April 1, 2018 thru March 31, 2021

- **Area / Costs:** 1,040 Square Feet/\$20,800.00 per year (\$20.00/sf), plus 3% annual increases

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

Comment: This Amendment is to extend the term of the lease for an additional (3) years commencing on April 1, 2021 to March 31, 2024 and to reflect the previous approval to add space to expand the call center to handle increased call volume. The lease amendment associated with the previously approved space increase was never executed due to a series of unforeseeable circumstances. Waiver of advertisement is requested because of the benefits that will accrue to the University from the continuation of this program. The rent in year 4 will be \$22,729.01 (\$21.86/sf).

Previous Action: 02/26/2018 Approved disposal by lease with waiver of advertisement and appraisal
08/20/2018 Approved a lease amendment with waiver of advertisement

Minutes: 02/22/2021 Approved a lease amendment with waiver of advertisement

THE UNIVERSITY OF MEMPHIS**Disposal - Lease Amendment (Space)**

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

Transaction Description: Transaction No. 18-01-904

- **Proposed Amendment**

- **Term:** 6 years (April 1, 2018 - March 31, 2024)

- **Current Lease**

- **Location:** University of Memphis – FedEx Institute of Technology

- **Tenant:** UMRF Ventures, Inc.

- **Term:** April 1, 2018 thru March 31, 2021

- **Area / Costs:** 848 Square Feet/\$38,000 per year (\$44.81/sf), plus 3% annual increases

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

Comment: This Amendment is to extend the term of the lease for an additional (3) years commencing on April 1, 2021 to March 31, 2024. Waiver of advertisement is requested because of the benefits that will accrue to the University from the continuation of this program. The rent in year 4 will be \$39,150.00 (\$46.17/sf).

Previous Action: 02/26/2018 Approved disposal by lease with waiver of advertisement and appraisal

Minutes: 02/22/2021 Approved a lease amendment with waiver of advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

Disposal – Easement (Utility)

Requested Action: Approval of disposal by easement with waiver of advertisement and one appraisal

Transaction Description: Transaction No 20-12-008

- **Location:** Hiwassee Wildlife Management Area (HWMA)
Meigs County – 0.33+/- acres (40' wide) – 545 Priddy Lane, Birchwood, TN
- **Grantee(s):** Volunteer Energy Co-Op (VEC)
- **Estimated Purchase Price:** Fair Market Value

Comment: This request is to allow VEC to install an electrical power line from an existing utility pole on State property to an adjoining landowner's pole barn where farm equipment is kept. The easement area will be 40' wide for a length of 358', or 14,320 sf total. Appraisal will be performed by internal State personal per SBC policy.

The benefited landowner, Currey Farm LLC, will cover all costs associated with this easement. This easement will not adversely affect HWMA.

Date of Last Transfer: 12/31/1965
Purchase Price: \$0.00 (larger tract)

Minutes: 02/22/2021 Approved disposal by easement with waiver of advertisement and one appraisal

TENNESSEE WILDLIFE RESOURCES AGENCY**Acquisition – Fee**

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

Transaction Description: Transaction No. 20-11-003

- **Location:** Tigrett Wildlife Management Area (TWMA)
Dyer County – 141± acres (3 tracts) – 0 SR-104 (41± acres of 57± acres parcel, and 40± acres parcel) & 0 Forked Deer River (60± acres parcel), Dyersburg, TN
- **Owner(s):** Laurie Acred-Natelson and Jane Ann Smith
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 Wetlands Acquisition Fund (A)

Comment: This property is on the wetlands priority list and has been approved for purchase by the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency per T.C.A. §11-14-402.

This property is contiguous with TWMA and will provide new road access to the TWMA. This acquisition will also protect and preserve high-quality bottomland hardwoods and other forest functions in the TWMA ecosystem.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	0 SR-104 (57± acres larger parcel) November 8, 1989
Purchase Price:	\$46,750.00 (inter-family transfer)
Property Assessor's Value:	\$189,800.00
Square Footage Improvements:	N/A

Date of Last Transfer:	0 Forked Deer River (60± acres parcel) November 8, 1989
Purchase Price:	\$16,000.00 (inter-family transfers)
Property Assessor's Value:	\$107,100.00
Square Footage Improvements:	N/A

Date of Last Transfer:	0 SR-104 (40± acres parcel) July 10, 1992
Purchase Price:	\$16,000.00 (inter-family transfers)
Property Assessor's Value:	\$107,100.00
Square Footage Improvements:	N/A

Minutes: 02/22/2021 Approved acquisition in fee with waiver of advertisement and one appraisal

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No 20-11-001

- **Location:** Erwin State Fish Hatchery (ESFH)
Unicoi County – 0.58± acre – 613 Spring Street, Erwin, TN
- **Owner(s):** Earl Eugene Ramsey and Elizabeth Ramsey
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 TWRA Op Funds (A)

Comment: This property is proximate to ESFH. This acquisition will protect and preserve the spring surface water source that feeds the ESFH. The mobile home structures on the property will be removed by the owners prior to acquisition.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	05/29/1967
Purchase Price:	\$0.00
Property Assessor's Value:	\$24,000
Square Footage Improvements:	N/A

Minutes: 02/22/2021 Approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 20-12-003

- **Location:** Roan Mountain State Park (RMSP)
Carter County – 149.90 ± acres – 0 Sugar Hollow Rd, Roan, TN
- **Owner(s):** BEN-MAR Properties NC LLC
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 State Lands Acquisition Fund (A)
Southern Appalachian Highlands Conservancy (SAHC)

Comment: Per T.C.A. §67-4-409, this property is on the state lands acquisition priority list and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

This property is contiguous with RMSP and will expand the trail system and provide land for camping at RMSP. SAHC is providing part of the funding (\$325,000.00) for this acquisition, since acquiring this tract would align with their mission of protecting natural resources.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	03/10/2003
Purchase Price:	\$500,000.00
Property Assessor’s Value:	\$478,200.00
Square Footage Improvements:	N/A

Minutes: 02/22/2021 Approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF ENVIRONMENT AND CONSERVATION**Acquisition – Fee (Purchase)**

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

Transaction Description: Transaction No. 20-10-006

- **Location:** Ozone Falls State Natural Area (OFSNA)
Cumberland County – 0.38 ± acres – 0 HWY 70 E, Crossville, TN
- **Owner(s):** Ruby D. Hughes
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 State Lands Acquisition Fund (A)

Comment: Per T.C.A. §67-4-409, this property is on the state lands acquisition priority list and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

This property is contiguous with OFSNA and will provide overflow parking at OFSNA. TDEC intends to install gravel, guard railing and/or an architectural block wall. TDEC may also pave the parking area and/or install lighting. The acquisition will not be completed until any environmental issues have been remediated at no cost to the State.

No additional management costs are anticipated with this acquisition; TDEC will address any costs for parking area improvements from within existing resources.

Date of Last Transfer: 10/30/1950
Purchase Price: \$0.00 (inter-family transfer)
Property Assessor's Value: \$4,300
Square Footage Improvements: N/A

Minutes: 02/22/2021 Approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-01-919 (DCS), 21-01-920 (DHS)

● **Proposed Lease**

- **Location:** Anderson County -182 Frank L. Diggs Blvd, Clinton, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 3 years (May 1, 2021 – April 30, 2024)
- **Area / Costs:** 37,000 Square Feet

Annual Contract Rent	\$ 386,650.00	\$10.45/sf
Estimated Utilities Cost	64,750.00	1.75/sf
Estimated Janitorial Cost	40,700.00	1.10/sf
Total Annual Effective Cost	\$492,100.00	\$13.30/sf

● **Current Lease**

- **Location:** Anderson County -182 Frank L. Diggs Blvd, Clinton, TN
- **Landlord:** NSI, a Tennessee General Partnership (Hearthwood Properties, LLC)
- **Term:** 10 years (May 1, 2001 – April 30, 2011) (Holdover)
- **Area / Costs:** 37,000 Square Feet

Annual Contract Rent	\$289,788.00	\$7.83/sf
Estimated Utilities Cost	51,800.00	1.40/sf
Estimated Janitorial Cost	40,700.00	1.10/sf
Total Annual Effective Cost	\$382,288.00	\$10.33/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00

Comment: This bridge lease will provide office space for Department of Children’s Services and Department of Human Services and bridge the gap in time until commencement of both new leases. The agenda includes two separate items for approval of new long-term leases.

It is in the best interest of the State to allow continuity of operations at this location until the new lease is ready for occupancy. Waiver of advertisement is not required for the bridge lease pursuant to SBC Policy. The tenant may terminate this lease for convenience with 90 days prior written notice to the landlord. The landlord may terminate this lease for convenience with 120 days prior written notice to the tenant.

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 Actions: 12/18/2000 ESC Approved a lease
 05/22/2000 ESC Approve lease amendment

Minutes: 02/22/2021 ESC Approved a lease

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 18-09-905● **Proposed Lease**

- **Location:** Anderson County - 111 Union Valley Drive, Oak Ridge, TN
- **Landlord:** Union Valley LLC
- **Term:** 10 years
- **Area / Costs:** 22,629 Square Feet

First Year Annual Contract Rent	\$311,148.75	\$13.75/sf
Average Annual Contract Rent	340,679.60	\$15.06/sf
Estimated Annual Utilities Cost (gas & electric only)	31,680.60	1.40/sf
Estimated Annual Janitorial Cost	24,891.90	1.10/sf
Total Average Annual Effective Cost	<u>\$397,252.10</u>	<u>\$17.56/sf</u>

● **Current Lease**

- **Location:** Anderson County -182 Frank L. Diggs Blvd, Clinton, TN
- **Landlord:** NSI, A Tennessee General Partnership
- **Term:** 10 years (May 1, 2001 – April 30, 2011) (Holdover)
- **Area / Costs:** 37,000 Square Feet (27,750 sf – DCS)

Annual Contract Rent	\$289,788.00	\$7.83/sf
Estimated Utilities Cost	51,800.00	1.40/sf
Estimated Janitorial Cost	40,700.00	1.10/sf
Total Annual Effective Cost	<u>\$382,288.00</u>	<u>\$10.33/sf</u>

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

Comment:

The previous lease included two agencies in a total of 37,000 square feet, however this lease will provide a renovated space for only one agency, the Department of Children's Services. Three proposals from three proposers were received and evaluated. Alternative Workplace Solutions will be implemented at this location. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence February 2023 based on the renovations needed. The agenda includes a separate item for approval of a bridge lease.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and 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.

Minutes: 02/22/2021 Approved a lease

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 18-10-903● **Proposed Lease**

- **Location:** Anderson County - 117 Union Valley Drive, Oak Ridge, TN
- **Landlord:** Union Valley LLC
- **Term:** 10 years
- **Area / Costs:** 8,213 Square Feet

First Year Annual Contract Rent	\$112,928.75	\$13.75/sf
Average Annual Contract Rent	123,646.72	\$15.06/sf
Estimated Annual Utilities Cost (gas & electric only)	11,498.20	1.40/sf
Estimated Annual Janitorial Cost	9,034.30	1.10/sf
Total Average Annual Effective Cost	<u>\$144,179.22</u>	<u>\$17.56/sf</u>

● **Current Lease**

- **Location:** Anderson County -182 Frank L. Diggs Blvd, Clinton, TN
- **Landlord:** NSI, a Tennessee General Partnership (Hearthwood Properties, LLC)
- **Term:** 10 years (May 1, 2001 – April 30, 2011) (Holdover)
- **Area / Costs:** 37,000 Square Feet (9,250 sf – DHS)

Annual Contract Rent	\$289,788.00	\$7.83/sf
Estimated Utilities Cost	51,800.00	1.40/sf
Estimated Janitorial Cost	40,700.00	1.10/sf
Total Annual Effective Cost	<u>\$382,288.00</u>	<u>\$10.33/sf</u>

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

Comment: The previous lease included two agencies in a total of 37,000 square feet, however this lease will provide a renovated space for only one agency, the Department of Human Services. Three proposals from three proposers were received and evaluated. Alternative Workplace Solutions will be implemented at this location. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence February 2023 based on the renovations needed. The agenda includes a separate item for approval of a bridge lease.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and 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.

Minutes: 02/22/2021 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 19-03-935

● **Proposed Lease**

- **Location:** Rhea County – 224 4th Avenue, Suite 102, Dayton, TN
- **Landlord:** City of Dayton, TN
- **Term:** 7 years (September 1, 2021 – August 31, 2028) with one 3-year renewal option
- **Area / Costs:** 6,795 Square Feet

Annual Contract Rent	\$61,725.50	\$9.08/sf
Estimated Annual Utilities Cost	11,891.25	1.75/sf
Estimated Annual Janitorial Cost	7,474.50	1.10/sf
Total Annual Effective Cost	\$81,091.25	\$11.93/sf

● **Current Lease**

- **Location:** Rhea County – 224 4th Avenue, Suite 102, Dayton, TN
- **Landlord:** City of Dayton, TN
- **Term:** 1 year (September 1, 2020 - August 31, 2021)
- **Area / Costs:** 6,795 Square Feet

Annual Contract Rent	\$65,571.75	\$9.65/sf
Estimated Annual Utilities Cost	11,891.25	1.75/sf
Estimated Annual Janitorial Cost	7,474.50	1.10/sf
Total Annual Effective Cost	\$84,937.50	\$12.50/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Negotiated
- **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Human Services. The lease is estimated to commence in September 2021 based on the renovations needed.

Advertisement is not required pursuant to TCA section 12-2-114.

There is no increase in rent during the renewal term.

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.

Minutes: 02/22/2021 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 19-05-905 & 19-04-913

● **Proposed Lease**

- **Location:** Hardin County – 1035 Wayne Rd., Suite A, Savannah, TN
- **Landlord:** Four Girls Partnership
- **Term:** 10 years, plus three (3) renewal options of one (1) year each
- **Area / Costs:** 9,508 Square Feet

Annual Contract Rent	\$114,096.00	\$12.00/sf
Estimated Annual Utilities Cost	16,639.00	1.75/sf
Estimated Annual Janitorial Cost	10,458.80	1.10/sf
Total Annual Effective Cost	\$141,193.80	\$14.85/sf

● **Current Lease**

- **Location:** Hardin County – 1035 Wayne Rd., Suite A, Savannah, TN
- **Landlord:** Four Girls Partnership
- **Term:** 3 years (July 1, 2020 to June 30, 2023)
- **Area / Costs:** 9,508 Square Feet

Annual Contract Rent	\$49,917.00	\$5.25/sf
Estimated Annual Utilities Cost	16,639.00	1.75/sf
Estimated Annual Janitorial Cost	10,458.80	1.10/sf
Total Annual Effective Cost	\$77,014.80	\$8.10/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Human Services and the Department of Children’s Services. Four proposals from four proposers were received and evaluated. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before June 2023 based on the renovations needed.

The tenant may terminate this lease at any time after the 60th month by giving 90 days written notice to the landlord and payment of a termination fee.

There is no increase in rent during the renewal term.

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.

Minutes: 02/22/2021 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease with waiver of advertisement

Transaction Description: Transaction No. 20-01-916 (DCS), 20-01-917 (DHS), 20-01-918 (TCCY)

● **Proposed Lease**

- **Location:** Maury County - 1400-1500 College Park Dr., Columbia, TN
- **Landlord:** NSI, a Tennessee general partnership
- **Term:** 3 years (April 1, 2021 – March 31, 2024)
- **Area / Costs:** 45,000 Square Feet

Annual Contract Rent	\$429,750.00	\$9.55/sf
Estimated Utilities Cost	78,750.00	1.75/sf
Estimated Janitorial Cost	49,500.00	1.10/sf
Total Annual Effective Cost	\$558,000.00	\$12.40/sf

● **Current Lease**

- **Location:** Maury County - 1400-1500 College Park Dr., Columbia, TN
- **Landlord:** NSI, a Tennessee general partnership
- **Term:** 10 years (August 1, 2003 – July 31, 2013) (Holdover)
- **Area / Costs:** 45,000 Square Feet

Annual Contract Rent	\$303,750.00	\$6.75/sf
Estimated Utilities Cost	63,000.00	1.40/sf
Estimated Janitorial Cost	49,500.00	1.10/sf
Total Annual Effective Cost	\$416,250.00	\$9.25/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Children’s Services, Department of Human Services and Tennessee Commission on Children and Youth.

This request for waiver of advertisement and approval of lease is in the best interest of the State to bridge the gap in time while allowing renovation of space and commencement of long-term lease. The long-term lease was approved at January 25, 2021 ESC and is estimated to commence November 2022 based on the renovations needed.

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 Actions: 01/25/2021 ESC Approved lease agreement

Minutes: 02/22/2021 ESC Approved a lease with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 07-09-900

• **Proposed Amendment**

- **Term:** 10 years and 9 months (August 1, 2010 – April 30, 2021)
- **Area / Costs:** 7,971 Square Feet
 Annual Contract Rent (includes utilities & janitorial*) \$20,591.75 \$15.50/sf

• **Current Lease**

- **Location:** Davidson County, 404 James Robertson Parkway, Nashville, TN
- **Landlord:** 404 James Robertson Prop, LLC
- **Term:** 10 years and 7 months (August 1, 2010 – February 28, 2021)
- **Area / Costs:** 38,120 Square Feet (THDA Sq. Ft. 7,971)
- **Current:** Average Annual Contract Rent (includes utilities & janitorial*) \$573,389.20 \$15.04/sf
 Current Annual Contract Rent (includes utilities & janitorial*) \$590,860.00 \$15.50/sf

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

• **FRF Rate:** \$25.50

Comment: This lease will provide office space for Tennessee Housing Development Agency to maintain continuity of operations while a planned future lease is being finalized.

The current lease provides space for THDA and the Board of Probation and Parole. The Board of Probation and Parole has been relocated into state owned space.

Tenant reimburses Landlord monthly for cost of utilities exceeding \$1.40 per square foot.

During the two-month extended term; the State will not have the right to terminate for convenience.

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

Previous Action: 08/25/2008 ESC Approved a lease
 08/24/2009 ESC Approved a lease amendment
 08/11/2016 ESC Approved a lease amendment
 05/26/2020 ESC Approved a lease amendment with waiver of advertisement

Minutes: 02/22/2021 ESC Approved a lease amendment with waiver of advertisement

Approved:



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