

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
March 25, 2019

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

MEMBERS PRESENT

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

MEMBERS ABSENT

ORGANIZATION

- University of Tennessee
- Department of General Services
- State Building Commission

PRESENTER

Michelle Crowder
John Hull
Ann McGauran

CONSENT AGENDA

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

- A. Agency: **University of Tennessee Space Institute**
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: **University of Tennessee – Knoxville**
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement and appraisals

- C. Agency: **University of Memphis**
Project Title: Soccer Field Lights
SBC Project No: 367/072-01-2018
Requested Action: Approval of a revision in project funding in order to award a contract

- D. Agency: **Tennessee Board of Regents / Pellissippi State Community College**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

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

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

UNIVERSITY OF TENNESSEE

Disposal – Lease (Land)

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

Transaction Description: Transaction No. 16-10-017

- **Location:** University of Tennessee - Health Science Center
Shelby County – 9.7 +/- acres - 22 parcels on 0 Jefferson Avenue, 0 N Orleans Avenue, 0 Orleans Avenue, 0 Court Avenue, 951 Court Avenue, 740 Court Avenue, 22 N Orleans, 706 Madison Avenue, 710 Madison Avenue, 714 Madison Avenue and 0 Madison Avenue, Memphis, TN
- **Tenant:** Memphis Medical District Apartments, GP with Henry Turley as managing partner
- **Term:** Thirty (30) years with two (2) 15-year extension options
- **Area / Costs:** 9.7 +/- acres; \$207,500/year with 5% increase every five (5) years

Comment: On December 19, 2016, the SBC ESC approved issuing an RFP for leasing up to 6.7 +/- acres for the development of multi-family residential housing. On September 28, 2017, the SBC ESC approved increasing the acreage to 9.7 +/- acres. The housing will serve students, faculty, and staff who desire to live near the campus. The housing will also be open to the general public. The successful proposer will be responsible for the design, financing, construction, and operation of the housing units. The University has the right to approve the design and up to 5% can be used for commercial uses, with some prohibited uses and some requiring University consent. If the University and proposer cannot resolve any objections or comments to the plans and specifications, either party may terminate the lease. The University will have no financial obligation for the development and will not guarantee occupancy. The development must be operated, maintained and repaired in a manner comparable to other first class apartment projects in midtown and downtown, Memphis. The lease requires replacement reserves that meet common underwriting requirements.

The University received three responses to Phase I of the RFP. Two proposers were selected to move to the Phase II evaluation and the Henry Turley Company/Com Cap Partners proposal was selected for finalist negotiations. Their proposal includes a “UT First” program giving University faculty, staff and students priority status on rentals, discounts on rent and a furnished housing option.

Due to the nature of the land lease and the need for long-term financing of the development by third parties, waiver of termination for convenience is requested.

Date of Last Transfer: Multiple parcels
Original Cost to State: Multiple parcels
Square Footage Improvements: Five buildings – total 205,041 sf

Previous Action: 12/19/2016 Approved issuing a Request for Proposal for disposal by lease
09/28/2017 Approved issuing a revised Request for Proposal for disposal by lease

Minutes: 03/25/2019 Approved disposal by lease with waiver of appraisals

DEPARTMENT OF GENERAL SERVICES

Disposal – Lease (Space)

Requested Action: Approval of disposal by lease

Transaction Description: Transaction No. 19-02-006

- **Location:** Ellington Agricultural Center
Davidson County – 440 Hogan Road, Nashville, TN
- **Tenant:** Metropolitan Government of Nashville and Davidson County (Metro)
- **Term:** 20 years
- **Area / Costs:** 35,000 sf Barn and 32.50 +/- acres Fields/ \$1.00 per year
- **Source of Funds:** Metropolitan Government of Nashville and Davidson County (REM Fee) (O)

Comment: The Metro Nashville Police Department Horse Mounted Patrol Unit have been occupying the barn and using the fields at Ellington Agricultural Center for training, healing and storage of horses and for hay since 1998. The parties now desire to enter into a long-term lease. Under the terms of the lease, Metro will be responsible for the cost of all repairs and replacements associated with the barn, including the currently planned replacement of the roof (approximately \$350,000). Advertisement is not required pursuant to TCA §12-2-114.

The lease has a termination for convenience by either party with six months' notice for the barn and 90 days' notice for the fields. If the State terminates the lease for the barn during the first 10 years, the State will pay Metro the unamortized cost of the roof replacement.

Agriculture has no on-going use for the Facility and supports the 20 year lease.

Date of Last Transfer: 10/28/1957
Original Cost to State: \$0.00
Square Footage Improvements: 35,000 sf (Barn)

Minutes: 03/25/2019 Approved disposal by lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 17-06-946 and 17-06-947

• **Proposed Lease**

- **Location:** Henderson County – 37 College Drive, Suite A, Lexington, TN
- **Landlord:** Susan A. Cox
- **Term:** 7 years with three one year renewal options
- **Area / Costs:** 8,200 Square Feet

Annual Contract Rent:	\$102,500.00	\$12.50/sf
Estimated Annual Utility Cost:	14,350.00	1.75/sf
Estimated Annual Janitorial Cost:	9,020.00	1.10/sf
Total Annual Effective Cost:	\$125,870.00	\$15.35/sf

• **Current Lease**

- **Location:** Henderson County – 37 College Drive, Suite A, Lexington, TN
- **Landlord:** Susan A. Cox
- **Term:** 10 years (January 1, 2003 to December 31, 2012) (Holdover)
- **Area / Costs:** 10,300 Square Feet

Annual Contract Rent:	\$77,250.00	\$7.50/sf
Estimated Utilities Cost:	18,025.00	1.75/sf
Estimated Janitorial Cost:	11,330.00	1.10/sf
Total Annual Effective Cost:	\$106,605.00	\$10.35/sf

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

Comment: This lease will provide office space for Department of Human Services and the Department of Children’s Services. Only one proposal was received. The reduction in space needs is a result of the implementation of Alternative Workplace Solutions at this location. The proposed location will be renovated to meet the State’s needs.

The State may terminate this lease for convenience at any time during the 7 year lease term with 90 days written notice 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: 03/25/2019 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-06-930 and 17-06-931

• **Proposed Lease**

- **Location:** Sequatchie County –TBD, Dunlap, TN
- **Landlord:** Susan A. Cox
- **Term:** 10 years
- **Area / Costs:** 7,200 Square Feet

Annual Contract Rent (including Utilities & Janitorial Cost):	\$136,800.00	\$19.00/sf
Total Annual Effective Cost:	<u>\$136,800.00</u>	<u>\$19.00/sf</u>

• **Current Lease**

- **Location:** Sequatchie County – 1845 Old York Highway, East, Dunlap, TN
- **Landlord:** Kenneth W Nix, O D
- **Term:** 10 years (January 1, 2003 to December 31, 2012) (Holdover)
- **Area / Costs:** 7,016 Square Feet

Annual Contract Rent:	\$62,400.00	\$8.89/sf
Estimated Utilities Cost:	12,278.00	1.75/sf
Estimated Janitorial Cost:	<u>7,717.60</u>	<u>1.10/sf</u>
Total Annual Effective Cost:	\$82,395.60	\$11.74/sf

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

Comment:

This lease will provide office space for Department of Human Services and the Department of Children's Services. Alternative Workplace Solutions has been implemented at this location. Two proposals were received by two proposers, and the proposed lease is the lowest cost proposal. The proposed location will be build to suit for the State.

The State may not terminate this lease for convenience at any time within the first 60 months of the lease term. The State may terminate this lease at any time after 60 months 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.

Minutes: 03/25/2019 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 13-01-904

• **Proposed Amendment**

○ **Term:** 8 years (June 1, 2014 – May 31, 2022)

○ **Area / Costs:** 5,295 Square Feet

Annual Contract Rent: (Years 6-8)	\$71,000.00	\$13.41/sf
Estimated Annual Utility Cost:	9,266.25	1.75/sf
Estimated Annual Janitorial Cost:	5,824.50	1.10/sf
Total Average Annual Effective Cost:	\$86,090.75	\$16.26/sf

• **Current Lease**

○ **Location:** Rutherford County – 745 Church Street, Building 7, Suites 701, 703 & 705, Murfreesboro, TN

○ **Landlord:** Wayne Belt Properties

○ **Term:** 5 years (June 1, 2014 – May 31, 2019)

○ **Area / Costs:** 5,295 Square Feet

Annual Contract Rent: (Years 1-5)	\$67,771.00	\$12.80/sf
Estimated Annual Utility Cost:	9,266.25	1.75/sf
Estimated Annual Janitorial Cost:	5,824.50	1.10/sf
Total Average Annual Effective Cost:	\$82,861.75	\$15.65/sf

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

• **FRF Rate:** \$18.00

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

This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how 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.

Minutes: 03/25/2019 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

Requested Action: Approval of lease amendment with waiver of advertisement

Transaction Description: Transaction No. 17-01-909

• **Proposed Amendment**

○ **Term:** 5 years / 5 year renewal (November 1, 2018 – October 31, 2023)

○ **Area / Costs:** 12,647 Square Feet

Annual Contract Rent:	\$133,046.44	\$10.52/sf
Estimated Annual Utility Cost:	22,132.25	1.75/sf
Estimated Annual Janitorial Cost:	13,911.70	1.10/sf
Total Average Annual Effective Cost:	\$169,090.39	\$13.37/sf

• **Current Lease**

○ **Location:** Madison County – 362 Carriage House Drive, Jackson, TN

○ **Landlord:** WFM Partners

○ **Term:** 5 years/ 5 year renewal (November 1, 2018 – October 31, 2023)

○ **Area / Costs:** 11,400 Square Feet

Annual Contract Rent:	\$120,000.00	\$10.52/sf
Estimated Annual Utility Cost:	19,950.00	1.75/sf
Estimated Annual Janitorial Cost:	12,540.00	1.10/sf
Total Average Annual Effective Cost:	\$152,490.00	\$13.37/sf

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

• **FRF Rate:** \$18.00

Comment: This amendment increases square footage and revises the approved floorplan of this lease to reflect how the space was built out to provide for increased programming requirements of the Department of Correction in connection with the Governor's Public Safety Act of 2016.

The initial procurement received four proposals from three proposers. This location remains the lowest cost proposal even with the amended square footage.

It is the State's intent to pay the increased rental rate effective November 1, 2018.

Previous Action: 05/22/2017 ESC Approved lease

Minutes: 03/25/2019 Approved a lease amendment with waiver of advertisement

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

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

Report of Items Approved by Office of the State Architect

Initial Approvals of Capital Projects

- Reported the following three capital projects with total project cost of \$100,000 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: McWherter Library Cooling Tower Replacement
Project Description: Replace deteriorated cooling tower at Library.
SBC Project No. 367/007-04-2019
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 02/27/2019
 - 2) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Lambuth Wilder and Hamilton Roof
Project Description: The project will replace the damaged flat roof sections on Wilder Student Union and Hamilton Performing Arts Center.
SBC Project No. 367/071-01-2019
Total Project Budget: \$320,000.00
Source of Funding: \$ 22,342.25 Plant Funds (Non-Aux) (A)
\$297,657.75 Insurance Proceeds (O)
Approval: Approved project and to select a designer
Approval Date: 03/01/2019
 - 3) **State Procurement Agency:** STREAM / Department of Education
Location: Nashville, Tennessee
Project Title: Guest Cottage Replacement
Project Description: Project will demolish and replace the existing guest cottage with new facility.
Project to include all related work.
SBC Project No. 168/005-03-2008
Total Project Budget: \$460,000.00
Project Expenditures: \$ 34,356.61
Source of Funding: 08/09 CurrFunds-CapImp (A)
Approval: Approved cancellation of the project
Approval Date: 03/11/2019

Approvals of Revisions to Existing Capital Projects

- Reported the following three approvals of a revision in funding for capital project in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Statewide, Tennessee
Project Title: Hospitality Consultant
Project Description: Hospitality consultant to support the agency for project development and associated facility needs, along with addressing operational and business requirements.
SBC Project No. 126/000-04-2017
Total Project Budget: \$1,200,000.00
Source of Funding: \$ 200,000.00 17/18 TDEC Op Funds (A)
\$ 300,000.00 18/19 TDEC Op Funds (A)
\$ 700,000.00 Various Project Funds (O)
Approval: Approved a revision in funding, reducing various project funds by \$300,000.
Approval Date: 02/28/2019
- 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Henderson, Tennessee
Project Title: Chickasaw SP Sewage Treatment Plant Upgrade
Project Description: Perform upgrades to the sewage collection and treatment systems.
SBC Project No. 126/021-01-2016
Total Project Budget: \$2,123,000.00
Source of Funding: 16/17 CurrFunds-CapMaint (A)
Approval: Approved a revision in project funding reallocating from construction to Administration & Miscellaneous
Approval Date: 02/27/2019
- 3) **State Procurement Agency:** STREAM / Department of Intellectual & Developmental Disabilities
Location: Nashville, Tennessee
Project Title: Clover Bottom Cottage and Roof Renovations
Project Description: Replacement of the existing roof systems on Old Hickory, Clinch, Caney Fork and Cumberland cottages, renovations to the Old Hickory cottage and all required related work.
SBC Project No. 346/003-01-2017
Total Project Budget: \$1,290,000.00
Source of Funding: 17/18 CurrFunds-CapImp (A)
Approval: Approved a revision in project funding reallocating from construction to Administration & Miscellaneous
Approval Date: 02/28/2019

- 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:** STREAM / Department of General Services
Location: Statewide, Tennessee
Project Title: Statewide Interior Renovation Upgrades Phase II
Project Description: Interior renovations to bring spaces in-line with Alternative Workspace Solutions (AWS) standards including AWS office furnishings, associated data, and all required related work.

SBC Project No. 529/000-09-2017
Total Project Budget: \$15,830,000
Source of Funding: 17/18 FRF CurrFunds-CapImp (A)
Approval: Approved a revision in scope
Approval Date: 03/11/2019

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. 18-06-002
Location: Old Stone Fort State Park (OSFSP)
 Coffee County – 0.39 +/- acres – 0 Murfreesboro Hwy, Manchester, TN
Owner(s): Cleo Walden and Scott Deleace
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: 03/11/2019
 - 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 18-11-008
Location: Justin P. Wilson Cumberland Trail State Park
 Cumberland County – 10 +/- acres
 3798 Hebbertsburg Road, Crab Orchard, TN 37723
Owner(s): Jean Doris Cheely
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: 03/01/2019
 - 3) **State Procurement Agency:** Tennessee Board of Regents / TCAT – Ripley
Transaction Description: Transaction No. 19-02-001
Location: TCAT-Ripley
 Lauderdale County – 0.265 +/- acres, Quality Cove, Ripley, TN
Owner(s): Siegel Robert, Inc.
Estimated Purchase Price: Gift
Source of Funding: Plant Funds (REM Fees) (A)
Approval: Approved acquisition in fee with waiver of advertisement and appraisals
Approval Date: 03/01/2019

- 4) **State Procurement Agency:** Tennessee Board of Regents / Cleveland State Community College
Transaction Description: Transaction No. 19-02-004
Location: Cleveland State Community College (CISCC)
Bradley County – 1.25 +/- acres – 3450 Adkisson Drive NW, Cleveland, TN
Owner(s): Cleveland State Community College Foundation
Estimated Purchase Price: Gift
Source of Funding: Plant Funds (REM Fees) (A)
Approval: Approved acquisition in fee with waiver of advertisement and appraisals
Approval Date: 03/01/2019

Designer Selections

- Reported the following two designer selections for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: McWherter Library Cooling Tower Replacement
SBC Project No. 367/007-04-2019
Total Project Budget: \$250,000
Designer: Innovative Engineering Services, LLC
Approval Date: 02/28/2019
 - 2) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Lambuth Wilder and Hamilton Roof
SBC Project No. 367/071-01-2019
Total Project Budget: \$320,000
Designer: Vaughan Associates Architects, Inc.
Approval Date: 03/05/2019
- Reported a designer name change from “Carol R. Johnson Associates, Inc.” to “IBI Group Architects, Engineers, Landscape Architects, A New York General Partnership” on all State projects.

Other Business

There being no further business, the meeting adjourned at 11:06 a.m.

UNIVERSITY OF TENNESSEEDisposal – Easement (Utility)

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

Transaction Description: Transaction No. 19-03-006 VM
 • **Location:** University of Tennessee Space Institute
 Franklin County – up to 0.82 +/- acres
 Elk River Dam Road, Estill Springs, TN
 • **Grantee:** John D. and Bonnie C. Plattenburg
 • **Estimated Sale Price:** Fair Market Value
 • **Source of Funding:** John D. and Bonnie C. Plattenburg

Comment: The University proposes to grant a permanent easement to allow an adjoining property owner to tie in to the existing public water service. The easement will not hinder University operations and is parallel to the existing road.

Date of Last Transfer: 01/23/1964
 Original Cost to State: \$0

Minutes: 03/25/2019 Approved disposal by easement 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. 19-03-004

Proposed Lease

- **Location:** University of Tennessee - Knoxville
Suite 160-160a1, 1502 Cumberland Avenue, Knoxville, Tennessee
- **Tenant:** UT Federal Credit Union
- **Term:** August 1, 2019 - July 31, 2024 with one (1) five (5) year option to extend
- **Area / Costs:** 714 square feet/\$22,800 per year (\$31.93/sf) with 2% annual increases

Current Lease

- **Location:** University of Tennessee – Knoxville
Original location - University Center, 1520 Cumberland Avenue, Knoxville, Tennessee
Current Location - Suite 160-160a1, 1502 Cumberland Avenue, Knoxville, Tennessee
- **Tenant:** UT Federal Credit Union
- **Term:** August 1, 2009 – July 31, 2019
- **Area / Costs:** Original space at University Center - 1,200 square feet/\$21,600 per year (\$18.00/sf) with annual increases not to exceed 3%; Current space at Student Union - 714 square feet/\$22,800 per year (\$31.93/sf)

FRF Rate: \$18.00 (for reference only)

Comment: The University proposes to enter into a new lease agreement with the UT Federal Credit Union for space located in the Student Union. In 2009, the University issued an RFP for the operation and management of a banking branch office and entered into a lease agreement with the UT Federal Credit Union for space located in the University Center (UC). The UC was demolished and the credit union has moved into new space in the Student Union. The current agreement expires July 31, 2019 and the University proposes to enter into a new lease.

The Credit Union would be responsible for maintenance and repairs to the interior of the space and janitorial services. The University may terminate with 120 days-notice and the rental rate increases two percent (2%) annually.

The Credit Union has provided excellent services to students, faculty and staff and continues to be a convenient source of banking services to the campus community. In addition, the proposed lease rate is fair market rent for this unique type of space in the area. As a result, waiver of advertisement and appraisals is requested.

Minutes: 03/25/2019 Approved disposal by lease with waiver of advertisement and appraisals

UNIVERSITY OF MEMPHIS

University of Memphis, Memphis, Shelby County, Tennessee

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

Project Title: Soccer Field Lights

Project Description: Install lighting for soccer field.

SBC Number: 367/072-01-2018

Total Project Budget: \$687,000.00

Current Project Funding: \$500,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$500,000.00	\$ 0.00	\$500,000.00	Plant Funds (Non-Aux)	(A)
	0.00	187,000.00	187,000.00	Gift Funds	(O)
Original Project Budget:	\$500,000.00				
Change in Funding:		\$187,000.00			
Revised Project Budget:			\$687,000.00		

Comment: Six bids were received on 03/07/2019. An increase in funding is needed to award a contract to Advance Electric for the base bid only. There will be no additional designer fees. Bid results were over the available funding due to a change from 50 foot to 75 foot candles to meet NCAA regional broadcast requirements, as well as site conditions associated with underground footings conflicting with boring and pole locations.

Previous Action: 08/31/2018 OSA Approved project and to select a designer
 03/14/2019 SBC Referred to ESC with authority to act

Minutes: 03/25/2019 Approved a revision in project funding in order to award a contract (Advance Electric)

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Purchase)

Requested Action: Approval to purchase property below market value as determined by appraisal with waiver of advertisement and one appraisal

Transaction Description: Transaction No 18-02-004

- **Location:** Pellissippi State Community College
Knox County – 5.501+/-acres – 0 Hardin Valley Road, Knoxville, TN
- **Owner(s):** Robert L. Bridges, individually and as Executor and Phyllis A. Finazzo, individually, who are devisees under the Last Will and Testament of Anita B. Bridges (Knox Co. Probate No. 76194-2), and Jeannie Maples Ullrich and Susanne Maples Guy, devisees under the Will of Judy Bridges Cowden (Knox Co. Probate No. 76527-2), a devisee under the Last Will and Testament of Anita B. Bridges
- **Estimated Purchase Price:** \$750,000
- **Source of Funding:** Plant Funds Non-Auxiliary (A)

Report: This property is in PSCC’s 2013 Master Plan. Due to the time-sensitive nature of this acquisition, STREAM authorized entry into an Option prior to ESC approval of this acquisition pursuant to Policy 8.01.A.3.

Comment: This property will be used for future campus expansion and the barn located on the property will be demolished.

This acquisition was approved pursuant to Policy 2.04.E.1 in February 2018, as reported to ESC in March 2018. An appraisal dated March 2018 provided a fair market value of \$1,490,000, an amount in excess of the \$400,000 TBR-estimated value and in excess of the Policy 2.04.E.1 \$500,000 value limit.

Seller has requested that the State pay a negotiated price of \$750,000. Seller intends to pursue a tax deductible donation credit in connection with the sale to the State in the amount of the difference between the value and the purchase price.

Date of Last Transfer: January 1957
Purchase Price: \$1.00
Property Assessor’s Value: \$425,000
Square Footage Improvements: N/A

Previous Action: 03/19/2018 ESC Approved acquisition pursuant to Policy 2.04 E.1

Minutes: 03/25/2019 Approved purchasing property below market value as determined by appraisal with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 08-02-917

• Proposed Amendment

- Term: 13 years (April 1, 2009 – March 31, 2022)
- Area / Costs: 5,485 Square Feet

Annual Contract Rent: (Years 11-13)	\$47,880.04	\$8.73/sf
Estimated Annual Utility Cost:	9,598.75	1.75/sf
Estimated Annual Janitorial Cost:	6,033.50	1.10/sf
Total Average Annual Effective Cost:	\$63,512.29	\$11.58/sf

• Current Lease

- Location: Fentress County – 240 Colonial Circle, Suites B & B1, Jamestown, TN
- Landlord: Fentress County Government
- Term: 10 years (April 1, 2009 – March 31, 2019)
- Area / Costs: 5,485 Square Feet

Annual Contract Rent: (Years 1-10)	\$47,880.04	\$8.73/sf
Estimated Annual Utility Cost:	7,679.00	1.40/sf
Estimated Annual Janitorial Cost:	6,033.50	1.10/sf
Total Average Annual Effective Cost:	\$61,592.54	\$11.23/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 the Department of Children's Services. Advertisement is not required pursuant to TCA §12-2-114.

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

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

Previous Action: 08/25/2008 ESC Approved lease agreement

Minutes: 03/25/2019 Approved a lease amendment

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 06-02-916

- **Proposed Amendment**

- **Term:** 13 years (April 1, 2009 – March 31, 2022)
- **Area / Costs:** 4,023 Square Feet

Annual Contract Rent: (Years 11-13)	\$33,350.67	\$8.29/sf
Estimated Annual Utility Cost:	7,040.25	1.75/sf
Estimated Annual Janitorial Cost:	4,425.30	1.10/sf
Total Average Annual Effective Cost:	\$44,816.22	\$11.14/sf

- **Current Lease**

- **Location:** Polk County – 240 Cherokee Circle, Benton, TN
- **Landlord:** Kenneth David Bishop
- **Term:** 10 years (April 1, 2009 – March 31, 2019)
- **Area / Costs:** 4,023 Square Feet

Annual Contract Rent: (Years 1-10)	\$28,990.00	\$7.21/sf
Estimated Annual Utility Cost:	5,632.20	1.40/sf
Estimated Annual Janitorial Cost:	4,425.30	1.10/sf
Total Average Annual Effective Cost:	\$39,047.50	\$9.71/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 the Department of Children's Services.

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

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

Previous Action: 07/23/2007 ESC Approved lease agreement

Minutes: 03/25/2019 Approved a lease amendment with waiver of advertisement

Approved:



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