

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
May 22, 2023

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

MEMBERS PRESENT

Jim Bryson, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer

MEMBERS ABSENT

Jason Mumpower, Comptroller of the Treasury

ORGANIZATION

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

PRESENTER

Executive Vice President Raaj Kurapati
Vice President Douglas Allen
Assistant Vice President Austin Oakes
Deputy Commissioner John Hull
Assistant State Architect Alan Robertson

CONSENT AGENDA

Approved the following items which had been reviewed and recommended for approval by Subcommittee staff.

- A. Agency: **University of Tennessee - Chattanooga**
Project Title: Chattanooga State Office Bldg (CSOB) Building System Upgrades
SBC Project No: 540/005-01-2021
Requested Action: Approval of a revision in project budget and funding

- B. Agency: **University of Tennessee Health Science Center**
Project Title: Audiology and Speech Pathology
SBC Project No: 540/013-06-2021
Requested Action: Approval of a revision in funding in order to award a contract to the best evaluated proposer for a Best Value contract

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

- D. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee (Gift)
Provision(s): n/a

- E. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Easement (Conservation)
Provision(s): Waiver of advertisement

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

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

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

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

- J. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): Waive advertisement

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

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

UNIVERSITY OF MEMPHIS

Acquisition – Lease

Requested Action: **Approval of lease**

Transaction Description: Transaction No. 23-04-900

- **Proposed Lease**

- **Location:** Leftwich Tennis Center, 4145 Southern Avenue, Memphis Tennessee 38117
- **Landlord:** City of Memphis
- **Term:** Twenty-five (25) years with right of first refusal to negotiate renewal
- **Area / Costs:** 6,576 sq ft leased area plus license to use tennis courts and other facilities.
\$300,000.00 per year to be paid in a single \$7,500,000.00 upfront payment

- **Source of Funding:** Plant funds (Aux-Athletics) (A)
- **Procurement Method:** Negotiated

Comment: The City of Memphis has constructed the Leftwich Tennis Center with 8 indoor tennis courts, 8 outdoor tennis courts and building containing concourses, restrooms, locker rooms, training rooms and office space at an estimated cost of \$30 million. The City and the University jointly developed the concept under which the University would have rights to lease portions of the Center and use the tennis courts.

Under the terms of the lease agreement, the University will lease space for restrooms, locker rooms, training rooms and office space for the University of Memphis Tennis program. The University will also have first right to use all courts at all times but agrees to notify the City when any courts will not be used, so that they can be used by the public.

Advertisement is not required because the landlord is a governmental entity.

Minutes: 05/22/2023 ESC Approved a lease

TENNESSEE STATE UNIVERSITY

Acquisition – Lease (Space)

Requested Action: **Approval of waiver of advertisement**

Transaction Description: Transaction No. 332.77-23.4285 & 332.77-23.4286

● **Proposed Lease**

- **Location:** Tennessee State University - Nashville
- **Landlord:** Sai Hotel LLC d/b/a Best Western Plus/Residency Executive, 2401 Brick Church Pike, Nashville, TN 37207 and Shri Ganesh, L.L.C. d/b/a Red Roof Inn Nashville – Music City, 2407 Brick Church Pike, Nashville, TN 37207
- **Term:** August 19, 2023 to May 5, 2024
- **Area / Costs:** Up to 269 hotel rooms/ 439 beds

● **Source of Funding:** Plant Funds (Aux-Housing) (A)

● **Procurement Method:** Negotiated

Comment: Rooms are needed to provide housing for undergraduate students the Fall 2023 semester. TSU is expecting approximately 4,200 students for the Fall semester and currently has 3,850 available beds. These two hotels have up to 439 beds which could help TSU close the housing gap.

TSU is seeking to lease entire hotels with TSU students having access to the hotel public spaces and amenities, including parking and laundry facilities. The hotels would also be expected to provide furniture, bedding, bath towels, microwaves, mini-fridges, televisions with cable, high-speed Internet as well as bi-weekly housekeeping.

Costs to TSU students for the semester are expected to be:

Single occupancy rooms = \$3,500 per semester

Double occupancy Rooms = \$3,300 per semester

This hotel was selected because of the location, prior successful leases at this location, and the expected availability of rooms for this use.

The lease terms are expected to allow for termination for convenience with thirty days' notice.

Minutes: 05/22/2023 ESC Treasurer Lillard asked if TSU has continued reporting to the commission on the utilization of the rooms currently being leased. Mr. Douglas Allen replied “yes”. Mr. Allen stated that they have not made any commitment to any student beyond their current campus housing and approved leases. This lease will just increase the opportunity to provide housing.

Secretary Hargett confirmed that these leases would extend their capacity to allow them house additional students. He then asked what rate TSU will be charging for these hotel rooms and if students housed in these facilities would be paying the same rate as those on campus. Mr. Allen stated that the student rate for the hotels would be \$3,950 per semester which is equivalent to what is

charged for apartments on campus. Secretary Hargett asked if they are having to use plant funds to make up any difference between the cost of the hotels and the income from the students. Mr. Allen replied that the gross expense for the two hotels is \$7.2 million, and the net expense is \$3.8 million and that is considered the housing and fee revenue. However, these additional students would also account for about \$5.5 million in additional tuition and fee revenue to help offset that housing deficit resulting in about a \$1.7 million gain to the bottom line, not as much as TSU would like but it wouldn't be costing TSU any additional money. Secretary Hargett stated that he is glad they are discussing this in May instead of August.

Treasurer Lillard asked about TSU's long term plan for dealing with housing issues as this is the immediate plan. Mr. Allen stated that they are currently working on their housing plan relative to the TSU master plan. TSU are also hoping to get approval for two new residence halls at the July SBC meeting. That would then give them an additional 1,000 beds with a target completion of Spring 2026. Treasurer Lillard asked if they think that will be sufficient for the foreseeable future. Mr. Allen stated that they do have residence halls that will need to come offline and that is another area they are working with the master planner to have a schedule for demolition, renovation and any future new construction. TSU does not want to take any housing offline until they have a new residence hall in place to accommodate students. Treasurer Lillard suggested that as part of the TSU master plan, they may want to a subplan for housing alone, focusing on that because it is such a key and pivotal issue. Mr. Allen agreed and stated that is the current strategy to make sure all alternatives are fully considered.

Commissioner Bryson asked when TSU expects the housing plan to be complete, because there have been a lot of issues around housing the last couple of years, so they can see what they are looking at in the out years. Mr. Allen replied that he believes it should be complete in September of this year. Commissioner Bryson stated that once it is done, he would like to look through it.

The Subcommittee approved a waiver of advertisement.

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of waiver of advertisement**

Transaction Description: Transaction No. 2023-05-001

• **Proposed Lease**

- **Location:** University of Tennessee-Health Science Center (UTHSC) – Location to be determined, Knoxville, Knox County, Tennessee
- **Landlord:** Corporate Quarters, Inc.
- **Term:** August 2023 – August 2024
- **Area / Costs:** Up to 20 beds (2 bedrooms 2 bath units preferred)

• **Source of Funding:** Plant Funds (Aux-Housing) (A)

• **Procurement Method:** Negotiated

Comment:

These apartments will be used by medical students on clinical rotations with UTHSC's College of Medicine–Knoxville. The ability to provide a limited amount of housing for students is considered a highly significant and a valuable recruiting tool in attracting students to the UTHSC with the long-range benefit of students considering Knoxville for their residency.

A search for furnished apartments for UTK for Fall 2023 found there is limited availability near campus. In addition, the University has issued several RFPs over the last few years for furnished units in the surrounding Knoxville area (i.e., not adjacent to campus). There are few if any furnished units outside of the immediate campus area and Corporate Quarters has been the only respondent to the RFPs.

Based on the lack of availability of furnished units and results from prior RFP's, waiver of advertisement is requested.

Minutes:

05/22/2023 ESC Approved waiver of advertisement

UNIVERSITY OF TENNESSEE

Acquisition – Fee

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

Transaction Description: Transaction No. 22-08-014

- **Location:** University of Tennessee Knoxville (UTK)
Knox County – 0.86+/- acres – Knoxville, TN
- **Owner(s):** CSX Transportation, Inc.
- **Purchase Price:** \$2,000,000.00
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: This property is located along the southern perimeter of campus along Todd Helton Drive.

The property is in UTK's 2016 Campus Master Plan.

Date of Last Transfer:	N/A
Purchase Price:	N/A
Property Assessor's Value:	N/A
Square Footage Improvements:	None

Minutes: 05/22/2023 ESC Commissioner Bryson asked how this property would be used. Mr. Austin Oakes replied this would be used in support of a road relocation, some parking and a portion of the baseball practice facility building.

The Subcommittee approved acquisition in fee with waiver of advertisement and appraisals.

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2023-05-002

• **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK), Knox County, Tennessee
Lakemoor Station, 3101 Lakemoor Station Way, Knoxville, TN
- **Landlord:** Lakemoor Station LLC
- **Term:** 5 years (August 1, 2023 – July 31, 2028) with a 3 year option to extend
- **Area / Costs:** 96 – 1 bedroom/1 bathroom units (set up as double occupancy), 108 - 2 bedroom/2 bathroom units, 36 – 3 bedroom/2 bathroom units (516 beds)

	\$/bed	Estimated Total Cost
Average cost per bed	\$1,174.08/mo.	\$6,785,252/yr

- **Source of Funding:** Plant Funds (Aux-Housing) (A)
- **Procurement Method:** Negotiated

Comment: Enrollment at UT Knoxville continues to increase, creating the need for additional bed capacity for undergraduate students. With a requirement for first-time students to live on campus, this will significantly limit on-campus bed availability for continuing students. As a result, additional beds will be needed off-campus for these students.

The renewal process for off-campus housing started late last fall with some apartment complexes starting as early as September. To expand our capacity to assist continuing students, transfer students and graduate students, there is a need to begin executing leases immediately. Under this agreement, UTK will lease all units at this property.

This complex was selected because of proximity to campus, our ability to lease the entire complex, is new inventory, and provides the campus with the ability to serve continuing students as well as graduate and professional students. Utility costs will be billed separately.

The units will be delivered in phases with group 1 delivery (84 units/168 beds) on August 1, 2023. The second phase will be delivered on January 1, 2024 (156 units/ 348 beds). The rent per unit/month will be discounted in year 1 during final construction. Unit cost per month will increase to \$2,060 in year two and \$2,150 in years three through five.

Previous Action: 12/20/2021 Approval of waiver of advertisement
01/24/2022 Approved a lease
02/28/2022 Approved a lease (did not result in a signed lease)
05/23/2022 Approved a lease
06/21/2022 Approved a lease
12/15/2022 Approved a lease

Minutes: 05/22/2023 Secretary Hargett stated that he is asking the same question he asked Tennessee State University earlier. He asked what the difference in what the student would pay versus on campus and any shortfall the university would need to make up compared to if the student had lived on campus. Mr. Oakes replied that students will pay in this residence what they would pay for a

comparable on campus unit. The students are no worse off. Over the period of this lease including the purchase of furniture there is approximately \$7 million that UT will contribute to the overall lease. The key reason why this is such a great deal for UTK is this will allow UTK to eliminate their lease with the Holiday Inn. Currently in Knoxville they are supporting that lease to the tune of about \$3 million per year for 168 beds. This \$7 million of support over a five-year period gets UTK over 500 beds. This is a significantly better financial deal for the university and instead of being in a hotel, students will be in a brand new apartment complex so this is significantly better accommodations for their students.

Commissioner Bryson asked how far this is from campus. Mr. Oakes replied that it is approximately seven miles, about the same as the Holiday Inn is today. Commissioner Bryson asked if they provide transportation. Mr. Oakes replied that they do and that there is an existing shuttle route that will be extended to connect to this complex.

Secretary Hargett asked how the university decides which students are assigned to this apartment complex. Mr. Oakes replied that every student picks their bed. UTK has a website and the university groups students by priority and then allows students in each group to select their housing. When students pick their housing, they are choosing among available beds, where they want to be, and known pricing that is posted which means that students in this facility will have chosen this facility.

The Subcommittee approved a lease.

DEPARTMENT OF GENERAL SERVICES

Requested Action: **Approval to award a contract to the best evaluated proposer for a Real Estate Brokerage Firm**

Transaction Description: Transaction No. 15-06-004

- **Location:** Citizens Plaza
Davidson County – .57 +/- acres – 400 Deaderick Street, Nashville, TN

Comment: Three proposals were received on March 3, 2023. The Notice of Intent to Award was issued on April 20, 2023, naming CBRE, Inc., as the best evaluated proposer. No protests were received in the protest period.

Previous Actions:

12/18/2017	ESC	Approved disposal in fee
01/22/2018	ESC	Approved issuing a Request for Qualifications for real estate brokerage firm to assist in the disposal
12/20/2021	ESC	Approved disposal in fee with waiver of advertisement (Metro Nashville)
01/23/2023	ESC	Approved disposal in fee and issuing a Request for Qualifications for a real estate brokerage firm to assist with the disposal

Minutes: 05/22/2023 ESC Commissioner Bryson asked about the timeline or major milestones. Deputy Commissioner John Hull replied that after approval, the state will enter into a contract and the firm will start their marketing effort on July 1, both nationally and internationally. They expect the call for proposals to be complete on September 1, 2023, with an announcement on October 1, 2023, and closing in the early part of 2024. Commissioner Bryson confirmed the expected completion of early 2024. Deputy Commissioner Hull confirmed that was correct.

The Subcommittee approved awarding a contract to the best evaluated proposer for a Real Estate Brokerage Firm (CBRE, Inc.).

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 24, 2023.

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.
- 2) TWRA Crop Lease Report 2022 in accordance with SBC By-Laws, Policy & Procedures Item 7.05B.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following two capital improvements with total project cost of less than \$100,000 in accordance with Item 2.04(A)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee Southern
Location: Pulaski, Tennessee
Project Title: Martin Hall Improvements
Project Description: Improvements of Martin Hall including new electrical upgrades. Project includes all related work.
SBC Project No. 540/006-03-2023
Total Project Budget: \$65,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing previously selected Campus Consultant (Henderson Engineers, Inc.) for design and System Procurement for construction
Approval Date: 05/10/2023
 - 2) **State Procurement Agency:** STREAM / Department of Transportation
Location: Nashville, Tennessee
Project Title: Region 3 New Giles County Welcome Center Equipment Shed
Project Description: Construct a new equipment shed and all required related work.
SBC Project No. 243/020-01-2023
Total Project Budget: \$70,000.00
Source of Funding: 22/23 TDOT Plant Construction Funds (A)
Approval: Approved project utilizing Agency Resources and Central Procurement Office contracts for construction
Approval Date: 05/22/2023

Approvals of Revisions to Existing Capital Projects

- Reported the following approval of an alternate construction delivery method in accordance with Item 2.04(B)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee – Martin
Location: Martin, Tennessee
Project Title: Perry Children Center Pavilion
Project Description: Construction of a new pavilion and replacement of an existing storage building. Project includes all related work.
SBC Project No. 540/011-03-2023
Total Project Budget: \$75,000.00
Source of Funding: Grant (TDHS) (O)
Approval: Approved utilizing System Procurement for construction
Approval Date: 05/04/2023

- Reported the following two approvals of a revision in funding for capital project (no change in total project budget) in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Middlebrook Pike Chiller Replacement
Project Description: Replace chiller in the Middlebrook Pike Building and all required related work.
SBC Project No. 540/009-33-2021
Total Project Budget: \$150,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project funding (moving money up to increase MACC)
Approval Date: 05/11/2023

 - 2) **State Procurement Agency:** Tennessee Board of Regents / Southwest Tennessee Community College
Location: Memphis, Tennessee
Project Title: Emergency Union Campus Elevator Replacements
Project Description: Replace two elevators in the Parrish Building on the Union Campus.
SBC Project No. 166/033-01-2022
Total Project Budget: \$562,500.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project funding (moving money from Administrative & Miscellaneous to restore contingency)
Approval Date: 05/01/2023

Designer Selections

- Reported the following three 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 Tennessee Institute of Agriculture
Location: Anderson, Tennessee
Project Title: ARP – FFREC Oak Ridge Forest Unit Improvements
SBC Project No. 540/001-07-2023
Total Project Budget: \$125,000.00
Source of Funding: Federal Funds (ARP) (F)
Designer: The Architecture Collaborative, LLC
Approval Date: 05/04/2023

- 2) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Gibson, Tennessee
Project Title: ARP – Milan Improvements
SBC Project No. 540/001-11-2023
Total Project Budget: \$765,000.00
Source of Funding: Federal Funds (ARP) (F)
Designer: Evans Taylor Foster Childress Architects, P.C.
Approval Date: 05/04/2023

- 3) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Knoxville, Tennessee
Project Title: ARP – ETREC JRTU Improvements
SBC Project No. 540/001-14-2023
Total Project Budget: \$81,000.00
Source of Funding: Federal Funds (ARP) (F)
Designer: Caldwell Design & Engineering, LLC
Approval Date: 05/04/2023

- The following designer selection represents projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.

- 1) **TEMA Middle Region**
(TEMA Main Warehouse & Middle Region Coordination Center)
Total Project Budget: \$59,320,000.00
SBC Project No. 361/107-01-2023
Designer: **Goodwyn Mills Cawood, LLC**

Other Business

There being no further business, the meeting adjourned at 11:15 a.m.

UNIVERSITY OF TENNESSEEUniversity of Tennessee, Chattanooga, Hamilton County, Tennessee

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

Project Title: Chattanooga State Office Bldg (CSOB) Building System Upgrades

Project Description: This project will replace and upgrade the cooling tower and emergency power system in the CSOB. These changes will include structural and roofing needs associated with the cooling tower, while rectifying the out of date emergency distribution system.

SBC Number: 540/005-01-2021

Total Project Budget: \$1,567,000.00

Source of Funding:	Original	Change	Revised	
	\$1,500,000.00	\$67,000.00	\$1,567,000.00	Plant Funds (Non-Aux) (A)
Original Project Budget:	\$1,500,000.00			
Change in Funding:		\$67,000.00		
Revised Project Budget:			\$1,567,000.00	

Comment: This request increases the budget from \$1,500,000.00 to \$1,567,000.00. The project bid was within the MACC; however, the awarded amount will deplete the contingency line item. This increase is being added to replenish the contingency fund. There will be no additional designer fees associated with this increase.

Previous Action:

04/08/2021	SBC	Approved project and to select a designer
04/19/2021	ESC	Approved designer selection (West, Welch, Reed Engineers, Inc.)
12/08/2022	SBC	Approved a revision in project budget and funding
03/09/2023	SBC	Approved a revision in project budget and funding
05/11/2023	SBC	Referred to ESC with authority to act

Minutes: 05/22/2023 ESC Approved a revision in project budget and funding

UNIVERSITY OF TENNESSEEUniversity of Tennessee Health Science Center, Knoxville, Knox County, Tennessee

Requested Action:	Approval of a revision in funding in order to award a contract to the best evaluated proposer for a Best Value contract		
Project Title:	Audiology and Speech Pathology		
Project Description:	This project will renovate a portion of the UT Conference Center in order to house the department of Audiology & Speech Pathology. The project will provide offices, clinic space, audiology research labs, pathology research labs, student work rooms, conference rooms, and observation space. A state of the art therapeutic playground for the children served at the clinics will also be provided.		
SBC Number:	540/013-06-2021		
Total Project Budget:	\$10,400,000.00		
Source of Funding:	\$10,400,000.00	Plant Funds (Non-Aux)	(A)
Comment:	This reallocation request moves \$1,700,000 of funding from the administration/miscellaneous and data/telecom line items to the bid target and movable equipment line items. Three bids were received on April 20, 2023. An adjustment in funding is needed to award a contract to Johnson & Galyon Construction for the base bid and one alternate. The increase in construction cost is primarily attributed to increases in electrical costs and current market conditions. There will be no additional designer fees.		
Previous Action:	08/12/2021	SBC	Approved project and to select a designer
	08/23/2021	ESC	Approved designer selection
	01/23/2023	ESC	Approved utilizing Best Value alternative delivery method
	05/11/2023	SBC	Referred to ESC with authority to act
Minutes:	05/22/2023	ESC	Approved a revision in funding in order to award a contract to the best evaluated proposer for a Best Value contract (Johnson & Galyon Construction)

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Disposal – Fee

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

Transaction Description: Transaction No. 23-04-012

• **Location:** Sullivan County – 0.11± acres – (Portion of Map 052 Parcel 082.05) – 0 Alex Lane, Bristol TN

• **Estimated Sale Price:** Fair Market Value

Comment: An 18.5-acre parcel was conveyed to the City of Bristol in 1999 by the State of Tennessee with a reversionary clause if it ceased to be used for public recreational purposes. A portion of a home addition was built onto this land by the previous adjacent landowner preventing the city from utilizing the 0.11 acres for public use. The current owner of the adjacent land wishes to acquire the reverted land from the State.

The Buyer will be responsible for all fees associated with this transaction.

Waiver of appraisal is requested with fair market value being determined by qualified state employees in accordance with SBC Policy 8.02C.

Minutes: 05/22/2023 ESC Approved disposal in fee with waiver of advertisement and appraisal

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Gift)

Requested Action: Approval of a revision in acquisition in fee

Transaction Description: Transaction No. 22-02-016

• **Proposed Revision:**

○ **Acreage:** 3.60 ± acres

• **Approved:**

○ **Acreage:** 1.0 ± acres

○ **Location:** Mitchell Ford Access (MFA)
White County – 1.0 ± acre – 0 Big Bottom Road, Sparta, TN

○ **Owner(s)** White County

• **Estimated Purchas Price:** Gift

• **Source of Funding:** 22/23 State Land Acquisition Fund (A)

Comment: TDEC is acquiring this tract by gift from White County to preserve access to the Caney Fork River for kayaks and canoes near Mitchell Ford Bridge. White County built the landing and pavilion with grants and the intent to convey to the State when complete. The previous acreage is larger than the initially approved 1.0 ± acres.

The property will be managed by Virgin Falls SNA. No additional management costs are anticipated with this acquisition.

Date of Last Transfer: Unknown
Purchase Price: Unknown
Property Assessor’s Value: N/A
Square Footage Improvements: 2,000 sq ft pavilion

Previous Actions: 04/25/2022 Approved acquisition in fee with waiver of advertisement and one appraisal

Minutes: 05/22/2023 Approved a revision in acquisition in fee

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Easement (Conservation)

Requested Action: **Approval to accept conservation easement with waiver of advertisement**

Transaction Description: Transaction No. 23-03-006

- **Location:** North Cumberland Wildlife Management Area (NCWMA)
 Claiborne County – 2,625± acres – 0 Fork Ridge Rd, TN
- **Owner(s):** CF Ataya LLC
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 22/23 Wetlands Acquisition Fund (REM Fees) (A)

Comment: TWRA is requesting approval to acquire a conservation easement over the CF Ataya property, locally known as the Otey Mills tract. The property is contiguous to State owned property and will be managed for grassland and forest habitat for the benefit of elk and other huntable species as well as other non-game species. A portion of this acquisition may be used for the Justin P. Wilson Cumberland State Park trail.

Date of Last Transfer:	April 18, 2019
Purchase Price:	\$26,916,900 (larger tract)
Property Assessor’s Value:	\$2,753,000
Square Footage Improvements:	N/A

Minutes: 05/22/2023 ESC Approved accepting conservation easement with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease Amendment

Requested Action: **Approval of a lease amendment**

Transaction Description: Transaction No. 20-01-936 and 20-01-937

- **Proposed Amendment**

- This amendment revises Exhibit A, Section 19 of the lease.

- **Current Lease**

- **Location:** Campbell County – 2221 Jacksboro Pike, Suite C19A and Suite C19B LaFollette, TN

- **Landlord:** Woodson’s Cash Store, Inc.

- **Term:** 10 years (un-commenced)

Area / Costs: 13,000 Square Feet

Annual Contract Rent (includes utilities & janitorial)	\$330,720.00	\$25.44/sf
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Total Annual Effective Cost	\$330,720.00	\$25.44/sf
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Estimated Janitorial Cost

- **Source of Funding:** FRF

- **Procurement Method:** Advertised

- **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Children’s Services and the Department of Human Services. The lease is estimated to commence on or before December 2024.

Exhibit A, Section 19 of the lease will be updated to specify a renovation start date of March 2024 and a new estimated delivery date of December 2024. The State Fire Marshal has approved the construction documents.

Previous Actions: 12/20/2021 Approved a lease

Minutes: 05/22/2023 Approved a lease amendment

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-11-906 & 20-11-907

- **Proposed Lease**

- **Location:** Crockett County– 169 North Cherry Street, Alamo, TN
- **Landlord:** Betty Grant, Carol Haynes Barraza, Nancy Lee Conley Smith, and Scott Conley
- **Term:** 10 years with one 1-year renewal option
- **Area / Costs:**

<u>4,250 Square Feet</u>		
Annual Contract Rent	\$42,500.00	\$10.00/sf
Estimated Utility Cost	7,437.50	1.75/sf
Estimated Janitorial Cost	4,675.00	1.10/sf
Total Annual Effective Cost	\$54,612.50	\$12.85/sf

- **Current Lease**

- **Location:** Crockett County– 169 North Cherry Street, Alamo, TN
- **Landlord:** Betty Grant, Carol Haynes Barraza, Nancy Lee Conley Smith, and Scott Conley
- **Term:** 3 years (May 1, 2022 – April 30, 2025)
- **Area / Costs:**

<u>4,250 Square Feet</u>		
Annual Contract Rent	\$34,000.00	\$8.00/sf
Estimated Utilities Cost	7,437.50	1.75/sf
Estimated Janitorial Cost	4,675.00	1.10/sf
Total Annual Effective Cost	\$46,112.50	\$10.85/sf

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

Comment: This lease will provide office space for Department of Children’s and the Department of Human Services. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before May 2025.

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

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: 05/22/2023 ESC 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: 16-12-903

• **Proposed Amendment:**

○ **Area / Costs:**

10,560 Square Feet

Annual Contract Rent	\$137,808.00	\$13.05/sf
Estimated Utilities Cost	18,480.00	1.75/sf
Estimated Janitorial Cost	11,616.00	1.10/sf
Total Annual Effective Cost	\$167,904.00	\$15.90/sf

• **Current Lease**

○ **Location:**

Greene County – 190 Serral Drive, Greeneville, TN

○ **Landlord:**

David K. Quillen

○ **Term:**

5 years with one 5-year renewal option (October 1, 2019 – September 30, 2024)

○ **Current Area / Costs:**

7,629 Square Feet

Average Annual Rent	\$99,558.45	\$13.05/sf
Estimated Utilities Cost	13,350.75	1.75/sf
Estimated Janitorial Cost	8,391.90	1.10/sf
Total Average Annual Effective Cost	\$121,301.10	\$15.90/sf

• **Source of Funding:**

FRF

• **Procurement Method:**

Negotiated

• **FRF Rate:**

\$15.00

Comment:

This lease will provide office space for the Department of Children’s Services. The additional square footage will allow for the agency to accommodate staffing needs. Approval to waive advertisement is requested for the continuity of business operations.

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:

03/23/2017 Approved a lease

Minutes:

05/22/2023 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval to waive advertisement**

Transaction Description: Transaction No. 23-01-907

- **Proposed Lease**

- **Term:** 3 years (January 1, 2024 – December 31, 2026)

- **Current Lease**

- **Location:** Knox County – 1426 Elm Street, Knoxville, TN
- **Landlord:** Elm St Knox, LLC
- **Term:** 3 Years (January 1, 2021 – December 31, 2023)
- **Area / Costs:** 18,256 Square Feet

Average Annual Contract Rent	\$218,428.39	\$11.96/sf
Estimated Utilities Cost	31,948.00	1.75/sf
Estimated Janitorial Cost	20,081.60	1.10/sf
Total Average Annual Effective Cost	\$270,457.99	\$14.81sf

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

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

Waiver of advertisement is requested to allow the State to procure a new short-term lease at the incumbent location for continuity of business operations while allowing additional time to complete improvements in the long-term location, due to unforeseen circumstances of property loss caused by an electrical fire.

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: 05/22/2023 ESC Approved waiving advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 22-03-907

● **Proposed Lease**

- **Location:** Madison County – 121 Executive Drive, Jackson, TN
- **Landlord:** CD JACKSON, LLC an individually protected series of C & D Capital, LLC, a series LLC
- **Term:** 10 years with two 2-year renewal options
- **Area / Costs:** 8,000 Square Feet

First Year Annual Contract Rent	\$240,000.00	\$30.00/sf
Average Annual Rent	179,402.86	22.43/sf
Estimated Utilities Cost	14,000.00	1.75/sf
Estimated Janitorial Cost	8,800.00	1.10/sf
Total Average Annual Effective Cost	\$202,202.86	\$25.28/sf

- **Source of Funding:** FRF
- **Procurement Method:** Advertised
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for Tennessee Corrections Institute. Three proposals from two proposers were received and evaluated. The proposed location will be a renovate-to-suit to meet the State’s needs. The lease is estimated to commence on or before January 2025.

Tennessee Corrections Institute has requested this new West TN location as result of the passage of the Tennessee Law Enforcement Hiring, Training and Recruitment Act in 2022.

The tenant may terminate this lease for convenience at any time after the 60th month of the lease term with 90 days written notice to the landlord.

If the renewals are exercised, the rent rate will increase.

This is under consideration to be a special use facility per SBC policy 14.01 due to the unique features required.

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: 05/22/2023 ESC 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: 11-09-903● **Proposed Lease**

- **Term:** 12 years (September 1, 2013 – August 31, 2025)

● **Current Lease**

- **Location:** Rutherford County – 1423 Mark Allen Lane, Murfreesboro, TN
- **Landlord:** 2010-A Pedigo Trust
- **Term:** 10 years (September 1, 2013 – August 31, 2023)
- **Area / Costs:** 4,969 Square Feet

Average Annual Rent	\$69,900.00	\$14.07/sf
Estimated Utilities Cost	8,695.75	1.75/sf
Estimated Janitorial Cost	5,465.90	1.10/sf
Total Average Annual Effective Cost	\$84,061.65	\$16.92/sf

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

Comment: This lease will provide office space for Comptroller of the Treasury.

This amendment is in the best interest of the State to prevent a lease holdover while allowing for additional time for construction in the long-term 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: 07/23/2012 Approval of a lease**Minutes:** 05/22/2023 Approved a lease amendment with waiver of advertisement

Approved:



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