# **MINUTES**

# STATE BUILDING COMMISSION

# Executive Subcommittee September 21, 2021

The State Building Commission Executive Subcommittee met this day at 1:00 p.m. in House Hearing Room I of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner Eley called the meeting to order at 1:01 p.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 Tre Hargett, Secretary of State Jason Mumpower, Comptroller of the Treasury

#### MEMBERS ABSENT

David Lillard, State Treasurer

# **ORGANIZATION**

- University of Tennessee
- Department of Intellectual & Developmental Disabilities
- Department of General Services
- State Building Commission

# **PRESENTER**

Assistant Vice President Austin Oakes Deputy Commissioner Andy Kidd Deputy Commissioner John Hull State Architect Ann McGauran

# **CONSENT AGENDA**

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

A. Agency: University of Tennessee – Chattanooga

Transaction: Disposal – Lease (Space)

Provision(s): n/a

B. Agency: <u>University of Tennessee Health Science Center</u>

Transaction: Disposal – Lease (Parking)

Provision(s): Waiver of advertisement and appraisals

C. Agency: <u>University of Tennessee Institute of Agriculture</u>

Transaction: Disposal – Easement (Other)

Provision(s): Waiver of advertisement and appraisals

D. Agency: <u>University of Tennessee – Martin</u>

Transaction: Acquisition – Fee (Gift)

Provision(s): Waiver of advertisement and appraisals

E. Agency: <u>Department of General Services</u>

Transaction: Acquisition – Lease (Space)

Provision(s): n/a

#### Acquisition – Lease (Space)

Requested Action: Approval of a lease

**Transaction Description:** Transaction No. 2021-09-01

Proposed Lease

Location: University of Tennessee Knoxville (UTK)

Knox County – 501 W Church Avenue, Knoxville, TN

Landlord: RB Knoxville, LLC dba Hilton Knoxville
 Term: October 4, 2021 – May 31, 2022

Area / Costs: Up to 20 hotel rooms

Stimated Total Cost
Cost per room
\$102.00/night
\$491,902.00

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

• Procurement Method: Negotiated

• FRF Rate: \$18.00/sf (for reference only)

Comment: These rooms will be used for students that need to be quarantined due to possible

exposure to Covid-19. Initially 10 rooms will be reserved.

In addition to the nightly room rate, a \$5.00 per stay fee will be assessed and a \$150 cleaning fee will apply each time a student checks out. The hotel will impose Special Events/Blackout rates during six nights of this lease period (the average rate for these six nights is \$485.67/night). If hotel occupancy falls below 95% during the Special Event/Blackout dates, the rate will adjust to the CONUS rate. In addition, the University may terminate these nights with seven days prior notice.

To meet possible immediate needs, the University has entered into a short-term agreement with the Hilton from August 23, 2021 through October 3, 2021.

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is for one year or less and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience. However, the University may cancel any rooms with exception of special event/blackout dates with 72 hours prior notice.

#### Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction No. 2021-09-02 **Transaction Description:** 

Proposed Lease

Cocation: University of Tennessee Knoxville (UTK)

Knox County - 205 Langley Place, Knoxville, TN

Landlord: Apple Ten SPE Knoxville 1, Inc. dba TownePlace Suites

October 4, 2021 - May 30, 2022 Term: 0

Area / Costs: Up to 20 hotel rooms

> \$/room Estimated Total Cost \$355,200.00 Cost per room \$74.00/night

Source of Funding: Plant Funds (Aux-Athletics) (A)

• Procurement Method: Negotiated

FRF Rate: \$18.00/sf (for reference only)

Comment: These rooms will be used for students that need to be guarantined due to possible

exposure to Covid-19. Initially 7 rooms will be reserved. The University may not

terminate these initial 7 rooms during the term of the lease.

In addition to the nightly room rate, a \$150 cleaning fee will apply each time a student

checks out.

To meet possible immediate needs, the University has entered into a short-term

agreement with the TownePlace Suites from August 24, 2021 through October 3, 2021.

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is for one year or less and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience. However, the University may

cancel any additional rooms above the seven initially leased with 48 hours-notice.

#### DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES

# **Report Item**

Transaction Description: Transaction No. 21-05-020Location: Arlington Development Center

Shelby County – 2.915 +/- acres – 11293 Memphis Arlington Rd, Arlington, TN

Comment: This is a report item for a Transfer of Jurisdiction of 2.915 +/- acres from the Department of

Intellectual and Developmental Disabilities (DIDD) to the Department of Veterans Services (TDVS) for the full appraised value of \$80,163.00. DIDD believes that accepting this offer was in the best interests of the State and compliant with the terms of the Arlington Development Center litigation and exit plan. The purchase price will be paid out of the West TN Veterans Nursing Home project (SBC number 680/006-01-2014). The 2.915 +/- acres will be used to construct an additional access road to the future West Tennessee State

Veterans' Home.

The Executive Subcommittee approved the disposal of 416+/- acres associated with the Arlington Development Center in Transaction No. 13-09-004 on October 21, 2013. This disposal is part of the settlement and exit plan in compliance with the Arlington Development Center litigation which requires that the sale be conducted so as to maximize sale proceeds.

The sale proceeds are to be deposited in the Intellectual Disabilities Trust Fund pursuant to TCA §12-2-117 and set aside within that fund as part of the Arlington settlement.

**Previous Actions:** 10/21/2013 Approved disposal in fee

04/25/2016 Subcommittee accepted report as presented

Minutes: 09/21/2021 Subcommittee accepted report as presented

#### DEPARTMENT OF GENERAL SERVICES

# **Acquisition - Lease (Space)**

Requested Action: Approval of a lease

**Transaction Description:** Transaction No: 20-07-915

Proposed Lease

Location: Williamson Co. – 1810 Columbia Avenue, Suite A, Franklin, TN

o Landlord: Rolling Hills Community Church

Term: 5 years (January 1, 2022 – December 31, 2026)

o Area / Costs: 10,076 Square Feet

 Annual Contract Rent
 \$292,617.54
 \$29.04/sf

 Estimated Utilities Cost
 17,633.00
 1.75/sf

 Estimated Janitorial Cost
 11,083.60
 1.10/sf

 Total Average Effective Cost
 \$321,334.14
 \$31.89/sf

Current Lease

Location: Williamson Co. – 1810 Columbia Avenue, Suite A, Franklin, TN

Landlord: Rolling Hills Community Church

o **Term:** 13 years (January 1, 2009 – December 31, 2021)

Area / Costs: 10,076 Square Feet

 Annual Contract Rent
 \$284,094.70
 \$28.20/sf

 Estimated Utilities Cost
 17,633.00
 1.75/sf

 Estimated Janitorial Cost
 11,083.00
 1.10/sf

 Total Average Effective Cost
 \$312,810.70
 \$31.05/sf

• Source of Funding: FRF

• Procurement Method: Waiver of Advertisement

• FRF Rate: \$18.00

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

The tenant may terminate this lease for convenience at any time after the 36th month with

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.

**Previous Action:** 08/23/2021 Approved waiver of advertisement

#### DEPARTMENT OF GENERAL SERVICES

#### Acquisition – Lease (Space)

Requested Action: Approval of a lease

**Transaction Description:** Transaction No. 20-05-916

Proposed Lease

Location: Knox County – 2651 E. Magnolia Avenue, Knoxville, TN

Landlord: John C. Davenport

o **Term**: 15 Years

Area / Costs: 14,143 Square Feet

 First Year Annual Contract Rent
 \$331,653.35
 \$23.45/sf

 Average Annual Rent
 337,169.12
 23.84/sf

 Estimated Utilities Cost
 24,750.25
 1.75/sf

 Estimated Janitorial Cost
 15,557.30
 1.10/sf

 Total Average Annual Effective Cost
 \$377,476.67
 \$26.69/sf

Current Lease

Location: Knox County – 1426 Elm Street, Knoxville, TN

Landlord: BOSK Properties, LLC

o **Term:** 3 years (January 1, 2021 to December 31, 2023)

Area / Costs: 18,256 Square Feet

 First Year Annual Contract Rent
 \$212,066.40
 \$11.62/sf

 Average Annual Rent
 218,492.01
 11.97/sf

 Estimated Utilities Cost
 31,948.00
 1.75/sf

 Estimated Janitorial Cost
 20,081.60
 1.10/sf

 Total Average Annual Effective Cost
 \$270,521.61
 \$14.82/sf

Source of Funding: FRF Operating Funds
 Procurement Method: LPR on Template

• FRF Rate: \$18.00

**Comment:** This lease will provide office space for Department of Correction. Three proposals from three

proposers were received and evaluated. The proposed location will be renovated to meet the State's needs. Alternative Workplace Solutions will be implemented at this location. The lease is estimated to commence September 2023 based on the renovations needed. Rent adjusts

to \$24.62/sf in year 11.

The tenant may terminate this lease for convenience at any time after the 60th month with 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.

#### STATE BUILDING COMMISSION

#### Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on August 12, 2021.
- 2) Approved the Minutes of the Executive Subcommittee meeting held on August 23, 2021.

# Report of Items Approved by Office of the State Architect

#### **Approvals of Revisions to Existing Capital Projects**

• Reported the following approval 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: Tennessee Board of Regents / Columbia State Community College

**Location:** Columbia, Tennessee

Project Title: Multiple Buildings Roof Replacements

Project Description: Replace roofs on Webster Athletic Center, Walter Nursing Building, Pryor

Administration Building, Jones Student Center, Waymon L. Hickman Building.

Replace roofs on the Clifton and Health Sciences Buildings.

**SBC Project No.** 166/015-01-2016 **Total Project Budget:** \$1,170,000.00

**Source of Funding:** \$ 700,000.00 16/17 CurrFunds-CapMaint (A)

\$ 470,000.00 19/20 CurrFunds-CapMaint (MP) (A)

**Approval:** Approved a revision in project budget and funding to award a contract

**Approval Date:** 08/31/2021

#### **Designer Selections**

 Reported the following six 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 – Chattanooga

**Location:** Chattanooga, Tennessee **Project Title:** Divine Nine Heritage Park

**SBC Project No.** 540/005-07-2021 **Total Project Budget:** \$250,000.00

Source of Funding: Plant Funds (Non-Aux) (A)

Designer: MAR-7 Architecture

**Approval Date:** 08/17/2021

2) State Procurement Agency: Tennessee Board of Regents / Tennessee State University

Location: Nashville, Tennessee

**Project Title:** Goodwill Manor and Harned Hall Exterior Renovations

**SBC Project No.** 166/001-01-2021 **Total Project Budget:** \$400,000.00

**Source of Funding:** 21/22 CurrFunds-CapMaint (A) **Designer:** American Structurepoint, Inc.

**Approval Date:** 08/30/2021

3) State Procurement Agency: Tennessee Board of Regents / Volunteer State Community College

**Location:** Gallatin, Tennessee

**Project Title:** Ramer Building ADA and Interior Upgrades

**SBC Project No.** 166/025-04-2021 **Total Project Budget:** \$410,000.00

Source of Funding: 21/22 CurrFunds-CapMaint (A)
Designer: DKRS Architecture, PLLC

**Approval Date:** 08/31/2021

4) State Procurement Agency: Tennessee Board of Regents / TCAT Hartsville

Location: Hartsville, Tennessee
Project Title: Safety and Security Updates

**SBC Project No.** 166/050-01-2021 **Total Project Budget:** \$450,000.00

**Source of Funding:** 21/22 CurrFunds-CapMaint (A) **Designer:** I. C. Thomasson Associates, Inc.

**Approval Date:** 08/30/2021

5) State Procurement Agency: Tennessee Board of Regents / TCAT Knoxville

Location:Knoxville, TennesseeProject Title:Interior UpdatesSBC Project No.166/060-01-2021Total Project Budget:\$260,000.00

Source of Funding: 21/22 CurrFunds-CapMaint (A)

Designer: The Architecture Collaborative, LLC

**Approval Date:** 08/30/2021

6) State Procurement Agency: STREAM / Department of Military

**Location:** Sparta, Tennessee

**Project Title:** Sparta Readiness Center Structural Repairs

**SBC Project No.** 361/087-01-2021 **Total Project Budget:** \$170,000.00

**Source of Funding:** \$ 85,000.00 Federal Funds (NGB) (F)

\$ 85,000.00 21/22 CurrFunds-CapMaint (MP) (A)

**Designer:** Hurst-Rosche, Inc.

**Approval Date:** 08/17/2021

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

#### 1) University of Tennessee – Pulaski

(Tennis Courts (Planning))

Total Project Budget: \$1,500,000.00
SBC Project No. 540/006-01-2021
Designer: Collier Engineering Co., Inc.

#### 2) University of Tennessee – Knoxville

(Higher Education Emergency Relief Projects)
Total Project Budget: \$5,046,000.00
SBC Project No. 540/009-27-2021

Designer: The Lewis Group Architects, Inc., P.C.

#### 3) University of Tennessee Health Science Center

(Campus Police Building Upgrades)
Total Project Budget: \$8,000,000.00
SBC Project No. 540/013-08-2021

Designer: Ross Witt, PLLC

# 4) University of Tennessee Health Science Center

(Multiple Buildings Roof Replacement)

Total Project Budget: \$5,000,000.00

SBC Project No. 540/013-09-2021

Designer: Haizlip Studio, PLLC

#### 5) Middle Tennessee State University

(Tennis Facility Improvements)

Total Project Budget: \$4,800,000.00 SBC Project No. 166/009-01-2021

Designer: Wier Boerner Allin Architecture, PLLC

#### 6) Walter State Community College

(Humanities MEP Improvements)

Total Project Budget: \$1,700,000.00
SBC Project No. 166/023-01-2021
Designer: Facility Systems Consultants, LLC

#### 7) Volunteer State Community College

(Wood Dining Operational Enhancements)
Total Project Budget: \$2,000,000.00
SBC Project No. 166/025-03-2021

Designer: ProjX, LLC

#### 8) Nashville State Community College

(Interior and Exterior Updates)

Total Project Budget: \$550,000.00 SBC Project No. 166/034-01-2021 Designer: Cleveland Salmon Architect

# 9) Tennessee Technological University

(Campuswide Exterior Lighting Upgrades)
Total Project Budget: \$1,567,000.00
SBC Project No. 364/011-08-2021
Designer: **Vreeland Engineers, Inc.** 

#### 10) Tennessee Technological University

(Steam Plant Deaerator Tank Replacement)
Total Project Budget: \$920,000.00
SBC Project No. 364/011-10-2021
Designer: I.C. Thomasson Associates, Inc.

#### 11) East Tennessee State University

(Admissions Renovation)

Total Project Budget: \$2,000,000.00 SBC Project No. \$69/005-05-2021

Designer: Cain Rash West Architects, Inc., P.C.

#### 12) East Tennessee State University

(Warf-Pickel and Memorial Center Renovations)
Total Project Budget: \$750,000.00
SBC Project No. 369/005-06-2021
Designer: **Thompson & Litton, Inc.** 

#### 13) John S. Wilder Youth Development Center

(Exterior LED Lighting and HVAC Upgrades)
Total Project Budget: \$1,000,000.00
SBC Project No. 144/011-01-2021
Designer: HNA Engineering, PLLC

Designer. Third Engineering, FEE

#### 14) Statewide, Tennessee

(BUILDER Sustainment Management System

Consultant)

Total Project Budget: \$500,000.00 SBC Project No. \$61/000-01-2021

Designer: Tetra Tech, Inc.

# 15) Armed Forces Reserve Center

(Johnson City FMS Building and Sink Hole Repair)
Total Project Budget: \$1,435,000.00

SBC Project No. 361/043-01-2021
Designer: Hefferlin + Kronenberg Architects,

PLLC

# 16) Middle TN Regional Office

(THP Training Center Upgrades)

Total Project Budget: \$1,540,000.00 SBC Project No. \$02/002-01-2021

Designer: Hurst-Rosche, Inc.

# **Other Business**

There being no further business, the meeting adjourned at 1:09 p.m.

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# Disposal - Lease (Space)

Requested Action: Approval to issue a Request for Proposal for disposal by lease

**Transaction Description:** 21-09-002

• Location: University of Tennessee Chattanooga (UTC)

Hamilton County - 515 Vine Street, Chattanooga, TN

• **Term**: Five (5) years with one (1) five (5) year extension option

• Area: 1,500 square feet

**Comment:** The University proposes to lease approximately 1,500 square feet for commercial/retail

uses to support students, faculty and staff. The successful proposer will be responsible for the design, financing, construction, and operation of the commercial/retail space. Due to the nature of the lease and the tenant cost to build-out the space, there is no termination for convenience provision. The University has the right to approve the design. While other uses will be considered, the preferred uses are bank/credit union or drugstore/pharmacy.

Minutes: 09/21/2021 Approved issuing an RFP for disposal by lease

# **Disposal - Lease (Parking)**

Requested Action: Approval of a lease with waiver of advertisement and appraisals

**Transaction Description:** Transaction No. 21-09-001

• Proposed Lease

o Location: University of Tennessee Health Science Center (UTHSC)

Shelby County - 900 Madison Avenue, Memphis Tennessee

Tenant: Regional One Health (ROH)

Term: 5 years with one (1) five (5) year option to extend
 Area/Costs: 67 parking spaces – \$1.00/year, mutual benefit

Current Lease

Location: University of Tennessee Health Science Center (UTHSC)

Shelby County - 900 Madison Avenue, Memphis Tennessee

Tenant: Regional One Health (ROH)

Term: 4 years (September 1, 2017- August 31, 2021)
 Area / Costs: 67 parking spaces – \$1.00/year, mutual benefit

**Comment:** The University proposes to enter into a new lease agreement with ROH. The UTHSC

campus and ROH are located on adjacent properties in Midtown Memphis. UTHSC has a long-standing affiliation with ROH and has located their teaching and residency program at this site for many years. In addition, UTHSC's faculty comprise the majority of medical providers at ROH facilities. The University proposes to lease the parking lot

for use by staff working in the in ROH facilities.

Waiver of advertisement and appraisals is requested due to the mutual benefit and the

unique nature of the relationship between the parties.

Either party may terminate with 180 days-notice.

Minutes: 09/21/2021 Approved a lease with waiver of advertisement and appraisals

# <u>Disposal – Easement (Other)</u>

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

**Transaction Description:** Transaction No. 21-09-003

• Location: University of Tennessee Institute of Agriculture (UTIA)

Gibson County - 2.0 +/- acres - East Van Hook Street, Milan, TN

Grantee: City of Milan Estimated Sale Price: \$0.00

• Source of Funding: City of Milan

Comment: The easement would be used for a public use bike trail/greenway that would be built and

maintained by the City. The trail will connect the city park with the Milan City limits at the

junction of Highway 104 and Highway 45.

This easement will not adversely affect UTIA's use of the property. The grantee is a local governmental entity and due to public use and benefit of the bike trail/greenway, the University is not seeking consideration from the City of Milan. The estimated value of this

property is \$9,000.

Date of Last Transfer: 12/03/1962

Original Cost to State NA

**Minutes:** 09/21/2021 Approved disposal by easement with waiver of advertisement and appraisals

# Acquisition - Fee (Gift)

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

**Transaction Description:** Transaction No. 21-01-011

• Location: University of Tennessee Martin (UTM)

Weakley and Obion Counties, 87 +/- acres, 546 Littrell Road and 548 Littrell Road

• Owner(s): University of Tennessee Foundation, Inc. (UTFI)

• Estimated Purchase Price: Gift

• Source of Funding: Plant Funds (Non-Aux) (A) (REM fees)

**Comment:** The University has leased this property since 2010 for use by the UTM Equine-Rodeo

Program. UTFI will gift the property to the University for this continued use. The property includes ten structures ranging from a small house to hay/feeding sheds to barns. A facilities condition assessment was completed in May 2021 and found these structures to be in a well-maintained condition with the exception of a small officials

stand.

The land acquisition plan in the 2016 Master Plan Update for the UTM was revised and

approved by THEC to accommodate this purchase.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 01/02/2006
Purchase Price: \$506,000.00
Property Assessor's Value: \$174,600.00
Square Footage Improvements: 18,065 sf

**Previous Action:** 12/21/2009 Approved a lease

11/23/2020 Approved a lease amendment

Minutes: 09/21/2021 Approved acquisition in fee with waiver of advertisement and

appraisals

# **DEPARTMENT OF GENERAL SERVICES**

# Acquisition - Lease (Space)

Requested Action: Approval of a lease

**Transaction Description:** Transaction No. 21-06-910

Proposed Lease

Location: Montgomery County – 1850 Business Park Drive, Suite 122B, Clarksville, TN

Landlord: Westchase Series 4, a series of Westchase Partners, L.L.C.

Term: 3 years (December 1, 2021 – November 30, 2024)

Area/Costs: 13,500 Square Feet

 Annual Contract Rent
 \$189,540.00
 \$14.04/sf

 Estimated Utilities Cost
 23,625.00
 1.75/sf

 Estimated Janitorial Cost
 14,850.00
 1.10/sf

 Total Estimated Annual Effective Cost
 \$228,015.00
 \$16.89/sf

Current Lease

Location: Montgomery County – 1850 Business Park Drive, Suite 122B, Clarksville, TN

Landlord: Westchase Series 4, a series of Westchase Partners, L.L.C.
 Term: 10 years (January 1, 2005 – December 31, 2014) (Holdover)

Area / Costs: 13,500 Square Feet

 Annual Contract Rent
 \$189,540.00
 \$14.04/sf

 Estimated Utilities Cost
 18,900.00
 1.40/sf

 Estimated Janitorial Cost
 14,850.00
 1.10/sf

 Total Annual Effective Contract Rent
 \$223,290.00
 \$16.54/sf

Source of Funding: FRF Operating Funds
 Procurement Method: Waiver of Advertisement

• FRF Rate: \$18.00

**Comment:** This lease will provide office space for Department of Human Services for a Family Assistance

Service Center (call center).

The long-term consolidated procurement is currently in the market 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:** 08/23/2021 Approved waiver of advertisement

Approved:

Tre Hargett

Secretary, State Building Commission Executive Subcommittee Secretary of State