

**MINUTES**  
STATE BUILDING COMMISSION  
Executive Subcommittee  
April 25, 2022

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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 Eley 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

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

ORGANIZATION

- University of Tennessee
- Department of Environment & Conservation
- Department of General Services
- State Building Commission

PRESENTER

Assistant Vice President Austin Oakes  
Deputy Commissioner Jim Bryson  
Assistant Commissioner Jennifer Murphy  
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**  
Project Title: Electrical Service Upgrades  
SBC Project No: 540/005-02-2021  
Requested Action: Approval of a revision in project budget and funding in order to award a contract and utilizing System Procurement for a portion of the work
  
- B. Agency: **Tennessee Wildlife Resources Agency**  
Transaction: Disposal – Easement (Access)  
Provision(s): Waiver of advertisement
  
- C. Agency: **Tennessee Wildlife Resources Agency**  
Transaction: Acquisition – Fee  
Provision(s): Waiver of advertisement
  
- D. Agency: **Department of Environment & Conservation**  
Transaction: Acquisition – Fee (Gift)  
Provision(s): Waiver of advertisement and appraisal
  
- E. Agency: **Department of Environment & Conservation**  
Transaction: Acquisition – Fee  
Provision(s): Waiver of advertisement and one appraisal
  
- F. Agency: **Department of Environment & Conservation**  
Transaction: Acquisition – Fee (Gift)  
Provision(s): Waiver of advertisement and appraisal
  
- G. Agency: **Doe Mountain Recreation Authority**  
Transaction: Disposal – Fee and Acquisition – Easement (Access)  
Provision(s): Waiver of advertisement and appraisals
  
- H. Agency: **Department of General Services**  
Transaction: Disposal – Fee  
Provision(s): Waiver of one appraisal
  
- I. Agency: **Department of General Services**  
Transaction: Acquisition – Lease Amendment  
Provision(s): Waiver of advertisement
  
- J. Agency: **Department of General Services**  
Transaction: Acquisition – Lease Amendment  
Provision(s): Waiver of advertisement
  
- K. Agency: **Department of General Services**  
Transaction: Acquisition – Lease Amendment  
Provision(s): Waiver of advertisement

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

UNIVERSITY OF TENNESSEE

**Acquisition – Lease Amendment**

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

**Transaction Description:**       Transaction No. 17-04-900

• **Proposed Amendment**

○ <b>Term:</b>	10 years (May 16, 2017 – May 15, 2027)		
○ <b>Area / Costs:</b>	<u>24,031 square feet</u>		
	Year 6 Contract Rent:	\$360,465.00	\$15.00/sf
	Average Annual Contract Rent:	\$373,182.74	\$15.53/sf
	Estimated Annual Janitorial Cost: (Years 6-10)	\$26,434.10	\$1.10/sf
	Total Average Annual Effective Cost:	<u>\$386,399.79</u>	<u>\$16.08/sf</u>

• **Current Lease**

○ <b>Location:</b>	University of Tennessee Health Science Center (UTHSC) Shelby County – 1301 Primacy Parkway, Memphis, TN		
○ <b>Landlord:</b>	AMISUB (SFH), Inc. d/b/a St. Francis Hospital		
○ <b>Term:</b>	5 years (May 16, 2017 – May 15, 2022) with one (1) five (5) year extension		
○ <b>Area / Costs:</b>	<u>24,031 square feet</u>		
	First Year Contract Rent:	\$342,441.75	\$14.25/sf
	Average Annual Contract Rent: (includes utilities and janitorial)	\$363,589.03	\$15.13/sf

• **Source of Funding:**       Practice Revenues and State Appropriations for treatment of patients

• **Procurement Method:**   Negotiated

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

**Comment:**                       This space is used by the UTHSC College of Medicine for a residency program. The University seeks to exercise the five (5) year extension option under the current lease agreement. A waiver of advertisement is requested as this space was built out for this use and is adjacent to Saint Francis Hospital (SFH). The rental rate increases 3% per year. SFH will provide a \$7.50/sf tenant improvement allowance for renovations in the first year.

UTHSC plans to sublease 8,694 square feet to University Clinical Health (a.k.a UT Medical Group) to account for their activity in this facility. A separate request will be submitted for this action.

Either party may terminate this lease with 120-days prior written notice.

**Previous Action:**               04/24/2017   Approved a lease with waiver of advertisement and appraisals

**Minutes:**                        04/25/2022   Approved a lease amendment

UNIVERSITY OF TENNESSEE

**Disposal – Lease (Space)**

**Requested Action:**           **Approval of disposal by lease with waiver of advertisement**

**Transaction Description:**   Transaction No. 2022-04-01

- **Location:**           University of Tennessee-Health Science Center (UTHSC)  
1301 Primacy Parkway, Memphis, TN 38119
- **Tenant:**             University Clinical Health (a.k.a UT Medical Group) (UCH)
- **Term:**               4 years 11.5 months, June 1, 2022 – May 15, 2027
- **Area / Costs:**       8,694 square feet/Year 1 Contract Rent \$130,410 per yr (\$15.00/sf) plus 3% annual increases

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

**Comment:**                UTHSC College of Medicine leases a 24,031 square foot building located at 1301 Primacy Parkway from St. Francis Hospital for its' residency program. The University seeks to sublease a portion of the building to UCH. UCH is a UTHSC-affiliated practice plan and the largest non-hospital physician group in Memphis. The affiliation gives the residents and physicians access to the latest treatments, special protocols and labs.

The sublease rental rate is the same rate UTHSC is paying St. Francis Hospital and includes 3% annual increases. Due to the affiliation between UTHSC and UCH, waiver of advertisement is requested. Either party may terminate this sublease with 120-days prior written notice.

**Minutes:**                 04/25/2022   Approved disposal by lease with waiver of advertisement

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

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

**Transaction Description:**       Transaction No. 2021-08-001

• **Proposed Lease**

- **Location:**                   University of Tennessee - Knoxville  
Knox County – 1600 Accelerator Way, Knoxville, TN
- **Landlord:**                 University Health System, Inc. (UHS)
- **Term:**                       5 years with one (1) five (5) year option to extend
- **Area / Costs:**             3,268 Square Feet

First Year Contract Rent:	\$68,628.00	\$21.00/sf
Average Annual Contract Rent:	\$72,871.08	\$22.30/sf
Estimated Annual Utility Cost:	\$5,710.00	\$1.75/sf
Estimated Annual Janitorial Cost:	\$3,594.80	\$1.10/sf
Total Annual Effective Cost:	\$82,175.88	\$25.15/sf

- **Source of Funding:**       Research operating funds and grants
- **Procurement Method:**   Negotiated
- **FRF Rate:**                 18.00/sf (for reference only)

**Comment:**                       A new 91,354 square foot ambulatory care/research facility is being built at UT Research Park at Cherokee Farm. UTK proposes to lease 3,268 square feet of space in the building for its' VOIs Healthcare Innovation LAb (VOILA!). VOILA! brings together UT faculty, staff, and students across multiple disciplines to develop solutions to healthcare challenges.

The new building will house OrthoTennessee's Orthopaedics Institute and includes surgical suites, a clinic and multiple physicians' offices. The University's space will house *VOILA!-Ortho* and will maximize the opportunity for collaboration among OrthoTennessee physicians and healthcare professionals and UT faculty, staff and students working on translational research and hands-on learning projects. This strategy of co-locating academic innovation teams and practitioners is consistent with best practices in translational research and innovation and yields the best possible outcomes.

The rental rate increases 3% per year. UHS will provide a \$45/sf tenant improvement allowance. The University will reimburse UHS for its' proportionate share of maintenance expenses, insurance costs, ground rent and property taxes.

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

**Minutes:**                        04/25/2022    Approved a lease

DEPARTMENT OF ENVIRONMENT & CONSERVATION

**Acquisition – Fee**

**Requested Action:**                      **Approval of acquisition in fee**

**Transaction Description:**              Transaction No. 20-11-005  
• **Location:**                              Savage Gulf State Natural Area (SGSNA)  
    Grundy County – 102.37± Acres – 0 SR-56, Beersheba Springs, TN  
• **Owner(s):**                                Clem Family Trust  
• **Estimated Purchase Price:**      \$500,000.00  
• **Source of Funding:**                21/22 State Lands Acquisition Fund (A)

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

This acquisition is an inholding at SGSNA, a satellite of South Cumberland State Park (SCSP). This tract is the most desired location to complete a RV campground that is included as portion of the FY 21/22 capital budget line item for SCSP Stone Door Annex Visitor Center and Campground. This tract is being offered to the State for \$5,000.00/acre.

An option was acquired for this property prior to ESC approval of this acquisition pursuant to SBC Policy and Procedures Section 8.01.A.3.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:                      July 21, 2008  
Purchase Price:                                \$0.00 (Inter-family transfer)  
Property Assessor's Value:                \$102,400.00  
Square Footage Improvements:        N/A

**Previous Action:**                      11/03/2021    Approved acquisition in fee with waiver of advertisement and one appraisal

**Minutes:**                                04/25/2022    Commissioner Eley asked for an explanation of the cost. Deputy Commissioner Jim Bryson stated that the state is investing about \$30 million into the Savage Gulf State Natural Area, which is generally called Stone Door Annex and located in South Cumberland State Park. The \$30 million will provide funds for campgrounds, a visitor center, and other amenities. This will make the Savage Gulf State Natural Area an asset for Grundy County. He stated that the presence of an inholding originally required building around the inholding tract and this acquisition allows the improvements to be consolidated into a smaller area, thereby saving money on construction as well as resulting in a better park for the public.

The Subcommittee approved an acquisition in fee.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

**Acquisition – Fee**

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

**Transaction Description:** Transaction No. 21-04-018  
• **Location:** Lamar Alexander Rocky Fork State Park (LARFSP)  
Unicoi County – 36.60 acres – 4250 Old Asheville Highway, Flag Pond, TN  
• **Owner(s):** Roger C. Rice and Marie Rice  
• **Estimated Purchase Price:** \$366,000.00  
• **Source of Funding:** 21/22 State Lands Acquisition Fund (A)

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

This acquisition is contiguous with LARFSP and is necessary for the approved SBC Rocky Fork State Park Visitor Center capital project (SBC#126/088-02-2017).

This tract is being offered to state at \$10,000.00/acre.

The owners will retain a 1-acre parent parcel that will be excluded from the State's survey. No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 04/20/1999  
Purchase Price: \$100,000.00  
Property Assessor's Value: \$89,400.00  
Square Footage Improvements: N/A

**Minutes:** 04/25/2022 Treasurer Lillard asked for an explanation as to why this property is needed for the Rocky Fork Visitor Center. Deputy Commissioner Jim Bryson stated that the visitor center was originally planned to be on a hill inside the park, far from the park entry. This acquisition will allow the visitor center to be located on the main highway, making it both more accessible and visible. Deputy Commissioner Bryson stated that this new location is much better than the original location and will result in significant utilities savings. Treasurer Lillard asked if these savings are the reason why the state was willing to exceed Fair Market Value. Deputy Commissioner Bryson stated yes, and that this new location would save the state close to \$3 million in utility costs by not running utility lines through rock and mountains, as would have been necessary for the original location.

The Subcommittee approved an acquisition in fee with waiver of advertisement.



DEPARTMENT OF GENERAL SERVICES

**Acquisition – Lease (Space)**

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

**Transaction Description:**       Transaction No. 21-01-904

● **Proposed Lease**

- **Location:**                   Cumberland County – 136 Dooley Street, Suite 101, Crossville, TN
- **Landlord:**                 Wrenetta Braun and husband, Dale Braun
- **Term:**                       7 Years with one 3-year renewal option
- **Area / Costs:**           6,400 Square Feet

Annual Contract Rent:	\$100,416.00	\$15.69/sf
Estimated Utilities Cost:	11,200.00	1.75/sf
Estimated Janitorial Cost:	7,040	1.10/sf
Total Annual Effective Cost:	\$118,656.00	\$18.54/sf

● **Current Lease**

- **Location:**                   Cumberland County – 136 Dooley Street, Suite 101, Crossville, TN
- **Landlord:**                 Wrenetta Braun and husband, Dale Braun
- **Term:**                       15 years (July 1, 2009 to June 30, 2024)
- **Area / Costs:**           6,400 Square Feet

Annual Contract Rent:	\$73,600.00	\$11.50/sf
Estimated Utilities Cost:	11,200.00	1.75/sf
Estimated Janitorial Cost:	7,040.00	1.10/sf
Total Annual Effective Cost:	\$91,840.00	\$14.35/sf

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

**Comment:**                       This lease will provide office space for the Department of Safety – Driver Service Center and TN Highway Patrol. One proposal from the incumbent was received. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before July 2024, based on the renovations needed.

The tenant may terminate the lease for convenience at any time after the 36 month of the lease term 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.

**Minutes:**                         04/25/2022    Approved a lease

DEPARTMENT OF GENERAL SERVICES

**Acquisition – Lease (Space)**

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

**Transaction Description:**      Transaction No. 20-10-900 & 20-10-901

• **Proposed Lease**

- **Location:**                   Fentress County– 240 Colonial Circle Dr. Suite B & B-1, Jamestown, TN
- **Landlord:**                   Fentress County Government
- **Term:**                         10 years
- **Area / Costs:**             5,485 Square Feet

Annual Contract Rent:	\$78,000.00	\$14.22/sf
Estimated Annual Utility Cost:	9,598.75	1.75/sf
Estimated Annual Janitorial Cost:	6,033.50	1.10/sf
Total Annual Effective Cost:	\$93,632.25	\$17.07/sf

• **Current Lease**

- **Location:**                   Fentress County– 240 Colonial Circle Dr. Suite B & B-1 Jamestown, TN
- **Landlord:**                   Fentress County Government
- **Term:**                         2 years (April 1, 2022 – March 31, 2024)
- **Area / Costs:**             5,485 Square Feet

Annual Contract Rent:	\$47,880.00	\$8.73/sf
Estimated Utilities Cost	9,598.75	1.75/sf
Estimated Janitorial Cost	6,033.50	1.10/sf
Total Annual Effective Cost	\$63,512.25	\$11.58/sf

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

**Comment:**                         This lease will provide office space for Department of Human Services and Department of Children’s Services. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before April 2024.

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:**                         04/25/2022      Treasurer Lillard asked Assistant Commissioner Jennifer Murphy why it is in the state’s interest to approve a lease in excess of the FRF rental rate. Assistant Commissioner Murphy responded that this lease includes extensive build-out by Fentress County government for the state. The current estimate is about \$200,000.00. Additionally, the lease allows the state to terminate with 90-day notice which is valuable to the state particularly with that amount of investment in a rural county.

The Subcommittee 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. 08-08-902

● **Proposed Amendment**

- **Term:**                               13 years (December 1, 2012 – November 30, 2025)
- **Area / Costs:**                   10,300 Square Feet

Year 11 Annual Contract Rent:	\$185,400.00	\$18.00/sf
Average Annual Contract Rent:	181,669.23	17.64/sf
Estimated Annual Utility Cost:	18,025.00	1.75/sf
Estimated Annual Janitorial Cost:	11,330.00	1.10/sf
Total Average Annual Effective Cost:	\$211,024.23	\$20.49/sf

● **Current Lease**

- **Location:**                         Hamilton County – 6040 Century Oaks Drive, Chattanooga, TN
- **Landlord:**                         SBL Properties, LLC
- **Term:**                               10 years (December 1, 2012 – November 30, 2022)
- **Area / Costs:**                   10,300 Square Feet

Annual Contract Rent including utilities and janitorial services	\$180,550.00	\$17.53/sf
Total Annual Effective Contract Rent	\$180,550.00	\$17.53/sf

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

**Comment:**                           This lease will provide office space for TN Bureau of Investigation.

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

The lease amendment will remove termination for convenience and modifies provisions of termination for cause effective upon full execution and continuing during the extended term.

The State is responsible for payment of utilities and janitorial costs to be transferred within 60 days from full execution of amendment. Annual rent increases 2% each year of the amended term.

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

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

**Previous Action:**                   07/23/2012   ESC   Approved lease agreement

**Minutes:**                            04/25/2022   ESC   Treasurer Lillard asked Assistant Commissioner Jennifer Murphy to comment on the absence of a termination for convenience clause in

the lease amendment and noted that this clause was included in the original lease. Assistant Commissioner Murphy responded that since the current lease expires in November 2022; the ownership of the property is changing; and the time needed to initiate a new procurement, this lease amendment is in the state's best interest because it secures this location for the TN Bureau of Investigation until a new location is identified. Treasurer Lillard asked Assistant Commissioner Murphy to elaborate on the long-term procurement that is currently in the preliminary phase. Assistant Commissioner Murphy stated that since the current landlord changed their proposal after the due date, which would not constitute a fair process, resulting in the procurement being canceled. This cancellation gave the TN Bureau of Investigation an opportunity to re-evaluate its needs and Assistant Commissioner Murphy is confident that the state will be able to find a new location within the lease amendment's term. Treasurer Lillard asked how long of a lease is being sought and what termination terms will be included in a future lease. Assistant Commissioner Murphy replied that a ten- or fifteen-year lease is the objective, and that the state always seeks termination for convenience with 90-day notice.

The Subcommittee approved a lease amendment with waiver of advertisement.

DEPARTMENT OF GENERAL SERVICES

**Acquisition – Lease (Space)**

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

**Transaction Description:**       Transaction No. 20-01-919

● **Proposed Lease**

- **Location:**                   Weakley County – 8616 TN Hwy-22, Dresden, TN
- **Landlord:**                   Pedigo-Dresden Properties, L.P.
- **Term:**                         10 years with three, 1-year renewal options
- **Area / Costs:**               4,447 Square Feet

First Year Annual Contract Rent	\$81,157.75	\$18.25/sf
Average Annual Contract Rent	71,218.71	16.02/sf
Estimated Utility Cost	7,782.25	1.75/sf
Estimated Janitorial Cost	4,891.70	1.10/sf
Total Average Annual Effective Cost	\$83,892.66	\$18.87/sf

● **Current Lease**

- **Location:**                   Weakley County – 8616 TN Hwy-22, Dresden, TN
- **Landlord:**                   Pedigo-Dresden Properties, L.P.
- **Term:**                         14 years (April 1, 2010 – March 31, 2024)
- **Area / Costs:**               6,580 Square Feet

Annual Contract Rent	\$59,400.00	\$9.03/sf
Estimated Utilities Cost	11,515.00	1.75/sf
Estimated Janitorial Cost	7,238.00	1.10/sf
Total Annual Effective Cost	\$78,153.00	\$11.88/sf

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

**Comment:**                         This lease will provide office space for Department of Human Services. One proposal from one proposer was received and evaluated. Alternative Workplace Solutions will be implemented at this location. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence on or before January 2024.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a termination fee until the 60<sup>th</sup> month. After the 60<sup>th</sup> month there will be no 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.

The CBRE, Inc. commission is \$9,792.57 for the 10-year base term, if all the renewal options are exercised the commission will be \$12,379.06.

**Minutes:**                           04/25/2022    Approved a lease

STATE BUILDING COMMISSION

**Minutes of Executive Subcommittee Meeting**

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 21, 2022.

**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 – Knoxville  
**Location:** Knoxville, Tennessee  
**Project Title:** Tyson Alumni Center Upgrades  
**Project Description:** Upgrades of the flooring and repair of stairs, including all related work to complete the project.  
**SBC Project No.** 540/009-18-2022  
**Total Project Budget:** \$86,100.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved project and utilizing Campus Consultant (Architectural: Dollars & Ewers Architecture, Inc.) for design and Campus Resources and System Procurement for construction  
**Approval Date:** 04/25/2022
  - 2) **State Procurement Agency:** University of Tennessee Space Institute  
**Location:** Tullahoma, Tennessee  
**Project Title:** UTSI High Pressure Air Line  
**Project Description:** Installation of a new underground compressed air line to support research in the hypersonic wind tunnels.  
**SBC Project No.** 540/020-01-2022  
**Total Project Budget:** \$75,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved project and utilizing Campus Consultant (Civil: March Adams & Associates, Inc.) for design  
**Approval Date:** 04/25/2022

- 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 Tennessee Institute of Agriculture  
**Location:** Knoxville, Tennessee  
**Project Title:** CVM Equine Hospital Flooring Replacement  
**Project Description:** Replacement of flooring in the Farm Animal and Equine Hospitals and the Equine Performance & Rehab Center. Includes all related work to complete the project.  
**SBC Project No.** 540/001-07-2022  
**Total Project Budget:** \$148,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved project utilizing Campus Resources for design and System Procurement for construction  
**Approval Date:** 04/01/2022
  
- 2) **State Procurement Agency:** University of Tennessee - Knoxville  
**Location:** Knoxville, Tennessee  
**Project Title:** Presidential Court Building Upgrades  
**Project Description:** Upgrades for the accommodations of a copy and ship store including storage lockers and all related work to complete the project.  
**SBC Project No.** 540/009-19-2022  
**Total Project Budget:** \$424,000.00  
**Source of Funding:** Plant Funds (Aux-Retail) (A)  
**Approval:** Approved project utilizing Campus Consultant (Architectural: Dollars & Ewers Architecture, Inc.) for design and Campus Resources and System Procurement for construction  
**Approval Date:** 04/01/2022
  
- 3) **State Procurement Agency:** University of Tennessee Health Science Center  
**Location:** Memphis, Tennessee  
**Project Title:** Dunn Dental Sewer Line Replacement  
**Project Description:** This project will disconnect and remove the existing sanitary waste and vent stacks and replace them with new cast iron lines.  
**SBC Project No.** 540/013-07-2020  
**Total Project Budget:** \$494,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved a revision in project budget and funding and utilizing System Procurement for a portion of the work (increases budget by \$194,000.00)  
**Approval Date:** 03/30/2022

### 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:** STREAM / Department of Correction  
**Location:** Henning, Tennessee  
**Project Title:** WTSP Water Treatment Plant Renovations  
**Project Description:** Upgrades the existing water and wastewater treatment plants and all required related work.  
**SBC Project No.** 142/022-01-2019  
**Total Project Budget:** \$2,000,000.00  
**Source of Funding:** 19/20 CurrFunds-CapMaint (SA) (A)  
**Approval:** Approved a revision in project funding (move funds from Admin & Misc to Contingency to increase the MACC by \$138,679.00)  
**Approval Date:** 04/12/2022

### Approvals of Acquisitions and Disposals of State Property

- Reported the following two 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. 21-07-011  
**Location:** Big Hill Pond State Park (BHPSP)  
McNairy County – 62.00 ± acres – Highway 57 West, Pochahontas, TN  
**Owner(s):** Justin Stoltzfus  
**Estimated Purchase Price:** Fair Market Value  
**Source of Funding:** 21/22 State Lands Acquisition Funds (A)  
**Approval:** Approved acquisition in fee with waiver of advertisement and one appraisal  
**Approval Date:** 04/12/2022
  - 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation  
**Transaction Description:** Transaction No. 22-02-013  
**Location:** Justin P. Wilson Cumberland Trail State Park (JPWCTSP)  
Cumberland County – 118 ± acres (2 tracts) – 0 Hebbertsburg Road and 0 Aldergate Lane, Crossville, TN  
**Owner(s):** Wyndham Vacation Resorts, Inc. n/k/a Travel & Leisure Co.  
**Estimated Purchase Price:** Fair Market Value  
**Source of Funding:** 21/22 State Lands Acquisition Fund (A)  
**Approval:** Approved acquisition in fee with waiver of advertisement and one appraisal  
**Approval Date:** 04/12/2022



## 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:** Middle Tennessee State University  
**Location:** Murfreesboro, Tennessee  
**Project Title:** Foundation House ADA Renovations  
**SBC Project No.** 366/009-01-2022  
**Total Project Budget:** \$225,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Designer:** The Architect Workshop, PLLC  
**Approval Date:** 03/28/2022
  - 2) **State Procurement Agency:** University of Memphis  
**Location:** Memphis, Tennessee  
**Project Title:** Field House Gym HVAC  
**SBC Project No.** 367/007-01-2022  
**Total Project Budget:** \$350,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Designer:** Haltom Engineering, LLC  
**Approval Date:** 03/28/2022
  - 3) **State Procurement Agency:** STREAM / Department of Military  
**Location:** Tullahoma, Tennessee  
**Project Title:** VTS Tullahoma Range Latrine Repairs and Upgrades  
**SBC Project No.** 361/093-01-2022  
**Total Project Budget:** \$480,000.00  
**Source of Funding:** Federal Funds (NGB) (F)  
**Designer:** M. Shanks Architects  
**Approval Date:** 03/28/2022
- Reported a designer name change from “**Cleveland Salmon Architect**” to “**Collaborative Design Services, LLC**” on all State projects.

- 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.

- |  |  |
|--|--|
| <p>1) <b>University of Tennessee</b><br/>         (Library Storage Building)<br/>         Total Project Budget: \$10,000,000.00<br/>         SBC Project No. 540/009-14-2022<br/>         Designer: <b>Sparkman &amp; Associates Architects, Inc.</b></p>  | <p>3) <b>University of Tennessee</b><br/>         (LaPorte Stadium Track Repair)<br/>         Total Project Budget: \$1,250,000.00<br/>         SBC Project No. 540/009-16-2022<br/>         Designer: <b>Ross Fowler, P.C.</b></p>                                    |
| <p>2) <b>University of Tennessee</b><br/>         (Dabney Hall Building Envelope Upgrades)<br/>         Total Project Budget: \$1,250,000.00<br/>         SBC Project No. 540/009-15-2022<br/>         Designer: <b>The Benefield Richters Company</b></p> | <p>4) <b>East Tennessee State University</b><br/>         (Powell Hall Repairs &amp; Renovation)<br/>         Total Project Budget: \$5,000,000.00<br/>         SBC Project No. 369/005-03-2022<br/>         Designer: <b>Cain Rash West Architects, Inc. P.C.</b></p> |
|  | <p>5) <b>Various Facilities</b><br/>         (Statewide Bathhouse &amp; Restroom Replacements)<br/>         Total Project Budget: \$2,980,000.00<br/>         SBC Project No. 126/000-03-2021<br/>         Designer: <b>CTI, Engineers, Inc.</b></p>                   |

**Other Business**

There being no further business, the meeting adjourned at 11:14 a.m.

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

**Requested Action:** Approval of a revision in project budget and funding in order to award a contract and utilizing System Procurement for a portion of the work

**Project Title:** Electrical Service Upgrades

**Project Description:** This project will replace various components of the electrical distribution system including equipment, switchgears, meters, and transformers. These updates will be for Pfeiffer, Lockmiller I, and Stagmaier Hall.

**SBC Number:** 540/005-02-2021

**Total Project Budget:** \$835,000.00

<b>Source of Funding:</b>	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$323,000.00	\$ 70,730.00	\$393,730.00	Plant Funds (Non-Aux)	(A)
	362,000.00	79,270.00	441,270.00	Plant Funds (Aux-Housing)	(A)
<b>Original Project Budget:</b>	<b>\$685,000.00</b>				
<b>Change in Funding:</b>		<b>\$150,000.00</b>			
<b>Revised Project Budget:</b>			<b>\$835,000.00</b>		

**Comment:** This request increases the budget from \$685,000 to \$835,000. Three bids were received on March 17, 2022. An increase in funding is needed to award a contract to Miller Electrical Contractors for the base bid. The increase is primarily due to the current market conditions impacting electrical materials. System Procurement is requested in order to expedite the acquisition and installation of a transformer. There will be no increase in designer fees.

**Previous Action:**

04/08/2021	SBC	Approved project and to select a designer
04/19/2021	ESC	Approved designer selection (Vreeland Engineers, Inc.)
04/14/2022	SBC	Referred to ESC with authority to act

**Minutes:** 04/25/2022 ESC Approved a revision in project budget and funding in order to award a contract and utilizing System Procurement for a portion of the work

TENNESSEE WILDLIFE RESOURCES AGENCY

**Disposal – Easement (Access)**

**Requested Action:**                   **Approval of a disposal by easement with waiver of advertisement**

**Transaction Description:**

Transaction No. 22-02-018

• **Location:**

Cheatham Wildlife Management Area (CWMA)  
Cheatham County – 15’ x 955’ permanent easement – Petway & Greenbrier Road,  
Ashland City, TN

• **Grantee:**

River Venture Group LLC (RVG)

• **Estimated Purchase Price:**

Fair Market Value

**Comment:**

The adjoining landowner requests a permanent easement to allow access to the back section of their property when the Harpeth River water levels are elevated (flooded).

RVG will cover all costs associated with this easement. This easement will not adversely affect CWMA.

Date of Last Transfer:	02/25/2003
Original Cost to State:	\$0.00
Property Assessor’s Value:	\$60,282,600 (larger tract)
Square Footage Improvements:	N/A

**Minutes:**

04/25/2022    Approved a disposal by easement with waiver of advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

**Acquisition – Fee**

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

**Transaction Description:**

- **Location:** Transaction No. 22-03-016  
Shelton Ferry Wildlife Management Area (SFWMA)  
Montgomery County – 132.00 ± acres – 4650 Weakley Road, Southside, TN
- **Owner(s):** Glen Weakley & David Armistead
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 21/22 Wetlands Acquisition Fund (A)

**Comment:**

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

This property is contiguous with SFWMA, will create better access throughout SFWMA, and will protect and preserve wetlands and other watershed functions in the SFWMA ecosystem.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	11/01/2018
Purchase Price:	\$0.00 (inter-family transfer)
Property Assessor’s Value:	\$1,145,500.00 (larger tract)
Square Footage Improvements:	N/A

**Minutes:**

04/25/2022 Approved acquisition in fee with waiver of advertisement

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

**Acquisition – Fee (Gift)**

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

**Transaction Description:**

Transaction No. 22-02-015

- **Location:** Madison County – 120.00 ± acres – 0 Cotton Grove Road, Jackson, TN
- **Owner(s):** American Battlefield Trust (ABT)
- **Estimated Purchase Price:** Gift
- **Source of Funding:** 21/22 Historical Commission Op Funds (Wars Commission) (A)

**Comment:**

The Tennessee Historical Commission holds a conservation easement on the Salem Cemetery, which is where the Battle of Jackson was fought. The conservation easement was approved under TR #19-04-011. ABT's donation of the fee interest will allow the State to create a historic site and battlefield park that will serve the local community.

TDEC will address future construction and/or management expenses from within existing resources. Madison County Parks and Recreation will fund improvements (subject to State approvals) and manage, maintain, and operate the property for the benefit of the State.

Date of Last Transfer:	01/22/2020
Purchase Price:	\$675,000.00
Property Assessor's Value:	\$887,700.00 (larger tract)
Square Footage Improvements:	N/A

**Previous Action:** 06/24/2019 Approved acquisition by easement with waiver of advertisement and appraisals

**Minutes:** 04/25/2022 Approved acquisition in fee with waiver of advertisement and appraisal

DEPARTMENT OF ENVIRONMENT AND CONSERVATION**Acquisition – Fee**

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

**Transaction Description:**

- **Location:** Transaction No. 21-12-015  
Flat Rock Cedar Glades and Barrens State Natural Area (FRCG & BSNA)  
Rutherford County – 77± acres – 0 Halls Hill Pike, Murfreesboro, TN
- **Owner(s):** Thomas E. Scott and April E. Scott
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 21/22 State Lands Acquisition Fund (A)

**Comment:**

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

This property is contiguous with FRCG & BSNA and will protect this property from future development and allow for the preservation and protection of two unique species of plants that exist almost exclusively in Tennessee's cedar glades. The first is the Great Plains ladies' tresses (*Spiranthes Magnicamporum*), which is considered endangered in Tennessee. The second plant is the Tennessee Milkvetch (*Astragalus Tennesseeensis*), which is rare and exists predominantly in Tennessee. TDEC is acquiring 77± acres out of 95.80± total acres since that is where the unique species are located.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	06/16/2017
Purchase Price:	\$24,000.00 (inter-family transfer)
Property Assessor's Value:	\$251,100.00 (larger parcel)
Square Footage Improvements:	N/A

**Minutes:**

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

DEPARTMENT OF ENVIRONMENT & CONSERVATION**Acquisition – Fee (Gift)**

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

**Transaction Description:** Transaction No. 22-02-016  
 • **Location:** Mitchell Ford Access (MFA)  
 White County – 1.0 ± acre – 0 Big Bottom Road, Sparta, TN  
 • **Owner(s):** White County  
 • **Estimated Purchase Price:** Gift  
 • **Source of Funding:** 21/22 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. This acquisition will allow TDEC to manage this MFA site for the benefit of the public.

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

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



DOE MOUNTAIN RECREATION AUTHORITY

**Disposal – Fee and Acquisition – Easement (Access)**

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

**Transaction Description:** Transaction No. 21-12-016

- **Location:** Doe Mountain Recreation Authority (DMRA)  
Johnson County – 4.82 +/- acres – 827 Old Highway 67, Butler, TN
- **Grantee** Barry T. Richardson & Judith M. Richardson
- **Estimated Purchase Price:** Mutual Benefit – No Cost

**Comment:** DMRA will dispose of land to adjacent landowner to resolve a title dispute. In exchange, the landowner will grant to the State a new 40' wide easement along the eastern border for use as a daytime trail or trail head.

Landowner will pay all costs associated with the request. The disposal will not negatively impact DMRA.

Date of Last Transfer: 05/07/2013  
 Original Cost to State: \$0.00 (larger parcel)

**Minutes** 04/25/2022 Approved a disposal in fee and acquisition by easement with waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICES

**Disposal – Fee**

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

**Transaction Description:**       Transaction No. 22-02-001  
    • **Location:**                    Tennessee Highway Patrol District Headquarters  
  Knox County – 1.315 ± acres – 7601 Kingston Pike – Knoxville, TN  
    • **Estimated Sale Price:**     Fair Market Value

**Comment:**                         This property has been determined to be surplus to the Department’s needs as Tennessee Highway Patrol (THP) has constructed a new building for their Headquarters.

The Tennessee Historical Commission (THC) has determined that the disposal of this property does adversely affect the State-owned resource. The state will be photo documenting the building prior to disposal to mitigate the adverse effect.

TDOT has an access control fence. A condition will be placed in the Quitclaim Deed that state’s “that the Grantee(s) hereby understands and agrees that no right of ingress and egress over, under, or through the access control fence is conveyed herein.

Proceeds will be deposited into the Facility Revolving Funds (FRF) as authorized by Tennessee Code Annotated Title 9, Chapter 4, Part 9.

Date of Last Transfer:               02/04/1965  
Previous Owner:                       Knox County  
Original Cost to State:               \$41,000.00  
Square Footage Improvements:     7,507 sq ft (1965) - Office

**Minutes**                             04/25/2022     Approved a disposal in fee with waiver of one appraisal

DEPARTMENT OF GENERAL SERVICES

**Acquisition - Lease Amendment**

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

**Transaction Description:**       Transaction No. 04-11-901

● **Proposed Amendment**

○ <b>Term:</b>	16 years (July 1, 2009 – June 30, 2025)		
○ <b>Area / Costs:</b>	<u>6,000 Square Feet</u>		
	Annual Contract Rent:(Years 14-16)	\$75,600.00	\$12.60/sf
	Average Annual Contract Rent:	70,968.75	11.83/sf
	Estimated Annual Utility Cost:	10,500.00	1.75/sf
	Estimated Annual Janitorial Cost:	6,600.00	1.10/sf
	Total Average Annual Effective Cost:	\$88,068.75	\$14.68/sf

● **Current Lease**

○ <b>Location:</b>	Bedford County – 1106 Madison Street, Shelbyville, TN		
○ <b>Landlord:</b>	Pedigo-Shelbyville Properties, LP		
○ <b>Term:</b>	13 years (July 1, 2009 – June 30, 2022)		
○ <b>Area / Costs:</b>	<u>6,000 Square Feet</u>		
○ <b>Current:</b>	Annual Contract Rent:	\$69,900.00	\$11.65/sf
	Estimated Annual Utility Cost:	10,500.00	1.75/sf
	Estimated Annual Janitorial Cost:	6,600.00	1.10/sf
	Total Average Annual Effective Cost:	\$87,000.00	\$14.50/sf

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

**Comment:**                           This lease provides office space for Department of Children’s Services.

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

The long-term procurement is currently in the advertisement 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 Report:**               08/05/2005    ESC Approved lease agreement  
   05/20/2019    ESC Approved a lease amendment with waiver of advertisement

**Minutes**                           04/25/2022    ESC Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

**Acquisition - Lease Amendment**

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

**Transaction Description:**       Transaction No. 07-05-901

• **Proposed Amendment**

**Term:**                               15 years (July 1, 2009 – June 30, 2024)

**Area / Costs:**                   6,400 Square Feet

Annual Contract Rent:	\$ 73,600.00	\$11.50/sf
Estimated Annual Utility Cost:	11,200.00	1.75/sf
Estimated Annual Janitorial Cost:	7,040.00	1.10/sf
<b>Total Average Annual Effective Cost:</b>	<b>\$91,840.00</b>	<b>\$14.35/sf</b>

• **Current Lease**

**Location:**                       Cumberland County – 136 Dooley Street, Suite 101, Crossville, TN

**Landlord:**                       Wrenetta Braun and husband, Dale Braun, (formerly Paul Gaw, General Partnership)

**Term:**                               13 years (July 1, 2009 – June 30, 2022)

**Area / Costs:**                   6,400 Square Feet

Annual Contract Rent:	\$ 73,600.00	\$11.50/sf
Estimated Annual Utility Cost:	11,200.00	1.75/sf
Estimated Annual Janitorial Cost:	7,040.00	1.10/sf
<b>Total Average Annual Effective Cost:</b>	<b>\$91,840.00</b>	<b>\$14.35/sf</b>

• **Source of Funding:**           FRF

• **Procurement Method:**       Negotiated

• **FRF Rate:**                         \$15.00

**Comment:**                           This lease provides office space for Department of Safety Driver License Issuance and Tennessee Highway Patrol.

A request for waiver of advertisement and to amend the current lease by two (2) years is in the best interest of the State at this time for strategic alignment of existing in-term lease expirations.

The lease amendment will provide a termination for convenience at any time upon 60 days prior written notice.

The long-term procurement has a new lease presented to ESC for approval on the April agenda. STREAM and the agency are confident the new procurement will be completed prior to expiration of this amendment.

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:**                   02/25/2008   ESC Approved lease agreement  
   04/22/2019   ESC Approved amendment with waiver of advertisement

**Minutes**                               04/25/2022   ESC Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

**Acquisition - Lease Amendment**

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

**Transaction Description:**   Transaction No. 08-02-903

• **Proposed Amendment**

**Term:**                               15 years (July 1, 2009 – June 30, 2024)

**Area / Costs:**                   10,500 Square Feet

Annual Contract Rent: (Years 14-15)	\$123,585.00	\$11.77/sf
Average Annual Contract Rent:	116,578.00	11.10/sf
Estimated Annual Utility Cost:	18,375.00	1.75/sf
Estimated Annual Janitorial Cost:	11,550.00	1.10/sf
<b>Total Average Annual Effective Cost:</b>	<b>\$153,510.00</b>	<b>\$14.62/sf</b>

• **Current Lease**

**Location:**                       Jefferson County – 1050, 1052, 1054 & 1056 South Highway 92, Dandridge, TN

**Landlord:**                       Barbara Davis

**Term:**                               13 years (July 1, 2009 – June 30, 2022)

**Area / Costs:**                   10,500 Square Feet

Annual Contract Rent:	\$ 115,500.00	\$11.00/sf
Estimated Annual Utility Cost:	18,375.00	1.75/sf
Estimated Annual Janitorial Cost:	11,550.00	1.10/sf
<b>Total Average Annual Effective Cost:</b>	<b>\$145,425.00</b>	<b>\$13.85/sf</b>

• **Source of Funding:**           FRF

• **Procurement Method:**       Negotiated

• **FRF Rate:**                       \$15.00

**Comment:**                           This lease provides office space for Department of Human Services.

A request for waiver of advertisement and to amend the current lease by two (2) years is in the best interest of the State at this time for strategic alignment of existing in-term lease expiration.

The long-term procurement is currently in the design phase. Based on current progress and supply chain delays, it is anticipated that the delivery date will be on or before July 2024. STREAM and the Lessor are confident the new procurement will be completed 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:**                   08/25/2008    ESC Approved lease agreement  
   05/20/2019    ESC Approved amendment with waiver of advertisement

**Minutes**                               04/25/2022    Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-04-914● **Proposed Lease**

- **Location:** Madison County – 1661 Hollywood Dr., Jackson, TN
- **Landlord:** C. Dwight Hawks
- **Term:** 10 years with one, 5-year renewal option
- **Area / Costs:** 10,200 Square Feet

First Year Annual Contract Rent:	\$100,164.00	\$9.82/sf
Estimated Utility Cost:	17,850.00	1.75/sf
Estimated Janitorial Cost:	11,220.00	1.10/sf
Total Annual Effective Cost:	\$129,234.00	\$12.67/sf

● **Proposed Bridge Lease**

- **Location:** Madison County – 1661 Hollywood Dr., Jackson, TN
- **Landlord:** C. Dwight Hawks
- **Term:** 2 years
- **Area / Costs:** 11,223 Square Feet

Annual Contract Rent:	\$104,598.36	\$9.32/sf
Estimated Utilities Cost:	19,640.25	1.75/sf
Estimated Janitorial Cost:	12,345.30	1.10/sf
Total Annual Effective Cost:	\$136,583.91	\$12.17/sf

● **Current Lease**

- **Location:** Madison County – 1661 Hollywood Dr., Jackson, TN
- **Landlord:** C. Dwight Hawks
- **Term:** 10 years (October 1, 2006 – September 30, 2016)(Holdover)
- **Area / Costs:** 11,223 Square Feet

Annual Contract Rent:	\$95,058.84	\$8.47/sf
Average Annual Contract Rent:	96,247.08	8.58/sf
Estimated Utilities Cost:	19,640.25	1.75/sf
Estimated Janitorial Cost:	12,345.30	1.10/sf
Total Average Annual Effective Cost:	\$128,232.63	\$11.43/sf

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

**Comment:** This lease will provide office space for Department of Correction. One proposal from one proposer was received and evaluated. Alternative Workplace Solutions will be implemented at this location. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence on or before January 2024.

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

convenience at any time with 30 days written notice to the landlord.

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

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

The CBRE, Inc. commission is \$13,772.55 for the 10-year base term, if the renewal option is exercised the total commission will be \$21,486.30.

**Minutes**

04/25/2022 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: 13-01-911● **Proposed Amendment**

- **Term:** 11 years (July 1, 2014 – June 30, 2025)
- **Area / Costs:** 6,300 Square Feet

Annual Contract Rent including Utilities: (Years 9-11)	\$77,301.00	\$12.27/sf
Average Annual Contract Rent:	63,991.18	10.16/sf
Estimated Janitorial Cost:	6,930.00	1.10/sf
Total Average Annual Effective Cost:	\$70,921.18	\$11.26/sf

● **Current Lease**

- **Location:** Obion County – 1604 West Reelfoot Avenue, Suite B, Union City, TN
- **Landlord:** Joe Robert “Bob” Hunt
- **Term:** 8 years (July 1, 2014 – June 30, 2022)
- **Area / Costs:** 6,300 Square Feet

Annual Contract Rent including Utilities:	\$59,000.00	\$ 9.37/sf
Estimated Janitorial Cost:	6,930.00	1.10/sf
Total Annual Effective Cost:	\$65,930.00	\$10.47/sf

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

**Comment:** This lease provides office space for Department of Safety Driver License Issuance and Tennessee Highway Patrol.

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

The long-term procurement is currently in the advertisement 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:** 08/20/2007 ESC Approved lease agreement  
05/20/2019 ESC Approved a lease amendment with waiver of advertisement

**Minutes:** 04/25/2022 ESC Approved a lease amendment with waiver of advertisement



DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-09-910 & 20-09-911● **Proposed Lease**

- **Location:** Pickett County– 8816 HWY 111, Suite A Byrdstown, TN
- **Landlord:** J.H. Craft Group, LLC
- **Term:** 10 years
- **Area / Costs:** 2,890 Square Feet

First Year Contract Rent	\$29,130.00	\$10.08/sf
Average Annual Contract Rent	30,330.00	10.49/sf
Estimated Annual Utility Cost	5,057.50	1.75/sf
Estimated Annual Janitorial Cost	3,179.00	1.10/sf
<b>Total Average Annual Effective Cost</b>	<b>\$38,566.50</b>	<b>\$13.34/sf</b>

● **Current Lease**

- **Location:** Pickett County– 8816 HWY 111, Suite A Byrdstown, TN
- **Landlord:** J.H. Craft Group, LLC
- **Term:** 1 year (January 1, 2022 – December 31, 2022)
- **Area / Costs:** 2,890 Square Feet

Annual Contract Rent	\$26,730.00	\$9.25/sf
Estimated Utilities Cost	5,057.50	1.75/sf
Estimated Janitorial Cost	3,179.00	1.10/sf
<b>Total Annual Effective Cost</b>	<b>\$34,966.50</b>	<b>\$12.10/sf</b>

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

**Comment:** This lease will provide office space for Department of Human Services and Department of Children's Services. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence on or before January 2023.

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

The rent increases to \$31,530 annually in years 6-10 which is an increase of \$200 per month. 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** 04/25/2022 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**

○ <b>Term:</b>	10 years with one, 1-year renewal option (June 1, 2014 – June 30, 2024)		
○ <b>Area / Costs:</b>	<u>4,051 Square Feet</u>		
	Annual Contract Rent: (Years 9-10)	\$72,918.00	\$18.00/sf
	Average Annual Contract Rent	69,769.10	14.02/sf
	Estimated Annual Utility Cost: (Years 1-8)	9,266.25	1.75/sf
	Estimated Annual Utility Cost: (Years 9-10)	7,089.25	1.75/sf
	Estimated Annual Janitorial Cost: (Years 1-8)	5,824.50	1.10/sf
	Estimated Annual Janitorial Cost: (Years 9-10)	<u>4,456.10</u>	<u>1.10/sf</u>
	Total Average Annual Effective Cost:	\$84,150.77	\$16.87/sf

● **Current Lease**

○ <b>Location:</b>	Rutherford County – 745 South Church Street, Building 7, Suites 701, 703, 705, Murfreesboro, TN		
○ <b>Landlord:</b>	Wayne Belt Properties		
○ <b>Term:</b>	8 years (June 1, 2014 – June 30, 2022)		
○ <b>Area / Costs:</b>	<u>5,295 Square Feet</u>		
○ <b>Current:</b>	Annual Contract Rent: (Years 1-5)	\$67,771.00	\$12.80/sf
	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:	<u>5,824.50</u>	<u>1.10/sf</u>
	Total Annual Effective Cost:	\$84,072.63	\$15.88/sf

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

**Comment:** This lease will provide office space for Department of Intellectual and Developmental Disabilities.

A request for waiver of advertisement and to amend the current lease by 2 years plus one 1-year renewal option for a total of 3-year extension is in the best interest of the State at this time for strategic alignment of existing in-term lease expirations for the long-term planning to effectuate a balance of portfolio and resources.

The long-term procurement is currently in the advertisement 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.

The tenant may not terminate this lease for convenience during the 2-year amended term but may terminate for convenience during the additional 1-year renewal term with 120 days prior written notice to 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:** 03/25/2019 ESC Approved lease amendment with waiver of advertisement

**Minutes:** 04/25/2022 ESC 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: 22-02-908

● **Proposed Lease**

- **Location:** Davidson County – 565 Royal Parkway, Nashville, TN
- **Landlord:** LRF2 Nash 565 Royal Pkwy LLC
- **Term:** 5 years
- **Area / Costs:** 125,259 Square Feet

● **Current License**

- **Location:** Davidson Co. – 565 Royal Parkway, Nashville, TN
- **Landlord:** LRF2 Nash 565 Royal Pkwy LLC (formerly Park Holding Management Company, LLC)
- **Term:** 2 years (September 8, 2020 – January 8, 2022) (Holdover)
- **Area / Costs:** 160,000 Square Feet

Annual Contract Rent	\$1,903,500.00	\$11.90/sf
Estimated Annual Operating Costs	332,499.96	2.08/sf
Total Annual Effective Contract Rent	\$2,235,999.96	\$13.98/sf

- **Source of Funding:** FRF
- **Procurement Method:** Negotiated
- **FRF Rate:** \$8.50

**Comment:** This lease will provide warehouse space for Tennessee Emergency Management Agency for storage of emergency supplies for natural disasters, medical emergencies, etc. This primary location serves all 95 counties.

Approval to waive of advertisement is requested for the continuity of business operations until future warehouse space needs are developed.

**Minutes:** 04/25/2022 Approval of waiver of advertisement

Approved:



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