

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
January 25, 2021

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. via WebEx electronic meeting, with the following members and Departments present. Commissioner Eley called the meeting to order at 11:00 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, participated via electronic communication
Tre Hargett, Secretary of State, participated via electronic communication
David Lillard, State Treasurer, participated via electronic communication
Jason Mumpower, Comptroller of the Treasury, participated via electronic communication

ORGANIZATION

- Department of General Services
- State Building Commission

PRESENTER

Deputy Commissioner John Hull
State Architect Ann McGauran

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

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

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

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

CONSENT AGENDA

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

- A. Agency: **University of Tennessee – Institute for Public Service (IPS)**
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement

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

- C. Agency: **Department of Intellectual & Developmental Disabilities**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and one appraisal

- D. Agency: **Department of Health**
Transaction: Disposal – Lease Amendment
Provision(s): n/a

- E. Agency: **Department of General Services**
Transaction: Disposal – Fee
Provision(s): Waiver of one appraisal

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

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 17-10-920

● **Proposed Lease**

- **Location:** Humphreys County – 1207 US Highway 70, Waverly, TN
- **Landlord:** Pedigo-Waverly Properties, L.P.
- **Term:** Seven (7) Years with one 3-year renewal option
- **Area / Costs:** 3,996 Square Feet

First Year Contract Rent	\$ 52,947.00	\$13.25/sf
Average Annual Contract Rent	53,717.57	13.44/sf
Estimated Annual Utility Cost	6,993.00	1.75/sf
Estimated Annual Janitorial Cost	4,395.60	1.10/sf
Total Average Annual Effective Cost	\$65,106.17	\$16.29/sf

● **Current Lease**

- **Location:** Humphreys County – 1203 & 1207 US Highway 70, Waverly, TN
- **Landlord:** Pedigo-Waverly Properties, L.P.
- **Term:** Ten (10) years (August 1, 2007 – July 31, 2017) Holdover
- **Area / Costs:** 7,500 Square Feet (3,996 sf - DCS)

Annual Contract Rent	\$76,200.00	\$10.16/sf
Estimated Utilities Cost	13,125.00	1.75/sf
Estimated Janitorial Cost	8,250.00	1.10/sf
Total Annual Effective Cost	\$97,575.00	\$13.01/sf

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

Comment:

The previous lease included two agencies in a total of 7,500 square feet, however this lease will provide a renovated office space for only one agency, the Department of Children's Services. Two proposals from two proposers were received and evaluated. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence in October 2022 based on the renovations needed. A short-term bridge lease will be brought forward to ESC, if needed.

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 \$5,170.32 for the 7-year base term, if all the renewal options are exercised the commission will be \$7,469.76.

Minutes:

01/25/2021

Treasurer Lillard asked for clarification of the termination fee structure for leases with this fee. Deputy Commissioner John Hull stated that these leases will require renovation work to the premises and the termination fee would be the unamortized amount of the renovation cost.

At a roll call vote all members voted aye and approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 17-10-921

● **Proposed Lease**

- **Location:** Humphreys County - 1203 US Highway 70, Waverly, TN
- **Landlord:** Pedigo-Waverly Properties, L.P.
- **Term:** Seven (7) Years with one 3-year renewal option
- **Area / Costs:** 3,551 Square Feet

First Year Contract Rent	\$ 48,293.60	\$13.60/sf
Average Annual Contract Rent	48,902.34	13.77/sf
Estimated Annual Utility Cost	6,214.25	1.75/sf
Estimated Annual Janitorial Cost	3,906.10	1.10/sf
Total Average Annual Effective Cost	\$59,022.69	\$16.62/sf

● **Current Lease**

- **Location:** Humphreys County – 1203 & 1207 US Highway 70, Waverly, TN
- **Landlord:** Pedigo-Waverly Properties, L.P.
- **Term:** Ten (10) years (August 1, 2007 – July 31, 2017) Holdover
- **Area / Costs:** 7,500 Square Feet (3,551 sf - DHS)

Annual Contract Rent	\$76,200.00	\$10.16/sf
Estimated Utilities Cost	13,125.00	1.75/sf
Estimated Janitorial Cost	8,250.00	1.10/sf
Total Annual Effective Cost	\$97,575.00	\$13.01/sf

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

Comment: The previous lease included two agencies in a total of 7,500 square feet, however this lease will provide a renovated office space for only one agency, the Department of Human Services. Two proposals from two proposers were received and evaluated. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence in October 2022 based on the renovations needed. A short-term bridge lease will be brought forward to ESC, if needed.

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 \$4,706.85 for the 7-year base term, if all the renewal options are exercised the commission will be \$6,722.20.

Minutes: 01/25/2021 At a roll call vote all members voted aye and approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 19-03-934

• **Proposed Lease**

- **Location:** Bradley County – 4625 North Lee Highway, Cleveland, TN
- **Landlord:** Nexus Acquisitions Limited, LLC
- **Term:** 10 years
- **Area / Costs:** 8,495 Square Feet

First Year Contract Rent:	\$168,201.00	\$19.80/sf
Average Annual Contract Rent	176,831.93	20.82/sf
Estimated Annual Utility Cost	14,866.25	1.75/sf
Estimated Annual Janitorial Cost	9,344.50	1.10/sf
Total Average Annual Effective Cost	\$201,042.68	\$23.67/sf

• **Current Lease**

- **Location:** Bradley County – 950 Star-vue Drive Suite A & B, Cleveland, TN
- **Landlord:** Hicks, Bender & Hicks, LLC (Par Enterprises, GP)
- **Term:** 10 years (June 1, 2008 – May 31, 2018) Holdover
- **Area / Costs:** 17,234 Square Feet (11,784 sf - DHS)

Annual Contract Rent	\$99,000.00	\$5.74/sf
Estimated Utilities Cost	24,127.60	1.40/sf
Estimated Janitorial Cost	18,957.40	1.10/sf
Total Annual Effective Cost	\$142,085.00	\$8.24/sf

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

Comment: The previous lease included two agencies in a total of 17,234 square feet, however this lease will provide a renovated office space for only one agency, the Department of Human Services. The Department of Corrections, the other tenant agency, is currently in the preliminary phase of procurement.

Three proposals from three proposers were received and evaluated. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence in June 2022 based on the renovations needed. Alternative Workplace Solutions will be implemented at this location.

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 Knox Office Realty commission is \$57,470.38 for the 10-year lease term.

Minutes: 01/25/2021 At a roll call vote all members voted aye and approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

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

Transaction Description: Transaction No. 20-12-901

● **Proposed Lease**

- **Location:** Montgomery County -100 Providence Blvd., Suite A, Clarksville, TN
- **Landlord:** Boot Hill Holding, LLC
- **Term:** 3 years
- **Area / Costs:** 9,941 Square Feet

First Year Contract Rent:	\$144,144.50	\$14.50/sf
Average Annual Contract Rent	148,120.90	14.90/sf
Estimated Annual Utility Cost	17,396.75	1.75/sf
Estimated Annual Janitorial Cost	10,935.10	1.10/sf
Total Average Annual Effective Cost	\$176,452.75	\$17.75/sf

● **Current Lease**

- **Location:** Montgomery County -100 Providence Blvd., Suite A, Clarksville, TN
- **Landlord:** Boot Hill Holding, LLC
- **Term:** 12 years (February 1, 2009 – January 31, 2021)
- **Area / Costs:** 9,941 Square Feet

Annual Contract Rent	\$144,144.50	\$14.50/sf
Estimated Utilities Cost	17,396.75	1.75/sf
Estimated Janitorial Cost	10,935.10	1.10/sf
Total Annual Effective Cost	\$172,476.35	\$17.35/sf

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

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

Rent increases in year 2 to \$15.10/sf.

The lease will retain the termination for convenience at any time upon 180 days prior written notice.

This lease is in the best interest of the State to allow continuity of operations and prevent a lease holdover while allowing time to evaluate how to best meet programmatic needs in support of the Agency’s real estate strategy.

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

Minutes: 01/25/2021 At a roll call vote all members voted aye and approved a lease with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-02-901 (DCS), 20-02-902 (DHS), 20-02-903 (TCCY)

● **Proposed Lease**

- **Location:** Maury County - 1400-1500 College Park Dr., Columbia, TN
- **Landlord:** NSI, a Tennessee general partnership
- **Term:** Ten (10) Years with one 5-year renewal option
- **Area / Costs:** 29,570 Square Feet

First Year Contract Rent:	\$544,088.00	\$18.40/sf
Average Annual Contract Rent	595,761.18	20.15/sf
Estimated Annual Utility Cost	51,747.50	1.75/sf
Estimated Annual Janitorial Cost	32,527.00	1.10/sf
Total Average Annual Effective Cost	\$680,035.68	\$23.00/sf

● **Current Lease**

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

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

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

Comment: This lease will provide a renovated office space for Department of Children’s Services, Department of Human Services and Tennessee Commission on Children and Youth. Two proposals from two proposers were received, however, one was withdrawn. Alternative Workplace Solutions has been implemented at this location. The lease is estimated to commence in November 2022 based on the renovations needed.

Rent increases in the renewal option, if exercised, to \$22.43/sf for year 11; to \$22.88 for year 12; \$23.34 for year 13; to \$23.80/sf for year 14; and \$24.28 for year 15. 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 \$81,917.16 for the 10-year base term, if all the renewal options are exercised the commission will be \$129,375.93.

Minutes: 01/25/2021 At a roll call vote all members voted aye and approved a lease

DEPARTMENT OF GENERAL SERVICES

Disposal - Lease Amendment

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

Transaction Description: Transaction No. 13-11-901

• **Proposed Amendment**

- **Term:** Thirty-One (31) years (April 23, 2014 - April 22, 2045)
- **Costs:** \$120,000 per year for the first five years with a 10% increase every five years during the term except that during the 31st year of the term the rate shall be the same as the rate during the 30th year of the term, plus annual revenue sharing payments equal to 10% of the Maintenance Contribution during the final eleven years of the term

• **Current Lease**

- **Location:** Ballpark Parking Garage and Lot 14
Davidson County, 400-498 Harrison St, Nashville, TN
- **Tenant:** Sports Authority of the Metropolitan Government of Nashville and Davidson County (Sports Authority)
- **Term:** Thirty (30) years (April 23, 2014 - April 22, 2044)
- **Costs:** \$120,000 per year for the first five years with a 10% increase every five years during the term, plus annual revenue sharing payments equal to 10% of the Maintenance Contribution during the final ten years of the term

Comment: As a result of the COVID-19 pandemic, the Sports Authority has not been able to use the ballpark to host the anticipated number of baseball games and events during this lease year. Accordingly, the Sports Authority has not made the use of the Parking Garage and Lot 14 anticipated in the lease agreement. As a result, the Sports Authority has requested that the State extend the lease term an additional year. The Sports Authority has also requested that the State waive payment of the annual Maintenance contribution for the 2020-2021 lease year (\$132,000.00). The annual Maintenance Contribution for the 31st year of the term will equal that of the 30th year of the term (\$193,261.20), and the State will also receive revenue sharing during this final lease year.

Advertisement is not required since the tenant is a government entity.

Previous Action: 12/16/2013 ESC Approved lease

Minutes: 01/25/2021 ESC At a roll call vote all members voted aye and approved a lease amendment

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) At a roll call vote all members voted aye and approved the Minutes of the Executive Subcommittee meeting held on December 18, 2020.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following five capital projects with total project cost of \$100,000 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Emergency Centennial Place Repairs
Project Description: Repair interior finishes damaged by fire and subsequent flooding from sprinkler system.
SBC Project No. 367/007-08-2020
Total Project Budget: \$465,514.00
Source of Funding: \$440,514.00 Insurance (O)
\$ 25,000.00 Plant Funds (Aux-Housing) (A)
Approval: Approved a project and utilizing a Central Procurement Office contract (Belfor) for construction
Approval Date: 12/16/2020

- 2) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Parking Lot 35 Maintenance
Project Description: Maintenance and paving to parking lot 35.
SBC Project No. 369/005-11-2019
Total Project Budget: \$330,000.00
Source of Funding: Plant Funds (Aux-Parking) (A)
Approval: Approved a revision in project budget and funding (increase \$80,000 to award a contract)
Approval Date: 12/23/2020

- 3) **State Procurement Agency:** STREAM / Department of Mental Health & Substance Abuse Services
Location: Bolivar, Tennessee
Project Title: Western MHI Toilet Replacement
Project Description: Replace existing toilets with anti-ligature fixtures to meet Joint Commission requirements and all required related work.
SBC Project No. 344/015-01-2020
Total Project Budget: \$160,000.00
Source of Funding: 20/21 MHSAS Op Funds (A)
Approval: Approved project and utilizing a Central Procurement Office contract to perform the work
Approval Date: 12/22/2020

- 4) **State Procurement Agency:** STREAM / Department of Military
Location: Smyrna, Tennessee
Project Title: Building 500 Emergency Generator
Project Description: Install a new generator, fuel storage tank, conduit, conductors, switches, and all required related work.
SBC Project No. 361/079-03-2020
Total Project Budget: \$320,000.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved a revision in project funding
Approval Date: 12/18/2020
- 5) **State Procurement Agency:** STREAM / Department of General Services
Location: Nashville, Tennessee
Project Title: RS Gass State Lab Chiller Water Pump Replacement
Project Description: Replacement of secondary chilled water pumps with new pumps, and all required related work.
SBC Project No. 529/020-01-2020
Total Project Budget: \$350,000.00
Source of Funding: 20/21 FRF CurrFunds-CapMaint (MP) (A)
Approval: Approved project and to select a designer
Approval Date: 12/21/2020

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 / West Tennessee River Basin Authority
Location: Jackson, Tennessee
Project Title: WTRBA Floodplain and Waterway Improvements
Project Description: Improvements along the Forked Deer River to increase flood plain area and restore wetlands in order to reduce flooding and new construction of public amenities, and all related work.
SBC Project No. 128/020-01-2017
Total Project Budget: \$9,635,000.00
Current Project Funding: \$5,635,000.00
Source of Funding: Federal Grant (Economic & Community Development/National Disaster Resilience Competition) (F)
Approval: Approved a revision in project funding (increase MACC and decrease Admin & Misc)
Approval Date: 12/16/2020

Approvals of Contract Amendments

- Reported the following two approvals of a consultant contract amendment in accordance with Item 2.04(C)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Military
Location: Statewide, Tennessee
Project Title: Mechanical, Electrical & Plumbing Consultant
Project Description: Consultant to support the agency for project development and associated facility needs including limited designer services.
SBC Project No. 361/000-04-2019
Total Project Budget: \$144,976.36
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved a revision in project budget and funding (reflecting available and spent fund)
Approval Date: 01/07/2021
 - 2) **State Procurement Agency:** STREAM / Department of Military
Location: Statewide, Tennessee
Project Title: Roofing Consultant
Project Description: Consultant to support the agency for project development and associated facility needs including limited design services.
SBC Project No. 361/000-05-2019
Total Project Budget: \$114,144.48
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved a revision in project budget and funding (reflecting available and spent funds)
Approval Date: 01/05/2021

Disposal Easements

- Reported the following disposal easement in accordance with Item 3.02(E) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Memphis
Grantee: Memphis Light, Gas & Water District
Type: Utility Easement
SBC Project: Student Recreation Facility
SBC No. 166/007-22-2014CM

Designer Selections

- Reported the following two designer selections for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) State Procurement Agency:** Tennessee Board of Regents / Dyersburg State Community College
Location: Dyersburg, Tennessee
Project Title: Soccer Field Installation
SBC Project No. 166/017-02-2020
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: McGehee Nicholson Burke Architects, P.C.
Approval Date: 12/18/2020
- 2) State Procurement Agency:** Tennessee Board of Regents / Dyersburg State Community College
Location: Dyersburg, Tennessee
Project Title: Baseball/Softball Training Facility
SBC Project No. 166/017-03-2020
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: McGehee Nicholson Burke Architects, P.C.
Approval Date: 12/18/2020

- 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 - Knoxville
(Window Replacements & Masonry Repairs (20/21))
Total Project Budget: \$4,500,000.00
SBC Project No. 540/009-01-2021
Designer: Lindsay & Maples, Architects, Inc. | 2) Austin Peay State University
(Structural Engineer Consultant)
Total Project Budget: Not Applicable
SBC Project No. 373/000-01-2018
Designer: Ross Bryan Associates, Inc. |
|--|---|

Other Business

There being no further business, the meeting adjourned at 11:16 a.m.

* * * * *

UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of a lease with waiver of advertisement**Transaction Description:** Transaction No. 2021-01-01• **Proposed Lease**

- **Location:** University of Tennessee – Institute for Public Service (IPS)
Anderson County – 1201 Oak Ridge Turnpike, Oak Ridge, TN
- **Landlord:** Corporate Quarters, Inc.
- **Term:** Up to one year (4 sessions – 197 nights)
- **Area / Costs:** Up to fourteen (14) two (2) bedroom units

	<u>\$/night</u>	<u>Estimated Total Cost</u>
Cost per unit (incl utilities)		
February 2, 2021-March 12, 2021	\$104/night	\$56,784
March 21, 2021-May 28, 2021	\$104/night	\$100,464
July 11, 2021-July 30, 2021	\$104/night	\$29,120
September 12, 2021-November 19, 2021	\$104/night	<u>\$100,464</u>
		\$286,832

- **Source of Funding:** Tuition and fees (O)

Comment:

The UT Law Enforcement Innovation Center (LEIC) is an agency of the University of Tennessee Institute for Public Service. LEIC expands capabilities of law enforcement personnel by providing training that improves the quality of policing. LEIC's National Forensic Academy (NFA) is an intensive, highly hands-on, and experience-based course of instruction that requires in person training to achieve the course learning objectives.

The need for fully trained Crime Scene Investigators is critical and continues even in the COVID environment. Utilizing safety protocols and social distancing, LEIC plans to offer three (3) ten (10) week sessions for professionals and one (1) three (3) week session for college students in 2021. Attendees include county, city and state police officers; state bureau of investigation staff; and DOD personnel among others from across the country and internationally. Classes began January 4, 2021 and the last session ends November 19, 2021.

Housing is provided for attendees as part of the cost of the program. The University solicited proposals for housing accommodations through the UT System Procurement bid platform which includes a public website and an email blast. One complete proposal was received, and Corporate Quarters, Inc. was selected. The nightly rate per person is lower than the state per diem rate of \$96.00 per night in Anderson County. Corporate Quarters will serve as an intermediary and provide the rooms at one of four possible apartment complexes that met the bid criteria including location within 20 minutes of the LEIC. For each session, all rooms will be located at the same apartment complex. Corporate Quarters fully furnishes the apartments including linens and kitchen appliances/utensils. The rate includes maintenance, utilities, internet service and cleaning prior to each arrival date.

Either party may terminate this agreement with 30-days prior notice. Waiver of advertisement is requested because the advertising procedures undertaken did not meet the requirements of SBC policy, but are believed to have reached interested proposers.

To accommodate classes that began January 4, 2021, a short-term agreement has been executed with Corporate Quarters, Inc. through February 2, 2021.

Minutes:

01/25/2021 Approved a lease with waiver of advertisement

DEPARTMENT OF MILITARY**Disposal – Lease (Space)****Requested Action:** Approval of disposal by lease with waiver of advertisement and appraisals**Transaction Description:** Transaction No. 18-09-005

- **Location:** Memphis Armory
Shelby County – 2630 E. Holmes Road, Memphis, TN
- **Tenant:** Central United States Earthquake Consortium (CUSEC)
- **Term:** 5 years with two (2) 5-year renewal options
- **Area / Costs:** 1.2 ± acres / \$1.00 per year

Comment: The Central United States Earthquake Consortium (CUSEC) has been occupying 7,466 square feet in an office building, detached storage building, and twelve (12) parking spaces situated on 1.2± acres of the larger Memphis Armory property since 2013 under various agreements.

The leased space serves CUSEC's mission of detecting, tracking and researching earthquakes in the area. This request for waiver of advertisement and appraisals is in the State's best interest as the CUSEC works directly with the Department of Military - Tennessee Emergency Management Agency to coordinate and mitigate emergencies related to seismic activity. Military also requests that CUSEC be authorized to sublease a portion of the leased space to the U.S. Army Corps of Engineers (USACE) for storage and emergency parking.

Either party may terminate this lease for convenience at any time with 90 days written notice. Tenant responsible for all operational and maintenance costs; and landlord can require Tenant to relocate.

This proposed lease will not negatively impact the State's operations.

Date of Last Transfer:	10/9/1979
Original Cost to State:	\$1,500.00 (larger parcel)
Square Footage Improvements:	7,466 sf

Minutes: 01/25/2021 Approved disposal by lease with waiver of advertisement and appraisals

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES**Disposal – Fee**

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

Transaction Description:

Transaction No. 20-10-007

- **Location:**

Clover Bottom Campus – Former Knights of Columbus Building

Davidson County – 4.00 +/- acres – 3,282sf Residential Office Building, 940sf Detached Garage

Portion of 3021 Lebanon Pike, Nashville, TN

- **Grantee**

Young Men's Christian Association (YMCA)

- **Estimated Sale Price:**

Fair Market Value

Comment:

This property has been determined to be surplus to the Department's needs. It was previously leased to the Knights of Columbus (KOC) to allow the KOC to construct and operate a housing facility for the handicapped and/or elderly. However, KOC defaulted under the terms of the lease, and the property reverted to State control on December 18, 2019.

The property is an inholding on the same campus as the Tennessee Law Enforcement Training Facility, Clover Bottom Mansion and the Tennessee School for the Blind. The parcel has no direct access from Lebanon Road and is accessible only through the Clover Bottom campus, or alternatively through an adjacent property owned by the YMCA. Through the years, there have been several license agreements between the State and the YMCA for use of the Clover Bottom campus for YMCA program initiatives. As a result of this partnership, the YMCA would like to purchase the KOC property from the State.

The lack of public access to the property impairs its marketability and utility to potential purchasers. There are also concerns about vandalism and unlawful occupancy because the State is not actively using the improvements. The YMCA, a contiguous landowner with alternative access, has requested to purchase the property and use it as office space in furtherance of the mission on the YMCA. Because sale to the YMCA will allow the State to block the private drive and divest the State of the financial burden and liability risk imposed by this property, waiver of advertisement is requested.

The proceeds will be deposited into the Intellectual and Development Disabilities Trust Fund in accordance with TCA §12-2-117.

Date of Last Transfer:	04/01/1949
Previous Owner:	Clover Bottom Estates, Inc.
Original Cost to State:	\$148,251.71 (Larger Parcel)
Square Footage Improvements:	3,282 sf Residential Office Building (1992) 940 sf Detached Garage (1980s)

Minutes: 01/25/2021 Approved disposal in fee with waiver of advertisement and one appraisal

DEPARTMENT OF HEALTH**Disposal - Lease Amendment****Requested Action:** Approval of a lease amendment**Transaction Description:** Transaction No. 20-10-011● **Proposed Amendment**

- **Term:** Twenty-five (25) years (July 15, 2001 – July 14, 2026) plus unlimited five (5) year extension options

● **Current Lease**

- **Location:** Post Mortem Examination Facility
850 R.S. Gass Blvd, Nashville, TN
- **Tenant:** Metropolitan Government of Nashville (Metro)
- **Term:** Twenty (20) years (July 15, 2001 - July 14, 2021) plus unlimited five (5) year extension options
- **Area / Costs:** Post Mortem Examination Facility (contains 20,000+/-sf)
Monthly installments based on level debt service to be satisfied by July 14, 2021 and \$1.00/year thereafter plus pro rata share of operating expenses

Comment: Metro has notified the State of their intent to extend the lease an additional five (5) years and has requested a tenant alteration of the facility pursuant to Section 9 of the lease. This second amendment will include the following modifications to the lease:

- Tenant alteration for a new and expanded cooler for storage of decedents with language that the State shall not reimburse for any on-going repairs and maintenance related to the new cooler.
- Clarify that the Commissioner of DGS has the authority to approve future tenant alteration requests.
- Limit the State's maximum monthly reimbursement for utilities to \$9,600.

Advertisement is not required since the tenant is a government entity.

Previous Action: 12/21/1998 ESC Approved lease
11/19/2001 ESC Approved lease amendment

Minutes: 01/25/2021 ESC Approved a lease amendment

DEPARTMENT OF GENERAL SERVICES**Disposal – Fee****Requested Action:** **Approval of disposal in fee with waiver of one appraisal****Transaction Description:** Transaction No. 20-03-014

- **Location:** Davidson County – 5.93 +/- acres – 900 / 1000 2nd Avenue North Nashville, TN
- **Estimated Sales Price:** Fair Market Value

Comment: This property has been determined to be surplus to the Department's needs.

The building located at 1000 2nd Avenue was destroyed in the March 2020 tornado. The building at 900 2nd Avenue was damaged by the tornado and deemed unfit for occupancy. Both properties and the two programs, Department of Children's Services and Department of Human Services, utilizing the buildings have been under review for some time for consideration of program relocation and disposal or real property.

The programs impacted by the tornado have already been relocated into other available state spaces, however further action will be required to address the long-term solutions for these needs at a later date.

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:	December 27, 1994
Previous Owner:	Downtown Business Center, a Joint Venture
Original Cost to State:	\$5,000,000.00
Square Footage Improvements:	80,097 sf (900 Bldg. 36,651, 1000 Bldg. 44,436)

Minutes: 01/25/2021 Approved disposal in fee with waiver of one appraisal

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 19-02-923● **Proposed Lease**

- **Location:** Rutherford County - 434 Jayhawk Court, Murfreesboro, TN
- **Landlord:** CHR, LLC
- **Term:** Seven (7) Years with one 3-year renewal option
- **Area / Costs:** 17,557 Square Feet

First Year Contract Rent:	\$240,355.33	\$13.69/sf
Average Annual Contract Rent	255,267.09	14.54/sf
Estimated Annual Utility Cost	30,724.75	1.75/sf
Estimated Annual Janitorial Cost	19,312.70	1.10/sf
Total Average Annual Effective Cost	<u>\$305,304.54</u>	<u>\$17.39/sf</u>

● **Current Lease**

- **Location:** Rutherford County - 434 Jayhawk Court, Murfreesboro, TN
- **Landlord:** CHR, LLC
- **Term:** Thirteen (13) years (January 1, 2010 – December 31, 2022)
- **Area / Costs:** 18,477 Square Feet

Annual Contract Rent	\$ 202,100.00	\$10.94/sf
Estimated Utilities Cost	32,334.75	1.75/sf
Estimated Janitorial Cost	20,324.70	1.10/sf
Total Average Annual Effective Cost	<u>\$254,759.45</u>	<u>\$13.79/sf</u>

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

Comment:

This lease will provide a renovated office space for Department of Children's Services. Five proposals from four proposers were received, however two were withdrawn. Three proposals were evaluated. Alternative Workplace Solutions has been implemented at this location. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence in November 2022 based on the renovations needed.

Rent increases in the renewal option, if exercised, to \$15.73/sf for year 8; to \$16.04 for year 9; and \$16.36 for year 10.

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 \$24,569.46, for the 7-year base term, if all the renewal options are exercised the commission will be \$36,187.58.

Minutes: 1/25/2021 Approved a lease

Approved:



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