

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
March 21, 2022

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 11:02 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 General Services
- State Building Commission

PRESENTER

Assistant Vice President Austin Oakes
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: **Tennessee State University**
Transaction: Disposal – Lease (Land)
Provision(s): n/a

- B. Agency: **University of Tennessee Health Science Center**
Transaction: Disposal – Lease Amendment
Provision(s): n/a

- C. Agency: **University of Tennessee Health Science Center**
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and appraisals

- D. Agency: **University of Tennessee Health Science Center**
Transaction: Disposal – Easement (Utility)
Provision(s): Waiver of advertisement and appraisals

- E. Agency: **University of Tennessee Health Science Center**
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement

- F. Agency: **University of Tennessee Institute of Agriculture**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and one appraisal

- G. Agency: **Tennessee Historical Commission**
Transaction: Acquisition – Easement (Conservation)
Provision(s): Waiver of advertisements and appraisals

- H. Agency: **Department of Agriculture**
Transaction: Acquisition – Easement (Conservation)
Provision(s): Waiver of advertisement and one appraisal

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

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

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

UNIVERSITY OF TENNESSEE

Acquisition – Fee (Gift)

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

Transaction Description: Transaction No. 21-03-006

- **Location:** University of Tennessee Chattanooga (UTC)
Hamilton County - 1.02 +/- acres – East 3rd Street, Chattanooga, TN
- **Owner(s):** Hamilton County
- **Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Aux) (A) - REM Fees

Comment: This parking lot is adjacent to university property. Subject to reversionary language related to the use of the property, Hamilton County has agreed to gift the property to the university. Hamilton County will have the right to use the lot for parking under a license agreement until the Campus develops the property.

This property is in UTC's 2013 Campus Master Plan.

Date of Last Transfer:	March 01, 1985
Purchase Price:	Unknown
Property Assessor's Value:	\$228,300
Square Footage Improvements:	None

Minutes: 03/21/2022 Approved acquisition in fee with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEE

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 21-11-002

- **Location:** University of Tennessee Southern (UTS)
Giles County – 0.27 +/- acres – 600 West Madison St, Pulaski, TN
- **Owner(s):** Wei Li Zhengrong etux Charles
- **Purchase Price:** Fair Market Value
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: This property is a strategic priority for the campus as it owns all of the Madison Street property on this block with this one exception. The house would be demolished, and the campus plans to use the property for additional parking in the short-term and new residential or office space long-term.

The land acquisition plan for the University of Tennessee Southern was revised and approved by THEC Executive Director on March 8, 2022 to accommodate this purchase.

Date of Last Transfer:	September 22, 2018
Purchase Price:	unknown
Property Assessor's Value:	\$161,100
Square Footage Improvements:	3,185

Minutes: 03/21/2022 Approved acquisition in fee with waiver of advertisement and one appraisal

UNIVERSITY OF TENNESSEE

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 21-12-005

- **Location:** University of Tennessee Southern (UTS)
Giles County – 0.32 +/- acres – 409 West Flower St, Pulaski, TN
- **Owner(s):** Umbrella Properties LLC
- **Purchase Price:** Fair Market Value
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: This property is located on the southern edge of campus and includes a 4,148 +/- square foot residential structure. UT Southern plans to use the house as a Student Resource Center and repurpose the existing Student Resource Center into office space for faculty and staff. The building is in overall good condition but may require some interior improvements.

The land acquisition plan for the University of Tennessee Southern was revised and approved by THEC Executive Director on March 8, 2022 to accommodate this purchase.

Date of Last Transfer:	October 19, 2020
Purchase Price:	\$190,000
Property Assessor's Value:	\$209,800
Square Footage Improvements:	4,148

Minutes: 03/21/2022 Approved acquisition in fee with waiver of advertisement and one appraisal

UNIVERSITY OF TENNESSEE

Acquisition – Lease Amendment

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

Transaction Description: Transaction No. 2022-03-01

● **Proposed Amendment**

- **Term:** 45 years (July 1, 1987 – June 30, 2032) with four (4) five (5) year extension options
- **Area / Costs:** Space on radio tower and within building
Year 36 Annual Contract Rent: (plus utilities) \$27,000.00
Average Annual Contract Rent: (plus utilities) \$18,477.63

● **Current Lease**

- **Location:** University of Tennessee - Knoxville (UTK)
Memorial Park Drive, Knoxville, TN
- **Landlord:** WBIR-TV, LLC (as successor in interest to Gannett Pacific Corporation)
- **Term:** 35 years (July 1, 1987 – June 30, 2022)
- **Area / Costs:** Space on radio tower and within building
Annual Rent (plus utilities) \$14,525.11

- **Source of Funding:** Plant Funds (Non-Aux) (A) and Gifts
- **Procurement Method:** Negotiated
- **FRF Rate:** NA

Comment: In 1987, UTK leased space on the transmitter tower and within the building for WUOT 91.9 FM which is licensed to the University of Tennessee and has been a public service of UT since 1949. The station is a charter member of National Public Radio (NPR) and was one of the first non-commercial FM radio stations in the Southeast. The lease rate increases 4% each year.

Waiver of advertisement is requested due to the unique nature of the lease, this location is best suited for WUOT's transmission needs and the significant cost to remove and relocate the antenna.

Previous Action: 03/23/1987 Approved lease agreement

Minutes: 03/21/2022 Commissioner Eley asked about the history of the radio tower lease. Mr. Austin Oakes replied that they have been in this facility since 1987 under extensions on the current lease. The current lease would expire in June of this year and UT is seeking to extend the lease 10 years with an allowance for additional extension options so that they can continue operations in the facility.

The Subcommittee approved a lease amendment with waiver of advertisement and appraisals.

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2020-10-01

• **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK)
Knox County – approximately 37,000 sf - UT Research Park, Knoxville TN
- **Landlord:** Innovation South Partners, LLC (ISP)
- **Term:** 50 years ending December 31, 2072 with one (1) forty (40) year option to extend
- **Area/Costs:** See comment section below.

- **Source of Funding:** Plant Funds (Non-Aux) (A)
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00/sf (for reference only)

Comment:

The University of Tennessee – Knoxville has the need for approximately 37,000 square feet of research space that includes a high-bay conditioned area. The space is needed for use by the Governors Chair in Advanced Composites Manufacturing who also serves as the Director of the Fibers and Composites Manufacturing Facility. This facility will provide space to grow research and development partnerships, collaborate innovation and talent development for the university and State of Tennessee, and serve as an expertise bridge between Oak Ridge National Labs and the Manufacturing Demonstration Facility.

ISP plans to construct an approximately 84,000 +/- square foot building at the UT Research Park at Cherokee Farm. UTK would lease approximately 37,000 +/- square feet of the facility and the remainder would be spec space leased by ISP to private companies and research related entities that would likely partner with UTK.

The total estimated construction cost is \$32.4M which includes \$18.6M to build the UTK space. UTK’s payments to ISP would include prepaid rent, annual rent costs and common area maintenance (CAM) charges. The prepaid rent would be made in four equal installments of \$4.654M with the final installment made when the certificate of occupancy is issued. The annual rental rate is \$7.91/sf or \$291,582 per year with a 2% annual escalation. CAM charges are estimated to be \$3.73/sf or \$137,499 per year and will be reconciled annually.

Janitorial service for the office portion of UTK’s space and all utilities will be provided by ISP and reimbursed by UTK as part of the CAM charge. In years 1-40 of the lease, ISP is responsible for capital replacement, maintenance and repair of the building and all building systems except HVAC, plumbing and specialty lighting in the high bay area. Beginning in year 41 of the lease, UTK will be responsible for capital replacement, maintenance and repair for the building and building systems except for the foundation, load bearing walls, fire alarm, fire protection system, security system and the parking lot.

UTK has the right to review and approve the design plans for the UTK space. If the construction costs exceed the estimated guaranteed maximum price (GMP), UTK and ISP will attempt to reduce the cost through value engineering. If the GMP is greater than 5%

of the estimated amount, UTK may terminate the lease and pay costs incurred by ISP or seek the appropriate university and state approvals and execute the lease.

The Recognition Agreement is an exhibit to the ISP Lease, and the document that is signed by UT, UTRF, CFDC, the developer and the developer's lender to grant the University rights with the lender. This document includes edits that are technical, however, we anticipate that the lender may request further edits related to the length of the cure period in Section 8. We ask the SBC to approve further revisions to the Recognition Agreement that 1) cap the timeframe for UT to cure the developer's default before foreclosure and 2) either in addition to or in lieu of the cure rights, grant UT the first right to purchase the note to avoid foreclosure.

Previous Action: 10/19/2020 Approval of a waiver of advertisement

Minutes: 03/21/2022 Secretary Hargett asked for an explanation as to why the University would choose to prepay \$18.6 million in rent. Mr. Oakes stated that this was mentioned when the item came to the Commission in October 2020 and the reason UT is proposing to prepay rent is because UT has funds in hand in the form of residual funds for research activities. Today, if these funds were invested in accordance with the government guidelines, they would earn relatively low interest rates. Conversely, if they decide to have the builder provide the debt service coverage, they will be paying 3%-4% plus percent to go out on the commercial market to secure the debt for the project. This would be included in the lease payments therefore it is more economically sound to use funding UT has in hand and reduce the overall cost of the project.

Secretary Hargett asked if there is a provision to recoup the prepaid rent if UT terminates the lease. Mr. Oakes replied that the unpaid portion of the prepaid rent would all return to UT. UT would be responsible for the costs incurred in designing the project. Just like if this were a state managed project where they would have paid the designer, engineers, surveyors; UT would be responsible for paying those expenses if they were to terminate.

The Subcommittee approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-07-906 & 20-07-907

● **Proposed Lease**

- **Location:** McNairy County – 855 East Poplar Avenue, Selmer, TN
- **Landlord:** Pedigo-Selmer Properties, L.P.
- **Term:** 10 years
- **Area / Costs:** 8,216 Square Feet

First Year Annual Contract Rent	\$134,742.40	\$16.40/sf
Average Annual Contract Rent	109,765.76	13.36/sf
Estimated Annual Utility Cost	14,378.00	1.75/sf
Estimated Annual Janitorial Cost	9,037.60	1.10/sf
Total Average Annual Effective Cost	\$133,181.36	\$16.21/sf

● **Current Lease**

- **Location:** McNairy County – 855 East Poplar Avenue, Selmer, TN
- **Landlord:** Pedigo-Selmer Properties, L.P.
- **Term:** 13 years (January 1, 2012 – December 31, 2024)
- **Area / Costs:** 6,016 Square Feet

Annual Contract Rent	\$55,264.20	\$9.19/sf
Estimated Utilities Cost	8,422.40	1.40/sf
Estimated Janitorial Cost	6,617.60	1.10/sf
Total Annual Effective Cost	\$82,304.20	\$11.69/sf

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

Comment: This lease will provide office space for Department of Human Services and Department of Children’s Services. One proposal from one proposer was received and evaluated. The proposed location will be renovated and expanded to meet the State’s needs. The lease is estimated to commence on or before January 2025.

The tenant may terminate this lease for convenience at any time with 120 days written notice to the Landlord after the 60th 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: 03/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-01-905

• **Proposed Lease**

- **Location:** Washington County – 195 Freckles Court, Johnson City, TN
- **Landlord:** David K. Quillen
- **Term:** 10 years with one 1-year renewal option
- **Area / Costs:** 12,700 Square Feet

First Year Annual Contract Rent	\$225,044.00	\$17.72/sf
Average Annual Contract Rent	229,235.00	18.05/sf
Estimated Utilities Cost	22,225.00	1.75/sf
Estimated Janitorial Cost	13,970.00	1.10/sf
Total Average Annual Effective Cost	\$265,430.00	\$20.90/sf

• **Current Lease**

- **Location:** Washington County – 195 Freckles Court, Johnson City, TN
- **Landlord:** David K. Quillen
- **Term:** 15 years (April 1, 2009 to March 31, 2024)
- **Area / Costs:** 9,534 Square Feet

First Year Annual Contract Rent	\$107,112.00	\$11.23/sf
Average Annual Contract Rent	110,703.00	11.61/sf
Estimated Utilities Cost	16,684.50	1.75/sf
Estimated Janitorial Cost	10,487.40	1.10/sf
Total Average Annual Effective Cost	\$137,874.90	\$14.46/sf

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

Comment: This lease will provide office space for the Department of Correction. Two proposals from two proposers were received and evaluated. The proposed location will be expanded and renovated to meet the State’s needs. The lease is estimated to commence on or before March 2024 based on the renovations needed.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a 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 broker commission is \$37,183.14 for the 10-year term, if the option is exercised the commission will be \$41,101.86.

Minutes: 03/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-09-903

• **Proposed Lease**

- **Location:** Wilson County – 155 Legends Dr., Lebanon, TN
- **Landlord:** Legends Properties, LLC
- **Term:** 10 years with three, 1-year renewal options
- **Area / Costs:** 4,659 Square Feet

First Year Annual Contract Rent	\$71,049.75	\$15.25/sf
Average Annual Contract Rent	72,820.17	15.63/sf
Estimated Utility Cost	8,153.25	1.75/sf
Estimated Janitorial Cost	5,124.90	1.10/sf
Total Average Annual Effective Cost	\$86,098.32	\$18.48/sf

• **Current Lease**

- **Location:** Wilson County – 155 Legends Dr., Lebanon, TN
- **Landlord:** Legends Properties, LLC
- **Term:** 12 years (March 1, 2012 – February 28, 2024)
- **Area / Costs:** 6,515 Square Feet

Annual Contract Rent	\$61,000.00	\$9.36/sf
Estimated Utilities Cost	11,401.25	1.75/sf
Estimated Janitorial Cost	7,166.50	1.10/sf
Total Annual Effective Cost	\$79,567.75	\$12.21/sf

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

Comment: This lease will provide office space for Department of Human Services. Three proposals from three proposers were 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 December 2023.

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 \$10,012.77 for the 10-year base term, if all three renewal options are exercised the commission will be \$13,181.88.

Minutes: 03/21/2022 Approved a lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on February 28, 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 Institute of Agriculture
Location: Knoxville, Tennessee
Project Title: McCord Hall Suite Upgrades
Project Description: Upgrades of existing finishes along with an addition of a sound masking system. Includes all related work to complete the project.
SBC Project No. 540/001-06-2022
Total Project Budget: \$50,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a previously selected designer (Community Tectonics Architects, Inc.) and Campus Resources and System Procurement for construction
Approval Date: 03/02/2022
 - 2) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Kingston Pike Building Office Upgrades
Project Description: Renovation of office space, includes all related work to complete the project.
SBC Project No. 540/009-10-2022
Total Project Budget: \$72,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing a previously selected designer (The Lewis Group Architects, Inc. P.C.) and Campus Resources and System Procurement for construction
Approval Date: 02/28/2022
- Reported the following twelve 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:** Tennessee Board of Regents / Southwest Tennessee Community College
Location: Memphis, Tennessee
Project Title: Exterior Sign Replacement
Project Description: Replace exterior digital marquee signs at various locations.
SBC Project No. 166/033-02-2022
Total Project Budget: \$318,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a consultant (HNA Engineering) for design
Approval Date: 02/25/2022

- 2) **State Procurement Agency:** Tennessee Board of Regents / Southwest Tennessee Community College
Location: Memphis, Tennessee
Project Title: HVAC Ultraviolet Installation
Project Description: Install ultraviolet disinfection system in air handler units.
SBC Project No. 166/033-03-2022
Total Project Budget: \$400,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a consultant (HNA Engineering) for design
Approval Date: 02/28/2022
- 3) **State Procurement Agency:** Middle Tennessee State University
Location: Murfreesboro, Tennessee
Project Title: Emergency – Sims Hall Roof Replacement
Project Description: Roof replacement of the upper roof at Sims Hall needed due to storm damage that is beyond repair.
SBC Project No. 366/009-02-2022
Total Project Budget: \$300,000.00
Source of Funding: Plant Funds (Aux-Housing) (A)
Approval: Approved project utilizing a previously selected designer (M. Shanks Architects) and campus procurement for construction
Approval Date: 03/04/2022
- 4) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Field House Gym HVAC
Project Description: Add rooftop HVAC to auxiliary gyms in the Field House used for academic classes.
SBC Project No. 367/007-01-2022
Total Project Budget: \$350,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 03/07/2022
- 5) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Center for Physical Activity Flooring Replacement
Project Description: Replace existing performance sports flooring.
SBC Project No. 369/005-02-2022
Total Project Budget: \$495,000.00
Source of Funding: Plant Funds (Aux-Student Fees) (A)
Approval: Approved project and utilizing Campus Resources for design and utilizing Campus Procurement for construction
Approval Date: 03/07/2022
- 6) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Wartburg, Tennessee
Project Title: Cumberland Forest Manager Residence
Project Description: Renovation of and addition to the residence. Includes all related work to complete the project.
SBC Project No. 540/001-05-2022
Total Project Budget: \$245,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 03/01/2022

- 7) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Vivarium Facilities HVAC Upgrades
Project Description: Upgrades of the HVAC and electrical systems, serving vivarium facilities in Ken and Blaire Mossman Building, Jessie W. Harris Building, and Hesler Biology Building. *Includes equipment in the Mossman Building, and all related work to complete the project.*
SBC Project No. 540/009-08-2022
Total Project Budget: \$384,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project scope, budget, and funding (increased budget by \$64,000.00)
Approval Date: 02/28/2022
- 8) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Law Complex: Law Library and Classroom Addition Upgrades
Project Description: Upgrades of the Law Complex: Law Library and Classroom Addition Building finishes.
SBC Project No. 540/009-11-2022
Total Project Budget: \$104,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Consultant (Dollars & Ewers Architecture, Inc.) for design and Campus Resources and System Procurement for construction
Approval Date: 02/25/2022
- 9) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Alpha Delta Pi Sorority House Restroom Renovation
Project Description: Renovation of restrooms, including all work to complete the project.
SBC Project No. 540/009-12-2022
Total Project Budget: \$145,000.00
Source of Funding: Plant Funds (Aux-Sorority) (A)
Approval: Approved project and to select a designer
Approval Date: 03/01/2022
- 10) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: SERF Cooling Tower Upgrades
Project Description: Upgrades of the cooling towers at the Science & Engineering Building (SERF) chilled water plant. Includes all work to complete the project.
SBC Project No. 540/009-13-2022
Total Project Budget: \$150,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing Campus Consultant (I.C. Thomasson Associates, Inc.) for design and Campus Resources and System Procurement for construction
Approval Date: 03/01/2022

- 11) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Pickwick Dam, Tennessee
Project Title: Pickwick Landing State Park Dock and Fishing Pier
Project Description: Replace the fishing pier by the boat launch ramp and install a new floating dock system at Pickwick Landing State Park and all required related work.
SBC Project No. 126/079-01-2022
Total Project Budget: \$200,000.00
Source of Funding: 21/22 TWRA Op Funds (A)
Approval: Approved project utilizing Agency Resources for design and construction
Approval Date: 03/09/2022
- 12) **State Procurement Agency:** STREAM / Department of Veterans Services
Location: Nashville, Tennessee
Project Title: Realign and Clean Headstones – Middle TN Cemetery
Project Description: Raise, realign, reset, and clean headstones, associated landscape repair, and all related work.
SBC Project No. 682/000-03-2012
Original Project Budget: \$210,000.00
Total Project Budget: \$ 0.00
Source of Funding: Federal (F)
Approval: Approved cancellation of the project
Approval Date: 03/07/2022

Approvals of Revisions to Existing Capital Projects

- Reported the following approval of an alternate construction delivery method in accordance with Item 2.04(B)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Andy Holt Tower Renovations
Project Description: This project will renovate Andy Holt Tower offices. Renovations include changes in room layouts and finishes along with electrical and miscellaneous building system improvements.
SBC Project No. 540/009-23-2021
Total Project Budget: \$1,350,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved utilizing Campus Resources and System Procurement for construction
Approval Date: 02/23/2022
- 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 Environment & Conservation
Location: Wartburg, Tennessee
Project Title: Frozen Head State Park Stonecipher Kelly House Repair
Project Description: Building restoration, landscaping, site improvements, and all related work.
SBC Project No. 126/039-01-2018
Total Project Budget: \$1,450,000.00
Source of Funding: 18/19 CurrFunds-CapMaint (A/R)
Approval: Approved a revision in project funding (increased MACC by \$90,190.00)
Approval Date: 03/01/2022

- Reported the following approval of an addition of scope for capital project in accordance with Item 2.04(B)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Statewide, Tennessee
Project Title: Statewide Bathhouse and Restroom Replacements
Project Description: Replace existing non-ADA compliant bathhouses and restrooms with compliant pre-engineered modular bathhouses and restrooms at six state parks including all required related work.
SBC Project No. 126/000-03-2021
Total Project Budget: \$2,980,000.00
Source of Funding: 21/22 CurrFunds-CapMaint (A)
Approval: Approved a revision in scope (removed Roan Mountain State Park and added Fall Creek Falls State Park)
Approval Date: 03/01/2022

Approvals of Acquisitions and Disposals of State Property

- Reported the following disposal easement in accordance with Item 2.04(E)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 21-11-006
Location: Sycamore Shoals State Historic Park (SSSHP)
 Carter County – 15' x 2,323' (34,848 sf or 80 ± acres) permanent easement – 1651 West Elk Avenue, Elizabeth, TN
Grantee: Atmos Energy Corporation
Estimated Sale Price: Fair Market Value
Source of Funding: Atmos Energy Corporation (REM Fees) (O)
Approval: Approved disposal by easement with waiver of advertisement and one appraisal
Approval Date: 02/28/2022

Report Item

- Reported the following reversion of property to the University of Tennessee Knoxville (UTK):

Location: Franklin County – 10,200+/- square feet – Elk River Dam Road, Tullahoma, TN

Comment: In 1989, the University of Tennessee leased approximately 4.22 acres of land on the UT Space Institute campus to Tennessee Technology Foundation, a Tennessee not-for-profit corporation (TTF). TTF constructed a facility for use as the Center for Advanced Space Propulsion under control of the UT Center for Aerospace Research. The ground lease has terminated and the building will revert to UTK. Since the ground lease was not approved by SBC ESC, this action is being reported.

The building is in generally good condition except for the roof and some cosmetic repairs. The HVAC system has been recently replaced and the building is structurally sound.

Treasurer Lillard asked about the current status of this roof. Mr. Oakes stated that the roof is approaching the end of its useful life and they anticipate replacing it in the near future. Treasurer Lillard asked if they had an estimate on the cost and Mr. Oakes replied that they don't have an estimate at this point. State Architect McGauran asked if there were any active leaks and Mr. Oakes replied that it is at the end of its useful life but doesn't know if there are any leaks.

Designer Selections

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

- 1) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Wartburg, Tennessee
Project Title: Cumberland Forest Manager Residence
SBC Project No. 540/001-05-2022
Total Project Budget: \$245,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: Oysk3 architects
Approval Date: 03/03/2022

- 2) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Alpha Delta Pi Sorority House Restroom Renovation
SBC Project No. 540/009-12-2022
Total Project Budget: \$145,000.00
Source of Funding: Plant Funds (Aux-Sorority) (A)
Designer: Baxter Architecture & Design, LLC
Approval Date: 03/03/2022

- 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) TN College of Applied Technology – Statewide
 (TCAT Capacity Initiatives – Middle Region)
 Total Project Budget: \$16,212,000.00
 SBC Project No. 166/000-01-2022
 Designer: Hurst-Roche, Inc.</p> | <p>5) TN College of Applied Technology – Elizabethton
 (Boones Creek Extension Campus)
 Total Project Budget: \$8,935,000.00
 SBC Project No. 166/052-01-2022
 Designer: Reedy & Sykes Architecture and Design</p> |
| <p>2) TN College of Applied Technology – Statewide
 (TCAT Capacity Initiatives – West Region)
 Total Project Budget: \$16,212,000.00
 SBC Project No. 166/000-01-2022
 Designer: Clark + Associates, Architects</p> | <p>6) Volunteer Training Site – Smyrna
 (VTS Smyrna Building 541 Facility Update)
 Total Project Budget: \$580,000.00
 SBC Project No. 361/079-01-2022
 Designer: Design House 1411, LLC</p> |
| <p>3) Tennessee State University
 (Farrell-Westbrook Laboratories)
 Total Project Budget: \$810,000.00
 SBC Project No. 166/001-01-2022
 Designer: Moody Nolan, Inc.</p> | <p>7) Cockrill Bend
 (Multi Agency Law Enforcement Training Academy)
 Total Project Budget: \$370,920,000.00
 SBC Project No. 529/017-01-2021
 Designer: Tuck-Hinton Architects, PLC</p> |
| <p>4) Dyersburg State Community College
 (Surgical Technician Renovation)
 Total Project Budget: \$610,000.00
 SBC Project No. 166/017-01-2022
 Designer: ANF Architects, Inc.</p> | |

Other Business

There being no further business, the meeting adjourned at 11:17 a.m.

TENNESSEE STATE UNIVERSITY**Disposal – Lease (Land)****Requested Action:** Approval of lease and easement**Transaction Description:** Transaction No. 332.77-22.3147-3149

- **Location:** TSU – Avon Williams Campus
Davidson County - 330 10th Ave. S., Nashville, TN
- **Tenant:** TN Volunteer Owner, LLC, an affiliate of SLR Holdings, LLC dba StreetLights Residential (Tenant)
- **Term:** 42 months following the rent commencement date under the Lease, plus extensions for construction delays (with an anticipated construction start within 36 months of execution)
- **Area / Costs:** 0.63 +/- acres (53 approximate spaces)
Annual Contract Rent \$63,600.00 \$100.00/space
- **Procurement Method:** Negotiated

Comment: TSU is requesting to lease a portion of TSU's Avon Williams Campus parking lot and grant an easement for crane activities. The lease would encompass an area that includes 53 parking spaces and associated drive aisles. Tenant is under contract to purchase the adjacent property and needs to utilize a portion of the TSU parking lot in order to construct a residential tower on that adjacent property. TSU and Tenant have developed a plan to mitigate the impact of the lost parking spaces, and TSU does not believe that a lease for the stated term will hamper TSU's current or future operations at this campus.

TSU does not consider this property to be surplus and is only interested in leasing space to Tenant for the stated term because of the additional benefits to TSU from such a relationship, including monthly lease payments, and affiliated agreement which will provide scholarship funding, academic opportunities, and paid internship opportunities for TSU students.

TSU has researched the average long-term parking costs in downtown Nashville and believes that the rate it will receive from Tenant for the stated term of the lease will equal that average.

Previous Action 05/24/2021 Approved waiver of advertisement and appraisals**Minutes:** 03/21/2022 Approved lease and easement

UNIVERSITY OF TENNESSEE**Disposal - Lease Amendment****Requested Action:** Approval of a lease amendment**Transaction Description:** Transaction No. 20-10-010

- **Proposed Amendment**

- **Location:** No change but tenant has requested a lease amendment to include a survey of the leased premises.

- **Current Lease**

- **Location:** University of Tennessee - Health Science Center (UTHSC), Shelby County — 23 parcels on 0 Jefferson Avenue, 0 N Orleans Avenue, 0 Orleans Avenue, 0 Court Avenue, 951 Court Avenue, 740 Court Avenue, 22 N Orleans, 706 Madison Avenue, 710 Madison Avenue, 714 Madison Avenue, 0 Madison Avenue, and 694-704 Madison Avenue, Memphis, TN
- **Tenant:** Memphis Medical District Apartments, GP (MMDA) with Henry Turley as managing partner
- **Term:** Thirty (30) years with two (2) 15-year extension options
- **Area / Costs:** 10.22 +/- acres; \$247,500/year with 5% increase every five (5) years; environmental remediation and mitigation costs – see comment below
- **Source of Funding:** Plant Funds (Non-Aux) (A) - environmental remediation and mitigation costs

Comment: MMDA has started construction and is securing financing. MMDA's lender has requested a lease amendment to add a metes and bounds legal description of the property in the lease agreement. This legal description, which does not modify that area, would replace Exhibit A in the lease agreement.

This amendment does not modify any other terms or conditions of the lease agreement.

Previous Action:

12/19/2016	Approved issuing a Request for Proposal for disposal by lease (TR No. 16-10-017)
09/28/2017	Approved issuing a revised Request for Proposal for disposal by lease (TR No. 16-10-017)
03/25/2019	Approved disposal by lease with waiver of appraisals (TR No. 16-10-017)
10/31/2019	Approved acquisition in fee with waiver of advertisement and one appraisal (TR No. 20-10-010)
11/23/2020	Approved issuing a Request for Proposal for disposal by lease (Transaction 20-10-010)
11/23/2020	Approved a lease amendment with waiver of advertisement (TR No. 16-10-017) – extend Inspection Period – 1 st amendment
03/22/2021	Approved a lease amendment with waiver of advertisement (TR No. 16-10-017 and TR No. 20-10-010) – add Trolley Stop-Enviro – 2 nd Amendment

Minutes: 03/21/2022 Approved a lease amendment

UNIVERSITY OF TENNESSEE**Disposal – Easement (Utility)**

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

Transaction Description: Transaction No. 22-03-004

- **Location:** University of Tennessee – Health Science Center (UTHSC)
Shelby County – 0.36 +/- acres – various locations
- **Grantee:** Memphis Light Gas & Water (MLGW)
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: These easements will allow MLGW to provide utilities for the Memphis Medical District Apartments, GP (“MMDA”) property for the development of apartment units and supporting retail space to help meet the needs of students and faculty at UTHSC.

Date of Last Transfer: Various
Original Cost to State Unknown

Minutes: 03/21/2022 Approved disposal by easement with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEE**Disposal – Easement (Utility)**

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

Transaction Description: Transaction No. 22-03-005

- **Location:** University of Tennessee – Health Science Center (UTHSC)
Shelby County – 0.85 +/- acres – various locations
- **Grantee:** City of Memphis
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: These easements will allow the City of Memphis to provide sidewalks, sewer, storm drains, ingress/egress, and etc. for the Memphis Medical District Apartments, GP (“MMDA”) property for development of apartment units and supporting retail space to help meet the needs of students and faculty at UTHSC.

Date of Last Transfer: Various
Original Cost to State Unknown

Minutes: 03/21/2022 Approved disposal by easement with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEE**Disposal – Lease (Space)****Requested Action:** Approval of disposal by lease with waiver of advertisement**Transaction Description:** Transaction No. 22-03-006

- **Location:** University of Tennessee-Health Science Center (UTHSC) – 930 Madison Building
930 Madison Avenue, Memphis, TN 38163
- **Tenant:** Oculo Therapy, LLC
- **Term:** 5 years, July 1, 2022 – June 30, 2027
- **Area / Costs:** 457 square feet/\$4,570.00 per yr (\$10.00/sf)

FRF Rate: \$18.00/sf**Comment:** Oculo Therapy, LLC is a US-based company that focuses on applied research for once daily topical medicine for the treatment of glaucoma. The company was started in 2014 by UTHSC faculty member, Monica Jablonski.

Dr. Jablonski has recently been awarded a new Small Business Innovation Research (SBIR) award for her proposal related to an extended-release formulation of a new intraocular pressure lowering drug for improved treatment of glaucoma. Research space near her faculty office is needed.

UTHSC will be responsible for all maintenance, janitorial service and utilities costs during the term of the lease. Either party has the right to terminate for convenience on 60 days' notice

Minutes: 03/21/2022 Approved disposal by lease with waiver of advertisement

UNIVERSITY OF TENNESSEE**Disposal – Fee**

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

Transaction Description: Transaction No. 22-03-007 & 22-03-008

- **Location:** University of Tennessee Institute of Agriculture (UTIA)
Robertson County – 0.56 +/- acres – Experiment Station Road, Springfield, TN
- **Grantee:** City of Springfield
- **Estimated Sale Price:** Fair Market Value

Comment: On behalf of the City of Springfield, the Tennessee Department of Transportation (TDOT) will replace a bridge crossing Wartrace Creek on Experiment Station Road – a public road that runs through UTIA’s Highland Rim AgResearch and Education Center. This Center includes approximately 615 +/- acres and this disposal will not negatively affect UTIA’s use of the property. In addition to the fee disposal, 0.08 +/- acres of a permanent easement area will also be granted to the City of Springfield.

Date of Last Transfer: 10/06/1954
Original Cost to State unknown

Minutes: 03/21/2022 Approved disposal in fee with waiver of advertisement and one appraisal

TENNESSEE HISTORICAL COMMISSION**Acquisition – Easement (Conservation)**

Requested Action: Approval to accept conservation easement and to utilize third parties with waiver of advertisements and appraisals

Transaction Description: Transaction No. 21-12-001

- **Location:** Hamilton County – 309.80± acres – (3 tracts) 400, 402 and 405 Garden Road, Chattanooga, TN
- **Owner(s):** Reflection Riding Arboretum and Nature Center (RRANC)
- **Estimated Purchase Price:** Gift
- **Source of Funding:** 21/22 Historical Commission Op Funds (Wars Commission) (REM Fees) (A)
- **Third Party:** North American Land Trust (NALT)
American Battlefield Trust (ABT)

Comment: The Tennessee Historical Commission (Tennessee War Commission) is requesting the transfer of the Reflection Riding Arboretum Tract's conservation easement from the North American Land Trust (NALT) to the State of Tennessee for perpetual protection. The Reflection Riding tract is associated with the Battles of Chattanooga and Wauhatchie. It will continue to function as a nature center and arboretum and will incorporate interpretation on the importance of the above battle in Tennessee and American history and will interpret the 1838 Cherokee Removal and Trail of Tears.

NALT (current easement holder) is in agreement to release the conservation easement to THC until the property is later transferred to the National Park Service. In addition, ABT has a right of first refusal to purchase this property in the event RRANC decides to sell this property to a third party in the future. THC intends to acquire the easement from RRANC but will accept the easement from ABT if ABT becomes the owner.

Date of Last Transfer:	March 3, 1983 (16.30 ± acres)
Purchase Price:	\$0.00
Property Assessor's Value:	\$241,900.00
Square Footage Improvements:	N/A
Address:	400 Garden Road (Map-Parcel No. 154-025.00)

Date of Last Transfer:	December 1, 1978 (281 ± acres)
Purchase Price:	\$0.00
Property Assessor's Value:	\$2,271,100.00
Square Footage Improvements:	920 sf log cabin (1940), 2,650 sf reception building (1980), and two 1,700 sf classroom buildings (1980)
Address:	402 Garden Road (Map-Parcel No. 154- 028.00)

Date of Last Transfer: December 29, 1994 (12.50 ± acres)
Purchase Price: \$175,000.00
Property Assessor's Value: \$349,800.00
Square Footage Improvements: 2650 sf (log cabin) (1830)
Address: 405 Garden Road (Map-Parcel No. 154-029.00)

Minutes:

03/21/2022 Approved accepting conservation easement and utilizing third parties with waiver of advertisements and appraisals

DEPARTMENT OF AGRICULTURE**Acquisition – Easement (Conservation)**

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

Transaction Description: Transaction No. 21-11-003

- **Location:** Warren County – 2,107 ± acres – (5 tracts) – 3876 Myers Cove Road, 0 Myers Cove Road, 0 Turner’s Bend Road, Off Turners Bend Road, and S. of Turners Bend Road, McMinnville, TN
- **Owner(s):** Myers Cove Nursery, Inc.
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** Federal Funds (U.S. Forest Service Legacy Grant) (F)

Comment: Forestry will acquire the conservation easement using a general grant from the Forest Legacy Program. A discounted purchase price will be used as the 25% percent match required for the federal grant funds. This acquisition will enable public access while allowing the land to stay in private ownership as a “working forest” and nursery, thereby maintaining and boosting local tax revenues.

Date of Last Transfer: April 8, 1965 (1,308 ± acres)
Purchase Price: \$0.00 (inter-family transfer)
Property Assessor’s Value: \$2,169,000.00
Square Footage Improvements: 1,920 sf office building (1994)
Address: 3876 Myers Cove Road (Map-Parcel No. 092-001.00)

Date of Last Transfer: April 8, 1965 (465 ± acres)
Purchase Price: \$0.00 (inter-family transfer)
Property Assessor’s Value: \$344,900.00
Square Footage Improvements: N/A
Address: 0 Myers Cove Road (Map-Parcel No. 092-001.01)

Date of Last Transfer: January 9, 1976 (65 ± acres)
Purchase Price: \$24,200.00
Property Assessor’s Value: \$88,700.00
Square Footage Improvements: N/A
Address: 0 Turners Bend Road Map-Parcel No. 093-011.00

Date of Last Transfer: May 26, 1995 (68 ± acres)
Purchase Price: \$20,400.00
Property Assessor’s Value: \$46,400.00
Square Footage Improvements: N/A
Address: Off Turner’s Bend Road (Map-Parcel No. 093-011.01)

Date of Last Transfer: July 9, 1985 (201 ± acres)
Purchase Price: \$0.00 (inter-family transfer)
Property Assessor's Value: \$180,900.00
Square Footage Improvements: N/A
Address: S. of Turner's Bend Road (Map-Parcel No 093-048.00)

Minutes: 03/21/2022 Approved acquisition by easement with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-07-902 and 20-07-903

● **Proposed Lease**

- **Location:** Chester County – 525 N. Church Avenue, Henderson, TN
- **Landlord:** Susan A. Cox
- **Term:** 10 years with one 5-year renewal option
- **Area / Costs:** 7,024 Square Feet

Annual Contract Rent	\$70,240.00	\$10.00/sf
Estimated Utilities Cost	12,292.00	1.75/sf
Estimated Janitorial Cost	7,726.40	1.10/sf
Total Annual Effective Cost	\$90,258.40	\$12.85/sf

● **Current Lease**

- **Location:** Chester County – 525 N. Church Avenue, Henderson, TN
- **Landlord:** Susan A. Cox
- **Term:** 3 years (January 1, 2022 to December 31, 2024)
- **Area / Costs:** 7,024 Square Feet

Annual Contract Rent	\$49,964.40	\$7.11/sf
Estimated Utilities Cost	12,292.00	1.75/sf
Estimated Janitorial Cost	7,726.40	1.10/sf
Total Annual Effective Cost	\$69,982.80	\$9.96/sf

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

Comment: This lease will provide office space for Department of Children’s Services and the Department of Human Services. One proposal from one proposer was received and evaluated. The space will be renovated to meet the State’s needs. The lease is estimated to commence on or before January 2025.

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

Minutes: 03/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-07-904 and 20-07-905

• **Proposed Lease**

- **Location:** Decatur County – 669 West Main Street, Decaturville, TN
- **Landlord:** Susan A. Cox
- **Term:** 10 years with two 1-year renewal options
- **Area / Costs:** 5,924 Square Feet

Annual Contract Rent	\$59,240.00	\$10.00/sf
Estimated Utilities Cost	10,367.00	1.75/sf
Estimated Janitorial Cost	6,516.40	1.10/sf
Total Annual Effective Cost	\$76,123.40	\$12.85/sf

• **Current Lease**

- **Location:** Decatur County – 669 West Main Street, Decaturville, TN
- **Landlord:** Susan A. Cox
- **Term:** 3 years (January 1, 2022 to December 31, 2024)
- **Area / Costs:** 5,924 Square Feet

Annual Contract Rent	\$49,964.40	\$7.11/sf
Estimated Utilities Cost	12,292.00	1.75/sf
Estimated Janitorial Cost	7,726.40	1.10/sf
Total Annual Effective Cost	\$69,982.80	\$9.96/sf

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

Comment: This lease will provide office space for Department of Children’s Services and the Department of Human Services. One proposal from one proposer was received and evaluated. The space will be renovated to meet the State’s needs. The lease is estimated to commence on or before January 2025.

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

Minutes: 03/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES**Acquisition - Lease (Space)****Requested Action:** Approval to waive advertisement**Transaction Description:** Transaction No: 22-02-901• **Proposed Lease**

- **Location:** Davidson County – 5216 Hickory Hollow Parkway, Nashville, TN
- **Term:** 3 years

• **Current Lease**

- **Location:** Davidson County – 5216 Hickory Hollow Parkway, Nashville, TN
- **Landlord:** E3 Partners GP
- **Term:** 11 months (January 1, 2016 – November 30, 2016) (Holdover)
- **Area / Costs:** 8,901 Square Feet

Annual Contract Rent	\$143,598.96	\$16.13/sf
Estimated Utilities Cost	33,682.25	1.75/sf
Estimated Janitorial Cost	21,171.70	1.10/sf
Total Annual Effective Contract Rent	\$198,452.91	\$18.98/sf

- **Source of Funding:** FRF
- **Procurement Method:** Waiver of Advertisement
- **FRF Rate:** \$25.50

Comment: This lease will provide office space for Department of Safety and Homeland Security (Driver's Service Center and THP).

Approval to waive advertisement is requested for the continuity of business operations while the building is constructed for the long-term executed lease. ESC approved the long-term lease on January 28, 2019 (18-09-900).

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

Minutes: 03/21/2022 Approved waiving advertisement

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-04-923● **Proposed Lease**

- **Location:** Hamilton County – 4873 Dayton Blvd, Red Bank, TN
- **Landlord:** Pedigo – Oakland Properties, L.P.
- **Term:** 10 years with two 1-year renewal options
- **Area / Costs:** 7,100 Square Feet

First Year Annual Contract Rent	\$ 94,430.00	13.30/sf
Average Annual Contract Rent	\$ 95,850.00	13.50/sf
Estimated Utilities Cost	12,425.00	1.75/sf
Estimated Janitorial Cost	7,810.00	1.10/sf
Total Average Annual Effective Cost	\$116,085.00	\$16.35/sf

● **Current Lease**

- **Location:** Hamilton County – 4873 Dayton Blvd, Red Bank, TN
- **Landlord:** Pedigo – Oakland Properties, L.P.
- **Term:** 13 years (November 1, 2011 to October 31, 2024)
- **Area / Costs:** 7,800 Square Feet

Average Annual Contract Rent	\$146,940.00	\$18.84/sf
Estimated Utilities Cost	13,650.00	1.75/sf
Estimated Janitorial Cost	8,580.00	1.10/sf
Total Average Annual Effective Cost	\$169,170.00	\$21.69/sf

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

Comment:

This lease will provide office space for the Department of Safety & Homeland Security (Driver's Service Center and THP). 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 on or before October 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

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 broker commission is \$15,623.55 for the 10-year term, if both options are exercised the commission will be \$18,788.94.

Minutes: 03/21/2022 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. 08-03-901

● **Proposed Amendment**

○ **Term:** 13 years (May 1, 2012 – April 30, 2025)

○ **Area / Costs:** 14,549 Square Feet

First Year Annual Contract Rent	\$196,411.50	\$13.50/sf
Average Annual Contract Rent	147,676.50	10.15/sf

Estimated Utility Cost	25,460.75	1.75/sf
Estimated Janitorial Cost	16,003.90	1.10/sf
Total Average Annual Effective Cost	\$189,141.15	\$13.00/sf

● **Current Lease**

○ **Location:** Putnam County – 1221 South Willow Avenue (1221 Burgess Falls Road), Cookeville, TN

○ **Landlord:** The G.O.L.D. Company

○ **Term:** 10 years (May 1, 2012 – April 30, 2022)

○ **Area / Costs:** 14,549 Square Feet

Annual Contract Rent	\$133,056.00	\$ 9.15/sf
Estimated Utility Cost	25,460.75	1.75/sf
Estimated Janitorial Cost	16,003.90	1.10/sf
Total Annual Effective Cost	\$174,520.65	\$12.00/sf

● **Source of Funding:** FRF

● **Procurement Method:** Negotiated

● **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Environment and Conservation.

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 provide for a termination for convenience at any time upon 60 days prior written notice.

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

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

Previous Action: 06/22/2011 Approved lease agreement

Minutes: 03/21/2022 Approved a lease amendment with waiver of advertisement

Approved:



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