

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
March 20, 2023

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner Bryson called the meeting to order at 11:02 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Jim Bryson, 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
Deputy Commissioner John Hull
State Architect Ann McGauran

OTHER PARTICIPANTS

William Wall, Executive Director of Tennessee Corrections Institute

CONSENT AGENDA

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

- A. Agency: **University of Tennessee Institute of Agriculture**
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

- B. Agency: **University of Tennessee – Knoxville**
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement

- C. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Easement
Provision(s): Waiver of appraisal

- D. Agency: **Department of Environment & Conservation**
Transaction: Disposal – Easement (Access) & Acquisition – Easement (Access) (Land Swap)
Provision(s): Waiver of appraisal

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

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

- G. Agency: **Department of Military**
Project Title: Army Aviation Storage Facility (AASF) 3 Tarmac Repair
SBC Project No: 361/042-01-2020
Requested Action: Approved a revision in project budget and funding to award a contract (Delta Contracting Company LLC)

UNIVERSITY OF TENNESSEE

University of Tennessee, Knoxville, Knox County, Tennessee

Requested Action: **Approval of a revision in project budget and funding in order to award a contract**

Project Title: Administration Garage Repairs

Project Description: This project provides structural repairs to the garage and includes all related work to complete the project.

SBC Number: 540/009-31-2021

Total Project Budget: \$6,063,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>	
	\$2,400,000.00	\$3,663,000.00	\$6,063,000.00	Plant Funds (Aux-Parking) (A)
Original Project Budget:	\$2,400,000.00			
Change in Funding:		\$3,663,000.00		
Revised Project Budget:			\$6,063,000.00	

Comment: This request increases the budget from \$2,400,000.00 to \$6,063,000.00. One bid was received on February 28, 2023. An increase in funding is needed to award a contract for \$5,229,373.00 to Structural Systems Repair Group for the base bid. The increase is primarily attributed to higher than anticipated labor-intensive work due to weight limits of the existing structure and the current market conditions. There will be no additional designer fees.

Previous Action:

10/14/2021	SBC	Approved project and to select a designer
10/25/2021	ESC	Approved designer selection (Studio Four Design, Inc.)
06/21/2022	SBC	Approved revision in project budget and funding
03/09/2023	SBC	Referred to ESC with authority to act

Minutes: 03/20/2023 ESC Approved a revision in project budget and funding in order to award a contract (Structural Systems Repair Group)

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 22-03-908

● **Proposed Lease**

- **Location:** Wilson County - TBD S. Hartmann Drive, Lebanon, TN
- **Landlord:** Hoover Properties of Kentucky Limited Company, LLC
- **Term:** 15 Years
- **Area / Costs:** 10,400 Square Feet

First Year Annual Contract Rent	\$301,912.00	\$29.03/sf
Average Annual Contract Rent	\$333,112.00	\$32.03/sf
Estimated Utilities Cost	18,200.00	1.75/sf
Estimated Janitorial Cost	11,440.00	1.10/sf
Total Average Annual Effective Cost	\$362,752.00	\$34.88/sf

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

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

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

The tenant may terminate this lease for convenience at any time after the 84th month of the lease term with 90 days written notice to the landlord.

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

Minutes: 03/20/2023 ESC Approved a lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on February 27, 2023.

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 - \$1,000,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee Space Institute
Location: Tullahoma, Tennessee
Project Title: UTSI Multiple Buildings Emergency Power
Project Description: Installation of emergency generator and uninterruptible power supply for the Main Academic and Physical Plant Buildings. Includes all related work to complete the project.
SBC Project No. 540/020-02-2022
Total Project Budget: \$430,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding in order to award a contract (Lawon Electric Co., Inc.) (increase budget by \$80,000)
Approval Date: 03/07/2023
 - 2) **State Procurement Agency:** Tennessee Board of Regents / Tennessee State University
Location: Nashville, Tennessee
Project Title: Farrell Westbrook Laboratories
Project Description: Convert the existing old greenhouse (Room 121) and Room 109 into new science labs.
SBC Project No. 166/001-01-2022
Total Project Budget: \$900,000.00
Source of Funding: Federal Grant (USDA) (F)
Approval: Approved a revision in project budget and funding (increase budget by \$90,000)
Approval Date: 02/23/2023
 - 3) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Fitness Center Transformer Replacement
Project Description: Replace the Fitness Center transformer with a new pad mount unit, including electrical service rerouting and all associated work.
SBC Project No. 367/007-03-2023
Total Project Budget: \$425,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing Campus Consultant (Canup Engineering, Inc.) for design
Approval Date: 02/28/2023

- 4) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Harrison, Tennessee
Project Title: Harrison Bay Docks Security Gates
Project Description: Replace security gates at Harrison Bay State Park and all required related work.
SBC Project No. 126/048-01-2023
Total Project Budget: \$315,000.00
Source of Funding: 22/23 TDEC Op Funds (A)
Approval: Approved project utilizing a Central Procurement Office contract to perform the work
Approval Date: 02/28/2023
- 5) **State Procurement Agency:** STREAM / Department of Military
Location: Sparta, Tennessee
Project Title: Sparta Readiness Center Structural Repairs
Project Description: Replace damaged masonry walls and roofing system; installation of expansion and control joints; installation of an underground collection system; and all required related work.
SBC Project No. 361/087-01-2021
Total Project Budget: \$563,000.00
Source of Funding: \$281,500.00 Federal Funds (NGB) (F)
\$ 23,464.86 21/22 CurrFunds-CapMaint (MP) (A)
\$ 0.00 07/08 CurrFunds-CapMaint (R)
\$ 0.00 Military Reserves (Sale of Real Estate) (R)
\$258,035.14 Insurance Proceeds (O)
Approval: Approved a revision in project funding
Approval Date: 02/28/2023

Approvals of Revisions to Existing Capital Projects

- Reported the following two approvals 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: Residence Hall Improvements
Project Description: This project will renovate existing residence halls including Reese Hall and chiller plant. Improvements include building envelope issues; mechanical, HVAC and other building systems; infrastructure replacement; finishes and architectural enhancements; and furnishings and equipment replacement.
SBC Project No. 540/009-04-2018
Total Project Budget: \$9,000,000.00
Source of Funding: Plant Funds (Aux-Housing) (A)
Approval: Approved using Campus Resources and System Procurement for a portion of the work
Approval Date: 03/08/2023

- 2) **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: \$6,350,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved utilizing Campus Resources and System Procurement for construction
Approval Date: 03/07/2023

Approvals of Acquisitions and Disposals of State Property

- Reported the following two acquisitions of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 22-08-010
Location: Sequatchie Cave State Natural Area (SCSNA)
 Marion County – 4.15 ± acres Vineyard Point Road, Sequatchie, TN
Owner(s): Arthur Thomas Jr, Etal and Anne Shook Rask Co Trustees
Estimated Purchase Price: Fair Market Value
Source of Funding: 2023 State Lands Acquisition Fund (A)
Approval: Approved acquisition in fee
Approval Date: 03/07/2023
 - 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 22-08-011
Location: Sequatchie Cave State Natural Area (SCSNA)
 Marion County – 0.8 ± acres Vineyard Point Road, Sequatchie, TN
Owner(s): James M. Turner
Estimated Purchase Price: Fair Market Value
Source of Funding: 2023 State Lands Acquisition Fund (A)
Approval: Approved acquisition in fee
Approval Date: 03/07/2023

Designer Selections

- 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 Institute of Agriculture**
(ARP – NETREC Improvements)
Total Project Budget: \$6,000,000.00
SBC Project No. 540/001-05-2023
Designer: **The Lewis Group Architects, Inc.**

3) **Catoosa Volunteer Training Site**
(Master Planning Consultant)
Total Project Budget: Not Applicable
SBC Project No. 368/001-01-2023
Designer: **Mead & Hunt, Inc.**

2) **University of Tennessee – Martin**
(Athletic Facilities Improvements)
Total Project Budget: \$3,520,000.00
SBC Project No. 540/011-02-2023
Designer: **TLM Associates, Inc.**

Other Business

There being no further business, the meeting adjourned at 11:07 a.m.

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UNIVERSITY OF TENNESSEE

Acquisition – Fee (Gift)

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

Transaction Description: Transaction No. 23-03-008

- **Location:** University of Tennessee Institute of Agriculture (UTIA)
Knox County – 3.2 +/- acres
- **Owner(s):** City of Knoxville
- **Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Aux) (A) (REM fees)

Comment: The East Tennessee AgResearch and Education Center – Holston Unit is located at the headwaters of the Tennessee River, approximately eight miles from the UTK Campus.

The proposed right of way acquisitions of Riverside Drive and Kreis Road will allow UTIA to better control and manage access to the site.

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

Minutes: 03/20/2023 ESC Approved acquisition in fee with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of waiver of advertisement**Transaction Description:** Transaction No. 2023-03-001● **Proposed Lease**

- **Location:** University of Tennessee-Knoxville (UTK) – Core Spaces
- **Landlord:** Core Knoxville Cumberland, LLC
- **Term:** Five years with one (1) 5-year option to extend
- **Area / Costs:** Up to 30,000 square feet

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

Comment: The UTK campus is preparing for unprecedented growth. Part of the preparations include having sufficient food service capacity. As a result, additional food service space is being sought.

The Core Spaces development located along Cumberland Avenue between 18th and 20th Streets presents a special and unique opportunity to meet campus demand. The space is within two blocks of the northwestern edge of the UTK campus, providing ideal proximity for students to use their meal plan funds. \$300 Flex Plans are charged to every undergraduate student enrolled in 6 or more credit hours without a traditional meal plan. All students staying in off-campus housing have either a traditional meal plan or a Flex Plan that can only be used at Vol Dining locations. As campus enrollment grows, having sufficient offerings/locations is critical to meeting the overall demand and convenience of the students. Core Spaces is the only commercial dining space this close to campus with the ability to offer a large amount of food service square footage needed to serve a high volume of students.

Approval is requested to begin negotiations with the landlord. The anticipated completion dates within the project differ; therefore, a lease would have varying start date and expiration dates for the spaces of interest. The first space has a projected completion date of August 2025. The second space has a projected completion date of August 2026.

Minutes: 03/20/2023 ESC Approved waiver of advertisement

DEPARTMENT OF ENVIRONMENT AND CONSERVATION**Disposal - Easement (Access) & Acquisition – Easement (Access) (Land Swap)**

Requested Action:	Approval of disposal by easement and acquisition by easement with waiver of appraisal
Transaction Description 1: Disposal Easement	Transaction No. 23-01-018
• Location:	Montgomery Bell State Park Dickson County– 0.80 ± acres – Spencer Road, TN
• Estimated Sale Price:	Mutual Benefit
• Grantee:	Michael J. & Jan M. Hooks
Transaction Description 2: Acquisition Easement	Transaction No. 23-01-014
• Location:	Dickson County – 0.80 ± acres – Spencer Road, TN
• Estimated Purchase Price:	Mutual Benefit
• Source of Funding:	22/23 State Lands Acquisition Fund (A) (REM)
Comment:	<p>This easement swap will allow the Hooks the right of way needed to construct a home and will allow the State the access they need to a construction site. The bridge replacement and stream bank stabilization project are necessary for the continued use of the Montgomery Bell Trail. This swap is considered mutual benefit due to the similar size of land.</p> <p>The Grantee will cover all cost associated with their easement.</p> <p>No additional management costs are anticipated with this acquisition.</p>
Minutes:	03/20/2023 ESC Approved disposal by easement and acquisition by easement with waiver of appraisal

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 21-02-902● **Proposed Lease**

- **Location:** Anderson County – 110 East Centre Stage Business Park, Clinton, TN
- **Landlord:** Robert L. Gilliam
- **Term:** 10 years with one 5-year renewal option
- **Area / Costs:** 6,804 Square Feet

Annual Contract Rent	\$169,963.92	\$24.98/sf
Estimated Utilities Cost	11,907.00	1.75/sf
Estimated Janitorial Cost	7,848.40	1.10/sf
Total Annual Effective Cost	\$189,355.32	\$27.83/sf

● **Current Lease**

- **Location:** Anderson County – 110 East Centre Stage Business Park, Clinton, TN
- **Landlord:** Robert L. Gilliam
- **Term:** 3 years (August 1, 2022 – July 31, 2025)
- **Area / Costs:** 4,600 Square Feet

Annual Contract Rent	\$49,956.00	\$10.86/sf
Estimated Utilities Cost	8,050.00	1.75/sf
Estimated Janitorial Cost	5,060.00	1.10/sf
Total Annual Effective Cost	\$63,066.00	\$13.71/sf

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

Comment:

This lease will provide office space for Department of Correction. One proposal was received and evaluated. The proposed location is a renovate to suit and expansion (building and parking lot) for the state. The additional square footage will allow for additional staff and the agency's security zones. The lease is estimated to commence on or before August 2025.

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

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: 03/20/2023 ESC Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-09-916

● **Proposed Lease**

- **Location:** Rutherford County – 1423 Mark Allen Ln., Murfreesboro, TN
- **Landlord:** The 2010-A Pedigo Trust
- **Term:** 10 years with one 2-year renewal option
- **Area / Costs:** 5,086 Square Feet

First Year Annual Contract Rent	\$86,207.70	\$16.95/sf
Average Annual Contract Rent	88,954.14	17.49/sf
Estimated Utilities Cost	8,900.50	1.75/sf
Estimated Janitorial Cost	5,594.60	1.10/sf
Total Average Annual Effective Cost	\$103,446.24	\$20.34/sf

● **Current Lease**

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

Annual Contract Rent	\$69,900.00	\$14.07/sf
Estimated Utilities Cost	8,695.75	1.75/sf
Estimated Janitorial Cost	5,465.90	1.10/sf
Total Annual Effective Cost	\$84,061.65	\$17.60/sf

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

Comment: This lease will provide office space of Comptroller of the Treasury. Three proposals from two proposers were received and evaluated. The proposed location will be renovated to meet the State’s needs. A 117 square foot difference is a result of a mismeasurement of space. The lease is estimated to commence on or before December 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.

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

The CBRE, Inc. commission is \$12,231.19 for the 10-year base term, if all renewal options are exercised the commission will be \$14,818.70.

Minutes: 03/20/2023 ESC Approved a lease

DEPARTMENT OF MILITARY

Jackson Airport Armory - Jackson, Jackson, Madison County, Tennessee

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

Project Title: Army Aviation Storage Facility (AASF) 3 Tarmac Repair

Project Description: Replacement of the taxiway, runway, and rotary wing aircraft parking area, repair tie-downs with grounding, install lighting, and all related work.

SBC Number: 361/042-01-2020

Total Project Budget: \$8,129,212.16

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>	
	\$5,870,000.00	\$2,259,212.16	\$8,129,212.16	Federal Funds (NGB) (F)
Original Project Budget:	\$5,870,000.00			
Change in Funding:		\$2,259,212.16		
Revised Project Budget:			\$8,129,212.16	

Comment: This increases the project budget from \$5,870,000.00 to \$8,129,212.16 to award a contract for \$7,252,212.16 to Delta Contracting Company LLC for the base bid plus four alternates. There will be no additional designer fees. The increase in project cost is primarily due to current market conditions.

Previous Action:

05/14/2020	SBC	Approved project and to select a designer
04/19/2021	ESC	Approved designer selection (Allen & Hoshall, Inc)
07/13/2022	SBC	Approved a revision in project funding
03/09/2023	SBC	Referred to ESC with authority to act

Minutes: 03/20/2023 ESC Approved a revision in project budget and funding to award a contract (Delta Contracting Company LLC)

Approved:



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