

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
May 26, 2020

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. via a WebEx electronic meeting, with the following members and Departments present. Commissioner Eley called the meeting to order at 11:10 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
Justin Wilson, Comptroller of the Treasury, participated via electronic communication

MEMBERS ABSENT

David Lillard, State Treasurer

ORGANIZATION

- University of Tennessee
- Tennessee Wildlife Resources Agency
- Department of General Services
- State Building Commission

PRESENTER

Executive Director Austin Oakes
Division Chief Tim Churchill
Deputy Commissioner John Hull
State Architect Ann McGauran

Commissioner Eley stated that the purpose of this meeting is to consider the items on the agenda for the May 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 Commission has regularly scheduled monthly meetings around which agencies and institutions plan certain of their operational actions and a 30-day delay will cause an operational hardship for certain of the agencies and institutions having 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, with the direction that government employees who can do so, work from home.
3. There are matters on the agenda which are time sensitive and there will be operational hardships if the Commission is unable to render decisions on these matters in May.

Let the minutes reflect that Commissioner Eley, Secretary Hargett, and Comptroller Wilson participated electronically and Treasurer Lillard was absent.

At a roll call vote all members voted aye and approved the use of electronic communication.

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 Health Science Center**
Transaction: Acquisition – Sublease Amendment
Provision(s): n/a

- B. Agency: **Department of Military**
Transaction: Acquisition – Lease (Land)
Provision(s): n/a

- C. Agency: **Department of Military**
Project Title: Smyrna Open Bay Barracks
SBC Project No: 361/079-03-2018
Requested Action: Approval of a revision in project budget and funding to award a contract

- D. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

- E. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- F. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Disposal – Lease (Land)
Provision(s): Waiver of advertisement and appraisals

- G. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of appraisals

- H. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Office Space)
Provision(s): Waiver of advertisement

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

UNIVERSITY OF TENNESSEE

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 14-06-900

• Proposed Amendment

- Term: August 30, 2014 – August 29, 2029
- Area / Costs: 6,000 square feet

Years 6-10*

Annual Rent Cost

Base Rent	\$138,000.00	\$23.00/sf
Common Area Maintenance, CAM Fee	\$10,225.00	\$1.70/sf
Insurance	\$1,800.00	\$0.30/sf
Taxes	\$21,000.00	\$3.50/sf
Maintenance	\$3,000.00	\$0.50/sf
Utilities	\$10,500.00	\$1.75/sf
Janitorial	<u>\$6,600.00</u>	<u>\$1.10/sf</u>
Annual Effective Cost**	\$191,125.00	\$31.85/sf

Years 11-15*

Annual Rent Cost

Base Rent	\$162,000.00	\$27.00/sf
Common Area Maintenance, CAM Fee	\$10,225.00	\$1.70/sf
Insurance	\$1,800.00	\$0.30/sf
Taxes	\$21,000.00	\$3.50/sf
Maintenance	\$3,000.00	\$0.50/sf
Utilities	\$10,500.00	\$1.75/sf
Janitorial	<u>\$6,600.00</u>	<u>\$1.10/sf</u>
Annual Effective Cost**	\$215,125.00	\$35.85/sf

• Current Lease

- Location: University of Tennessee - Knoxville
Knox County – 2509-2517 University Commons Way, Knoxville, TN
- Landlord: UC Retail, LLC
- Term: August 30, 2014 – August 29, 2024
- Area / Costs: 6,000 square feet

Years 1-5*

Annual Rent Cost

Base Rent	\$138,000.00	\$23.00/sf
Common Area Maintenance	\$9,000.00	\$1.50/sf
CAM Fee	\$7,500.00	\$1.25/sf
Insurance	\$1,800.00	\$0.30/sf
Taxes	\$21,000.00	\$3.50/sf
Maintenance	\$3,000.00	\$0.50/sf
Utilities	\$10,500.00	\$1.75/sf
Janitorial	<u>\$6,600.00</u>	<u>\$1.10/sf</u>
Annual Effective Cost**	\$197,400.00	\$32.90/sf

Years 6-10

Annual Rent Cost	\$162,000.00	\$27.00/sf
Base Rent	\$9,000.00	\$1.50/sf
Common Area Maintenance	\$7,500.00	\$1.25/sf
CAM Fee	\$1,800.00	\$0.30/sf
Insurance	\$21,000.00	\$3.50/sf
Taxes	\$3,000.00	\$0.50/sf
Maintenance	\$10,500.00	\$1.75/sf
Utilities	<u>\$6,600.00</u>	<u>\$1.10/sf</u>
Janitorial	\$221,400.00	\$36.90/sf
Annual Effective Cost**		

*Does not reflect escalations in CAM, Insurance, Taxes, etc.

**Does not reflect UBIT Taxes estimated at \$175,000 per year.

- **Source of Funding:** Plant Funds (Auxiliary)(A)
- **FRF Rate:** \$18.00/sf (for reference only)

Comment: This lease provides space for a VolShop on the west side on campus in a retail development. Annual sales have been good, but slowed recently due to a number of factors, including the Covid-19 public health crisis. Under this amendment, the term would be extended for five years through August 29, 2029 and the scheduled increase in rent would be delayed for five years.

While there are currently no termination for convenience rights, the amendment would provide termination for convenience between August 30, 2024 and August 29, 2028 with a termination fee of \$60,000.00, and no fee for a termination for convenience in the final year.

Previous Action: 07/10/2014 Approval of lease agreement with waiver of advertisement.

Minutes: 05/26/2020 At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No 19-11-011
• **Location:** Harms Mill Dam
Lincoln County – 3.10± acres – 0 Old Elkton Pike, Fayetteville, TN
• **Owner(s):** Ronald H. Hunter
• **Estimated Purchase Price:** Fair Market Value
• **Source of Funding:** 19/20 TWRA Op Funds (A)

Comment: TWRA requests to acquire this property, which includes a dam crossing the Elk River known as the Harms Mill Dam, for public recreation purposes.

This acquisition will provide boating access between the existing sites at River Mile # 36 to the west and River Mile # 97 to the east.

The property includes a structure that is not suitable for use, which will be fenced to prevent unwanted access. No additional management costs are anticipated with this acquisition.

Date of Last Transfer: November 8, 2007
Purchase Price: \$20,000.00 (inter-family transfer)
Property Assessor's Value: \$20,000.00
Square Footage Improvements: 1,350 abandoned structure

Minutes: 05/26/2020 At a roll call vote all members voted aye and approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Office Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 19-04-907

● **Proposed Lease**

- **Location:** Marion County – 4926 Main Street, Suite E., Jasper, TN
- **Landlord:** Acuff Group, LLC a Tennessee limited liability company
- **Term:** 5 years with two 1-year renewal options
- **Area / Costs:** 4,400 Square Feet

Annual Contract Rent	\$62,568.00	\$14.22/sf
Estimated Utilities Cost	7,700.00	1.75/sf
Estimated Janitorial Cost	4,840.00	1.10/sf
Total Annual Effective Cost	\$75,108.00	\$17.07/sf

● **Current Lease**

- **Location:** Marion County – 4926 Main Street, Suite E., Jasper, TN
- **Landlord:** Acuff Group, LLC a Tennessee limited liability company
- **Term:** 10 years (September 1, 2010 to August 31, 2020)
- **Area / Costs:** 5,882 Square Feet

Current Annual Contract Rent	\$68,400.00	\$11.63/sf
Average Annual Contract Rent	63,600.00	10.81/sf
Estimated Utilities Cost	8,234.80	1.40/sf
Estimated Janitorial Cost	6,470.20	1.10/sf
Total Annual Effective Cost	\$71,348.66	\$12.13/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$14.00

Comment: This lease will provide office space for Department of Human Services. Alternative Workplace Solutions will be implemented at this location. Four proposals from five proposers were received and evaluated. One proposal was withdrawn. The proposed location will be renovated to meet the State's needs. A future ESC action will be required to amend the current lease to allow for additional time to allow the landlord to complete the buildout required by the proposed 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.

Minutes: 05/26/2020 At a roll call vote all members voted aye and approved the lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Office Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 18-10-909

● **Proposed Lease**

○ **Location:** Marion County – 4950 Main Street, Suite D., Jasper, TN

○ **Landlord:** Acuff Group, LLC

○ **Term:** 7 years with three 1-year renewal options

○ **Area / Costs:** 6,046 Square Feet

Annual Contract Rent	\$96,736.00	\$16.00/sf
Estimated Utilities Cost	10,580.50	1.75/sf
Estimated Janitorial Cost	6,656.60	1.10/sf
Total Average Annual Effective Cost	\$113,973.10	\$18.85/sf

● **Current Lease**

○ **Location:** Marion County – 4950 Main Street, Suite D., Jasper, TN

○ **Landlord:** Acuff Group, LLC

○ **Term:** 10 years (January 1, 2006 to December 31, 2015) (Holdover)

○ **Area / Costs:** 5,208 Square Feet

Annual Contract Rent	\$50,400.00	\$9.68sf
Estimated Utilities Cost	7,291.20	1.40/sf
Estimated Janitorial Cost	5,728.80	1.10/sf
Total Annual Effective Cost	\$63,420.00	\$12.18/sf

● **Source of Funding:** FRF Operating Funds

● **Procurement Method:** LPR on template

● **FRF Rate:** \$14.00

Comment:

This lease will provide office space for The Department of Safety and Homeland Security: Driver's License and Highway Patrol. The increase in space is due to the programmatic needs of the agency. Three proposals from three proposers were received and two were evaluated. One proposal was rejected for not meeting agency requirements. The proposed location will be renovated to meet the State's needs. A future ESC action may be required to allow for additional time to allow the landlord to complete the buildout required by the proposed lease.

The State 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.

Previous Actions: 01/24/2005 ESC Approved Lease

Minutes: 05/26/2020 At a roll call vote all members voted aye and approved the lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 19-03-922

● **Proposed Lease**

- **Location:** Tipton County – 722 & 724 Highway 51 North, Covington, TN
- **Landlord:** Naifeh Properties
- **Term:** 7 years with three 1-year renewal options
- **Area / Costs:** 5,476 Square Feet

Annual Contract Rent	\$79,402.00	\$14.50/sf
Estimated Utilities Cost	9,583.00	1.75/sf
Estimated Janitorial Cost	6,023.60	1.10/sf
Total Annual Contract Rent	\$95,008.60	\$17.35/sf

● **Current Lease**

- **Location:** Tipton County – 722 & 724 Highway 51 North, Covington, TN
- **Landlord:** Naifeh Properties
- **Term:** 1 year (January 1, 2020 to December 31, 2020)
- **Area / Costs:** 7,381 Square Feet

Annual Contract Rent	\$73,788.10	\$10.00/sf
Estimated Utilities Cost	12,916.75	1.75/sf
Estimated Janitorial Cost	8,119.10	1.10/sf
Total Annual Effective Cost	\$94,823.95	\$12.85/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$14.00

Comment: This lease will provide office space for Department of Human Services. Alternative Workplace Solutions will be implemented at this location. Two proposals from two proposers were received and evaluated. The proposed location will be renovated to meet the State's needs. A future ESC action will be required to amend the current lease to allow for additional time to allow the landlord to complete the buildout required by the proposed lease.

Rent adjusts in the renewal option, if exercised, to \$15.23/sf for years 8-10.

The State 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 \$7,642.44 for the base 7-year term; if each renewal option is exercised the commission will be \$11,082.67.

Minutes: 05/26/2020 Commissioner Eley asked if this lease is in the same complex. Deputy Commissioner Hull stated that the new lease is in the current lease location. Commissioner Eley asked if this was in a strip shopping center. Deputy

Commissioner Hull stated that he is unsure. Commissioner Eley stated that this lease and the prior lease are close together and Deputy Commissioner Hull agreed.

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

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 April 20, 2020.

Report of Items Submitted to the ESC

- 1) TWRA Crop Lease Report 2019 in accordance with SBC By-Laws, Policy & Procedures Item 7.05B.
- 2) Status Update Reports from the State Procurement Agencies in accordance with SBC Policy & Procedures Item 2.03.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following nine 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:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Chiller Rebuild
Project Description: Rebuild Chiller #1 motor, replace seals, replace tubes, and install a new control panel with a warranty and all related work.
SBC Project No. 373/003-02-2020
Total Project Budget: \$475,000.00
Source of Funding: 18/19 CurrFunds-CapMaint (R)
Approval: Approved project utilizing Agency Resources for Design and utilizing Campus Procurement for the work
Approval Date: 05/05/2020
 - 2) **State Procurement Agency:** Tennessee Technological University
Location: Cookeville, Tennessee
Project Title: Dixie Avenue Steam Line Replacement
Project Description: Replace the steam and condensate lines which cross Dixie Avenue in front of the University Services Building.
SBC Project No. 364/011-05-2019
Total Project Budget: \$430,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding (increase of \$125,000)
Approval Date: 04/29/2020

- 3) **State Procurement Agency:** STREAM / Department of Military
Location: Nashville, Tennessee
Project Title: USPFO Building 110 Energy & Water Efficiency Improvements
Project Description: Replacement of inefficient mechanical equipment and water heaters with efficient equipment, interior and exterior lighting fixtures with LED lighting and controls, and installation of water conserving equipment and all related work.
- SBC Project No.** 361/067-01-2020
Total Project Budget: \$175,930.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved project utilizing the Value Added Reseller (VAR) Contract to perform the work
Approval Date: 04/30/2020
- 4) **State Procurement Agency:** STREAM / Department of Military
Location: Smyrna, Tennessee
Project Title: Smyrna VTS 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
Current Project Funding: \$ 26,492.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved project and to select a designer
Approval Date: 04/29/2020
- 5) **State Procurement Agency:** STREAM / Department of Military
Location: Smyrna, Tennessee
Project Title: Smyrna VTS Building 570 Energy & Water Efficiency Improvements
Project Description: Replacement of inefficient mechanical equipment and water heaters with efficient equipment, of interior and exterior lighting fixtures with LED lighting and controls, and installation of water conserving equipment and all required related work.
- SBC Project No.** 361/079-04-2020
Total Project Budget: \$240,000.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved project utilizing the Value Added Reseller (VAR) Contract to perform the work
Approval Date: 04/30/2020
- 6) **State Procurement Agency:** STREAM / Department of Military
Location: Smyrna, Tennessee
Project Title: Smyrna VTS Building 500 Energy & Water Efficiency Improvements
Project Description: Replacement of inefficient mechanical equipment and water heaters with efficient equipment, of interior and exterior lighting fixtures with LED lighting and controls, and installation of water conserving equipment and all required related work.
- SBC Project No.** 361/079-05-2020
Total Project Budget: \$176,000.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved project utilizing the Value Added Reseller (VAR) Contract to perform the work
Approval Date: 04/30/2020

- 7) **State Procurement Agency:** STREAM / Department of Military
Location: Smyrna, Tennessee
Project Title: Smyrna VTS Building 200 Energy & Water Efficiency Improvements
Project Description: Replacement of inefficient mechanical equipment and water heaters with efficient equipment, of interior and exterior lighting fixtures with LED lighting and controls, and installation of water conserving equipment and all required related work.
- SBC Project No.** 361/079-06-2020
Total Project Budget: \$176,000.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved project utilizing the Value Added Reseller (VAR) Contract to perform the work
Approval Date: 04/30/2020
- 8) **State Procurement Agency:** STREAM / Department of Military
Location: Milan, Tennessee
Project Title: Milan VTS Cantonment Area Emergency Generator
Project Description: Install a new generator, fuel storage tank, conduit, conductors, switches, and all required related work.
- SBC Project No.** 368/031-01-2020
Total Project Budget: \$170,000.00
Current Project Funding: \$ 15,572.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved project and to select a designer
Approval Date: 04/30/2020
- 9) **State Procurement Agency:** STREAM / Department of General Services
Location: Nashville, Tennessee
Project Title: Legislative Plaza Fountains
Project Description: Repair the lining and pumps on the two fountains on Legislative Plaza, and all required related work.
- SBC Project No.** 529/045-01-2017
Total Project Budget: \$490,000.00
Project Expenditures: \$ 30,305.19
Source of Funding: 17/18 FRF CurrFunds-CapMaint (MP) (A)
Approval: Approved cancellation of the project
Approval Date: 05/04/2020

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:** Tennessee Board of Regents / Tennessee College of Applied Technology
Location: Crump, Tennessee
Project Title: Parsons Campus
Project Description: Develop campus in Parsons, Tennessee by renovating former Readiness Center being transferred from Military to TBR.
SBC Project No. 166/084-01-2019
Total Project Budget: \$2,600,000.00
Source of Funding: \$2,000,000.00 Gifts (O)
\$ 150,000.00 06/07 CurrFunds-CapMaint (R)
\$ 450,000.00 07/08 CurrFunds-CapMaint (R)
Approval: Approved a revision in funding in order to award a contract (increase in MACC, reduction in Moveable Equipment)
Approval Date: 04/28/2020

Approvals of Contract Amendments

- Reported the following approval 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: Comprehensive Energy & Water Audit Consultant
Project Description: Engineering consultant to perform energy and water audits at Military facilities.
SBC Project No. 361/000-03-2018
Total Project Budget: \$417,700.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved a revision in project budget and funding, and an amendment to contract extending the term (adding funds to complete term)
Approval Date: 05/07/2020
- Reported the following approval of a capital grant amendment in accordance with Item 2.04(C)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of General Services
Location: Memphis, Tennessee
Project Title: National Civil Rights Museum Grant
Project Description: Annual grant to provide maintenance support.
SBC Project No. 529/000-01-2020
Total Project Budget: \$300,000.00
Source of Funding: 19/20 CurrFunds-CapMaint (A)
Approval: Approved an amendment to the grant contract (reallocation of budget)
Approval Date: 05/08/2020

Approvals of Acquisitions and Disposals of State Property

- Reported the following acquisition of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Tennessee Wildlife Resources Agency
Transaction Description: Transaction No. 20-02-002
Location: John Tully Wildlife Management Area (JTWMA)
Lauderdale County – 91.30 ± acres – 0 Cold Creek, Obion, TN
Owner(s): Milton Cole (50% interest), and Peggy Ann Cole and Cindy Cole Clower, Co-Trustees of the Cole Family Trust dated May 7, 2016 (50% interest)
Estimated Purchase Price: Fair Market Value
Source of Funding: 19/20 Wetlands Acquisition Fund (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 04/30/2020
- 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. 20-02-017
Location: Carter County – additional 0.129 ± acre permanent easement & additional 0.258 ± acre temporary easement – Sycamore Shoals State Historic Park (SSSHP)
Grantee: East Tennessee Natural Gas, LLC (ETNG)
Estimated Sale Price: No Cost – Mutual Benefit
Source of Funding: ETNG (REM Fees) (O)
Approval: Approved an easement amendment
Approval Date: 04/28/2020

Designer Selections

- Reported the following designer selection 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 / Nashville State Community College
Location: Nashville, Tennessee
Project Title: Student Welcome Center Update
SBC Project No. 166/034-01-2020
Total Project Budget: \$496,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: DKRS Architecture, PLLC
Approval Date: 05/12/2020

- 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) **Motlow State Community College**

(Athletic Field Soccer Expansion)

Total Project Budget: \$1,050,000

SBC Project No. 166/021-02-2020

Designer: **LOSE & ASSOCIATES INC**

Other Business

There being no further business, the meeting adjourned at 11:27 a.m.

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UNIVERSITY OF TENNESSEEAcquisition - Sublease Amendment

Requested Action: Approval of a sublease amendment

Transaction Description: Transaction No. 06-02-010

- **Proposed Amendment**
 - **Term:** May 1, 2007 – June 30, 2021
- **Current Lease**
 - **Location:** University of Tennessee – Health Science Center
Knox County – 1924 Alcoa Highway, Knoxville, TN
 - **Landlord:** University Health System, Inc. (UHS)
 - **Term:** May 1, 2007 – June 30, 2020
 - **Area / Costs:** 11,215 square feet/see comment below
- **Source of Funding:** Operational Cost
- **FRF Rate:** \$18.00/sf (for reference only)

Comment: This space is used by the UTHSC College of Pharmacy for second to fourth year students studying in Knoxville. UT requests a one-year extension to allow additional time to develop a new sublease agreement. Advertisement is not required for this one-year extension.

Rent for this space was prepaid in connection with the expansion of UHS' facility to accommodate space for this program. In addition to the prepaid rent, UT pays operating costs of \$174,000 per year.

Previous Action: 03/20/2006 Subcommittee approved the transaction as presented (approval to amend lease with waiver of advertisement).

Minutes: 05/26/2020 Approved a sublease amendment

DEPARTMENT OF MILITARYAcquisition – Lease (Land)

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 19-04-907

- **Proposed Lease**

- **Location:** Madison County – McKellar Sipes Regional Airport, Jackson, TN
- **Landlord:** City of Jackson
- **Term:** 60 years (July 1, 1990 - June 30, 2050)
- **Area / Costs:** 59.69 acres / No Cost

- **Current Lease**

- **Location:** Madison County – McKellar Sipes Regional Airport, Jackson, TN
- **Landlord:** City of Jackson
- **Term:** 55 years (July 1, 1990 - June 30, 2045)
- **Area / Costs:** 59.69 acres / No Cost

- **Procurement Method:** LPR on template

Comment:

This lease is used by the Military Department to meet both state and federal army aviation missions and support state emergencies. The lease agreement functions in tandem with a joint use agreement for runways, taxiways, and other airport facilities. The Military Department is responsible for maintenance and upkeep of the airport facilities utilized by the TN Army National Guard.

The amendment will extend the current lease agreement to 60 years. The military department is required to demonstrate more than 25 years of commitment in order to receive federal funding for improvements.

Advertisement is not required pursuant to T.C.A. § 12-2-114.

Minutes: 05/26/2020 Approved a lease amendment

DEPARTMENT OF MILITARY

Smyrna Volunteer Training Site, Smyrna, Rutherford County, Tennessee

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

Project Title: Smyrna Open Bay Barracks

Project Description: Construct a one-story open bay barracks to include finishes, latrines, showers, laundry, office, and support space, mechanical and electrical systems, ADA compliant stairs and ramp, parking, and all required related work.

SBC Number: 361/079-03-2018

Total Project Budget: \$1,308,040.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>	
	\$1,240,000.00	\$68,040.00	\$1,308,040.00	Federal (NGB) (F)
Original Project Funding:	\$1,240,000.00			
Change in Funding:		\$68,040.00		
Revised Project Funding:			\$1,308,040.00	

Comment: Four bids were received on April 29, 2020 and opened using Webex on April 30, 2020. An increase in funding is needed to award a contract to Taheri Construction, LLC for the base bid only. There will be no additional designer fees. The increase in cost is due to uncertainties in the labor market and increasing costs of materials.

Previous Action:

07/12/2018	SBC	Approved project and to select a designer
07/23/2018	ESC	Approved designer selection (Gilbert McLaughlin Casella Arch)
05/14/2020	SBC	Referred to ESC with Authority to act

Minutes: 05/26/2020 ESC Approved a revision in project budget and funding to award a contract

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Gift)

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

Transaction Description:

Transaction No. 20-02-013

• **Location:**

Loosahatchie Refuge

Shelby County – 2.20± acres – 0 Ok Robertson Rd, Memphis, TN

• **Owner(s):**

Al Gossett

• **Estimated Purchase Price:**

Gift

• **Source of Funding:**

19/20 Wetlands Acquisition Fund (REM Fees) (A)

Comment:

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

This property will allow TWRA to protect and preserve uplands and other forest functions in the Loosahatchie Refuge ecosystem.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 3/24/2009

Purchase Price: \$8,800.00

Property Assessor's Value: \$1,800.00

Square Footage Improvements: N/A

Minutes:

05/26/2020 Approved acquisition in fee with waiver of advertisement and appraisals

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No 20-03-002

- **Location:** Shoal Creek Access (SCA)
Lawrence County – 13.90 ± acres – 0 Fourth Street, Iron City, TN
- **Owner(s):** University of North Alabama (UNA)
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 19/20 TWRA Op Funds (A)

Comment: TWRA is acquiring this tract to preserve and improve public access to SCA for kayaking and canoeing. This property is heavily used on weekends for sliding kayaks and canoes off the bridge without active oversight by the current owner.

This acquisition will allow TWRA to manage this SCA access site for the benefit of the public. This property has frontage along Shoal Creek at several places, which may give TWRA opportunities to sponsor other recreational activities. TWRA intends to improve the parking area in the future.

TWRA will address future construction and/or management expenses from within existing resources.

Date of Last Transfer:	April 2, 1983
Purchase Price:	\$0.00
Property Assessor's Value:	\$18,800.00
Square Footage Improvements:	N/A

Minutes: 05/26/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

TENNESSEE WILDLIFE RESOURCES AGENCYDisposal – Lease (Land)

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

Transaction Description: Transaction No. 20-02-008

- **Proposed Lease**

- **Location:** Elk Gap/Pine Mountain Ridge
Campbell County -1.00 +/-1 Acre - Located West of I-75, Pioneer, Tennessee
- **Tenant:** Crown Castle GT Company, LLC
- **Term:** 5 years, plus 4 renewal terms of 5 years.
- **Area / Costs:** 1.00 Acre +/- /\$30,000 annually

- **Current License:**

- **Location:** Elk Gap/Pine Mountain Ridge
Campbell County - 1.00 +/-1 Acre - Located West of I-75, Pioneer, Tennessee
- **Tenant:** Crown Castle GT Company, LLC
- **Term:** December 1, 2018 to November 30, 2020.
- **Area / Costs:** 1.00 Acre +/- /\$4,800 annually

Comment: TWRA is requesting a new lease to replace a current license agreement for a communication tower. The department has leased this tower to the current tenant since 1993, however it was discovered that the lease expired so a license was developed to allow a new lease to be finalized. STREAM worked with the agency and tenant to develop this new lease. Waiver of advertisement is requested due to the unique nature of this request, the rural area, and the equipment already in place on the site. Because the proposed revenue is greater than both the projected land value and the projected revenue if rent was adjusted 3% annually from 1993, waiver of appraisals is also requested.

The lease includes four 5-year renewal options. Rent increases in each renewal option, if exercised, by 10% from the prior year's rent.

The proceeds will be deposited into the Wetlands Fund pursuant to TCA § 67-4-409.

Date of Last Transfer:	September 27, 1991
Original Cost to State:	\$3,638,581.60 (Larger Tract)
Property Assessor's Value:	N/A
Square Footage Improvements:	N/A

Minutes: 05/26/2020 Approved disposal by lease with waiver of advertisement and appraisals

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Lease (Space)

Requested Action: Approval of a lease with waiver of appraisals

Transaction Description: Transaction No. 19-11-006

● **Proposed Lease**

- **Location:** Hiwassee Ocoee State Park (HOSP)
Polk County – 315 Oswald Dome Rd, Reliance, TN
- **Landlord:** Polk County 911 Emergency Communications District (ECD)
- **Term:** 10 years
- **Area / Costs:** Space on tower / \$600 per year
- **Source of Funding:** TDEC Op Funds (A)
- **Procurement Method:** Negotiated

Comment: This lease will provide space on the current radio tower for TDEC communications equipment.

This tower location supports TDEC communication equipment for HOSP, Red Clay State Park, and other natural areas in the region.

The department previously utilized space with Bradley County, however that lease expired and the communications equipment was relocated to the current tower. The current landlord has agreed to allow the state free space until the new lease is approved.

The proposed rate of \$600/year was determined to be below fair market value as the previous lease with Bradley County was at a higher annual rate and so waiver of appraisals is requested.

Advertisement is not required pursuant to T.C.A. § 12-2-114.

Minutes: 05/26/2020 Approved a lease with waiver of appraisals

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Office Space)

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

Transaction Description: Transaction No. 07-09-900

- **Proposed Lease**

- **Landlord:** 404 James Robertson Prop, LLC
- **Term:** 10 years and 7 months (August 1, 2010 – February 28, 2021)

- **Current Lease**

- **Location:** Davidson County, 404 James Robertson Parkway, Nashville, TN
- **Landlord:** 404 James Robertson Prop, LLC (formerly PHR Parkway, LLC)
- **Term:** 10 years (August 1, 2010 – July 31, 2020)
- **Area / Costs:** 38,120 Square Feet

Average Annual Contract Rent (includes utilities and janitorial*):	\$573,389.20	\$15.04/sf
Current Annual Contract Rent (includes utilities and janitorial*):	\$590,860.00	\$15.50/sf

- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** \$22.50

Comment: This lease will provide office space for the Board of Parole and Tennessee Housing Development Agency (THDA). The extended term will allow time for state-owned space to be prepared for the Board of Parole. The THDA space needs are being finalized, and further ESC action may be required.

The landlord is responsible for utilities up to \$1.40/sf. The tenant will reimburse landlord for any utility costs above that rate during the amended term.

During the seven-month extended term; the State will not have the right to terminate for convenience.

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

Previous Actions:

08/25/2008	ESC	Approved lease
08/24/2009	ESC	Approved lease amendment
08/11/2016	SBC	Approved lease amendment

Minutes: 05/26/2020 ESC Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Parking)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 20-04-912

• **Proposed Lease**

- **Location:** Davidson County – 612 10th Avenue North, Nashville, TN
- **Landlord:** Capitol View Joint Venture
- **Term:** 1 year (July 1, 2020 to June 30, 2021)
- **Area / Costs:** 246 Parking Spaces @ \$70.00 per space/monthly Annual Rent: \$206,640.00

• **Current License**

- **Location:** Davidson County – 612 10th Avenue North, Nashville, TN
- **Landlord:** Capitol View Joint Venture
- **Term:** 1 year (July 1, 2019 to June 30, 2020)
- **Area / Costs:** 246 Parking Spaces @ \$70.00 per space/monthly Annual Rent: \$206,640.00

• **Source of Funding:** FRF Operating Funds

Comment: This lease will provide 246 parking spaces for use by multiple government agencies during the hours of 6am to 8pm Monday thru Friday. Advertisement is not required pursuant to T.C.A. § 12-2-114.

Either party may terminate agreement at any time with 60 days prior written notice.

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: 05/26/2020 Approved a lease

Approved:



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