

**SUPPLEMENTAL AGENDA**  
STATE BUILDING COMMISSION  
Executive Subcommittee  
Hearing Room 30 – Legislative Plaza  
June 9, 2016  
11:30 a.m.  
(or immediately following SBC meeting)

DEPARTMENT OF GENERAL SERVICES

State Capitol, Nashville, Davidson County, Tennessee

**Requested Action:** Approval of a revision project budget, scope, funding and source(s) of funding

**Project Title:** Mechanical & Electrical Upgrade

**Project Description:** Replacement and upgrade of mechanical, electrical and security systems *and* related renovations at the State Capitol to provide environmental control and address code compliance. Complete renovation of Cordell Hull Building including demolition of Central Services and construction of additions, a new parking garage, and improve access to the Capitol. *Buss duct repair in Cordell Hull.*

**SBC Number:** 529/005-01-2005

**Total Project Budget:** \$137,300,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$ 2,700,000.00	\$ 0.00	\$ 2,700,000.00		FRF OperFunds (A)
	11,500,000.00	0.00	11,500,000.00	2010	FRF GO Bonds-CapImprov (A)
	1,075,600.00	0.00	1,075,600.00	2001	FRF GO Bonds-/Energy (R)
	29,975,170.98	800,000.00	30,775,170.98		FRF Reserves (R)
	4,100,000.00	0.00	4,100,000.00	13/14	FRF CurrFundsCapMaint (A)
	6,400,000.00	0.00	6,400,000.00	13/14	FRF CurrFundsCapImprov (A/R)
	40,030,000.00	0.00	40,030,000.00	15/16	FRF CurrFunds CapMaint (A)
	20,070,000.00	0.00	20,070,000.00	15/16	FRF CurrFunds CapMaint (A/R)
	7,700,000.00	0.00	7,700,000.00	13/14	FRF CurrFunds CapImprov (A)
	12,949,229.02	0.00	12,949,229.02		Legislative Reserves (R)
<b>Original Project Funding:</b>	<b>\$136,500,000.00</b>				
<b>Change in Funding:</b>		<b>\$800,000.00</b>			
<b>Revised Project Funding:</b>			<b>\$137,300,000.00</b>		

**Comment:** This request adds scope and funding required for needed electrical buss duct repairs in Cordell Hull. Funds were transferred from 529/000-02-2014.

**Previous Action:**

06/09/2005	SBC	Approved preplanning;
07/14/2005	SBC	Designer selection recorded (Centric Architecture)
07/12/2007	SBC	Revise scope and planning funds
12/17/2007	ESC	Discussed implementation of plan
05/08/2008	SBC	Revise planning funds; proceed w/Phase 1
06/12/2008	SBC	Revise scope to include Senate Chambers
06/26/2008	ESC	Approved proceeding w/Senate Chambers
12/22/2008	ESC	Revised Planning/Phase 1 cost
07/09/2009	SBC	Revised & fully plan Phase 2, approved commissioning
10/19/2009	ESC	Approved issuing RFP for CMGC
12/10/2009	SBC	Discussion
12/21/2009	ESC	Status report and presentation

02/11/2010	SBC	Discussion; referred to ESC with authority
02/22/2010	ESC	Discussion; suspended certain actions
05/24/2010	ESC	Status report discussion
06/10/2010	SBC	Approved CMGC
10/14/2010	SBC	Referred to ESC with authority
11/01/2010	ESC	Revised EPC; planning funds; proceed w/Phase 2
08/22/2011	ESC	Revised scope; discussion
09/08/2011	SBC	Referred to ESC with authority
09/19/2011	ESC	Revised scope to preplan security upgrade
11/10/2011	SBC	Approved proceeding w/exterior security upgrade
01/12/2012	SBC	Revised funding & scope
02/21/2012	ESC	Approved proceeding w/interior security upgrades
04/12/2012	SBC	Reported sole source procurement
06/14/2012	SBC	Revised scope & funding
05/09/2013	SBC	Referred to ESC with authority
05/20/2013	ESC	Approved preplan Phase 4 & utilizing CMGC
06/13/2013	SBC	Referred to ESC with authority
06/24/2013	ESC	Revised scope/funding; approved GMP Phase 3
07/11/2013	SBC	Revised funding
08/08/2013	SBC	Report additional services
06/12/2014	SBC	Report Designer Additional Services to SBC
5/13/2015	SBC	Revised scope/funding; referred future actions to ESC
07/20/2015	ESC	Approved full funding and award to Skanska as CM/GC

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 16-01-903

● Proposed Lease

- Location: Davidson County – 227 French Landing, Nashville, TN
- Landlord: Heritage Place Partners, LLC
- Term: (15 years & 7 months) June 1, 2016 - December 3, 2031 with 5 yr. renewal option
- Area / Costs: 99,328 Square Feet

Total First Year Base Rent:	\$1,738,240.00	@\$17.50/sf
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Average Annual Base Contract Rent		
Including Base Utilities & Janitorial Cost:	\$2,026,291.20	@\$20.40/sf
***Estimated Utilities Cost:	<u>173,824.00</u>	<u>@ \$ 1.75/sf</u>
***Lease provides for payment of utilities over \$1.40/sf and operating expense over base year		
Total Annual Effective Cost:	\$2,309,376.00	@\$22.15/sf

● Current Lease

- Location: Davidson County – 227 French Landing, Nashville, TN
- Landlord: Heritage Place Properties, LLC
- Term: June 1, 2006 – May 31, 2016 (amended Oct. 1, 2014)
- Area / Costs: 77,711 Rentable Square Feet

Annual Contract Rent Including		
Utilities & Janitorial Cost:	<u>\$1,250,836.00</u>	<u>@\$16.09/sf</u>
Total Annual Effective Cost:	\$1,250,836.00	@\$16.09/sf

- Source of Funding: FRF Operating Fund - 50% FRF / 50% Federal
- Procurement Method: Negotiated
- FRF Rate: \$18.00

**Comment:** This lease is for Health Care Finance & Administration/Bureau of TennCare. It was negotiated with the approval of the Executive Subcommittee (February 22, 2016). The additional space will accommodate 125 new positions related to implementation of eligibility determination system and process for TennCare and Coverkids in order to comply with the State's Affordable Care Act Program Plan. As other tenants vacate the premises in the building, the premises will be leased by the State until the State leases the entire 111,206 square feet. The tenant may terminate this lease effective at any time after January 1, 2027 by providing the landlord at least 180 days prior written notice.

**Previous Action:** 02/22/2016 Approved negotiating a lease for special and unique space.  
**SSC Report:** 05/16/2016 The Agency deferred the transaction.