

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
February 27, 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 11:04 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
Jason Mumpower, Comptroller of the Treasury

MEMBERS ABSENT

David Lillard, State Treasurer

ORGANIZATION

- Department of General Services
- State Building Commission

PRESENTER

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 Board of Regents / TCAT Crossville**
Transaction: Acquisition – Fee (Gift)
Provision(s): n/a

- B. Agency: **Tennessee Board of Regents / TCAT Crossville**
Transaction: Acquisition – Fee (Gift)
Provision(s): n/a

- C. Agency: **Tennessee Board of Regents / TCAT Northwest**
Transaction: Acquisition – Fee (Gift)
Provision(s): n/a

- D. Agency: **Tennessee Board of Regents / Roane State Community College**
Project Title: Cumberland County Science Lab
SBC Project No: 166/027-01-2021
Requested Action: Approval of a revision in project budget and funding to award a contract

- E. Agency: **Tennessee Board of Regents / Tennessee State University**
Project Title: Love Learning Resource Center Building Envelope
SBC Project No: 166/001-02-2021
Requested Action: Approval of a revision in project budget and funding to award a contract

- F. Agency: **Department of Environment & Conservation**
Transaction: Terminate – Easement (Conservation)
Provision(s): n/a

- G. Agency: **Department of Transportation**
Transaction: Acquisition – Fee
Provision(s): n/a

- H. Agency: **Department of Transportation**
Transaction: Acquisition – Fee
Provision(s): n/a

- I. Agency: **Megasite Authority of West Tennessee**
Transaction: Disposal – Lease (Crop)
Provision(s): Waiver of appraisal

- J. Agency: **Department of General Services**
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement and appraisal

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

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

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-11-903

● **Proposed Lease**

- **Location:** Montgomery County – 200 Chesapeake Lane, Suite A, Clarksville TN
- **Landlord:** Chesapeake Partners c/o Ben R. Weakley
- **Term:** 10 years with three 1-year renewal options
- **Area / Costs:** 18,600 Square Feet

Annual Contract Rent	\$551,490.00	\$29.65/sf
Estimated Utilities Cost	32,550.00	1.75/sf
Estimated Janitorial Cost	20,460.00	1.10/sf
Total Annual Effective Cost	\$604,500.00	\$32.50/sf

● **Current Lease**

- **Location:** Montgomery County – 350 Pageant Lane, Suite 401, Clarksville, TN
- **Landlord:** Montgomery County
- **Term:** 2 years (May 1, 2022 to April 31, 2024)
- **Area / Costs:** 17,895 Square Feet

Annual Contract Rent	\$286,320.00	\$16.00/sf
Estimated Utilities Cost	31,316.00	1.75/sf
Estimated Janitorial Cost	19,684.50	1.10/sf
Total Annual Effective Cost	\$337,320.50	\$18.85/sf

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

Comment: This lease will provide office space for Department of Children’s Services. Two proposals from two proposers were received and evaluated. The additional square footage will allow for implementation of the agency security zones and additional staff. The lease is a build to suit and is estimated to commence on or before October 2024.

The tenant may terminate this lease for convenience with 90-days’ written notice to the landlord after 120 months.

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: 02/27/2023 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-01-902

● **Proposed Lease**

- **Location:** Montgomery County – 200 Chesapeake Lane, Suite B, Clarksville TN
- **Landlord:** Chesapeake Partners c/o Ben R. Weakley
- **Term:** 10 years with three 1-year renewal options
- **Area / Costs:** 19,400 Square Feet

Annual Contract Rent	\$575,210.04	\$29.65/sf
Estimated Utilities Cost	33,950.00	1.75/sf
Estimated Janitorial Cost	21,340.00	1.10/sf
Total Annual Effective Cost	\$630,500.04	\$32.50/sf

● **Current Lease**

- **Location:** Montgomery County – 1850 Business Park Dr., Suite 112B, Clarksville, TN
- **Landlord:** Westchase Series 4, a series of Westchase Partners, L.L.C.
- **Term:** 3 years (December 1, 2021 to November 31, 2024)
- **Area / Costs:** 13,500 Square Feet

Annual Contract Rent	\$189,540.00	\$14.04/sf
Estimated Utilities Cost	23,625.00	1.75/sf
Estimated Janitorial Cost	14,850.00	1.10/sf
Total Annual Effective Cost	\$228,015.00	\$18.85/sf

- **Location:** Montgomery County – 1430 Madison Street, Suite B, Clarksville, TN
- **Landlord:** Milan Enterprises, LLC
- **Term:** 5 Years (May 1, 2022 – April 30, 2027)
- **Area / Costs:** 5,467 Square Feet

Annual Contract Rent (includes utilities)	\$85,672.59	\$17.50/sf
Estimated Janitorial Cost	6,013.70	1.10/sf
Total Annual Effective Cost	\$139,600.00	\$18.60/sf

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

Comment: This lease will provide office space for Department of Human Services field office and call center. Two proposals from two proposers were received and evaluated. The current field office lease is a recent temporary consolidation and is below the ideal square footage. Alternative Workplace Solutions will be implemented at this location. The lease is a build to suit and is estimated to commence on or before October 2024.

The tenant may terminate this lease for convenience with 90-days' written notice to the landlord after 120 months.

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: 02/27/2023 Approved a lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on January 23, 2023.

Report of Items Submitted to the ESC

- 1) 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 capital improvement 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 – Knoxville
Location: Knoxville, Tennessee
Project Title: Melrose Gazebo Replacement
Project Description: Replacement of a damaged gazebo. Project includes all related work.
SBC Project No. 540/009-06-2023
Total Project Budget: \$49,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing Campus Consultant (MBI Companies, Inc.) for design and Campus Resources and System Procurement for construction
Approval Date: 02/27/2023
- Reported the following eight 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 Institute of Agriculture
Location: Walland, Tennessee
Project Title: ARP – ETREC Little River Improvements
Project Description: Installation of new emergency generator near the existing robot/parlor and relocate an existing generator at the feed center including electrical upgrades and all related work to complete the project.
SBC Project No. 540/001-03-2023
Total Project Budget: \$175,000.00
Source of Funding: Federal Funds (ARP) (F)
Approval: Approved project and utilizing a previously selected designer (Sparkman & Associates Architects, Inc.) for design
Approval Date: 02/01/2023

- 2) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Knoxville, Tennessee
Project Title: ARP – ETREC Holston Improvements
Project Description: Improvements at the East Tennessee Ag-Research Education Center Holston Unit includes construction of a new equipment storage building, cattle barn, and upgrades to an existing structure to incorporate a new cattle handling facility, along with the site infrastructure and all related work.
SBC Project No. 540/001-04-2023
Total Project Budget: \$376,000.00
Source of Funding: Federal Funds (ARP) (F)
Approval: Approved project and to select a designer
Approval Date: 02/08/2023
- 3) **State Procurement Agency:** Tennessee Board of Regents / Tennessee State University
Location: Nashville, Tennessee
Project Title: Rudolph and Campus Center Emergency Elevator Upgrades
Project Description: Replace ~~a failed elevator~~ *the two elevators* in Rudolph Hall and a falling kitchen service elevator in the Campus Center.
SBC Project No. 166/001-02-2022
Total Project Budget: \$913,000.00
Source of Funding: \$638,000.00 Plant Funds (Aux-Housing) (A)
\$275,000.00 Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget, scope, and funding (increases budget by \$283,000)
Approval Date: 01/31/2023
- 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: \$415,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding in order to award a contract (Barnes & Brower, Inc.) (increases budget by \$65,000.00)
Approval Date: 02/08/2023
- 5) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Parking Lot Repaving
Project Description: Repair and repave surface parking on the main campus.
SBC Project No. 367/007-02-2023
Total Project Budget: \$950,000.00
Source of Funding: Plant Funds (Aux-Parking) (A)
Approval: Approved project and utilizing Campus Consultant (Burr & Cole Consulting Engineers, Inc.) for design
Approval Date: 02/08/2023

- 6) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Lambuth Hyde Hall Chiller Replacement
Project Description: Replace air cooled chiller for Hyde Hall Science Building at the Lambuth campus.
SBC Project No. 367/071-01-2023
Total Project Budget: \$425,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing Campus Consultant (Haltom Engineering, LLC) for design
Approval Date: 02/08/2023
- 7) **State Procurement Agency:** East Tennessee State University
Location: Statewide, Tennessee
Project Title: Nurse Managed Clinic Renovations
Project Description: This project will address renovations in both the Johnson City Community Health Center (JCCHC) and the Hancock County Elementary School Based Health Clinic (HCE). The work in JCCHC includes the redesign of the front office check-in/check-out counter, HVAC replacements, exterior repairs, and equipment upgrades. The work in HCE includes redesign to capture additional exam rooms and offices with telehealth capabilities.
SBC Project No. 369/005-02-2023
Total Project Budget: \$530,000.00
Source of Funding: Federal Grants (HRSA) (F)
Approval: Approved project, to select a designer for a portion of the work, and utilizing a Campus Consultant (Facility Systems Consultants, LLC) for a portion of the work
Approval Date: 02/01/2023
- 8) **State Procurement Agency:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Football Video Board Installation
Project Description: Replacement of the old football scoreboard with a new video board, and all related work.
SBC Project No. 373/003-01-2023
Total Project Budget: \$800,000.00
Source of Funding: Gift Funds (O)
Approval: Approved project utilizing Agency Resources for procurement
Approval Date: 02/08/2023

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: 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 utilizing Campus Resources and System Procurement for construction
Approval Date: 01/30/2023
- Reported the following approval of a bid that exceeds approved MACC (no change in total project budget) in accordance with Item 2.04(B)(5) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of General Services
Location: Nashville, Tennessee
Project Title: Davy Crockett Covered Parking Ceiling
Project Description: Installation of dropped ceiling system, adding insulation to the under deck of the floor above and all required related work.
SBC Project No. 529/077-01-2020
Total Project Budget: \$620,000.00
Source of Funding: 20/21 FRF CurrFunds-CapMaint (MP) (A)
Approval: Approved a revision in project funding in order to award a contract (Grace Contracting, LLC)
Approval Date: 02/09/2023

Designer Selections

- Reported the following two designer selections for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Board of Regents / Chattanooga State Community College
Location: Chattanooga, Tennessee
Project Title: Sidewalk Construction
SBC Project No. 166/012-04-2022
Total Project Budget: \$435,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: March Adams & Associates
Approval Date: 01/18/2023
 - 2) **State Procurement Agency:** Tennessee Board of Regents / Cleveland State Community College
Location: Cleveland, Tennessee
Project Title: Student Center Roof Replacement
SBC Project No. 166/013-01-2022
Total Project Budget: \$600,000.00
Source of Funding: 22/23 CurrFunds-CapMaint (A)
Designer: Hefferlin + Kronenberg Architects, PLLC
Approval Date: 01/19/2023

- Reported a designer name change from “**Barge Cauthen & Associates, Inc.**” to “**Barge Civil Associates, LLC**” on all State projects.
- 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.

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|---|--|
| <p>1) University of Tennessee Institute of Agriculture
(ARP – PREC Improvements)
Total Project Budget: \$4,440,000.00
SBC Project No. 540/001-02-2023
Designer: Smee Busby Architects, P.C.</p> | <p>6) University of Tennessee Health Science Center
(Radiobiology Research Suite Expansion)
Total Project Budget: \$4,350,000.00
SBC Project No. 540/013-03-2023
Designer: Brg3s, Inc.</p> |
| <p>2) University of Tennessee Institute of Agriculture
(ARP – MTREC Spring Hill Improvements)
Total Project Budget: \$2,400,000.00
SBC Project No. 540/001-01-2023
Designer: LBYD, Inc.</p> | <p>7) East Tennessee State University
(Integrated Health Services Building)
Total Project Budget: \$43,900,000.00
SBC Project No. 369/005-05-2022
Designer: Moody Nolan, Inc.</p> |
| <p>3) University of Tennessee – Knoxville
(Art & Architecture Office Renovation)
Total Project Budget: \$1,685,000.00
SBC Project No. 540/009-03-2023
Designer: Smith Gee Studio, LLC</p> | <p>8) Tennessee Technological University
(Craft Center Upgrades)
Total Project Budget: \$2,840,000.00
SBC Project No. 364/031-01-2023
Designer: Maffett Loftis Engineering, LLC</p> |
| <p>4) University of Tennessee – Knoxville
(Carrick Hall Repairs)
Total Project Budget: \$1,690,000.00
SBC Project No. 540/009-04-2023
Designer: The Architecture Collaborative, LLC</p> | <p>9) Tennessee Technological University
(Football Operations Center)
Total Project Budget: \$15,000,000.00
SBC Project No. 364/011-01-2023
Designer: Upland Design Group, Inc.</p> |
| <p>5) University of Tennessee – Knoxville
(Dining Services Facilities Refresh)
Total Project Budget: \$2,500,000.00
SBC Project No. 540/009-05-2023
Designer: Studio Four Design, Inc.</p> | <p>10) Department of General Services
(THP District 4 Headquarters Memphis - New Facility)
Total Project Budget: \$18,890,000.00
SBC Project No. 502/007-01-2022
Designer: Renaissance Group, Inc.</p> |
| | <p>11) Statewide
(Architectural Consultant – Middle Tennessee)
Total Project Budget: Not Applicable
SBC Project No. 166/000-03-2017
Designer: Bauer Askew Architecture, PLLC</p> |

Other Business

There being no further business, the meeting adjourned at 11:10 a.m.

TENNESSEE BOARD OF REGENTS**Acquisition – Fee (Gift)****Requested Action:** **Approval of acquisition in fee****Transaction Description:**

Transaction No. 22-12-012

• **Location:**

TCAT Crossville

Cumberland County - 7.96+/-acres - Interchange Drive, Crossville, TN

• **Owner(s):**

City of Crossville

• **Estimated Purchase Price:**

Gift

• **Source of Funding:**

Plant Funds (REM Fees) (Non-Aux) (A)

Comment:

TCAT Crossville has offered a truck driving program for the last 11 years and it consistently stays at capacity with an enrollment waitlist. The donation of this property that the TCAT has been using for the driving portion of the class will allow them to build a building that would not only enable the TCAT to expand the trucking driving program but will also free up space on the main campus for additional programs. The proposed building will be funded in a future request and is in the **Statewide TCAT 2023 Master Plan Update**.

Date of Last Transfer: March 23, 2015

Purchase Price: \$0.00

Property Assessor's Value: \$204,200.00

Square Footage Improvements: 0

Minutes:

02/27/2023 Approved acquisition in fee

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Gift)

Requested Action: **Approval of acquisition in fee**

Transaction Description: Transaction No. 22-12-011

- **Location:** TCAT Crossville
Bledsoe County - 10+/-acres - US Highway 127, Pikeville, TN
- **Owner(s):** Bledsoe County
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (REM Fees) (Non-Aux) (A)

Comment: This gift from Bledsoe County will allow TCAT Crossville an opportunity to increase its ability to serve students to the south of the main campus while allowing the main campus to decrease the number of students on its waitlist. The new facility will house Welding, Practical Nursing, and Power Line Worker programs and will be funded in a future request. The proposed building will be funded in a future request and is in the **Statewide TCAT Crossville’s 2023 Master Plan** Update.

Date of Last Transfer: May 31, 2017
Purchase Price: \$150,000.00
Property Assessor’s Value: \$180,000.00
Square Footage Improvements: 0

Minutes: 02/27/2023 Approved acquisition in fee

TENNESSEE BOARD OF REGENTS**Acquisition – Fee (Gift)****Requested Action:** **Approval of acquisition in fee**

Transaction Description: Transaction No. 23-01-006

- **Location:** TCAT Northwest
Obion County - 4.55+/-acres - 1419 N. Morgan Street, Union City, TN
- **Owner(s):** Obion County
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (REM Fees) (Non-Aux) (A)

Comment: TCAT Northwest (formerly TCAT Newbern) has been leasing space since 2013 to operate welding, practical nursing, and industrial maintenance mechatronics programs in Union City. The current facility is not in good condition and Obion County has agreed to donate a different facility to the State so that the TCAT can continue operating these programs in Union City. An assessment of the condition of the facility to be donated, a former vocational tech facility, found it to be in an acceptable condition and suited for the operation of the programs. The funds currently allocated to pay rent and operating expenses at the leased facility will be utilized for the operation of the new location. This property is in the **Statewide TCAT 2023 Master Plan Update.**

Date of Last Transfer:	March 05, 2004
Purchase Price:	\$0.00
Property Assessor's Value:	\$857,500
Square Footage Improvements:	12,500

Minutes: 02/27/2023 Approved acquisition in fee

TENNESSEE BOARD OF REGENTS

Roane State Community College, Harriman, Roane County, Tennessee **

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

Project Title: Cumberland County Science Lab

Project Description: Construct 2 additional classrooms and Chemistry/Biology Lab at the Cumberland County campus. Expand a Nursing Lab adjacent to the classrooms.

SBC Number: 166/027-01-2021

Total Project Budget: \$2,480,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$1,700,000.00	\$ 0.00	\$1,700,000.00	21/22	CurrFunds-CapImp (A)
	480,000.00	300,000.00	780,000.00		Plant Funds (Non-Aux) (A)
Original Project Budget:	\$2,180,000.00				
Change in Funding:		\$300,000.00			
Revised Project Budget:			\$2,480,000.00		

Comment: This request increases the budget from \$2,180,000.00 to \$2,480,000.00. Seven proposals were received on February 8, 2023. An increase in funding is needed to award a contract to Evans-Ailey Construction for the base bid. A manufacturer shortage of available lab casework and a regional shortage of fly ash available for concrete mix designs are the primary drivers of the increase. There will be no additional designer fees.

Previous Action: 07/22/2021 SBC Approved project and to select a designer
 07/22/2021 ESC Approved designer selection (Upland Design Group, Inc.)
 03/10/2022 SBC Approved a revision in project scope, budget, and funding
 02/09/2023 SBC Referred to ESC with authority to act

Minutes: 02/27/2023 ESC Approved a revision in project budget and funding to award a contract (Evans-Ailey Construction)

** Work to be done in Cumberland County

TENNESSEE BOARD OF REGENTS

Tennessee State University, Nashville, Davidson County, Tennessee

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

Project Title: Love Learning Resource Center Building Envelope

Project Description: Exterior renovation to address water infiltration issues. Work includes masonry restoration, cleaning, waterproofing, new gutters, flashing and roof repairs/replacement.

SBC Number: 166/001-02-2021

Total Project Budget: \$1,450,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>	
	\$1,300,000.00	\$150,000.00	\$1,450,000.00	Plant Funds (Non-Aux) (A)
Original Project Budget:	\$1,300,000.00			
Change in Funding:		\$150,000.00		
Revised Project Budget:			\$1,450,000.00	

Comment: This request increases the budget from \$1,300,000.00 to \$1,450,000.00. Four bids were received on January 18, 2023. An increase in funding is needed to award a contract to J. E. Stevens Construction Group, LLC for the base bid and one alternate. The increase is primarily due to escalation of building materials. There will be no additional designer fees.

Previous Action:

09/09/2021	SBC	Approved project and to select a designer
10/25/2021	ESC	Approved designer selection (American Structurepoint, Inc.)
02/09/2023	SBC	Referred to ESC with authority to act

Minutes: 02/27/2023 ESC Approved a revision in project budget and funding to award a contract (J. E. Stevens Construction Group, LLC)

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Terminate – Easement (Conservation)

Requested Action: **Approval to terminate conservation easements**

Transaction Description: Transaction No. 22-12-010

- **Location:** McNairy County– 272 ± acres conservation easement- 964 Joe Dillon Rd; 1072 Joe Dillon Road; 0 Harrison Road, and 1425 Joe Dillon Road, Michie, TN
- **Grantee:** Civil War Preservation Trust

Comment: The Tennessee Department of Environment and Conservation (TDEC) requests to extinguish 3 conservation easements totaling 272 ± acres to allow the fee owner, American Battlefield Trust (Civil War Preservation Trust), to convey the parent parcels by donation to Shiloh National Military Park.

Minutes: 02/27/2023 Approved terminating conservation easements

DEPARTMENT OF TRANSPORTATION**Acquisition – Fee****Requested Action:** **Approval of acquisition in fee and to utilize an option**

Transaction Description: Transaction No. 23-01-004

- **Location:** Rutherford County – 7.58± acres – 0 Joe B Jackson Parkway, Murfreesboro, TN
- **Owner(s):** NHK Seating of America, Inc.
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 22/23 TDOT Op Funds (A)

Comment: The Tennessee Department of Transportation's (TDOT) current Rutherford County maintenance facility is located in a residential area and is very constrained, making it difficult to move large equipment in and out. The procurement of this vacant lot zoned for heavy industrial use will serve as a new county maintenance facility including an expansion of the roadside assistance program that provides improved access to interstate and other state routes in the area.

The state plans to utilize an option for purchase due to the time sensitive nature of this acquisition.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	08/22/2019
Purchase Price:	\$0.00
Property Assessor's Value:	\$843,700.00
Square Footage Improvements:	N/A

Minutes: 02/27/2023 Approved acquisition in fee to utilize an option

DEPARTMENT OF TRANSPORTATION

Acquisition – Fee

Requested Action: **Approval of acquisition in fee**

Transaction Description: Transaction No. 22-12-007

- **Location:** Sullivan County – 3.75 ± acres – 311 Fleenor Drive, Indian Springs, TN
- **Owner(s):** Fayne Bell and Jim Bell joint tenants with rights of survivorship
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 22/23 TDOT Op Funds (A)

Comment: The Tennessee Department of Transportation (TDOT) current Sullivan County maintenance facility location is not adequately sized to house the maintenance operations buildings, material stockpiles and equipment needed to maintain TDOT infrastructure within the county. There is no adjoining land available for purchase at the existing site. This site has additional acreage will provide the necessary space to maintain serviceability.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	10/23/2000
Purchase Price:	\$0
Property Assessor's Value:	\$54,200
Square Footage Improvements:	N/A

Minutes: 02/27/2023 Approved acquisition in fee

MEGASITE AUTHORITY OF WEST TENNESSEE

Disposal – Lease (Crop)

Requested Action: **Approval of disposal by lease with waiver of appraisal**

Transaction Description: Transaction No. 22-12-002

- **Location:** Memphis Regional Megasite
 Haywood County - 375+/- acres - Stanton, TN
- **Tenant** Dewayne Hendrix
- **Term:** March 15, 2023, through December 31, 2023, with four, 1-year renewal options
- **Annual Rent:** \$75,375

Comment: The Megasite Authority of West Tennessee, in accordance with TCA §64-9-112, seeks a disposal crop lease of 375 +/- acres for the limited purpose of growing and harvesting crops. The lease can be terminated by the Megasite Authority of West Tennessee, if necessary, for development of the Memphis Regional Megasite.

The landlord may terminate this lease with 30 days written notice with payment of termination fee.

The lease procurement was conducted in accordance with the SBC approved form of crop lease request for proposal and the lease is on the approved template form. Three proposals were received by the bid due date. Dewayne Hendrix was the highest bidder.

Minutes: 02/27/2023 Approved disposal by lease with waiver of appraisal

DEPARTMENT OF GENERAL SERVICES

Disposal – Lease (Space)

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

Transaction Description: Transaction No. 22-12-008

- **Location:** 220 French Landing
Davidson County – 220 French Landing, Nashville, TN
- **Tenant:** Tennessee Employees Credit Union (TNECU)
- **Term:** March 1, 2023, through February 28, 2026 with two 1-year renewal options
- **Area / Costs:** 2,312 Square Feet \$61,268 \$26.50 / SF

Comment: This request is for a disposal lease to the TNECU, which is a not-for-profit financial cooperative that provides financial services to State of Tennessee employees. TNECU was founded by the Department of Human Services and the Department of Labor and Workforce Development and has maintained a presence in this location since December 2007. TNECU serves State of Tennessee employees exclusively and is not open to the public.

This is a modified gross lease structure by which the TNECU is responsible for phone, data, janitorial, and all repairs and maintenance of the non-structural portion of the leased premises, with the State being responsible for all other expenses.

The rental rate is in accordance with the Facilities Revolving Fund (FRF) rate and is subject to adjustments.

Proceeds will be deposited into the Facilities Revolving Fund in accordance with TCA §12-2-119.

Minutes: 02/27/2023 Approved disposal by lease with waiver of advertisement and appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-06-903

● **Proposed Lease**

- **Location:** Davidson County – 2501 McGavock Pk, Nashville, TN
- **Landlord:** Two Rivers Corporate Centre, L.P.
- **Term:** 10 years with three 1-year renewal options
- **Area / Costs:** 22,694 Square Feet

First Year Annual Contract Rent	\$726,208.00	\$32.00/sf
Average Annual Contract Rent (includes utilities and janitorial)	832,516.09	36.68/sf
Total Average Annual Effective Cost	\$832,516.09	\$36.68/sf

● **Current Lease**

- **Location:** Davidson County – 900 Gallatin Pk. S., Madison, TN
- **Landlord:** 721 Madison Square LLC
- **Term:** 3 years (March 1, 2022 – February 28, 2025)
- **Area / Costs:** 21,083 Square Feet

Average Annual Contract Rent	\$184,476.25	\$8.75/sf
Estimated Annual Utility Cost	36,895.25	1.75/sf
Estimated Annual Janitorial Cost	23,191.30	1.10/sf
Total Average Annual Effective Cost	\$244,562.80	\$11.60/sf

- **Source of Funding:** FRF
- **Procurement Method:** Advertised
- **FRF Rate:** \$26.50

Comment: This lease will provide office space of Tennessee Department of Correction Day Reporting Center & Community Resource Center. Two proposals from two proposers were received and only one was evaluated. The proposed location will be renovated to meet the State’s needs. The increased square footage is within the advertised range for this purpose. The lease is estimated to commence on or before August 2024.

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

If the renewals are exercised the rent rate will decrease.

The CBRE, Inc. commission is \$228,941.92 for the 10-year base term, if all renewal options are exercised the commission will be \$258,108.17.

Minutes: 02/27/2023 Approved a lease

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-09-913● **Proposed Lease**

- **Location:** Roane County – 1070 North Gateway, Rockwood, TN
- **Landlord:** P & G Properties, Inc.
- **Term:** 10 years
- **Area / Costs:** 5,390 Square Feet

Annual Contract Rent	\$67,321.10	\$12.49/sf
Estimated Utilities Cost	9,432.50	1.75/sf
Estimated Janitorial Cost	5,929.00	1.10/sf
Total Annual Effective Cost	<u>\$82,682.60</u>	<u>\$15.34/sf</u>

● **Current Lease**

- **Location:** Roane County – 1070 North Gateway, Rockwood, TN
- **Landlord:** Peggy Hill, Gregory M. Hill and Michael G. Hill
- **Term:** 3 Years (March 1,2022 to February 2025)
- **Area / Costs:** 5,000 Square Feet

Annual Contract Rent	\$49,999.00	\$10.00/sf
Estimated Utilities Cost	8,750.00	1.75/sf
Estimated Janitorial Cost	5,500.00	1.10/sf
Total Annual Effective Cost	<u>\$64,249.00</u>	<u>\$12.85/sf</u>

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

Comment: This lease will provide office space for Department of Safety and Homeland Security, including Tennessee Highway Patrol (THP). Three proposals from two proposers were received and evaluated. The proposed location will be renovated to meet the State's needs. Additional square footage will add equipment storage space required for THP. The lease is estimated to commence on or before March 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: 02/27/2023 Approved a lease

Approved:



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