

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
June 21, 2022

The State Building Commission Executive Subcommittee met this day immediately following the State Building Commission in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Secretary Hargett called the meeting to order at 11:21 a.m. and Commissioner Bryson was elected as Chairman of the Executive Subcommittee by acclamation. Commissioner Bryson stated that it was a pleasure to serve with all of them. Commissioner Bryson 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 Memphis
- University of Tennessee
- Department of Transportation
- Department of General Services
- State Building Commission

PRESENTER

Chief University Planning Officer Tony Poteet
Assistant Vice President Austin Oakes
Deputy Commissioner Paul Degges
Deputy Commissioner John Hull
State Architect Ann McGauran

CONSENT AGENDA

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

- A. Agency: **Middle Tennessee State University**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: **University of Memphis**
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement

- C. Agency: **University of Tennessee Health Science Center**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a

- D. Agency: **University of Tennessee – Knoxville**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a

- E. Agency: **Tennessee Board of Regents / Roane State Community College**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and appraisal

- F. Agency: **Tennessee Board of Regents / Cleveland State Community College**
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of advertisement

- G. Agency: **Tennessee Board of Regents / TCAT Shelbyville**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement

- H. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Fee
Provision(s): Waiver of advertisement

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

- J. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement

- K. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee
Provision(s): Waiver of advertisement

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

- M. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- N. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- O. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- P. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- Q. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- R. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- S. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- T. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- U. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement

UNIVERSITY OF MEMPHIS

Acquisition – Lease (Space)

Requested Action: **Approval of acquisition by lease**

Transaction Description: Transaction No. 21-11-916

• **Proposed Lease**

- **Location:** The Gather on Southern, 3655 Southern Avenue, Memphis, Shelby County, TN 38111
- **Landlord:** Memphis Southern PropCo, LLC c/o Yugo USA LLC
- **Term:** Three years with two one-year extensions
- **Area / Costs:** 208 beds / 52 four-bedroom units / 1,372 sq ft per unit
\$549.00 per bed per month / \$1,370,304.00 per year

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

Comment: Out of state enrollment at The University of Memphis continues to increase, creating the need to establish leases with private apartment owners to provide student housing. Current on-campus student housing is near 100% capacity and demand for next fall semester is anticipated to increase beyond capacity.

The admission of out of state students has grown from 622 in spring of 2021 to 2300 for spring 2022. Approximately 35 – 40% of the admitted students continue to enroll at the University after admission. With a similar ratio expected we forecast out of state student of between 775 – 900 students in fall of 2022 that will need housing accommodations.

Given the gap between the housing needs of incoming non-resident students and the lack of available housing on campus, development of leases for with housing providers in close proximity to campus is our only option. Adjacent, safe housing for these students with is essential for them to pursue their educational goals at The University of Memphis.

The rent will increase 3% annually in years 2 and 3.

Previous Action: 02/28/2022 Approved waiver of advertisement

Minutes: 06/21/2022 Approved acquisition by lease

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-12-010

• **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK)
Knox County – 6324 Papermill Drive, Knoxville, TN
- **Landlord:** Holiday Inn Express Hotel and Suites
- **Term:** July 31, 2022 – June 3, 2023
- **Area / Costs:** 89 hotel rooms

	\$/room	Estimated Total Cost
Cost per room (see comment)	\$102.00/night	\$3,166,086.00

• **Source of Funding:** Plant Funds (Aux-Housing) (A)

• **Procurement Method:** Negotiated

Comment: Enrollment at UT Knoxville continues to increase, creating the need for additional bed capacity for undergraduate students. This lease is for all rooms in this hotel. This hotel was selected because of the ability to lease all the rooms in the hotel.

UTK Housing will manage the front desk, arrange for transportation to and from the hotel, and arrange for meals as needed.

The room rate will increase to \$299 per night for two nights during each of the seven UT home football games. Due to the short-term of the lease, there is no termination for convenience.

Previous Action: 12/20/2021 Approval of waiver of advertisement
01/24/2022 Approved a lease
02/28/2022 Approved a lease (not executed)
05/23/2022 Approved a lease

Minutes: 06/21/2022 Approved a lease

DEPARTMENT OF TRANSPORTATION

Acquisition – Easements (Construction and Conservation)

Requested Action: **Approval of acquisitions by easement by eminent domain**

Transaction Description: Transaction No. 21-11-009

- **Location:** Lake Page Stream Mitigation Project (SMP)
Shelby County – 0.043± acres temporary construction easement and 2.41± acres permanent conservation easement – 10636 Shelton Road, Collierville, TN.
- **Owner(s):** Blaylock & Brown Construction, Inc.
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** Federal Funds (F)
21/22 TDOT Op Funds (A)

Comment: TDOT requests permission to put in place a temporary construction easement and acquire a permanent conservation easement through condemnation necessary to complete the Lake Page SMP in Collierville, Tennessee, pursuant to Tenn. Code Ann. § 66-9-305.

The mitigation credits accrued from the SMP are directly tied to the approved State Road Project 79020-2248-14 on SR-4 in Shelby County, the approved State Road Project 38004-2215-14 on Brownsville Bypass in Haywood County, and the approved State Road Project 79022-3232-14 on SR-14 in Shelby County.

Minutes: 06/21/2022 Approved acquisitions by easement by eminent domain

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No: 22-02-900

• **Proposed Lease**

- **Location:** Davidson County – 220 Blanton Avenue, Nashville, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 3 years
- **Area / Costs:** 17,000 Square Feet

Annual Contract Rent	\$363,800.00	\$21.40/sf
Estimated Annual Utility Cost	29,750.00	1.75/sf
Estimated Annual Janitorial Cost	18,700.00	1.10/sf
Total Annual Effective Cost	\$412,250.00	\$24.25/sf

• **Current Lease**

- **Location:** Davidson County – 220 Blanton Avenue, Nashville, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 10 years (December 1, 2003 – November 30, 2013) (Holdover)
- **Area / Costs:** 17,000 Square Feet

Annual Contract Rent	\$219,640.08	\$12.92/sf
Estimated Utilities Cost	23,800.00	1.40/sf
Estimated Janitorial Cost	18,700.00	1.10/sf
Total Annual Effective Contract Rent	\$262,140.08	\$15.42/sf

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

Comment: This lease will provide office space for Department of Correction.

The tenant may not terminate this lease for convenience at any time during the 3-year term.

The long-term procurement is currently in the Advertising Phase and will be presented to ESC pursuant to applicable SBC Policy at a future date.

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

Previous Action: 05/23/2022 Approved waiver of advertisement.

Minutes: 06/21/2022 Approved a lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on May 23, 2022.

Report of Items Submitted to the ESC

- 1) TWRA Crop Lease Report 2021 in accordance with SBC By-Laws, Policy & Procedures Item 7.05B.

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: Body Farm Shed Replacement
Project Description: Replacement of the Body Farm Shed with an upgraded new building. Includes all related work to complete the project.
SBC Project No. 540/009-23-2022
Total Project Budget: \$36,500.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a previously selected designer (Sparkman & Associates Architects, Inc.) and Campus Resources and System Procurement for construction
Approval Date: 06/21/2022

- Reported the following nine 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 – Chattanooga
Location: Chattanooga, Tennessee
Project Title: Student Success Center
Project Description: This project will renovate interior space of the College of Engineering & Computer Science (CECS) building to provide a Student Success Center for the CECS. Project will include all related work associated with the building modifications that will create these new offices and workrooms.
SBC Project No. 540/005-06-2021
Total Project Budget: \$295,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in budget and funding in order to award a contract (increase MACC and Admin. & Misc. by \$20,000.00)
Approval Date: 06/03/2022

- 2) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Hodges Library Suites Renovation
Project Description: Renovation of spaces for staff, including layout changes of suites for new offices and support spaces. Work will include all alterations to related building systems and upgrades to finishes on all surfaces. Includes all related work to complete the project.
SBC Project No. 540/009-22-2022
Total Project Budget: \$500,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project, utilizing a previously selected designer (Randolph Architecture LLC), and Campus Resources and System Procurement for construction
Approval Date: 06/03/2022
- 3) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: TREC Upgrades
Project Description: Upgrades of the Student Recreation & Fitness Center (TREC) will include building mechanical and electrical systems along with updating building finishes as well as all related work to complete the project.
SBC Project No. 540/009-24-2022
Total Project Budget: \$470,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing Campus Consultant (Community Tectonics Architect, Inc.) for design and Campus Resources and System Procurement for construction
Approval Date: 06/07/2022
- 4) **State Procurement Agency:** University of Tennessee – Martin
Location: Martin, Tennessee
Project Title: Indoor Batting Facility
Project Description: This project will provide an indoor, climate controlled, batting facility. The facility will *replace the current* baseball/softball facility.
SBC Project No. 540/011-04-2021
Total Project Budget: \$620,000.00
Source of Funding: Gifts (O)
Approval: Approved a revision in project scope, funding, and utilizing System Procurement for a portion of construction (increase by \$586,000.00 to fully fund the project)
Approval Date: 06/07/2022
- 5) **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: \$350,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing Campus Consultant (March Adams & Associates, Inc.) for design
Approval Date: 06/07/2022

- 6) **State Procurement Agency:** Tennessee Board of Regents / Tennessee State University
Location: Nashville, Tennessee
Project Title: Emergency-Rudolph and Campus Center Elevator Upgrades
Project Description: Replace a failed elevator in Rudolph Hall and a failing kitchen service elevator in the Campus Center.
SBC Project No. 166/001-02-2022
Total Project Budget: \$630,000.00
Source of Funding: \$355,000.00 Plant Funds (Aux-Housing) (A)
\$275,000.00 Plant Funds (Non-Aux) (A)
Approval: Approved project and utilizing an Agency Consultant (Bauer Askew Architecture) for design
Approval Date: 06/01/2022
- 7) **State Procurement Agency:** Tennessee Board of Regents / Volunteer State Community College
Location: Gallatin, Tennessee
Project Title: CHEC Electrical and Mechanical Upgrades
Project Description: Provide electrical and mechanical upgrades to support the TCAT Livingston Injection Molding program located in the Cookeville Higher Education Center.
SBC Project No. 166/025-01-2022
Total Project Budget: \$220,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing a Consultant (I.C. Thomasson Associates) for design
Approval Date: 06/01/2022
- 8) **State Procurement Agency:** STREAM / Department of Correction
Location: Nashville, Tennessee
Project Title: DSNF Building 12 Roof Replacement
Project Description: Replace membrane roof and all required related work.
SBC Project No. 142/011-01-2022
Total Project Budget: \$900,000.00
Source of Funding: \$ 50,000.00 21/22 TDOC Op Funds (A)
\$850,000.00 Insurance Proceeds (O)
Approval: Approved project utilizing a Central Procurement Office contract (Belfor) to perform the work
Approval Date: 05/31/2022
- 9) **State Procurement Agency:** STREAM / Department of Correction
Location: Clifton, Tennessee
Project Title: SCCF Housing Buildings Foundation and Plumbing Repairs
Project Description: Repair damaged foundation and underground plumbing of the housing units and all required related work.
SBC Project No. 142/018-01-2022
Total Project Budget: \$1,000,000.00
Source of Funding: 04/05 CurrFunds-CapMaint (SA) (R)
Approval: Approved project and utilizing a previously selected consultant (Hurst-Rosche, Inc.) for design
Approval Date: 06/01/2022

Approvals of Revisions to Existing Capital Projects

- Reported the following four 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: Student Recreational Facilities Improvements
Project Description: This project will provide modifications and renovations of the outdoor pool area and plaza including deck repair, reconstruction of the Aquatic Center outdoor pool, upgrades to and enclosure of the pool filtration system, and furnishings, finishes, and equipment. The Student Recreation Facility doors and turnstiles will also be replaced and includes all related work to complete the project.

SBC Project No. 540/009-14-2019
Total Project Budget: \$5,500,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved utilizing Campus Resources and System Procurement for a portion of construction (Reception Desk and Lobby finishes)
Approval Date: 06/07/2022
- 2) State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Dabney/Buehler Lab Renovations
Project Description: This project will reconfigure spaces within the building to accommodate new uses for student and faculty collaboration while updating existing labs and utilities. Some overall building repairs and building system renewing will also be completed in conjunction with the reconfiguration.

SBC Project No. 540/009-24-2021
Total Project Budget: \$1,300,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved utilizing Campus Resources and System Procurement for a portion of the work (Hood installation)
Approval Date: 05/27/2022
- 3) State Procurement Agency:** University of Tennessee Space Institution
Location: Tullahoma, Tennessee
Project Title: UTSI High Pressure Air Line
Project Description: Installation of a new underground compressed air line to support research in the hypersonic wind tunnels.

SBC Project No. 540/020-01-2022
Total Project Budget: \$75,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved utilizing Campus Resources and System Procurement for construction
Approval Date: 05/27/2022

4) **State Procurement Agency:** STREAM / Department of Military
Location: Russellville, Tennessee
Project Title: Russellville Readiness Center Plumbing Repair
Project Description: Repair exterior and interior plumbing lines; replacement of interior plumbing fixtures and partitions; and all required related work.
SBC Project No. 361/063-01-2021
Total Project Budget: \$430,000.00
Source of Funding: \$215,000.00 Federal Funds (NGB) (F)
\$215,000.00 21/22 CurrFunds-CapMaint (A)
Approval: Approved using IDIQ Alternative Delivery Method for construction
Approval Date: 06/07/2022

- Reported the following approval of a revision in funding for capital project (no change in total project budget) in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:

1) **State Procurement Agency:** STREAM / Department of General Services
Location: Statewide, Tennessee
Project Title: State Building Audio/Visual Infrastructure Upgrades
Project Description: Planning and Implementation of AV Installations for shared conference areas in state office buildings.
SBC Project No. 529/000-09-2013
Total Project Budget: \$9,100,000.00
Source of Funding: 13/14 FRF CurrFunds-CapImp (A)
Approval: Approved a revision in project funding in order to award a contract (reallocating \$393,800 in funding from Telecom to Construction and Contingency)
Approval Date: 06/06/2022

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.

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| <p>1) University of Tennessee – Chattanooga
 (University Center Renovations)
 Total Project Budget: \$33,000,000.00
 SBC Project No. 540/005-04-2022
 Designer: MBI Companies, Inc.</p> | <p>3) University of Tennessee – Martin
 (Establish Veterans Park & Demolition of Dormitories)
 Total Project Budget: \$1,500,000.00
 SBC Project No. 540/011-01-2022
 Designer: PROJX, LLC</p> |
| <p>2) University of Tennessee – Knoxville
 (POD Market Expansion and Brand Refresh)
 Total Project Budget: \$275,000.00
 SBC Project No. 540/009-21-2022
 Designer: Randolph Architecture, LLC</p> | <p>4) Volunteer Training Site – Milan
 (VTS Milan Fire Truck Bay)
 Total Project Budget: \$950,000.00
 SBC Project No. 368/031-02-2022
 Designer: A2H, Inc.</p> |

Other Business

There being no further business, the meeting adjourned at 11:31 a.m.

MIDDLE TENNESSEE STATE UNIVERSITY**Acquisition – Fee (Purchase)**

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

Transaction Description: Transaction No. 22-03-002
 • **Location:** Rutherford County – 0.63 +/- acres - 1910 Ragland Avenue, Murfreesboro, TN
 • **Owner(s):** Steven F. Lund and Jeanne S. Lund
 • **Estimated Purchase Price:** Fair Market Value
 • **Source of Funding:** Plant Funds (Aux-Housing) (A)

Comment: This property is identified in the **2016 Campus Master Plan** acquisition area and is contiguous to other MTSU property. The property is located south of main campus on Ragland Avenue. MTSU desires to acquire this property based on its location adjacent to a large amount of contiguously owned property.

The property contains a 1,675 SF house and a 950 SF shop/carport. MTSU conducted an inspection of the house on May 25, 2022, and has identified needed repairs totaling approximately \$1,000.00 to replace an exterior electrical outlet, clean gutters, and trim landscaping. MTSU will rent the house during the immediate future.

Date of Last Transfer: 10/23/1992
 Purchase Price: N/A
 Property Assessor's Value: \$353,300
 Square Footage Improvements: 2,625

Minutes: 06/21/2022 Approved acquisition in fee with waiver of advertisement and one appraisal

UNIVERSITY OF MEMPHISDisposal - Lease (Space)

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

Transaction Description: Transaction No. 22-03-001

- **Proposed Lease**

- **Location:** University of Memphis - 4075 Park Avenue, Memphis, TN 38152
- **Tenant:** American Lebanese Syrian Associated Charities (ALSAC)
- **Term:** 11 years, with one 9-year extension
- **Area / Costs:** 3,415 Square Feet / \$64,885 per yr. (\$19.00/sf)

- **Procurement Method:** Negotiated

- **FRF Rate:** \$18.00 (for reference only)

Comment: This request is to lease space on the first floor of the Defense Audit Building on the UoM Park Avenue campus. ALSAC has been operating in partnership with UoM since January 1, 2016, under a Facilities Use Agreement in 815 sq ft for \$1.00 per year at 633 Normal Street, Memphis, TN. This new lease will allow ALSAC to employ approximately fifty (50) UoM students as part of the fundraising operations in support of St. Jude Children's Research Hospital.

A qualified State Appraiser has assessed the proposed rent and determined it is Fair Market Value. ALSAC will be responsible for improvements to the space. UoM will provide credit toward the rental payment for each dollar ALSAC spends on the improvements on the "Improvements List" up to \$713,735.00. In no event shall UoM be obligated to pay for improvements that exceed the agreed rental rate. If the extension is exercised, then the rental rate for the extension will be 90% of the Fair Market Value as determined by appraisal for the twelfth year with 3% annual increases every subsequent year. Either party has the right to terminate for convenience on 60 days' notice following the initial term of eleven (11) years.

Minutes: 06/21/2022 Approved disposal by lease with waiver of advertisement

UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 22-05-011

- **Proposed Lease**

- **Location:** University of Tennessee-Health Science Center (UTHSC)
Knox County – 8700 Hopemont Way, Knoxville, TN
- **Landlord:** Corporate Quarters, Inc.
- **Term:** August 1, 2022 – July 31 2023
- **Area / Costs:** Up to 10 two-bedroom units
\$3,505/month per two-bedroom unit including utilities, \$420,600/year

- **Source of Funding:** Plant Funds (Aux-Housing) (A)

- **Procurement Method:** Negotiated

Comment: These apartments will be used by medical students on clinical rotations with UTHSC's College of Medicine–Knoxville. The ability to provide a limited amount of housing for students is considered a highly significant and a valuable recruiting tool in attracting students to the UTHSC with the long-range benefit of students considering Knoxville for their residency.

A \$100 cleaning fee will be assessed each time a medical student rotates out and a new one arrives.

Previous Action: 05/23/2022 Approved waiver of advertisement**Minutes:** 06/21/2022 Approved a lease

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-12-010

- **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK)
Knox County – 210 W Church Avenue, Knoxville, TN
- **Landlord:** Residence Inn Marriott – Downtown Knoxville
- **Term:** August 20, 2022 – December 20, 2022
- **Area / Costs:** Up to 5 studio hotel rooms

	\$/room	Estimated Total Cost
Cost per room	\$139.00/night	\$62,220.00

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

Comment: These rooms will be used by visiting fellows through the U.S. Department of Agriculture exchange programs and Fulbright Scholars. USDA Fellows programs include animal health professionals, veterinary professors and agricultural scientists, researchers and policymakers. The Fulbright Scholar will work with UTK’s College of Architecture and Design.

This hotel was selected because of the location and since the studio rooms include a kitchen.

Previous Action: 12/20/2021 Approved waiver of advertisement
 01/24/2022 Approved a lease
 02/28/2022 Approved a lease (not executed)
 05/23/2022 Approved a lease

Minutes: 06/21/2022 Approved a lease

TENNESSEE BOARD OF REGENTS**Disposal – Fee**

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

Transaction Description: Transaction No. 20-08-002

- **Location:** Roane State Community College (RSCC)
Campbell County – 0.14+/- acres – 201 Independence Lane, LaFollette, TN
- **Grantee:** Stephen and Maggie Byrge
- **Estimated Sale Price:** Fair Market Value

Comment: RSCC obtained a survey of its Campbell County Campus which revealed that a structure, owned by Stephen and Maggie Byrge, was partially located on the RSCC Campbell County Campus property. RSCC had no prior knowledge of this encroachment preceding the survey. Due to the topography of this portion of the property, it is located on a bluff above the campus, RSCC would never be able to use it to expand the campus. Disposal of this area would also eliminate any potential liability. Therefore, RSCC requests to sell this property to Stephen and Maggie Byrge to eliminate the encroachment.

Waiver of advertisement is requested because this disposal is to address an encroachment. Waiver of appraisal is requested because of the small acreage that is being sold and its rural and topographical characteristics. Fair market value was determined based on records from the Campbell County Property Assessor and in consultation with the Department of General Services, Real Estate Asset Management employees.

Date of Last Transfer:	October 29, 2003
Previous Owner:	RSCC Foundation, Inc.
Original Cost to State:	\$0.00
Square Footage Improvements:	0

Minutes: 06/21/2022 Approved disposal in fee with waiver of advertisement and appraisal

TENNESSEE BOARD OF REGENTS**Disposal – Lease (Space)****Requested Action:** Approval of disposal by lease with waiver of advertisement

Transaction Description: Transaction No. 22-13-001

- **Location:** Cleveland State Community College
Bradley County, 3535 Adkisson Drive, Cleveland, TN
- **Tenant:** Junior Achievement of the Ocoee Region (Junior Achievement)
- **Term:** August 1, 2022 – July 31, 2027
- **Area / Costs:** 1,000 sf / \$0.00 rent plus sponsorship valued at \$35,000/yr

Source of Funding: Plant Funds (Non-Aux) (A) (REM Fees)

Comment: Since the relocation of the Campus Police in 2013, the campus has not had an identified user for this building which is in a central location on campus and targeted for future development. This request is to lease this facility to Junior Achievement in exchange for Junior Achievement treating the campus as a Presenting Sponsor, a \$35,000 annual value. The campus believes that the value of the sponsorship equals or exceeds the fair market rental for the space. In addition to the value provided to the campus by the sponsorship, this space has and would continue to provide Junior Achievement with a centralized hub for meeting the needs of the campus community, teaching students about workforce readiness, financial literacy, and entrepreneurship.

The lease allows the campus to terminate on 90 days' notice and requires that Junior Achievement maintain the space. Because of the benefits provided to the campus by Junior Achievement and its work in furtherance of the campus' mission, waiver of advertisement and appraisals are requested.

Minutes: 06/21/2022 Approved disposal by lease with waiver of advertisement

TENNESSEE BOARD OF REGENTS

Disposal – Fee

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

Transaction Description: Transaction No. 22-01-010

- **Location:** TCAT-Shelbyville
Bedford County – 7.65+/- acres – 1405 Madison Street, Shelbyville, TN
- **Grantee** Bedford County Government
- **Estimated Sale Price:** Fair Market Value

Comment: Once TCAT Shelbyville relocates to its new campus, this portion of the current main campus will no longer be needed. This property is not adjacent to or directly accessible from the portion of the main campus that will be retained for truck driving programs. Waiver of advertisement is requested to allow sale of this property to Bedford County Government in accordance with TCA § 12-2-112.

The Tennessee Historical Commission has determined that this transaction will not adversely affect this State-owned resource and no further action is necessary.

Date of Last Transfer:	March 20, 1964
Previous Owner:	City of Shelbyville
Original Cost to State:	\$0.00
Square Footage Improvements:	63,672

Minutes: 06/21/2022 Approved disposal in fee with waiver of advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee

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

Transaction Description: Transaction No 22-01-003

- **Location:** Tull Bottom Wildlife Management Area (TBWMA)
Chester County – 168.00 ± acres – 0 Hope Lane, Beech Bluff, TN
- **Owner(s):** Cynthia Hancock White
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 21/22 Wetlands Acquisition Fund (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 acquisition will protect and preserve wetlands and other watershed functions in the Forked Deer River ecosystem.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: February 4, 2015
Purchase Price: \$0.00 (inter-family transfer)
Property Assessor’s Value: \$162,100.00
Square Footage Improvements: N/A

Minutes: 06/21/2022 Approved acquisition in fee with waiver of advertisement

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee

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

Transaction Description:

Transaction No. 22-04-011

• **Location:**

Tigrett Wildlife Management Area (TWMA)

Dyer County – 175.00 ± acres – 0 N. Forked Deer River, Dyersburg TN

• **Owner(s):**

Robert G. Fowlkes, Larry W. Fowlkes, Jeffrey C. Fowlkes, Marion L. Fowlkes, William H. Fowlkes, and Zack P. Fowlkes

• **Estimated Purchase Price:**

Fair Market Value

• **Source of Funding:**

21/22 Wetlands Acquisition Fund (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 is adjacent to TWMA and acquisition of the property will protect and preserve wetlands and other watershed functions in the Forked Deer River ecosystem.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	04/19/2014
Purchase Price:	\$0.00
Property Assessor’s Value:	\$93,300.00
Square Footage Improvements:	N/A

Minutes:

06/21/2022 Approved acquisition in fee with waiver of advertisement and appraisal

DEPARTMENT OF ENVIRONMENT & CONSERVATION**Acquisition – Fee (Purchase)**

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

Transaction Description: Transaction No. 20-10-004
 • **Location:** Justin P. Wilson Cumberland Trail State Park (JPWCTSP)
 Morgan County – 370.96 acres – 0 Catoosa Road, Wartburg, TN
 • **Owner(s):** Tenn Green Land Conservancy
 • **Estimated Purchase Price:** \$1,035,000.00
 • **Source of Funding:** 21/22 State Lands Acquisition Fund (A)

Comment: Per T.C.A. §67-4-409, this property is on the state lands acquisition priority list and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

This property will connect the Cumberland Trail from Frozen Head State Park to the Nemo Bridge section of the Emory River.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	10/21/2021
Purchase Price:	\$955,000
Property Assessor's Value:	\$973,800
Square Footage Improvements:	N/A

Previous Action: 11/23/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

Minutes: 06/21/2022 Approved acquisition in fee with waiver of advertisement

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Fee

Requested Action: **Approval of acquisition in fee and to utilize third party with waiver of advertisement**

Transaction Description: Transaction No. 22-04-003

- **Location:** Laurel Snow State Natural Area (LSSNA) – Justin P. Wilson Cumberland Trail State Park (JPWCTSP)
Rhea County – 161.00± acres – 0 Rogers Road, Dayton, TN
- **Owner(s):** Virgil G. Crane and Dianne Tumlin
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 21/22 State Lands Acquisition Fund (A)
- **Third Party:** Land Trust for Tennessee (LTT)
Open Space Institute (OSI)

Comment: Per T.C.A. § 67-4-409, this property is on the state lands acquisition priority list and has been approved for purchase by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

This acquisition is contiguous with LSSNA, which is a segment of the JPWCTSP. This tract will create a buffer for LSSNA and provide viewshed protection of the Cumberland Trail. OSI is contributing \$160,000.00 toward this acquisition.

LTT brought the acquisition to the State on behalf of the landowner and is submitting the application to OSI for funding assistance. No additional third-party costs are requested as a part of this transaction.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	April 18, 2016
Purchase Price:	\$25,000.00 (inter-family transfer)
Property Assessor’s Value:	\$257,900.00
Square Footage Improvements:	N/A

Minutes: 06/21/2022 Approved acquisition in fee and utilizing third party with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-04-925● **Proposed Lease**

- **Location:** Greene County – 219 W. Depot Street, Greeneville, TN
- **Landlord:** FDA Greeneville, LLC
- **Term:** 10 years plus two 1-year renewal options
- **Area / Costs:** 5,208 Square Feet

Annual Contract Rent	\$88,536.00	17.00/sf
Estimated Utilities Cost	9,114.00	1.75/sf
Estimated Janitorial Cost	5,728.80	1.10/sf
Total Annual Effective Cost	\$103,378.80	\$19.85/sf

● **Current Lease**

- **Location:** Greene County – 219 W. Depot Street, Greeneville, TN
- **Landlord:** FDA Greeneville, LLC
- **Term:** 8 years (November 1, 2016 to October 31, 2024)
- **Area / Costs:** 4,311 Square Feet

Annual Contract Rent	\$73,287.00	\$17.00/sf
Estimated Utilities Cost	7,544.25	1.75/sf
Estimated Janitorial Cost	4,742.10	1.10/sf
Total Annual Effective Cost	\$85,573.35	\$19.85/sf

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

Comment:

This lease will provide office space for the Department of Correction. Two proposals from two proposers were received and evaluated. The lease is estimated to commence on or before December 2023 based on the renovations needed. The additional square footage creates secure zones for staff and public and adds a client intake and conference room.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a termination fee.

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

The Knox Office Realty broker commission is \$14,431.37 for the 10-year base term, if the renewal options are exercised the commission will be \$18,506.11.

Minutes: 06/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 20-07-935

● **Proposed Lease**

- **Location:** Lawrence County – 527 Crews St., Lawrenceburg, TN
- **Landlord:** Pedigo-Lawrenceburg Properties, L.P.
- **Term:** 10 years with one 1-year renewal
- **Area / Costs:** 5,672 Square Feet

First Year Annual Contract Rent	\$83,662.00	\$14.75/sf
Average Annual Contract Rent	85,930.80	15.15/sf
Estimated Utility Cost	9,926.00	1.75/sf
Estimated Janitorial Cost	6,239.20	1.10/sf
Total Average Annual Effective Cost	\$102,096.00	\$18.00/sf

● **Current Lease**

- **Location:** Lawrence County – 527 Crews St., Lawrenceburg, TN
- **Landlord:** Pedigo-Lawrenceburg Properties, L.P.
- **Term:** 16 years (February 1, 2009 – January 31, 2025)
- **Area / Costs:** 12,700 Square Feet (5,088 Square Feet – DCS)

First Year Annual Contract Rent	\$124,920.00	\$9.84/sf
Average Annual Contract Rent	129,554.63	10.20/sf
Estimated Utilities Cost	22,225.00	1.75/sf
Estimated Janitorial Cost	13,9770.00	1.10/sf
Total Average Annual Effective Cost	\$165,749.93	\$13.05/sf

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

Comment:

This lease will provide office space for the Department of Children’s Services. The previous lease included two agencies in a total of 12,700 square feet, however this lease will split the two agencies into separate leases with a total of 10,701 square feet providing a reduction of 1,999 square feet in total for the state. Two proposals from one proposer were received and evaluated. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before March 2024.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a termination fee.

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

The CBRE, Inc. commission is \$11,815.49 for the 10-year base term, if the renewal option is exercised the commission will be \$13,055.53

Minutes: 06/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-07-936

● **Proposed Lease**

- **Location:** Lawrence County – 527 Crews St., Lawrenceburg, TN
- **Landlord:** Pedigo-Lawrenceburg Properties, L.P.
- **Term:** 10 years with one 1-year renewal
- **Area / Costs:** 5,029 Square Feet

First Year Annual Contract Rent	\$74,177.75	\$14.75/sf
Average Annual Contract Rent	76,189.35	15.15/sf
Estimated Utility Cost	8,800.75	1.75/sf
Estimated Janitorial Cost	5,531.90	1.10/sf
Total Average Annual Effective Cost	\$90,522.00	\$18.00/sf

● **Current Lease**

- **Location:** Lawrence County – 527 Crews St., Lawrenceburg, TN
- **Landlord:** Pedigo-Lawrenceburg Properties, L.P.
- **Term:** 16 years (February 1, 2019 – January 31, 2025)
- **Area / Costs:** 12,700 Square Feet (7,612 Square Feet – DHS)

First Year Annual Contract Rent	\$124,920.00	\$9.84/sf
Average Annual Contract Rent	129,554.63	10.20/sf
Estimated Utilities Cost	22,225.00	1.75/sf
Estimated Janitorial Cost	13,9770.00	1.10/sf
Total Average Annual Effective Cost	\$165,749.93	\$13.05/sf

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

Comment: This lease will provide office space for the Department of Human Services. The previous lease included two agencies in a total of 12,700 square feet, however this lease will split the two agencies into separate leases with a total of 10,701 square feet providing a reduction of 1,999 square feet in total for the state. Two proposals from one proposer were evaluated. Alternative Workplace Solutions will be implemented at this location. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before March 2024.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a termination fee.

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

The CBRE, Inc. commission is \$10,476.04 for the 10-year base term, if the renewal option is exercised the commission will be \$11,575.50

Minutes: 06/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-04-919

● **Proposed Lease**

- **Location:** Lawrence County – 1004 Buffalo Dr., Lawrenceburg, TN
- **Landlord:** Doss Brothers Farms, a Tennessee Partnership
- **Term:** 10 years with one 3-year renewal option
- **Area / Costs:** 4,993 Square Feet

Annual Contract Rent (includes utilities)	\$90,023.79	\$18.03/sf
Estimated Janitorial Cost	5,492.30	1.10/sf
Total Annual Effective Cost	\$95,516.09	\$19.13/sf

● **Current Lease**

- **Location:** Lawrence County – 1004 Buffalo Dr., Lawrenceburg, TN
- **Landlord:** Doss Brothers Farms, a Tennessee Partnership
- **Term:** 8 years (October 1, 2016 – September 30, 2024)
- **Area / Costs:** 4,993 Square Feet

Annual Contract Rent (includes utilities)	\$119,832.00	\$24.00/sf
Estimated Janitorial Cost	5,492.30	1.10/sf
Total Annual Effective Cost	\$125,324.30	\$25.10/sf

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

Comment: This lease will provide office space for Department of Correction. One proposal from one proposer was received and evaluated. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence on or before March 2024.

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 \$12,378.27 for the 10-year base term, if the renewal option is exercised the total commission will be \$16,091.75.

Minutes: 06/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 08-01-908

● **Proposed Amendment**

○ **Term:** 16 years (January 1, 2010 – December 31, 2025)

● **Current Lease**

○ **Location:** Maury County - 2506 Pillow Drive, Suites A & B, Columbia, TN

○ **Landlord:** Knox and Knox Investments

○ **Term:** 13 years (January 1, 2010 – December 31, 2022)

○ **Area / Costs:** 7,100 Square Feet

○ Current:	Annual Contract Rent:	\$51,474.96	\$7.25/sf
	Estimated Annual Utility Cost:	12,425.00	1.75/sf
	Estimated Annual Janitorial Cost:	<u>7,810.00</u>	<u>1.10/sf</u>
	Total Average Annual Effective Cost:	\$71,709.96	\$10.10/sf

● **Source of Funding:** FRF

● **Procurement Method:** Negotiated

● **FRF Rate:** \$18.00

Comment: This lease will provide office space for the Department of Correction.

This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

The proposed lease amendment will provide for a termination for convenience at any time upon 60 days prior written notice.

The long-term procurement is currently in the market phase; and will be presented to ESC pursuant to applicable SBC policy at a future date.

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 Report: 12/22/2008 Approved a lease agreement
 11/25/2019 Approved a lease amendment with waiver of advertisement

Minutes: 06/21/2022 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-07-912

● **Proposed Lease**

- **Location:** Overton County– 411 West Main St., Livingston, TN
- **Landlord:** Harold Everett Jackson Trust dated 2/7/11, Harold E. Jackson, Trustee, a 50% interest
Steve Copeland, a 50% interest
- **Term:** 10 years
- **Area / Costs:** 4,160 Square Feet

Annual Contract Rent	\$49,920.00	\$12.00/sf
Estimated Annual Utility Cost	7,280.00	1.75/sf
Estimated Annual Janitorial Cost	4,576.00	1.10/sf
Total Annual Effective Cost	\$61,776.00	\$14.85/sf

● **Current Lease**

- **Location:** Overton County– 411 West Main St., Livingston, TN
- **Landlord:** Cojac Partnership
- **Term:** 2 years (January 1, 2022 – December 31, 2023)
- **Area / Costs:** 4,160 Square Feet

Annual Contract Rent	\$46,800.00	\$11.25/sf
Estimated Utilities Cost	7,280.00	1.75/sf
Estimated Janitorial Cost	4,576.00	1.10/sf
Total Annual Effective Cost	\$58,656.00	\$14.10/sf

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

Comment: This lease will provide office space for Department of Human Services. The proposed location will be refreshed to meet the State’s needs. The lease is estimated to commence on or before January 2024.

Advertisement is not required pursuant to TCA §12-2-114.

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: 06/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES**Acquisition - Lease Amendment****Requested Action:** Approval of a lease amendment with waiver of advertisement**Transaction Description:** Transaction No. 15-01-919

- **Proposed Amendment**

- **Term:** 8 years (October 1, 2017 – September 30, 2025)

- **Current Lease**

- **Location:** Shelby County – 3150 Appling Road, Bartlett, TN

- **Landlord:** Pedigo-Manchester Properties, L.P.

- **Term:** 5 years (October 1, 2017 – September 30, 2022)

- **Area / Costs:** 12,502 Square Feet

Annual Contract Rent	\$173,527.76	\$13.88/sf
Estimated Utilities Cost	21,878.50	1.75/sf
Estimated Janitorial Cost	13,752.20	1.10/sf
Total Annual Effective Cost	\$209,158.46	\$16.73

- **Source of Funding:** FRF

- **Procurement Method:** Negotiated

- **FRF Rate:** \$18.00

Comment: This lease will provide office space for the Department of Revenue.

This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

The proposed lease amendment will provide for a termination for convenience at any time upon 60 days prior written notice.

The long-term procurement is currently in the market phase; and will be presented to ESC pursuant to applicable SBC policy at a future date.

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

Previous Action: 06/09/2016 Approved a lease agreement**Minutes:** 06/21/2022 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES**Acquisition - Lease Amendment****Requested Action:** Approval of a lease amendment with waiver of advertisement**Transaction Description:** Transaction No. 06-03-907● **Proposed Amendment**

- **Term:** 16 years (January 1, 2010 – December 31, 2025)

● **Current Lease**

- **Location:** Shelby County – 8383 Wolf Lake Drive, Bartlett, TN
- **Landlord:** Pedigo-Bartlett Properties, L.P. a Tennessee Limited Partnership.
- **Term:** 13 years (January 1, 2010 – December 31, 2022)
- **Area / Costs:** 16,000 Square Feet
- **Current:**

Annual Contract Rent:	\$288,000.00	\$18.00/sf
Estimated Annual Utility Cost:	28,000.00	1.75/sf
Estimated Annual Janitorial Cost:	<u>17,600.00</u>	<u>1.10/sf</u>
Total Average Annual Effective Cost:	\$333,600.00	\$20.85/sf

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

Comment: This lease will provide office/warehouse/lab space for Department of Environment & Conservation field office. This facility is a special use facility per SBC policy 14.01 due to the unique features required.

This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

The proposed lease amendment will provide for a termination for convenience at any time upon 60 days prior written notice.

The long-term procurement is in the preliminary stage; and will be presented to ESC pursuant to applicable SBC policy at a future date.

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 Report: 05/21/2007 Approved a lease agreement
10/31/2019 Approved a lease amendment with waiver of advertisement

Minutes: 06/21/2022 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 20-09-906 and 20-09-907● **Proposed Lease**

- **Location:** Wayne County – 532 Highway 64 East, Waynesboro, TN
- **Landlord:** Jeffrey Wilburn Hunt
- **Term:** 10 years with one 5-year renewal option
- **Area / Costs:** 8,740 Square Feet

Annual Contract Rent	\$105,754.00	\$12.10/sf
Estimated Utilities Cost	24,909.00	1.75/sf
Estimated Janitorial Cost	9,614.00	1.10/sf
Total Annual Effective Cost	\$140,277.00	\$14.95/sf

● **Current Lease**

- **Location:** Wayne County – 532 Highway 64 East, Waynesboro, TN
- **Landlord:** Jeffrey Wilburn Hunt
- **Term:** 3 years (March 1, 2022 to February 28, 2025)
- **Area / Costs:** 7,100 Square Feet

Annual Contract Rent	\$48,990.00	\$6.90/sf
Estimated Utilities Cost	12,425.00	1.75/sf
Estimated Janitorial Cost	7,810.00	1.10/sf
Total Annual Effective Cost	\$69,982.00	\$9.75/sf

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

Comment:

This lease will provide office space for Department of Children's Services and the Department of Human Services. One proposal from one proposer was received and evaluated. The space will be renovated to meet the State's needs. The lease is estimated to commence on or before January 2025. The size of the space is increasing to accommodate additional staff and to meet programming needs of the agencies.

The tenant may terminate this lease for convenience at any time after the 60th month of this 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: 06/21/2022 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease Amendment

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

Transaction Description: Transaction No. 17-10-900

- **Proposed Amendment**

- Exhibit B1

- **Current Lease**

- **Location:** Washington County – 922 State of Franklin Road, Johnson City, TN

- **Landlord:** James Holdings LLC

- **Term:** 10 years with one 5-year renewal option

- **Area / Costs:** 5,100 Square Feet

First Year Contract Rent	\$214,965.00	\$42.15/sf
Average Annual Contract Rent	218,049.86	42.75/sf
Estimated Annual Utilities Cost	8,925.00	1.75/sf
Estimated Annual Janitorial Cost	5,610.00	1.10/sf
Total Average Annual Effective Cost	\$233,584.86	\$45.60/sf

- **Source of Funding:** FRF

- **Procurement Method:** Negotiated

- **FRF Rate:** \$18.00

Comment: This amendment will replace Exhibit B with Exhibit B-1 in the approved lease for Department of Safety and Homeland Security Driver Services Center and the Commercial Driver’s License (CDL). Exhibit B-1 includes a revised site plan with associated access.

This request for waiver of advertisement and this amendment are in the best interest of the State to clarify rights of access to the Leased Premises.

Based on 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 Report: 05/24//2021 Approved a lease

Minutes: 06/21/2022 Approved a lease amendment with waiver of advertisement

Approved:



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