

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
May 23, 2022

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 Eley called the meeting to order at 11:05 a.m. and requested action on the following matters as presented by Assistant State Architect Alan Robertson.

MEMBERS PRESENT

Butch Eley, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer
Jason Mumpower, Comptroller of the Treasury

ORGANIZATION

- University of Tennessee
- Tennessee Board of Regents
- Department of General Services
- State Building Commission

PRESENTER

Assistant Vice President Austin Oakes
Executive Director Dick Tracy
Deputy Commissioner John Hull
Assistant State Architect Alan Robertson

CONSENT AGENDA

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

- A. Agency: **University of Tennessee Health Science Center**
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement

- B. Agency: **Tennessee Board of Regents / Roane State Community College**
Transaction: Acquisition – Fee (Purchase)
Provision(s): n/a

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

- D. Agency: **Tennessee Board of Regents / Walters State Community College**
Transaction: Disposal – Easement (Access & Utility)
Provision(s): Waiver of advertisements and appraisals

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

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

- G. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): Waive advertisement

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

- I. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement

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:** July 11, 2022 – December 8, 2022
- **Area / Costs:** Up to 16 studio hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$139.00/night	\$228,655.00

- **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. The programs include animal health professionals, veterinary professors and agricultural scientists, researchers and policymakers.

The fellows originally planned to come in 2020 and stay in UTK Campus Housing but were unable to travel due to COVID-19. Due to current demand for on-campus housing, on-campus housing is not available and alternate accommodations are needed. USDA requires that each fellow is provided with their own bedroom and bathroom.

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 (not executed)
 02/28/2022 Approved a lease (not executed)

Minutes: 05/23/2022 Approved a lease

UNIVERSITY OF TENNESSEE

University of Tennessee, Knoxville, Knox County, Tennessee

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

Project Title: Second Creek Stabilization

Project Description: This project will stabilize a portion of Second Creek, which is located on the East side of campus. Improvements will consist of various stream bank stabilization methods.

SBC Number: 540/009-11-2020

Total Project Budget: \$1,190,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$ 400,000.00	\$790,000.00	\$1,190,000.00	Plant Funds (Non-Aux)	(A)
Original Project Budget:	\$ 400,000.00				
Change in Funding:		\$790,000.00			
Revised Project Budget:			\$1,190,000.00		

Comment: This request increases the budget from \$400,000.00 to \$1,190,000.00. One bid was received on April 7, 2022. An increase in funding is needed to award a \$996,000.00 contract to Cleary Construction, Inc. for the base bid. The increase is primarily due to labor shortages and the availability of contractors in the current market conditions. There will be no increase in designer fees.

Previous Action: 04/08/2021 SBC Approved project and to select a designer
04/19/2021 ESC Approved designer selection (S&ME, Inc.)
05/12/2022 SBC Referred to ESC with authority to act

Minutes: 05/23/2022 ESC Secretary Hargett asked Mr. Oakes if Cleary Construction, Inc., is based in Knoxville and if the company has done previous work for the University of Tennessee. Mr. Oakes replied that Cleary Construction, Inc. is a Kentucky-based firm and that he believes the company has done work for the University of Tennessee. Commissioner Eley asked if the company has an office in Tennessee and Mr. Oakes responded that he would have to check. Mr. Oakes added that while the University does validate that designers have a Tennessee office, contractors are occasionally located out-of-state and in this instance Cleary Construction, Inc. was the only firm to bid on the project.

The Subcommittee approved a revision in project budget and funding in order to award a contract (Cleary Construction, Inc.).

TENNESSEE BOARD OF REGENTS

East Tennessee State University, Johnson City, Washington County, Tennessee

Requested Action: **Approval of a project and proceeding with the process to select a designer, and utilizing Construction Manager/General Contractor alternative delivery method**

Project Title: Housing Renovation

Project Description: Renovate Lucille Clement, Stone, Buc Ridge, West, and Nell Dossett Halls. Work to include building system replacements as well as selected space reconfiguration and new finishes. Replacement of the furnishings will also be part of the project.

SBC Number: 166/005-01-2022

Total Project Budget: \$25,000,000.00

Source of Funding: \$22,000,000.00 TSSBA (rent) (A)
 3,000,000.00 Plant Funds (Aux-housing) (A)

Comment: Project was **disclosed** in the FY 20/21 capital budget. The CMGC method of delivery is being sought to address the complexities of scheduling and estimating for this multiple building renovation project. The expertise in estimating and recommendations for scheduling will be valuable given the constraints of material availability and inflation in our current market.

The Tennessee Historical Commission has determined that this project will not adversely affect the Lucille Clement, Stone, West, and Nell Dossett Halls and no further action is necessary. Buc Ridge is less than 50 years old.

Previous Actions: 05/12/2022 SBC Referred to ESC with authority to act

Minutes: 05/23/2022 ESC Approved project and to select a designer, and utilizing CM/GC alternative delivery method

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-04-931

● **Proposed Lease**

- **Location:** Blount County – 2034 & 2036 Chilhowee Medical Park, Maryville, TN
- **Landlord:** Chilhowee Development Company, Inc.
- **Term:** 10 years with one 1-year renewal option
- **Area / Costs:** 5,101 Square Feet

First Year Annual Contract Rent	\$89,267.52	17.50/sf
Average Annual Contract Rent	100,015.30	19.61/sf
Estimated Utilities Cost	8,926.75	1.75/sf
Estimated Janitorial Cost	5,611.10	1.10/sf
Total Average Annual Effective Cost	\$114,553.15	\$22.46/sf

● **Current Lease**

- **Location:** Blount County – 305 Home Avenue, Maryville, TN
- **Landlord:** Home Avenue Partnership
- **Term:** 3 years (May 1, 2022 to April 30, 2025)
- **Area / Costs:** 4,380 Square Feet

Annual Contract Rent	\$48,180.00	\$11.00/sf
Estimated Utilities Cost	7,665.00	1.75/sf
Estimated Janitorial Cost	4,818.00	1.10/sf
Total Annual Effective Cost	\$60,663.00	\$13.85/sf

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

Comment: This lease will provide office space for the Department of Human Services. Four proposals from three proposers 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 December 2023 based on the renovations needed.

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 \$32,503.18 for the 10-year term.

Minutes: 05/23/2022 ESC Secretary Hargett noted that while the total area in the proposed lease is a significant reduction from the previously-awarded lease, it is higher than the total area under the current lease. Secretary Hargett added that there seems to be a trend in the amount of

space being leased slowly increasing after the rapid reduction brought on by the pandemic and the subsequent implementation of alternative work solutions. Secretary Hargett requested that the Office of the State Architect (OSA) make note of such leases in staff discussions and include explanations in the publicly available lead sheets. Mr. Hull stated that the current short-term lease, which is for 4,380 square feet, was the result of an urgent need to find space for DHS. Mr. Robertson stated that, moving forward, OSA will make sure to add explanations for similar increases in leased spaces.

The Subcommittee approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-01-907

● **Proposed Lease**

- **Location:** Marion County – 4930 Main Street, Jasper, TN
- **Landlord:** Acuff Group, LLC
- **Term:** 7 years with one 1-year renewal option
- **Area / Costs:** 5,600 Square Feet

First Year Annual Contract Rent	\$89,600.00	\$16.00/sf
Average Annual Rent	91,200.00	16.29/sf
Estimated Utilities Cost	9,800.00	1.75/sf
Estimated Janitorial Cost	6,160	1.10/sf
Total Average Annual Effective Cost	\$107,160.00	\$19.14/sf

● **Current Lease**

- **Location:** Marion County – 4930 Main Street, Jasper, TN
- **Landlord:** Acuff Group, LLC
- **Term:** 5 years with one 5-year renewal option (July 1, 2017 – June 30, 2027)
- **Area / Costs:** 5,080 Square Feet

Annual Contract Rent	\$49,900.00	\$9.82/sf
Estimated Utilities Cost	8,890.00	1.75/sf
Estimated Janitorial Cost	5,588.00	1.10/sf
Total Annual Effective Cost	\$64,378.00	\$12.67/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. One proposal from one proposer was received and evaluated. The lease is estimated to commence on or before January 2024 based on the renovations needed.

The tenant may terminate this lease for convenience at any time with 90 days written notice to the landlord with payment of a termination fee if termination is exercised in the first 60 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: 05/23/2022 ESC Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 21-07-904

● **Proposed Lease**

- **Location:** Maury County - TBD Lion Parkway, Columbia, TN
- **Landlord:** John C. Davenport
- **Term:** 13 Years
- **Area / Costs:** 13,800 Square Feet

First Year Annual Contract Rent	\$351,486.00	\$25.47/sf
Average Annual Rent	\$366,538.62	\$26.56/sf
Estimated Utilities Cost	24,150.00	1.75/sf
Estimated Janitorial Cost	15,180.00	1.10/sf
Total Average Annual Effective Cost	\$405,868.62	\$29.41/sf

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

Comment:

This lease will provide office space for Department of Correction (Day Reporting Center and Community Resource Center). Three proposals from three proposers were received and evaluated. The proposed location will be a build-to-suit to meet the State's needs. The lease is estimated to commence on or before June 2024.

Department of Correction has requested this new location as an expansion of the 2016 Public Safety Act to prevent recidivism.

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

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

Minutes: 05/23/2022 ESC Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-02-912

● **Proposed Lease**

- **Location:** Monroe County – 123 Pedigo Road, Suite A, Madisonville, TN
- **Landlord:** Lee Enterprises, a Tennessee General Partnership
- **Term:** 10 years with two 1-year renewal options
- **Area / Costs:** 5,300 Square Feet

Annual Contract Rent	\$79,500.00	\$15.00/sf
Estimated Utilities Cost	9,275.00	1.75/sf
Estimated Janitorial Cost	5,830.00	1.10/sf
Total Annual Effective Cost	\$94,605.00	\$17.85/sf

● **Current Lease**

- **Location:** Monroe County – 119 Pedigo Road, Suite A, Madisonville, TN
- **Landlord:** Lee Enterprises, a Tennessee General Partnership
- **Term:** 2 years (October 1, 2022 – September 30, 2024)
- **Area / Costs:** 3,046 Square Feet

Annual Contract Rent	\$36,552.00	\$12.00/sf
Estimated Utilities Cost	5,330.50	1.75/sf
Estimated Janitorial Cost	3,350.60	1.10/sf
Total Annual Effective Cost	\$45,233.10	\$14.85/sf

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

Comment: This lease will provide office space for Department of Correction. Two proposals from two proposers were received and evaluated. The lease is estimated to commence on or before October 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.

Minutes: 05/23/2022 ESC Secretary Hargett asked Mr. Hull how many employees will work at the proposed site compared to the current leased location, as this represents a 60% increase in the amount of space to be leased. Mr. Hull responded that he will provide a written answer explaining the increase in square footage to Secretary Hargett.

The Subcommittee approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease and bridge lease

Transaction Description: Transaction No. 20-02-907

● **Proposed Lease**

- **Location:** Shelby County – BTS – Overton Crossing St., Memphis, TN
- **Landlord:** The 2013 – E Pedigo Trust
- **Term:** 13 Years and one, 2-year renewal
- **Area / Costs:** 18,167 Square Feet

Annual Contract Rent	313,380.75	17.25/sf
Average Annual Contract Rent	323,162.98	17.79/sf
Estimated Utilities Cost	31,792.25	1.75/sf
Estimated Janitorial Cost	19,983.70	1.10/sf
Total Average Annual Effective Cost	\$374,938.93	\$20.64/sf

● **Proposed Bridge Lease**

- **Location:** Shelby County – 2584 Overton Crossing St., Memphis, TN
- **Landlord:** Pedigo – Overton Properties, L.P.
- **Term:** 3 Years (July 1, 2022 – June 30, 2025)
- **Area / Costs:** 10,500 Square Feet

Annual Contract Rent	\$109,675.00	\$10.45/sf
Estimated Utilities Cost	18,375.00	1.75/sf
Estimated Janitorial Cost	11,550.00	1.10/sf
Total Annual Effective Cost	\$139,600.00	\$13.30/sf

● **Current Lease**

- **Location:** Shelby County – 2584 Overton Crossing St., Memphis, TN
- **Landlord:** Pedigo – Overton Properties, L.P.
- **Term:** 10 years (July 1, 2008 – June 30, 2018) (Holdover)
- **Area / Costs:** 10,500 Square Feet

First Year Annual Contract Rent	\$99,900.00	\$9.51/sf
Average Annual Contract Rent	102,694.29	9.78/sf
Estimated Utilities Cost	18,375.00	1.75/sf
Estimated Janitorial Cost	11,550.00	1.10/sf
Total Average Annual Effective Cost	\$132,619.29	\$12.63/sf

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

Comment: This lease will provide office space for the Department of Correction. Three proposals from two proposers were received and evaluated. The proposed location will be a built-to-suit to meet the State’s needs. The current lease is a recent temporary consolidation of two leases and is below the ideal square footage Alternative Workplace Solutions will be implemented at this location. The lease is estimated to commence on or before December 2024. The low-cost location was not selected because two separate parking areas created safety concerns and the phasing plan, including extensive renovation and construction of

a new building addition to achieve the program needs, was considered to be too disruptive for staff and clients.

Tenant may terminate this lease for convenience at any time with 120 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 \$88,178.08 for the 13-year base term, if the renewal option is exercised the total commission will be \$97,670.33.

The three-year bridge lease will bridge the gap in time between the expiration date of the current lease and the new long-term lease. It is in the best interest of the State to allow continuity of operations at this location until the new lease is ready for occupancy. Advertising is not required for the lease amendment pursuant to SBC Policy.

Minutes:

05/23/2022 ESC Secretary Hargett asked Mr. Hull for an explanation for the 80% increase in square footage under the proposed lease compared to the current lease. Mr. Hull replied that he will provide a written explanation to Secretary Hargett.

The Subcommittee approved a lease and bridge lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 18-06-905v2 & 18-06-906v2

● **Proposed Lease**

- **Location:** Shelby County – 11791 US-70, Arlington, TN
- **Landlord:** John Davenport
- **Term:** 10 years with one, 5-year renewal
- **Area / Costs:** 5,700 Square Feet

First Year Annual Contract Rent	\$239,229.00	\$41.97/sf
Average Annual Contract Rent	245,185.50	43.02/sf
Estimated Utility Cost	9,975.00	1.75/sf
Estimated Janitorial Cost	6,270.00	1.10/sf
Total Average Annual Effective Cost	\$261,430.50	\$45.87/sf

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

Comment: This lease will provide office space for Department of Safety and Homeland Security (Driver Services Center and Commercial Driver License Testing Pad). Two proposals from two proposers were received and evaluated. The proposed location will be a build-to-suit to meet the State’s needs. The lease is estimated to commence on or before March 2024.

The tenant may terminate the lease by giving 90 days written notice to the landlord after the 60th month.

It is anticipated that the proposed new lease will be considered a special use facility per SBC policy 14.01 due to the unique features required.

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 \$67,426.01 for the 10-year base term, if the renewal option is exercised the total commission will be \$84,276.64.

Minutes: 05/23/2022 ESC Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 20-04-924v2

● **Proposed Lease**

- **Location:** Shelby County – 5266 Summer Ave., Memphis, TN
- **Landlord:** Belz Investco GP
- **Term:** 10 years, with one 5-year renewal option
- **Area / Costs:** 6,040 Square Feet

First Year Annual Contract Rent	\$110,048.80	\$18.22/sf
Average Annual Contract Rent	115,410.29	19.52/sf
Estimated Utility Cost	10,570.00	1.75/sf
Estimated Janitorial Cost	6,644.00	1.10/sf
Total Average Annual Effective Cost	\$132,624.29	\$22.37/sf

● **Current Lease**

- **Location:** Shelby County – 5266 Summer Ave., Memphis, TN
- **Landlord:** Belz Investco GP
- **Term:** 8 years (November 1, 2016 – October 31, 2024)
- **Area / Costs:** 6,040 Square Feet

First Year Annual Contract Rent	\$124,242.80	\$20.57/sf
Average Annual Contract Rent	133,069.00	22.03/sf
Estimated Utilities Cost	10,570.00	1.75/sf
Estimated Janitorial Cost	6,644.00	1.10/sf
Total Average Annual Effective Cost	\$140,770.00	\$24.88/sf

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

Comment: This lease will provide office space for Department of Safety and Homeland Security – Driver Services Center. One proposal was received and evaluated. The proposed location will be refreshed to meet the State’s needs. The lease is estimated to commence on or before February 2024.

The tenant may terminate this lease for convenience at any time with 120 days’ written notice to the landlord and payment of 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 \$16,212.55 for the 10-year base term, if the renewal option is exercised the commission will be \$22,722.01

Minutes: 05/23/2022 ESC Secretary Hargett asked Mr. Hull to provide a report detailing leases that the State is allowing to expire due to the implementation of

alternative work solutions. Mr. Hull affirmed that he will provide such a report.

The Subcommittee approved a lease.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 25, 2022 with a correction to consent agenda item P on page 34 which incorrectly showed the cost per sq ft. The correct cost is:

Annual Contract Rent	\$11.90/sf
<u>Estimated Annual Operating Costs</u>	<u>2.08/sf</u>
Total Annual Effective Contract Rent	13.98/sf

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 Institute of Agriculture
Location: Middleton, Tennessee
Project Title: Lone Oaks 4-H Center Garden Shed
Project Description: Installation of a prefabricated portable storage shed.
SBC Project No. 540/001-08-2022
Total Project Budget: \$11,661.00
Source of Funding: Grant (Dept of Agriculture) (O)
Approval: Approved project and utilizing Campus Consultant (TLM & Associates, Inc.) for design and Campus Resources and System Procurement for construction
Approval Date: 05/23/2022

- Reported the following two capital projects with total project cost of \$100,000 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Lindsay Nelson Stadium Upgrades
Project Description: Upgrades include replacement of some existing bleachers with seatbacks to match the rest of the seating in the stadium. Work includes waterproofing of the concrete seat deck as well as replacement of interior moveable shelving. Includes all related work to complete the project.
SBC Project No. 540/009-36-2021
Total Project Budget: \$470,000.00
Source of Funding: Plant Funds (Aux-Athletics) (A)
Approval: Approved a revision in project budget and funding (increase budget by \$50,000)
Approval Date: 05/02/2022

- 2) **State Procurement Agency:** STREAM / Department of Military
Location: Statewide, Tennessee
Project Title: TEMA Facility Access and Surveillance Upgrades
Project Description: Upgrade TEMA facilities access and surveillance systems and all required related work.
SBC Project No. 361/000-01-2022
Total Project Budget: \$456,500.00
Source of Funding: 21/22 Military Op Funds (A)
Approval: Approved utilizing Agency Resources and Central Procurement Office contracts to perform the work
Approval Date: 05/02/2022

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 Health Science Center
Location: Memphis, Tennessee
Project Title: Nash Buildout 2 Floors
Project Description: This project will build out the top two floors of the Nash/Nash Annex Building.
SBC Project No. 540/013-10-2021
Total Project Budget: \$11,500,000.00
Source of Funding: \$11,270,000.00 21/22 CurrFunds-CapImp (A)
 \$ 230,000.00 Plant Funds (Non-Aux) (A)
Approval: Approved utilizing CM/GC alternative delivery method
Approval Date: 05/06/2022

Approvals of Acquisitions and Disposals of State Property

- Reported the following two acquisitions of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 22-02-014
Location: Long Hunter State Park (LHSP)
 Davidson County – 0.93 ± acres – 0 Couchville Pike, Hermitage, TN
Owner(s): Glenn & Irma Segroves
Estimated Purchase Price: Fair Market Value
Source of Funding: 21/22 State Lands Acquisition Fund (A)
Approval: Approved acquisition in fee with waiver of advertisement and one appraisal
Approval Date: 04/27/2022

- 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Transaction Description: Transaction No. 22-04-004
Location: Justin P. Wilson Cumberland Trail State Park (JPWCTSP)
Morgan County – 62.98 ± acres – 0 Hargis Road, Wartburg, TN
Owner(s): Diana M. Hargis, Rodney J. Hargis, Stacy D. Lasig, et al
Estimated Purchase Price: Fair Market Value
Source of Funding: 21/22 State Lands Acquisition Funds (A)
Approval: Approved acquisition in fee with waiver of advertisement
Approval Date: 05/03/2022

- Reported the following disposal easement in accordance with Item 2.04(E)(3) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** Tennessee Board of Regents / TCAT Murfreesboro
Transaction Description: Transaction No. 22-03-012
Location: TCAT-Murfreesboro (TCATM)
Rutherford County – 8.604 ± sf permanent water line easement and 9,188 ± sf temporary construction easement – 0 West Main Street, Murfreesboro, TN
Grantee: City of Murfreesboro (COM)
Estimated Sale Price: Mutual Benefit
Source of Funding: COM
Approval: Approved disposal by easement with waiver of advertisement and appraisals
Approval Date: 04/28/2022

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.

- | | |
|--|--|
| <ul style="list-style-type: none"> 1) Tennessee Technological University
 (Agricultural Technology Innovation Center)
 Total Project Budget: \$1,000,000.00
 SBC Project No. 364/021-01-2022
 Designer: Upland Design Group, Inc. | <ul style="list-style-type: none"> 3) Middle Tennessee Regional Office
 (New DIDD Middle TN Regional Office Facility)
 Total Project Budget: \$72,590,000.00
 SBC Project No. 346/003-01-2022
 Designer: Kline Swinney Associates |
| <ul style="list-style-type: none"> 2) Middle Tennessee State University
 (Campus Quadrangle Site Improvements)
 Total Project Budget: \$1,610,000.00
 SBC Project No. 366/009-04-2022
 Designer: Hodgson and Douglas, LLC | <ul style="list-style-type: none"> 4) East Tennessee Regional Office
 (New DIDD East Tennessee Regional Office Facility)
 Total Project Budget: \$53,740,000.00
 SBC Project No. 346/007-01-2022
 Designer: Thompson & Litton, Inc. |

5) **West Tennessee Regional Office**
(New DIDD West Tennessee Regional Office Facility)
Total Project Budget: \$54,270,000.00
SBC Project No. 346/017-01-2022
Designer: **A2H, Inc.**

6) **Legislative/War Memorial Plaza**
(Legislative Plaza Renovations)
Total Project Budget: \$189,000,000.00
SBC Project No. 529/045-01-2022
Designer: **EOA Architects, PLLC**

7) **William R. Snodgrass Tennessee Tower**
(TN Tower Office Space Consolidation - TDOT)
Total Project Budget: \$12,010,000.00
SBC Project No. 529/079-02-2022
Designer: **BHDG Architects, Inc.**

Other Business

There being no further business, the meeting adjourned at 11:25 a.m.

UNIVERSITY OF TENNESSEE**Acquisition – Lease (Space)****Requested Action:** Approval of waiver of advertisement**Transaction Description:** Transaction No. 22-05-011● **Proposed Lease**

- **Location:** University of Tennessee-Health Science Center (UTHSC) – Location to be determined, Knoxville, Knox County, Tennessee
- **Landlord:** Corporate Quarters, Inc.
- **Term:** August 2022 – August 2023
- **Area / Costs:** Up to 20 beds (2 bedrooms 2 bath units desired)

● **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.

In prior years, housing for medical students in Knoxville has been provided by UT Knoxville Campus Housing (UTK). However, due to Covid-19 and more recently increases in housing requests, there is no availability at UTK. A search for furnished apartments for Fall 2022 found there is no availability near campus. In addition, the University has issued several RFPs over the last few years for furnished units in the surrounding Knoxville area (i.e., not adjacent to campus). There are few if any furnished units outside of the immediate campus area and Corporate Quarters has been the only respondent to the RFPs.

Based on the lack of availability of furnished units and results from prior RFP's, waiver of advertisement is requested.

Minutes: 05/23/2022 Approved waiver of advertisement

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Purchase)

Requested Action: Approval of a revision of an acquisition in fee

Transaction Description: Transaction No. 21-11-013

- **Location:** Roane State Community College (RSCC)
Knox County – 10+/- acres – 0 Sherrill Boulevard, Knoxville, TN
- **Owner(s):** Covenant Health
- **Estimated Purchase Price:** \$2,000,000
- **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment: After ESC approval, it was determined that RSCC will need the entire 10 acre parcel which Covenant Health is offering with the same terms as the initial 7 acre acquisition.

Date of Last Transfer:	May 28, 2020
Purchase Price:	\$3,250,000
Property Assessor’s Value:	\$1,658,000
Square Footage Improvements:	0

Previous Action 12/20/2021 Approved acquisition in fee with waiver of advertisement

Minutes: 05/23/2022 Approved a revision of an acquisition in fee

TENNESSEE BOARD OF REGENTS**Acquisition – Fee (Gift)**

Requested Action:	Approval of a revision of an acquisition in fee								
Transaction Description:	Transaction No. 22-01-005								
• Location:	TCAT Chattanooga Hamilton County – 29.18+/- acres (4 tracts) –22.47+/- acres 9090 Dayton Pike – 0.16+/-acres 117 Nale Rd – 6.25+/- acres Nale Road – 0.30 +/- acres – Nale Rd, Soddy Daisy, TN								
• Owner(s):	Taybro-Falke LLC								
• Estimated Purchase Price:	Fair Market Value								
• Source of Funding:	Plant Funds (Non-Aux) (A)								
Comment:	<p>This request will allow the TCAT to acquire three parcels that border the property which the Executive Subcommittee previously approved for acquisition. This additional land will provide for future growth. If these parcels were to be acquired and developed by others, TCAT Chattanooga would be required to provide an access easement across its property to these parcels, which could create safety issues for the campus. The residence on the site will demolished within the next 12 months.</p> <p>This property is in the <u>2014 TCAT Master Plan</u> for TCAT Chattanooga Soddy Daisy site as modified by amendment with approval of the Executive Director of THEC on January 20, 2022.</p> <table> <tr> <td>Date of Last Transfer:</td> <td>March 10, 2004</td> </tr> <tr> <td>Purchase Price:</td> <td>\$660,000</td> </tr> <tr> <td>Property Assessor's Value:</td> <td>\$278,900</td> </tr> <tr> <td>Square Footage Improvements:</td> <td>0.00</td> </tr> </table>	Date of Last Transfer:	March 10, 2004	Purchase Price:	\$660,000	Property Assessor's Value:	\$278,900	Square Footage Improvements:	0.00
Date of Last Transfer:	March 10, 2004								
Purchase Price:	\$660,000								
Property Assessor's Value:	\$278,900								
Square Footage Improvements:	0.00								
Previous Action:	02/28/2022 Approved acquisition in fee with waiver of advertisement								
Minutes:	05/23/2022 Approved a revision of an acquisition in fee								

TENNESSEE BOARD OF REGENTS

Disposal – Easement (Access & Utility)

Requested Action: **Approval of disposals by easement with waiver of advertisements and appraisals**

Transaction Description: Transaction No. 22-03-017

- **Location:** Walters State Community College
Hamblen County – 1.417+/- acres permanent pipeline easement 2.479+/- acres temporary work easement and 0.276+/- acres temporary access easement – US 25E, S. Davy Crockett Parkway, Morristown, TN
- **Grantee** Atmos Energy Corporation
- **Estimated Sale Price:** Fair Market Value

Comment: Atmos requests permanent pipeline and temporary access easements to provide additional natural gas capacity to better serve the area due to growth. This easement will not adversely affect WSCC.

The pipeline easement is for the purpose of laying, constructing, operating, maintaining, inspecting, repairing, replacing, changing the size of, relocating and changing the route or routes of pipelines needed for the transportation of oil, gas lignite and other fluids or substance. The temporary work easement will be used to carry out the initial construction of the temporary storage, and staging equipment and materials. The temporary access easement is for vehicular and pedestrian ingress to and egress from the easement area and temporary workspace.

Date of Last Transfer:	December 13, 1976
Original Cost to State:	\$0.00

Minutes: 05/23/2022 Approved disposals by easement with waiver of advertisements and appraisals

DEPARTMENT OF ENVIRONMENT & CONSERVATION**Acquisition – Easement (Access)**

Requested Action: Approval of acquisition by easement with waiver of advertisement and appraisal

Transaction Description:

Transaction No. 20-06-002

- **Location:**

Justin P. Wilson Cumberland Trail State Park (JPWCTSP)
Campbell County – 12' x 250' ft access easement – 2536 Highway 25W South, LaFollette, TN

- **Owner(s):**

Bill Asbury, Barry Allen Marlow, and Andrew Parrott, Trustees of the Church of God of Jellico Highway, Tennessee, Cleveland Assembly

- **Estimated Purchase Price:**

\$12,000.00

- **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 acquisition by the Commissioner of Environment and Conservation, the Commissioner of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency.

This easement is imperative to connect two sections of the JPWCTSP. It was subsequently determined that an access easement will better serve the State's needs and at a lower cost.

Waiver of appraisal is requested with fair market value being determined by qualified state employees in accordance with SBC Policy 8.01G.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	10/10/2008
Purchase Price:	\$60,000.00 (larger tract)
Property Assessor's Value:	\$59,200.00 (larger tract)
Square Footage Improvements:	N/A

Previous Action:

07/09/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

Minutes:

05/23/2022 Approved acquisition by easement with waiver of advertisement and appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease (Space)

Requested Action: **Approval to waive advertisement**

Transaction Description: Transaction No: 22-02-900

● **Proposed Lease**

- **Location:** Davidson Co. – 220 Blanton Avenue, Nashville, TN
- **Term:** 3 years

● **Current Lease**

- **Location:** Davidson Co. – 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	\$301,034.88	\$17.71/sf
Estimated Utilities Cost	29,750.00	1.75/sf
Estimated Janitorial Cost	18,700.00	1.10/sf
Total Annual Effective Contract Rent	\$349,484.88	\$20.56/sf

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

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

Approval to waive advertisement is requested for the continuity of business operations while the long-term lease is in the advertisement phase.

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: 02/25/2019 Approved waiving advertisement

Minutes: 05/23/2022 Approved waiving advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 14-08-904

● **Proposed Amendment**

○ **Term:** 8 years (September 1, 2017 – August 31, 2025)

● **Current Lease**

○ **Location:** Hamblen County – 223 Euclid Avenue, Morristown, TN

○ **Landlord:** Trademark Investments, LLC

○ **Term:** 5 years (September 1, 2017 – August 31, 2022)

○ **Area / Costs:** 11,193 Square Feet

○ Current:	Annual Contract Rent:	\$85,067.00	\$7.60/sf
	Estimated Annual Utility Cost:	19,587.75	1.75/sf
	Estimated Annual Janitorial Cost:	<u>12,312.30</u>	<u>1.10/sf</u>
	Total Annual Effective Cost:	\$116,967.05	\$10.45/sf

● **Source of Funding:** FRF

● **Procurement Method:** Negotiated

● **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Children’s Services.

A request for waiver of advertisement and to amend the current lease by three (3) years is in the best interest of the State at this time for strategic alignment of existing in-term lease expirations for the long-term planning to effectuate a balance of portfolio and resources.

The long-term procurement is currently in the advertisement phase; and will be presented to ESC pursuant to applicable SBC policy at a future date. STREAM and the agency are confident a new procurement can be awarded prior to expiration of this lease.

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

Minutes: 05/23/2022 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. 07-04-922● **Proposed Amendment**

- **Term:** 16 years (September 1, 2009 – August 31, 2025)

● **Current Lease**

- **Location:** Maury County – 1421 Hampshire Pike, Columbia, TN
- **Landlord:** Realco -TN, LLC
- **Term:** 13 years (September 1, 2009 – August 31, 2022)
- **Area / Costs:** 17,000 Square Feet
- **Current:**

Annual Contract Rent:	\$238,000.00	\$14.00/sf
Estimated Annual Utility Cost:	23,800.00	1.40/sf
Estimated Annual Janitorial Cost:	<u>18,700.00</u>	<u>1.10/sf</u>
Total Annual Effective Cost:	\$280,500.00	\$16.50/sf

● **Source of Funding:** FRF● **Procurement Method:** Negotiated● **FRF Rate:** \$18.00**Comment:** This lease will provide office space for Department of Environment & Conservation field office.

A request for waiver of advertisement and to amend the current lease by three (3) years is in the best interest of the State at this time for strategic alignment of existing in-term lease expirations for the long-term planning to effectuate a balance of portfolio and resources.

The long-term procurement is currently in the advertisement phase; and will be presented to ESC pursuant to applicable SBC policy at a future date. STREAM and the agency are confident a new procurement can be awarded prior to expiration of this lease.

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

Previous Report: 02/25/2008 Approved lease agreement
06/24/2019 Approved a lease amendment with waiver of advertisement

Minutes: 05/23/2022 Approved a lease amendment with waiver of advertisement

Approved:



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