

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
October 23, 2023

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Secretary Hargett called the meeting to order at 11:00 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Tre Hargett, Secretary of State
David Lillard, State Treasurer
Jason Mumpower, Comptroller of the Treasury

MEMBERS ABSENT

Jim Bryson, Commissioner, Department of Finance and Administration

ORGANIZATION

- State Building Commission

PRESENTER

State Architect Ann McGauran

CONSENT AGENDA

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

- A. Agency: **East Tennessee State University**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and appraisal

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

- C. Agency: **Middle Tennessee State University**
Transaction: Acquisition – Lease (Land)
Provision(s): Waiver of advertisement

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

- E. Agency: **Tennessee Board of Regents / TN College of Applied Technology – Athens**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement

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

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

- H. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee (Third Party)
Provision(s): n/a

- I. Agency: **Tennessee Wildlife Resources Agency**
Transaction: Acquisition – Fee
Provision(s): n/a

- J. Agency: **Department of Intellectual & Developmental Disabilities**
Transaction: Disposal – Fee
Provision(s): n/a

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

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

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

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

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on September 27, 2023.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following seven capital projects with total project cost of \$100,000 - \$1,000,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** University of Tennessee Institute of Agriculture
Location: Knoxville, Tennessee
Project Title: NETREC Building Improvements
Project Description: Renovation of existing structure to accommodate animal workshops along with adding support spaces and agriculture equipment to support the research. Site work and utility infrastructure will be included with all related work to complete the project.
SBC Project No. 540/001-15-2022
Original Project Budget: \$510,000.00
Project Expenditures: \$145,245.68
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved cancellation of the project
Approval Date: 09/28/2023

- 2) **State Procurement Agency:** University of Tennessee Health Science Center
Location: Memphis, Tennessee
Project Title: Multiple Building Demolition
Project Description: This project will demolish the Variety Building (45 N. Manassas) (1965) with 3,115 sq ft; Campus Police Building (740 Court) (1970) with 8,375 sq ft; and Phi Chi House (687 Jefferson) (1972) with 20,886 sq ft. The demolition of these buildings is part of the Campus Master Plan.
SBC Project No. 540/013-04-2016
Original Project Budget: \$850,000.00
Project Expenditures: \$ 0.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved cancellation of the project
Approval Date: 09/27/2023

- 3) **State Procurement Agency:** Tennessee Board of Regents / Columbia State Community College
Location: Columbia, Tennessee
Project Title: Baseball and Softball Field Lighting Upgrades
Project Description: Replace baseball and softball field light poles with new aluminum poles and replace metal halide lights with LED lights.
SBC Project No. 166/015-02-2023
Total Project Budget: \$661,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 10/02/2023
- 4) **State Procurement Agency:** Tennessee Board of Regents / Jackson State Community College
Location: Jackson, Tennessee
Project Title: Campuswide Automatic Entrances
Project Description: Install automatic door operators on all building entrances.
SBC Project No. 166/019-03-2023
Total Project Budget: \$302,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 09/27/2023
- 5) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: Master Plan
Project Description: Develop a Master Plan for the main campus and satellite campus locations.
SBC Project No. 166/032-01-2023
Total Project Budget: \$200,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved awarding a contract to the best evaluated proposer (Dober Lidsky Mathey, Inc.)
Approval Date: 09/27/2023
- 6) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: Magnolia Campus Portable Classrooms
Project Description: Procure and install two portable buildings with classroom space and restrooms. Project includes site preparation and utility connections.
SBC Project No. 166/032-02-2023
Total Project Budget: \$972,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project and to select a designer
Approval Date: 09/28/2023

- 7) **State Procurement Agency:** STREAM / Department of Intellectual & Developmental Disabilities
Location: Nashville, Tennessee
Project Title: Clover Bottom River Cottages Renovations
Project Description: Provide exterior envelope and interior finish upgrades consistent with a youth intake/assessment facility.
- SBC Project No.** 346/003-01-2023
Total Project Budget: \$660,000.00
Source of Funding: \$500,000.00 22/23 CurrFunds-CapImp (A)
\$160,000.00 23/24 DCS Op Funds (A)
- Approval:** Approved a revision in project budget and funding in order to award a contract (Grace Contracting, LLC) (increase budget by \$160,000.00)
Approval Date: 10/09/2023

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
 (Consultant - Architectural)
 (SPA needs 3 firms selected for Knoxville)
 Total Project Budget: TBD, based on requested services
 SBC Project No. 540/000-01-2020
 Designer: Studio Four Design, Inc.
 Designer: The Architecture Collaborative, LLC
 Designer: Thomas Caldwell, Architect</p> | <p>4) University of Tennessee Institute of Agriculture
 (ARP – Protein Innovation Center)
 Total Project Budget: \$15,000,000.00
 SBC Project No. 540/001-21-2023
 Designer: Cope Associates, Inc.</p> |
| <p>2) University of Tennessee
 (Consultant – Electrical Power Distribution)
 (SPA needs 1 firm selected for Chattanooga)
 Total Project Budget: TBD, based on requested services
 SBC Project No. 540/000-01-2020
 Designer: West, Welch, Reed Engineers, Inc.</p> | <p>5) University of Tennessee – Chattanooga
 (Building Envelope Repairs)
 Total Project Budget: \$7,350,000.00
 SBC Project No. 540/005-03-2023
 Designer: Tinker Ma, LLC</p> |
| <p>3) University of Tennessee
 (Consultant – Geotechnical Engineering)
 (SPA needs 2 firms selected for Knoxville)
 Total Project Budget: TBD, based on requested services
 SBC Project No. 540/000-01-2020
 Designer: S&ME, Inc.
 Designer: GEOServices, LLC</p> | <p>6) University of Tennessee – Knoxville
 (Elevator Upgrades)
 Total Project Budget: \$5,000,000.00 seeking initial approval of \$1,500,000.00
 SBC Project No. 540/009-14-2023
 Designer: Lindsay & Maples, Architects, Inc.</p> |
| | <p>7) TN College of Applied Technologies – Athens
 (Polk County Facility)
 Total Project Budget: \$17,000,000.00
 SBC Project No. 166/040-02-2023
 Designer: Artech Design Group, Inc.</p> |

8) **Western Mental Health Institute**
(Replacement Facility, Phase Two)
Total Project Budget: \$62,990,000.00
SBC Project No. 344/015-01-2023
Designer: **Allen & Hoshall, Inc.**

9) **Nashville Supreme Court Building**
(Old Library and Archives and Supreme Court Building
Renovation)
Total Project Budget: \$130,540,000.00
SBC Project No. 529/074-01-2023
Designer: **EOA Architects, PLLC**

Other Business

There being no further business, the meeting adjourned at 11:03 a.m.

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EAST TENNESSEE STATE UNIVERSITY

Disposal – Fee

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

Transaction Description: Transaction No. 23-08-009

- **Location:** East Tennessee State University
Johnson County – 1.00 +/- acres – Orchard Road, Shady Valley, TN
- **Grantee** Nature Conservancy
- **Estimated Sale Price** Gift
- **Source of Funding** Nature Conservancy (REM Fees) (O)

Comment: This property was gifted to East Tennessee State University (ETSU) by the Nature Conservancy for classes. ETSU no longer has classes at this location due to its distance from campus. The Nature Conservancy would like the property back to protect the bog turtle habitat which is a federally listed species.

Date of Last Transfer: November 8, 2016
Original Cost to State: \$0.00
Square Footage n/a
Improvements:

Minutes: 10/23/2023 ESC Approved disposal in fee with waiver of advertisement and appraisal

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2022-10-001

● **Proposed Lease**

- **Location:** University of Tennessee – Knoxville (UTK) - Knox County, Tennessee
617 West Main Street, Knoxville, TN
- **Landlord:** Cadillac Sixteen, LLC
- **Term:** 3 years with two 1-year renewals
- **Area / Costs:** 29,775 Square Feet

First Year Contract Rent:	\$714,600.00	\$24.00/sf
Average Annual Contract Rent	\$758,786.10	\$25.48/sf
Estimated Annual Utility Cost	52,106.25	1.75/sf
Estimated Annual Janitorial Cost	32,752.50	1.10/sf
Total Annual Effective Cost	\$843,644.85	\$28.33/sf

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

Comment: The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to enter into a lease agreement for office space at 617 West Main Street, Knoxville, TN.

The UTK campus is advancing its digital immersion programs globally (now referred to as Vols Online) to further enhance the academic outreach offerings. Vols Online is an effort to expand the educational network initiatives that are critical in achieving UTK strategic goals. Vols Online will utilize data-informed methods to heighten access through digitally-based programs, which supports a diverse student population and provides solutions to confounding, ambiguous, and complex challenges faced both today and tomorrow.

The office complex is 0.3 miles from the main UTK campus providing ideal proximity for Vols Online to remain engaged with faculty and students. This is the only building located in an urban setting this close to campus that can offer a large amount of space to support the collaborative nature of UTK’s Vols Online initiative.

Previous Action: 11/21/2022 ESC Approved waiver of advertisement

Minutes: 10/23/2023 ESC Approved a lease

MIDDLE TENNESSEE STATE UNIVERSITY**Acquisition – Lease (Land)****Requested Action:** Approval of a sublease with waiver of advertisement**Transaction Description:** Transaction No. 23-05-502

- **Proposed Lease**

- **Location:** Bedford County – 2828 Highway 231-North, Shelbyville, TN 37160
- **Landlord:** Azure Airport Development/City of Shelbyville, TN
- **Term:** Forty (40) years from execution
- **Area / Costs:** 6.33 acres / \$868,000 prepayment due at the sublease effective date plus \$738,144.36 per year for first five years and \$128,700 per year for the remaining 35 years (Shelbyville Municipal Airport base rental rate of \$0.35/square foot per month)

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

- **Procurement Method:** Negotiated

Comment:

This sublease with Azure Airport Development will provide additional land and improvements needed to support the MTSU Aerospace Professional Pilot flight training program's move to the Shelbyville Municipal Airport from the Murfreesboro Municipal Airport. This land is located on airport property and directly adjacent to the existing 16 acres of MTSU leased land approved by the State Building Commission on June 20, 2023 that will be developed with the MTSU Aerospace Campus Project (SBC# 366/009-04-2023).

As part of the sublease agreement, Azure Airport Development will construct improvements to the lease area including paved aircraft tie-down, apron, and taxiways for the MTSU Aerospace Professional-Pilot program flight operations. Additional site improvements include vehicular parking and site utility installation to support a small temporary building for MTSU Aerospace staff and student pilot flight planning and briefing with instructors. The modular building will be leased by MTSU for approximately 30 months or until permanent facilities are constructed with the Aerospace Campus project.

Per FAA regulations, the land and improvements serving flight operation activities are required to be located on leased land within the security perimeter of the Shelbyville Airport and cannot be purchased fee simple. The requested sublease includes the option for an early buy-out of the leasehold improvements with Azure and future assignment of the leased land to MTSU for the remainder of Azure's forty-year lease term with the City of Shelbyville, TN.

Minutes: 10/23/2023 ESC Approved a sublease with waiver of advertisement

MIDDLE TENNESSEE STATE UNIVERSITY

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 23-06-018

- **Location:** Rutherford County – 0.37 acres – 904 Crestland Ave., Murfreesboro, TN
- **Owner(s):** MTSU Foundation
- **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. MTSU desires to acquire this property based on its location adjacent to an area of large contiguously owned property.

MTSU conducted an inspection of the house, and it is in good condition for continued rentals until this property is needed for development.

Date of Last Transfer:	07/09/2021
Purchase Price:	\$260,000
Property Assessor's Value:	\$184,700
Square Footage Improvements:	1,040

Minutes: 10/23/2023 ESC Approved acquisition in fee with waiver of advertisement

TENNESSEE BOARD OF REGENTS**Acquisition – Fee (Purchase)****Requested Action:** Approval of acquisition in fee with waiver of advertisement

Transaction Description: Transaction No. 23-04-015

- **Location:** TCAT-Athens
Polk County – 10.30+/-acres (3 tracts) – Highway 64 Hooker Road, Benton, TN
- **Owner(s):** Ross H. and Holly H. Tarver
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 23/24 CurrFunds-CapImp (A)

Comment: The purpose of this acquisition is to provide property to construct a new Polk County campus for TCAT Athens in conjunction with SBC Project Number 166/040-02-2023. Funding was appropriated for the construction of a new campus in the FY 23/24 Capital Budget (Statewide TCAT New Campus Locations \$147,500,000.00). This property is in **TCAT Athens's 2023 Master Plan Amendment** and was selected because it would allow TCAT Athens to provide an education facility accessible from both the East and West sides of Polk County.

Date of Last Transfer:	December 16, 2005
Purchase Price:	\$0.00
Property Assessor's Value:	\$95,600.00
Square Footage Improvements:	NA

Minutes: 10/23/2023 ESC Approved acquisition in fee with waiver of advertisement

TENNESSEE BOARD OF REGENTS

Disposal – Fee

Requested Action: **Approval of a revision to a disposal in fee for less than appraised value with waiver of advertisement**

Transaction Description: Transaction No. 22-03-015
 • **Location:** Dyersburg State Community College (DSCC)
 Dyer County – 1.31+/-acres – 933 Troy Avenue, Dyersburg, TN
 • **Sale Price:** \$150,000.00
 • **Realtor Cost:** 6% of the Sale Price
 • **Purchaser:** Lee Hastings

Comment: This property was previously approved for sale on July 25, 2022. A broker was hired by DSCC to assist with the marketing and sale since this is a residential property. Despite holding two bid openings, the broker was unable to facilitate the sale of the property. STREAM assisted DSCC in hiring a second broker who also marketed the property for sale and held a bid opening. No acceptable bids were received at the third bid opening.

STREAM and the second broker have continued to market the property and have received this offer that DSCC desires to accept. Given the prior unsuccessful attempts to sell the property and the condition of the structure, DSCC and TBR believe that accepting this offer is in the best interest of the State and request waiver of advertisement to permit this sale.

Date of Last Transfer:	October 14, 1971
Previous Owner:	Melvin T. Weakley
Original Cost to State:	\$50,000.00
Square Footage Improvements:	4,200

Previous Action: 07/25/2022 ESC Approved disposal in fee with waiver of one appraisal and to utilize State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

Minutes: 10/23/2023 SBC Approved a revision to a disposal in fee for less than appraised value with waiver of advertisement

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Fee (Third Party)

Requested Action: Approval of acquisition in fee and to utilize a third party

Transaction Description:

Transaction No. 23-08-012

- **Location:** Barnett’s Woods State Natural Area (BWSNA) Montgomery County – 477 +/- acres – 2701 Cook Road, Woodlawn, TN
- **Owner:** White Family Community Property Trust
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 23/24 State Lands Acquisition Fund (A)
- **Third Party:** Tennessee Wildlife Federation (TWF)

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 BWSNA and expansion of BWSNA to include the forested portion of the property will help protect the population of federally listed Price’s potato bean and endangered Indiana bats. This acquisition will also allow for an expanded partnership between TDEC and the Southeast Grasslands Institute (SGI) at Austin Peay State University (APSU) to restore woodland/savanna and prairielands. It is anticipated that the arable portion of this property will be transferred to APSU who will work to create an endowment to fund the management and restoration costs.

There is an existing relationship between TWF and the current owner. TWF will be utilized as a third party for continuity of the transaction.

The only structure included with this acquisition is the Farm Shop which is anticipated to be used for supply storage.

Date of Last Transfer:	March 3, 2023
Purchase Price:	\$0.00 (Interfamily transfer)
Property Assessor’s Value:	\$1,523,504.00 (larger tract and all structures)
Square Footage Improvements:	2,400 sq ft (Farm Shop Only)

Minutes: 10/23/2023 ESC Approved acquisition in fee and utilizing a third party

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee

Requested Action: Approval of a revision of acquisition in fee

Transaction Description: Transaction No. 22-09-007

● **Proposed Revision:**

○ **Location:** Hancock County – 4.80 ± acres (2 tracts) – 3752 Horton Ford Road, Eidson, TN

● **Previously Approved:**

○ **Location:** Hancock County – 0.41 ± acres – 3752 Horton Ford Road, Eidson, TN

○ **Owner(s):** Tennessee Wildlife Resources Foundation (TWRF)

○ **Estimated Purchase Price:** Fair Market Value

○ **Source of Funding:** 23/24 TWRA Op Funds (A)

Comment: Tennessee Wildlife Resources Agency (TWRA) is requesting to acquire the remainder of the parcel to be used for a spillover parking area for the angler access located along the Clinch River that was previously approved.

The cabin located on the tract will be demolished prior to this acquisition.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 04/18/2022
Purchase Price: \$125,000.00
Property Assessor’s Value: \$87,100.00
Square Footage Improvements: 607 sq ft

Previous Action: 04/24/2023 ESC Approved acquisition in fee with waiver of appraisal

Minutes: 10/23/2023 ESC Approved a revision of acquisition in fee

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES**Disposal – Fee****Requested Action:** **Approval of waiver of advertisement**

Transaction Description: Transaction No. 22-11-008

- **Location:** Arlington Development Center
Shelby County – 353 +/- acres – 11437 Milton Wilson Road, Arlington, TN
- **Estimated Sale Price:** Fair Market Value
- **Grantee:** Town of Arlington

Comment: The original approval to dispose of 416 +/- acres permitted that the sale be conducted at the Department's discretion to maximize sale proceeds in accordance with the Arlington Development Center litigation. The Town of Arlington desires to purchase this property for a public use purpose and has agreed to pay the full appraised value of the property. DIDD believes that accepting this offer is in the best interest of the State and compliant with the Arlington Development Center litigation and exit plan. Waiver of advertisement is being requested since this is a transfer to a municipality.

The proceeds are to be deposited in the Intellectual Disabilities Trust Fund pursuant to TCA §12-2-117 and set aside within that fund as part of the Arlington settlement.

DIDD will pursue the sale of the remaining 31.4 +/- acres of the original 416 +/- acres upon completion of the West Tennessee Regional Office.

Previous Action: 10/21/2013 ESC Approved disposal in fee (416 acres)
04/26/2016 ESC Reported sale to Department of Veterans Services (28.650 acres)
02/21/2021 ESC Reported sale to Department of Veterans Services (2.915 acres)

Minutes: 10/23/2023 ESC Approved 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. 15-06-911

- **Proposed Amendment**

- **Term:** 8 years (February 1, 2019 – January 31, 2027)

- **Current Lease**

- **Location:** Gibson County – 802 Gibson Road, Trenton, TN

- **Landlord:** Danny F. and Dinah L. Corley

- **Term:** 5 years (February 1, 2019 – January 31, 2024)

- **Area / Costs:** 5,108 Square Feet

○ Current:	Annual Contract Rent:	\$49,956.24	\$9.78/sf
	Estimated Utility Cost:	8,939.00	1.75/sf
	Estimated Janitorial Cost:	<u>5,618.80</u>	<u>1.10/sf</u>
	Total Annual Effective Cost:	\$64,514.04	\$12.63/sf

- **Source of Funding:** FRF

- **Procurement Method:** Negotiated

- **FRF Rate:** \$15.00

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

This amendment is in the best interest of the State to prevent a lease holdover. The long-term procurement is currently in the advertising phase. STREAM and the agency are confident a new procurement can be awarded prior to expiration of this lease.

Minutes: 10/23/2023 ESC Approved 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: 08-02-903● **Proposed Lease**○ **Area / Costs:**11,700 Square Feet

Annual Contract Rent	\$137,709.00	\$11.77/sf
Estimated Utilities Cost	20,475.00	1.75/sf
Estimated Janitorial Cost	12,870.00	1.10/sf
Total Annual Effective Cost	<u>\$171,054.00</u>	<u>\$14.62/sf</u>

● **Current Lease**○ **Location:**

Jefferson County – 1050,1052, 1054 & 1056 South Highway 92, Dandridge, TN

○ **Landlord:**

Barbara Davis

○ **Term:**

15 years (July 1, 2009 – June 30, 2024)

○ **Current Area / Costs:**10,500 Square Feet

Annual Contract Rent:	\$123,585.00	\$11.77/sf
Estimated Utilities Cost	18,375.00	1.75/sf
Estimated Janitorial Cost	11,550.00	1.10/sf
Total Annual Effective Cost	<u>\$153,510.00</u>	<u>\$14.62/sf</u>

● **Source of Funding:**

FRF

● **Procurement Method:**

Negotiated

● **FRF Rate:**

\$15.00

Comment:

This amendment will provide additional office space for the Department of Human Services. Space need increase is due to additional storage and collaboration needs for Child Support Services. Approval to waive advertisement is requested for the continuity of business operations.

Previous Action:

08/25/2008 ESC Approved lease agreement
 05/20/2019 ESC Approved amendment and waiver of advertisement
 04/25/2022 ESC Approved amendment and waiver of advertisement

Minutes:

10/23/2023 ESC Approved 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. 21-01-916 (DCS), 21-01-917 (DHS), 21-01-918 (TCCY)

- **Proposed Amendment**

○ Term:	5 years (December 1, 2021 – November 30, 2026)		
○ Area / Costs:	Annual Contract Rent (Years 3 – 5)	\$501,750.00	\$11.15/sf
	Estimated Utilities Cost	78,750.00	1.75/sf
	Estimated Janitorial Cost	49,500.00	1.10/sf
	Total Annual Effective Cost	\$630,000.00	\$14.00/sf

- **Current Lease**

○ Location:	Maury County - 1400-1500 College Park Dr., Columbia, TN		
○ Landlord:	NSI, a Tennessee General Partnership		
○ Term:	2 years (December 1, 2021 – November 30, 2023)		
○ Area / Costs:	<u>45,000 Square Feet</u>		
	Annual Contract Rent	\$447,750.00	\$9.95/sf
	Estimated Utilities Cost	78,750.00	1.75/sf
	Estimated Janitorial Cost	49,500.00	1.10/sf
	Total Annual Effective Cost	\$576,000.00	\$12.80/sf

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

Comment: This lease will provide office space for the Department of Human Services, Children's Services, and Tennessee Commission on Children and Youth.

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 long-term procurement is currently in the design phase.

Previous Action: 10/25/2021 ESC Approved lease agreement**Minutes:** 10/23/2023 ESC Approved 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. 10-01-904

● **Proposed Amendment**

- **Term:** 15 years (March 1, 2012 – February 28, 2027)
- **Area / Costs:** 6,515 Square Feet

Average Annual Rent (Years 13 – 15)	81,698.10	12.54/sf
Estimated Utility Cost	11,401.25	1.75/sf
Estimated Janitorial Cost	7,166.50	1.10/sf
Total Annual Effective Cost	\$100,265.85	\$15.39/sf

● **Current Lease**

- **Location:** Wilson County – Legends Center, 155 Legends Drive, Suite H, Lebanon, TN
- **Landlord:** Legends Properties, LLC
- **Term:** 12 years (March 1, 2012 – February 28, 2024)
- **Area / Costs:** 6,515 Square Feet

Annual Contract Rent (Years 1-12)	\$61,000.00	\$ 9.36/sf
Estimated Utility Cost	11,401.25	1.75/sf
Estimated Janitorial Cost	7,166.50	1.10/sf
Total Annual Effective Cost	\$79,567.75	\$12.21/sf

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

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

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 long-term procurement is currently in the market phase. 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 Action: 01/24/2011 ESC Approved a lease
11/22/2021 ESC Approved lease amendment

Minutes: 10/23/2023 ESC Approved lease amendment with waiver of advertisement

Approved:



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