

TO: Tennessee Public Charter School Commission

FROM: Tess Stovall, Executive Director, Tennessee Public Charter School Commission

DATE: October 28, 2020

SUBJECT: Recommendation for Office Space

Background

As a new entity authorized under Public Chapter 219 of the 111th General Assembly, the Tennessee Public Charter School Commission (Charter Commission) needs to secure office space within a state building. Prior to my assuming the role of Executive Director, possible space had been identified on the 5th Floor of the Davy Crockett Tower at 500 James Robertson Parkway, Nashville, TN 37243.

The proposed office space has been discussed by the Business Operations Committee at multiple committee meetings. Specifically, at the August 18, 2020, the Committee charged Judy Spencer, Director of Charter Schools for the Tennessee Department of Education, and me to meet with representatives of the State of Tennessee Real Estate Asset Management division (STREAM) to discuss the proposed Charter Commission space and to answer questions raised by the Business Operations Committee meeting.

Due to the COVID-19 pandemic, State office real estate and agency demand for real estate has dramatically changed. This situation puts the Charter Commission at an advantage in terms of office space and budget. STREAM stated that the Charter Commission should acquire only the space it needs immediately, and then, as it grows, the Charter Commission can assume additional space. STREAM also noted that the Governor will be considering by calendar year's end a long-term strategic plan for the allocation of space to State agencies. This plan may require tenants, including the Charter Commission, to move space within the next three years.

Based on this discussion, the attached office space proposal is recommended for approval by the Charter Commission. This proposal will allow the Charter Commission to initially establish itself with two offices, a cubicle, and a file/copy room. The Charter Commission will also have access to all conference rooms and shared spaces in the building. As the Charter Commission adds staff, I can work with STREAM to acquire additional space, as needed, as there is currently no demand by any other agency for space on the 5th floor. The other agency that was contemplating a move to the 5th Floor has now declined to make such a move, and the only other tenant currently occupying the 5th Floor is the State Board of Education. STREAM stated that we will receive a right of first refusal on space on the 5th Floor.

Although the policy remains that an agency occupy and pay the rent on a space until it finds its replacement, the State is currently undertaking a review of this policy, as well as taking a more holistic review of the State's real estate assets given the changing office space demands.

This proposal was discussed at the October 14, 2020 Business Operations Committee, and the Committee approved it and recommends approval by the Charter Commission.

Details of the Proposal

- 981 square feet at \$22.50/sq. ft. = \$22,072.50/year for rent; 8 months (starting Nov. 1) = \$14,715
- The budget approved for FY21 allocated \$55,000 for rent. The previous version of the FY22 budget allocated \$50,000 for rent.

- See attachment for a layout of the space

Motion for Consideration

I move to approve the recommendation of the Executive Director to acquire 981 sq. ft. of space in the Davy Crockett Tower to house the Tennessee Public Charter School Commission at \$22.50 per square foot. I further delegate authority to the Executive Director to acquire additional space, as needed, to house up to ten employees of the Charter Commission. The Executive Director shall report the acquisition of additional space to the Business Operations Committee.