

**MINUTES**  
**STATE BUILDING COMMISSION**  
**Executive Subcommittee**  
**April 21, 2025**

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The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner Bryson called the meeting to order at 11:02 a.m. and requested action on the following matters as presented by Architectural Compliance Director Chloe Shafer.

**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**

- Department of General Services
- State Building Commission

**PRESENTER**

Deputy Commissioner John Hull  
Architectural Compliance Director Chloe Shafer

Commissioner Bryson asked if there were any requests for public comment and Architectural Compliance Director Chloe Shafer replied that there were no requests.

## CONSENT AGENDA

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

1. Agency: **East Tennessee State University**  
Requested Action: Approval of waiver of advertisement  
Transaction No.: 25-04-1109  
Location: East Tennessee State University (ETSU)  
Washington – 11.21 +/- acres – 1109 University Parkway, Johnson City, TN
2. Agency: **Tennessee Board of Regents / Tennessee College of Applied Technology**  
Requested Action: Approval of acquisition in fee  
Transaction No.: 23-09-010  
Location: TCAT-Elizabethton  
Carter County – 2.73+/- acres – 325 McDonald/State Highway 91, Elizabethton, TN
3. Agency: **Middle Tennessee State University**  
Requested Action: Approval of a lease amendment  
Transaction No.: 23-05-501  
Location: Bedford County – 2764 Highway 231-North, Shelbyville, TN
4. Agency: **Middle Tennessee State University**  
Requested Action: Approval of disposal in fee  
Transaction No.: 24-07-009  
Location: Rutherford County - .27 +/- acres – 915 East Bell Street
5. Agency: **Department of Environment & Conservation**  
Requested Action: Approval of acquisition in fee  
Transaction No.: 25-03-014  
Location: Radnor Lake State Park (RLSP)  
Davidson County – 8.45 ± acres – 0 Old Hickory Blvd, Brentwood, TN
6. Agency: **Department of Environment & Conservation**  
Requested Action: Approval of acquisition in fee  
Transaction No.: 25-03-007  
Location: Franklin County – 92.23 +/- acres – 0 Sherwood Road, Sherwood, TN
7. Agency: **Department of Environment & Conservation**  
Requested Action: Approval of relocation of access easements  
Transaction No.: 24-09-006  
Location: North Chickamauga Creek State Park  
Hamilton County – 1.57 ± acres (acquisition easement area) – 8443 and 8447 Dayton Pike, Soddy Daisy, TN
8. Agency: **Department of General Services**  
Requested Action: Approval of a lease  
Transaction No.: 23-07-902 (ABC)  
Location: Knox County – 724 Dutch Valley Dr., Knoxville, TN
9. Agency: **Department of General Services**  
Requested Action: Approval of a lease  
Transaction No.: 21-04-912 (TDEC)  
Location: Shelby County - 8383 Wolf Lake Drive, Memphis, TN

DEPARTMENT OF GENERAL SERVICES

**Acquisition – Lease (Space)**

**Requested Action:**                    **Approval of a lease**

**Transaction Description:**      Transaction No. 24-07-907 (AG)

**Proposed Lease**

- **Location:**                    Davidson County- 315 Deaderick Street, Nashville, TN
- **Landlord:**                    SMIV 315 Deaderick Street, LLC
- **Term:**                         1 Year (November 1, 2025 – October 31, 2026)
- **Area / Costs:**                55,141 Square Feet  
Annual Contract Rent (includes janitorial & utilities cost)                \$2,012,646.50                \$36.50/sf

**Current Lease**

- **Location:**                    Davidson County- 315 Deaderick Street, Nashville, TN
- **Landlord:**                    SMIV 315 Deaderick Street, LLC (formerly 315 Deaderick Street LLC)
- **Term:**                         10 years (November 1, 2015 – October 31, 2025)
- **Area / Costs:**                55,141 Square Feet  
Average Annual Rent    \$1,328,196.20                \$24.09/sf  
2023 Annual OPEX Cost (includes Janitorial and Utilities)    144,249.19                2.61/sf  
Total Average Annual Effective Cost    \$1,472,445.39                \$26.70/sf

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

**Comment:**                         This lease will provide office space for the Office of the Attorney General (AG). It is anticipated that the AG will relocate to the War Memorial Building prior to the expiration of the 1-year term.

The lease continues to include 28 parking spaces for use by AG at the same rate per space paid by other building tenants.

No termination for convenience is permitted during this lease.

Advertisement is not required pursuant to T.C.A. §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.

**Previous Action:**                    04/21/2025    ESC                Approved a lease

DEPARTMENT OF GENERAL SERVICES

**Acquisition - Lease Amendment**

**Requested Action:**                    **Approval of a lease amendment**

**Transaction Description:**        Transaction No. 14-05-902 (DCS)

**Proposed Amendment**

○ <b>Landlord:</b>	SMIV 315 Deaderick Street, LLC		
○ <b>Term:</b>	15 years (December 1, 2015 – November 30, 2030) plus one 5-year renewal option		
○ <b>Area / Costs:</b>	<u>64,674 Square Feet</u> (Office Space)		
	Annual Contract Rent (Year 11)	\$2,360,601.00	\$36.50/sf
	Average Annual Contract Rent (Years 11 – 15)	2,481,670.53	38.37/sf
	Estimated Average Annual OPEX Cost (includes Janitorial and Utilities)	66,404.32	1.03/sf
	Total Average Annual Effective Cost	<u>\$2,548,074.85</u>	<u>\$39.40/sf</u>
	 <u>2,213 Square Feet</u> (Storage Space)		
	Annual Contract Rent (Year 11)	\$41,073.28	\$18.56/sf
	Average Annual Contract Rent (Years 11 – 15)	\$43,180.04	\$19.51/sf

**Current Lease**

○ <b>Location:</b>	Davidson County – 315 Deaderick St., Nashville, TN		
○ <b>Landlord:</b>	SMIV 315 Deaderick Street, LLC (formerly 315 Deaderick Street LLC)		
○ <b>Term:</b>	10 years (December 1, 2015 – November 30, 2025) plus two 5 year renewal options		
○ <b>Area / Costs:</b>	<u>83,047 Square Feet</u> (Office Space)		
	Average Annual Contract Rent	\$2,000,375.59	\$24.09/sf
	2023 Annual OPEX Cost (includes Janitorial and Utilities)	216,712.93	2.61/sf
	Total Average Annual Effective Cost:	<u>\$2,217,088.52</u>	<u>\$26.70/sf</u>
	 <u>2,213 Square Feet</u> (Storage Space)		
	Average Annual Contract Rent	\$35,949.97	\$16.24/sf

**Source of Funding:**                FRF

**Procurement Method:**          Advertised- qualifications based

**FRF Rate:**                            \$26.50

**Comment:**                            This amendment exercises a renewal option in the lease and will provide office space for Department of Children's Services (DCS). The amendment reduces the leased premises by 18,373 square feet due to the Department of Disability and Aging relocating to State-owned space; establishes the rent rate per current market conditions in accordance with the lease provision on renewal; and adds termination for convenience after the 13<sup>th</sup> year of the lease with 90 days written notice to the landlord. As part of the rental rate negotiation for the renewal term, the landlord agreed to change the base year for operating expenses from 2015 to 2025. The future space needs of DCS are being assessed.

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.

<b>Previous Action:</b>	09/11/2014	ESC	Approved a lease
<b>Minutes:</b>	04/21/2025	ESC	Comptroller Mumpower stated that he could not support approval of this item because asking for a five-year renewal, even with an option to terminate early, is not responsible. Comptroller Mumpower noted that the State has spent more than \$11 million on vacant space since 2020, the location of which was the future plan for this DCS office in prior discussions. He asked if DGS had analyzed the potential to ask for a shorter extension, say one year to see where we are, and what other options are out there for housing the DCS administrative team.

Mr. Hull responded that the first time the State is able to exit the 227 French Landing lease is January 1, 2027 and the lease at the UBS Building ends on November 30, 2025. Mr. Hull stated that he has talked to the landlord of 227 French Landing and the landlord is not willing to let the State terminate the lease earlier than January 1, 2027, and in fact, the landlord would like the State to remain in that space for the entire 15 year lease term. He explained that the lease of 227 French Landing was procured for TennCare and so even though TennCare no longer needs this space, TennCare is required to pay the rent due under the lease. Mr. Hull added that DGS was able to reduce about 35% of the financial burden on TennCare by moving DCS and DHS field offices into the building. Mr. Hull explained that as DGS has analyzed the situation, the difference in the cost of staying at the UBS Building for the state portion of that, because DCS is at least 50% federally funded, the difference in those rental costs between the two more than offsets what it would cost to move DCS to 227 French Landing. He added that the State would have to spend several million dollars to renovate 227 French Landing for DCS's occupancy since it is not ready. Mr. Hull said that DGS would rather not spend millions to renovate a leased location for a temporary period and would rather spend our capital dollars in a state-owned building for a longer period of time. He added that since DCS would only be in 227 French Landing for a few years, DGS doesn't believe it is a wise financial decision to spend money in someone else's building for a few years.

Comptroller Mumpower asked whether Mr. Hull believes DGS will need the UBS space for the full five years. Mr. Hull said the ability to move out of the UBS space will depend on when DGS receives funds for the renovation of 220 French Landing, a state owned building. Mr. Hull said that he is hopeful that the money will be included in next year's capital budget. If the money is included next year, then DGS would have a couple of years to do the renovation work and could potentially exit the UBS space at the end of 2028.

Commissioner Bryson asked for clarification that the capital budget request to which Mr. Hull is referring is the \$52 million that was requested to renovate 220 French Landing. Mr. Hull confirmed that the \$52 million is requested to renovate 220 French Landing which is currently occupied by Labor and Workforce Development. Mr. Hull stated that what made this building available is that the Department of Labor and Workforce is now ready to participate in AWS, which has freed up space in that building. This presents a much better long term solution to take care of two leases in town and move them into this owned space. Commissioner Bryson asked Mr. Hull to confirm that to get out of the UBS space in three or five years, the State has to fund the \$52 million capital request to renovate 220 French Landing. Mr. Hull confirmed that is correct but said that DGS is reviewing the proposed cost of the renovation project. He added that DGS is going through its programming stage over the summer and maybe DGS can come up with a smaller cost, but their current estimate is a \$52 million capital request. The \$52 million request is to renovate the whole building, not just to move this group in UBS into 220 French Landing; it is the estimated cost to move Labor and Workforce to one side of the building effectively and renovate the entire building for the long term.

Comptroller Mumpower asked if the 220 French Landing space is the only available space. Mr. Hull responded that it is the only owned space that would keep DCS close to downtown that can accommodate the 64,000sf in the UBS Building and the 64,000sf in Athens Way. DGS wants to get out of both the UBS and Athens Way leases.

Secretary Hargett asked why DCS needs to be near downtown. Mr. Hull responded that DCS prefers to be downtown. He added that the DCS Commissioner appears in front of the Legislature quite often and so DGS is trying to keep DCS as close to downtown as possible. Mr. Hull added that there are other locations further out, but that DGS doesn't typically put Commissioners and their staff further outside of downtown. Secretary Hargett noted that 64,000sf accommodates a large staff. Mr. Hull stated that DCS originally had 83,000sf but DCS utilized AWS and now only occupies 64,000sf. Secretary Hargett asked how many people are accommodated in the 64,000sf and Mr. Hull replied that he would have to get back to the Secretary with a count. Secretary Hargett stated that there is a big difference between having the Commissioner and the Executive Team downtown and the need for 64,000sf downtown. Secretary Hargett stated that he understands that the Commissioner may want all this staff to be downtown, but he is trying to understand what the best move would be for the State. Mr. Hull responded that DGS's focus is on finding long term homes for agencies in State owned space. Mr. Hull added that even if DCS moved to 227 French Landing, the

State would still be required to spend capital dollars for the initial renovation as well as a future renovation to move them to their permanent home at 220 French Landing or any other state owned property.

Treasurer Lillard asked about the State's ability to terminate the lease for convenience on 90 days' notice after the 13<sup>th</sup> lease year and what lease year is the State currently in. Mr. Hull responded that the State is currently in the 10<sup>th</sup> lease year and has the right to terminate the lease at any time after the 13<sup>th</sup> year on 90 days' notice. Treasurer Lillard stated that he wants to take an opportunity to revisit previous discussions about termination for the convenience of the state because we are a pass through for the federal government on many leases. He added that as we sit here today, the federal budget is being cut substantially in many ways, the Dow is down over 1,000 points, and he wants to state for the record that he is very concerned about the fact that we are in effect a pass through entity for federal dollars on these leases and that if the federal dollars get cut we are in many cases going to be stuck. With your efforts to include termination for convenience he said, we won't be stuck as bad, but we could still be stuck. Mr. Hull responded that he agrees with the Treasurer's concerns, and this is why DGS has Project Tetris and has gotten out of other leases like Parkway Towers and the lease for UT. Mr. Hull reiterated that his goal remains to get agencies into State owned space, but the pace of that effort depends on capital project funding. He added that DGS just believes that it is better to go directly to 220 French Landing rather than move out of UBS to 227 French Landing and eventually into 220 French Landing. Treasurer Lillard reiterated that he is very concerned about the impact that the loss of federal funding could have on the State's budget, and he appreciates that DGS is focused on this point.

Comptroller Mumpower stated that he can agree to extend the lease, but five years just seems too long. Comptroller Mumpower moved to defer this item one month to allow Mr. Hull and all relevant parties to have an individual meeting with the Comptroller and his team, acknowledging that the other ESC members may also want to have meetings. The Comptroller stated that he validates and understand the common-sense statements that Mr. Hull made, but he wants to explore the proposal more fully because in his mind, if we renew for five years it removes all urgency from the situation and just seems too long. Mr. Hull responded that he was happy to meet with the Comptroller, but reiterated that DGS would like to go as fast as possible to get out of any and all of these leases.

Treasurer Lillard stated that the ESC can meet on 48 hours' notice under the Open Meetings law if ready to move prior to the next scheduled ESC meeting. Commissioner Bryson

requested an executive summary on the TennCare space and the renovation cost thereof; and what is being moved to the TennCare space and why, and why not to another location, especially to the Secretary's point about the amount of square footage needed downtown. Comptroller Mumpower stated that he could be available to meet with DGS on Wednesday. Commissioner Bryson stated that they will take it under advisement that there is a sense of urgency to get this amendment considered.

Comptroller Mumpower clarified that his motion was to defer this item to a subsequent ESC meeting, which could be a specially called meeting. The motion was seconded, and the item was deferred to a future ESC meeting.



## STATE BUILDING COMMISSION

### Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 24, 2025.

### Report of Items Approved by Office of the State Architect

#### Initial and Revised Approvals of Capital Projects

- Reported the following five 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:** UTIA CVM Cooling Tower Repairs (24/25)  
**Project Description:** Repair chiller pumps and all related work to complete the project.  
**SBC Project No.** 540/001-01-2025  
**Total Project Budget:** \$155,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved project and utilizing Campus Consultant (I.C. Thomasson Associates) for design and System Procurement for construction  
**Approval Date:** 04/02/2025
  - 2) **State Procurement Agency:** University of Tennessee Institute of Agriculture  
**Location:** Knoxville, Tennessee  
**Project Title:** UTIA CVM Fume Hood Upgrades (24/25)  
**Project Description:** Relocation of fume hoods at the College of Veterinary Medicine (CVM) along with the installation of new fume hoods and exhaust systems as needed. The project includes all related work to complete the project.  
**SBC Project No.** 540/001-02-2025  
**Total Project Budget:** \$1,000,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved project and utilizing Campus Consultant (I.C. Thomasson Associates) for design  
**Approval Date:** 04/02/2025
  - 3) **State Procurement Agency:** University of Tennessee Institute of Agriculture  
**Location:** Greenville, Tennessee  
**Project Title:** Clyde Austin 4-H Center Improvements  
**Project Description:** Construction of two open air pavilions at the center, and a garage at the center director's residence. Includes site work, ADA accessibility, and all related work to complete the project.  
**SBC Project No.** 540/001-16-2022  
**Total Project Budget:** \$226,000.00  
**Source of Funding:** \$174,000.00 Gifts (O)  
\$ 52,000.00 Plant Funds (Non-Aux) (A)  
**Approval:** Approved the Early Design Phase as recommended by the State Architect  
**Approval Date:** 04/08/2025

- 4) **State Procurement Agency:** University of Tennessee – Knoxville  
**Location:** Knoxville, Tennessee  
**Project Title:** Emergency – UTK Dougherty Engineering Flood Repairs (24/25)  
**Project Description:** Emergency repairs to mitigate water damage including abatement, finish restoration, IT/AV equipment replacement, and all related work to complete the project.  
**SBC Project No.** 540/009-05-2025  
**Total Project Budget:** \$400,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved project and utilizing Campus Consultant (Studio Four a Michael Graves Company) for design and Campus Resources and System Procurement for construction  
**Approval Date:** 04/01/2025
- 5) **State Procurement Agency:** University of Tennessee – Martin  
**Location:** Martin, Tennessee  
**Project Title:** UTM 610 Lee Street Demolition (24/25)  
**Project Description:** Demolition of the residence at 610 Lee Street and the construction of a new parking lot. Includes all related work to complete the project.  
**SBC Project No.** 540/011-02-2025  
**Total Project Budget:** \$350,500.00  
**Source of Funding:** Plant Funds (Aux-Parking) (A)  
**Approval:** Approved project and utilizing Campus Consultant (A2H, Inc.) for design and utilizing System Procurement for construction  
**Approval Date:** 04/04/2025

#### **Approvals of Revisions to Existing Capital Projects**

- Reported the following approval of a Best Value (BV) or Construction Manager/General Contractor (CM/GC) in accordance with Item 2.04(B)(6) of the *SBC By-Laws, Policy & Procedures*:
- 1) **State Procurement Agency:** STREAM / Department of Military  
**Location:** Smyrna, Tennessee  
**Project Title:** New Army Aviation Support Facility  
**Project Description:** Construction of a new Army Aviation Support Facility and all required related work.  
**SBC Project No.** 361/079-01-2024  
**Total Project Budget:** \$34,500,000.00  
**Current Project Funding:** \$ 2,500,000.00  
**Source of Funding:** Federal Funds (NGB) (F)  
**Approval:** Approved awarding a contract to the best evaluated proposer for CM/GC (T.W. Frierson)  
**Approval Date:** 04/02/2025

## Approvals of Acquisitions and Disposals of State Property

- Reported the following two disposal easements in accordance with Item 2.04(E)(I)(5) of the *SBC By-Laws, Policy & Procedures*:
  - 1) **State Procurement Agency:** STREAM / Tennessee Wildlife Resources Agency  
**Transaction Description:** Transaction No. 24-08-015  
**Location:** Gibson County Lake, Gibson County 3.58 +/- acres Sleepy Hollow Road, Trenton, TN  
**Tenant:** Gibson County Lake Board  
**Term:** 25 years  
**Source of Funding:** Gibson County Lake Board (O)  
**Approval:** Approved disposal by lease with waiver of advertisement and appraisal  
**Approval Date:** 04/08/2025
  - 2) **State Procurement Agency:** Tennessee Board of Regents / Volunteer State Community College  
**Transaction Description:** Transaction No. 25-02-021  
**Location Fee:** Volunteer State Community College  
Wilson County – 0.004 +/- acre – 0 Lebanon Road, Gallatin, TN  
**Location Easement:** Volunteer State Community College  
Wilson County – 0.148 +/- acre – 0 Lebanon Road, Gallatin, TN  
**Grantee:** City of Mt. Juliet  
**Estimated Sale Price:** Fair Market Value  
**Source of Funding:** City of Mt. Juliet (O)  
**Approval:** Approved disposal in fee and disposal by easement with waiver of advertisement and appraisal  
**Approval Date:** 04/01/2025

## 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.
  - 1) **Austin Peay State University**  
(Event Center Renovation)  
Total Project Budget: \$3,100,000.00  
SBC Project No. 373/003-03-2025  
Designer: **LCMA, LLC dba Lyle Cook Martin Architects**

## Other Business

There being no further business, the meeting adjourned at 11:19 a.m.

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EAST TENNESSEE STATE UNIVERSITY**Acquisition – Lease (Space)**

**Requested Action:**                   **Approval of waiver of advertisement**

**Transaction Description:**       Transaction No. 25 04 1109

- **Proposed Lease**

- **Location:**                   East Tennessee State University (ETSU)  
Washington – 11.21 +/- acres – 1109 University Parkway, Johnson City, TN
- **Landlord:**                 Owner of 1109 University Parkway
- **Term:**                     Up to 10 Years
- **Area:**                     Up to 576 Beds; 11.21 +/- acres

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

- **Procurement Method:**   Negotiated

- **FRF Rate:**                 N/A

**Comment:**                       This apartment complex is currently for sale and located between the main campus and the VA campus. The University would be interested in leasing all or a portion of the units in the building after it is sold starting with the 2025/2026 academic year. Waiver of advertisement is requested because ETSU is currently at full capacity in Housing and the need for additional beds was validated and defined in ETSU's **2024 Master Plan**.

**Minutes:**                         04/21/2025    Approved a waiver of advertisement

TENNESSEE BOARD OF REGENTS

**Acquisition – Fee (Purchase)**

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

**Transaction Description:**              Transaction No. 23-09-010

- **Location:**                              TCAT-Elizabethton  
Carter County – 2.73+/- acres – 325 McDonald/State Highway 91, Elizabethton, TN
- **Owner(s):**                              Michael D. Whitehead Living Trust
- **Estimated Purchase Price:**      Fair Market Value
- **Source of Funding:**                Plant Funds    (Non-Aux) (A)

**Comment:**                              This property is in TCAT Elizabethton's **2023 Master Plan Update**. This property is adjacent to the main campus and would allow the campus to relocate all their maintenance, landscaping, and technology operations and equipment (currently kept in an open parking lot) to a covered facility. The warehouse facility on the property has been inspected and determined to be in good condition for its intended use by the campus. The acquisition would also allow the campus to create a two-way entrance and exit for students, faculty, and staff.

Date of Last Transfer:	April 13, 2013
Purchase Price:	\$0.00
Property Assessor's Value:	\$476,200
Square Footage Improvements:	19,054

**Minutes:**                                  04/21/2025    ESC    Approved acquisition in fee

MIDDLE TENNESSEE STATE UNIVERSITY

**Acquisition – Lease Amendment (Land)**

**Requested Action:**                      **Approval of a lease amendment**

**Transaction Description:**      Transaction No. 23-05-501

- **Proposed Amendment**

- **Area / Costs:**                      20.8 +/- acres / \$393,900.00 per year (lease year 2) with 1% increase annually

- **Current Lease**

- **Location:**                              Bedford County – 2764 Highway 231-North, Shelbyville, TN

- **Landlord:**                              City of Shelbyville Tennessee

- **Term:**                                      July 1, 2023 – July 1, 2063 (40 Years)

- **Area / Costs:**                      16.0+/- acres / \$300,000.00 per year (lease year 1) with 1% increase annually

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

- **Procurement Method:**          Negotiated

**Comment:**                              Lease amendment is requested to add an additional 4.8 acres to the current lease to support future expansion of MTSU Aerospace facilities at the Shelbyville Municipal Airport.

The MTSU Aerospace Campus project (SBC# 366/009-04-2023) will develop a portion of the original 16 acres to support the MTSU Professional Pilot program. Subsequent projects will continue development to support additional MTSU Aerospace program concentrations on the proposed 20.8 acre site.

The current lease agreement includes provisions for MTSU to purchase a portion of the property with previously paid rent to be applied to the land purchase. The intent of this option is to allow MTSU to purchase areas of the property that contain the majority of the improvements. The remainder of the property, including MTSU flight operations, will be within the security perimeter of the Shelbyville Airport and will need to remain a lease per FAA regulations.

**Previous Action:**                      06/20/2023      ESC              Approved a lease

**Minutes:**                                  04/21/2025      ESC              Approved a lease amendment

MIDDLE TENNESSEE STATE UNIVERSITY

**Disposal – Fee**

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

**Transaction Description:**              Transaction No. 24-07-009  
     • **Location:**                              Rutherford County -- .27+/-acres -- 915 East Bell Street  
     • **Estimated Sale Price:**              Fair Market Value

**Comment:**                                  Disposal is requested as this property is no longer in the MTSU acquisition zone, it is a small parcel and is not contiguous with other MTSU owned properties.

Date of Last Transfer:                      04/08/1999  
 Previous Owner:                              Candace White  
 Original Cost to State:                      \$82,000.00  
 Square Footage Improvements:              1,040

**Minutes:**                                      04/21/2025        ESC    Approved disposal in fee

DEPARTMENT OF ENVIRONMENT & CONSERVATION

**Acquisition – Fee (Purchase)**

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

**Transaction Description:**              Transaction No. 25-03-014  
     • **Location:**                              Radnor Lake State Park (RLSP)  
                                  Davidson County – 8.45 ± acres – 0 Old Hickory Blvd, Brentwood, TN  
     • **Owner(s):**                              Key Investments II, Inc.  
     • **Estimated Purchase Price:**      Fair Market Value  
     • **Source of Funding:**                24/25 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 acquisition borders the southern boundary of RLSP and will be incorporated into the park's Bald Eagle Research Station. This property will also provide critical access for both emergency and wildfire response teams and will play a key role in establishing hiking trails connecting Old Hickory Blvd and the visitor center.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:                      11/09/2023  
 Purchase Price:                              \$2,178,078.00  
 Property Assessor's Value:              \$371,800.00  
 Square Footage Improvements:        N/A

**Minutes:**                                      04/21/2025              ESC      Approved acquisition in fee



DEPARTMENT OF ENVIRONMENT & CONSERVATION

**Acquisition – Fee (Purchase)**

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

**Transaction Description:**              Transaction No. 25-03-007  
     • **Location:**                              Franklin County – 92.23 ± acres – 0 Sherwood Road, Sherwood, TN  
     • **Owner(s):**                                Benjamin L. Myers and Anne Hunter Myers  
     • **Estimated Purchase Price:**        Fair Market Value  
     • **Source of Funding:**                   24/25 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 acquisition would serve as the southern primary access point in the long-term development plans for the Head of the Crow State Park. This property also offers protection to Cumberland Rosinweed, a state endangered species and provides watershed protection to Rush Creek.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:                      8/31/2023  
 Purchase Price:                                \$138,345.00  
 Property Assessor's Value:                \$221,400.00  
 Square Footage Improvements:        N/A

**Minutes:**                                      04/21/2025      ESC      Approved acquisition in fee

DEPARTMENT OF ENVIRONMENT & CONSERVATION

**Acquisition – Relocation of Easements (Access)**

**Requested Action:**                      **Approval of relocation of access easements**

**Transaction Description 1:**              Transaction No. 24-09-006

- **Location:**                              North Chickamauga Creek State Park  
Hamilton County – 1.57 ± acres (acquisition easement area) – 8443 and 8447 Dayton Pike, Soddy Daisy, TN
- **Owner:**                                    Ivy Academy, Inc.
- **Estimated Purchase Price:**      Mutual Benefit
- **Source of Funding:**                24/25 State Lands Acquisition Fund (REM Fees) (A)

**Transaction Description 2:**              Transaction No. 24-09-007

- **Location:**                              North Chickamauga Creek State Park  
Hamilton County – 1.85 ± acres (acquisition easement area) – 8463 and 8459 Springfield Road, Soddy Daisy, TN
- **Owner:**                                    Ivy Academy's Skillern Elementary, Inc.
- **Estimated Purchase Price:**      Mutual Benefit
- **Source of Funding:**                24/25 State Lands Acquisition Fund (REM Fees) (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.

To accommodate construction of several new structures on the Ivy Academy properties, the State has agreed to extinguish the existing access easement that benefits North Chickamauga Creek State Park. In exchange, Ivy Academy, Inc. and Ivy Academy's Skillern Elementary, Inc. will grant the State new easements in mutually agreed upon locations allowing for similar access.

No additional management costs are anticipated with these acquisitions.

<b>Acquisition Easement Parcels:</b>	Date of Last Transfer:	09/18/2024
	Purchase Price:	\$10.00
	Property Assessor's Value:	\$827,800.00
	Square Footage Improvements:	N/A
	Date of Last Transfer:	09/08/2023
	Purchase Price:	\$10.00
	Property Assessor's Value:	\$1,062,000.00
	Square Footage Improvements:	N/A

**Minutes:**                                    04/21/2025    ESC    Approved relocation of access easements

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:**                   **Approval of a lease****Transaction Description:**      Transaction No. 23-07-902 (ABC)• **Proposed Lease**

- **Location:**                   Knox County – 724 Dutch Valley Dr., Knoxville, TN
- **Landlord:**                 Key Holdings, LLC
- **Term:**                       10 years with one 5-year renewal option (May 1, 2026 – April 30, 2036)
- **Area / Costs:**           4,500 Square Feet

First Year Annual Contract Rent	\$85,500.00	\$19.00/sf
Average Annual Contract Rent	95,791.50	21.29/sf
Estimated Utility Cost	7,875.00	1.75/sf
Estimated Janitorial Cost	4,950.00	1.10/sf
Total Average Annual Effective Cost	<u>\$108,616.50</u>	<u>\$24.80/sf</u>

• **Current Lease**

- **Location:**                   Knox County – 724 Dutch Valley Dr., Knoxville, TN
- **Landlord:**                 Key Holdings, LLC
- **Term:**                       7 years (May 1, 2019 – April 30, 2026)
- **Area / Costs:**           4,500 Square Feet

Average Annual Contract Rent	\$65,115.00	\$14.47/sf
Estimated Utilities Cost	7,875.00	1.75/sf
Estimated Janitorial Cost	4,950.00	1.10/sf
Total Average Annual Effective Cost	<u>\$77,940.00</u>	<u>\$17.32/sf</u>

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

**Comment:**                   This lease will provide office space for the Alcoholic Beverage Commission regional office. There was one proposal from one proposer. The lease shall commence on May 1, 2026.

The rental rate will increase by 2.5% every year during the duration of the lease term and continuing through the renewal option, if exercised. If the renewal option is exercised, the Landlord will replace the flooring and repaint the space.

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:**                       04/21/2025   ESC   Approved a lease

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:**                   **Approval of a lease****Transaction Description:**      Transaction No. 21-04-912 (TDEC)• **Proposed Lease**

- **Location:**                   Shelby County - 8383 Wolf Lake Drive, Memphis, TN
- **Landlord:**                 Pedigo – Bartlett, L.P.
- **Term:**                       10 years with two 1-year renewal options
- **Area / Costs:**           16,420 Square Feet

First Year Annual Contract Rent	\$418,710.00	\$25.50/sf
Average Annual Contract Rent	396,050.40	24.12/sf
Estimated Annual Utility Cost	28,735.00	1.75/sf
Estimated Annual Janitorial Cost	18,062.00	1.10/sf
Total Average Annual Effective Cost	<u>\$442,847.40</u>	<u>\$26.97/sf</u>

• **Current Lease**

- **Location:**                   Shelby County - 8383 Wolf Lake Drive, Memphis, TN
- **Landlord:**                 Pedigo – Bartlett, L.P.
- **Term:**                       16 years (January 1, 2010 – December 31, 2025)
- **Area / Costs:**           16,000 Square Feet

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

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

**Comment:**                   This lease will provide office and lab space for the Tennessee Department of Environment and Conservation. The proposed location will be renovated to meet the State's needs. A net square foot difference of 420 square feet is a result of a mismeasurement of space. The lease is estimated to commence on or before January 2026. This facility is a special use facility per SBC Policy 14.01 due to the unique features required.

The tenant may terminate this lease for convenience by providing 90 days prior written notice to the landlord after the 60<sup>th</sup> month. The rental rate remains the same with each renewal term.

Based on a review of the financial aspects, occupancy requirements, and market indicators, this lease is deemed in the best interests of the State.

**Previous Action:**                   07/25/2023   Approved waiver of advertisement**Minutes:**                         04/21/2025   Approved a lease

Approved:



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