

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
December 16, 2019

The State Building Commission Executive Subcommittee met this day at 3:30 p.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner McWhorter called the meeting to order at 3:30 p.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Stuart McWhorter, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer
Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Department of Veterans Services
- Department of Mental Health & Substance Abuse Services
- University of Memphis
- Department of General Services
- State Building Commission

PRESENTER

Commissioner Courtney Rogers
Assistant Commissioner Cynthia Tyler
Chief University Planning Officer Tony Poteet
Deputy Commissioner John Hull
State Architect Ann McGauran

CONSENT AGENDA

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

- A. Agency: University of Tennessee Institute of Agriculture
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

- B. Agency: University of Tennessee Institute of Agriculture
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

- C. Agency: Tennessee Board of Regents / Southwest Tennessee Community College
Transaction: Acquisition – Lease (Space)
Provision(s): Waiver of advertisement

- D. Agency: Tennessee Board of Regents / TCAT Shelbyville
Transaction: Acquisition – Lease Amendment
Provision(s): n/a

- E. Agency: Department of Education
Transaction: Disposal – Lease Amendment
Provision(s): Waiver of advertisement and appraisals

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

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

- H. Agency: Department of Economic and Community Development
Transaction: Disposal – Lease (Crop)
Provision(s): Waiver of appraisal(s)

- I. Agency: Department of Economic and Community Development
Transaction: Disposal – Lease (Crop)
Provision(s): Waiver of appraisal(s)

DEPARTMENT OF VETERANS SERVICES

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 19-11-003
• **Location:** Cumberland County – 93.90+/-acres – Cook Rd. Crossville, TN
• **Owner(s):** Neely Ricky Lynn
• **Estimated Purchase Price:** Fair Market Value
• **Source of Funding:** 18/19 CurrFunds CapImp (A)
Gifts (O)

Comment: This is a FY 18/19 line-item in the capital budget (New Upper Cumberland Veterans Cemetery Land). The gift funds are in addition to the line-item.

This acquisition is to establish a new Veterans Cemetery to serve the Upper Cumberland Region of Tennessee. The Upper Cumberland area is currently underserved in this capacity, and a cemetery in this part of the state would place all veterans and their families within 70 miles of a Veteran Cemetery.

Date of Last Transfer: 11/03/2015
Purchase Price: Unknown
Property Assessor's Value: \$251,700
Square Footage Improvements: N/A

Minutes: 12/16/2019 Approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Disposal – Fee

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

Transaction Description: Transaction No. 11-06-003
 • **Location:** Davidson County – 5.94+/-acres – 3411 Belmont Blvd. Nashville, TN
 • **Estimated Purchase Price:** Fair Market Value

Comment: This property has been determined surplus to the Department needs. The property formerly housed the Regional Intervention Program (RIP). The Tennessee Historical Commission (THC) has determined that the disposal of this property will not adversely affect this State-owned resource.

A new facility has been constructed for the RIP program and is scheduled to be operational in January 2020.

The proceeds will be deposited into the Mental Health Trust Fund pursuant to TCA § 12-2-117 and 2019 PC 405, Section 2, Item 8.

Date of Last Transfer: Multiple Transactions (1962-1968)
Purchase Price: 183,500
Property Assessor's Value: \$2,520,000
Square Footage Improvements: 58,442 (Multiple Structures)

Previous Action: 07/25/2011 ESC Approved disposal in fee and Level One study, and sale of house and property "as is"

Minutes: 12/16/2019 ESC Approved disposal in fee with waiver of one appraisal

UNIVERSITY OF MEMPHIS

Disposal – Lease (Land/Swap)

Requested Action: Approval of waiver of advertisement

Transaction Description: Transaction No. 19-04-020

- **Location:** University of Memphis (UofM)
Shelby County - total acreage 5.62 +/- acres (16 tracts)
301 Deloach St., 295 Deloach St., 287 Deloach St., 281 Deloach St., 275 Deloach St., 267 Deloach St., 261 Deloach St., 253 Deloach St., 247 Deloach St., 241 Deloach St., 235 Deloach St., 227 Deloach St., 219 Deloach St., 211 Deloach St., 205 Deloach St., 3664 Central Avenue all in Memphis, TN
- **Tenant:** Memphis Tiger House, LLC (Stella)

Comment: The University would like to negotiate directly with Memphis Tiger House, LLC, a subsidiary of Stella Management Group, Inc., to enter into a lease for this property. The intended use for housing is consistent with the University's **2015 Master Plan**. This land lease would allow Memphis Tiger House, LLC to construct and operate an apartment complex containing common spaces and approximately 516 apartment style beds.

Waiver of advertisement is requested as the lease would be contingent on tenant providing 2.038 acres of strategically valuable land to the State as prepaid rent for the ground lease. The 2.038 acres is being purchased by the Tenant for \$3,693,000 and the Tenant will demolish the existing structures at a cost of approximately \$170,000. The ground lease will provide needed market rate housing which could be utilized by University students during the term.

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

Lease Parcels:

301 Deloach Street – Parcel No. 140L 044057 00017

Date of Last Transfer: February 15, 1974 (0.4376 ± acres)
Previous Owner: Convention of the Protestant Episcopal Church
Original Cost to State: \$44,000
Square Footage Improvements: 2,226 sf house (1940)

295 Deloach Street – Parcel No. 140L 044057 00016

Date of Last Transfer: March 24, 1994 (0.3050 ± acres)
Previous Owner: Bettie J. Welch and Paul H. Welch, Jr.
Original Cost to State: \$140,000
Square Footage Improvements: 2,040 sf house (1942)

287 Deloach Street – Parcel No. 140L 044057 00015

Date of Last Transfer: June 30, 1992 (0.3360 ± acres)
Previous Owner: Alfred L. Whitman and Hylda B. Whitman
Original Cost to State: \$175,000
Square Footage Improvements: 2,638 sf house (1939)

281 Deloach Street – Parcel No. 140L 044057 00014
Date of Last Transfer: December 2, 1992 (0.3410 ± acres)
Previous Owner: Todd M. Davis and Jane Furr Davis
Original Cost to State: \$142,000
Square Footage Improvements: 2,240 sf house (1939)

275 Deloach Street – Parcel No. 140L 044057 00013
Date of Last Transfer: March 12, 1996 (0.3440 ± acres)
Previous Owner: Herbert John Fox, Sr. and Edith M. Fox
Original Cost to State: \$152,000
Square Footage Improvements: 2,777 sf house (1940)

267 Deloach Street – Parcel No. 140L 044057 00012
Date of Last Transfer: July 14, 1970 (0.3460 ± acres)
Previous Owner: Emmogene S. Prescott
Original Cost to State: \$36,500
Square Footage Improvements: 1,939 sf house (1937)

261 Deloach Street – Parcel No. 140L 044057 00011
Date of Last Transfer: June 9, 1975 (0.3490 ± acres)
Previous Owner: Dorothy Dalrymple Goswick
Original Cost to State: \$40,000
Square Footage Improvements: 2,672 sf house (1940)

253 Deloach Street – Parcel No. 140L 044057 00010
Date of Last Transfer: October 29, 1996 (0.3520 ± acres)
Previous Owner: Ann Marie Stephenson
Original Cost to State: \$121,500
Square Footage Improvements: 1,494 sf house (1940)

247 Deloach Street – Parcel No. 140L 044057 00009
Date of Last Transfer: November 23, 1970 (0.3550 ± acres)
Previous Owner: Roland F. Witsell and Elizabeth T. Witsell
Original Cost to State: \$36,000
Square Footage Improvements: 2,519 sf house (1945)

241 Deloach Street – Parcel No. 140L 044057 00008
Date of Last Transfer: June 30, 2000 (0.3580 ± acres)
Previous Owner: Anton John Reiner and Marcia Gail Honig
Original Cost to State: \$205,000
Square Footage Improvements: 1,897 sf house (1931)

235 Deloach Street – Parcel No. 140L 044057 00007
Date of Last Transfer: October 30, 1996 (0.3610 ± acres)
Previous Owner: Fred W. Drees, III and Debra N. Drees
Original Cost to State: \$260,000
Square Footage Improvements: 3,082 sf house (1932)

227 Deloach Street – Parcel No. 140L 044057 00006
Date of Last Transfer: June 30, 2014 (0.3630 ± acres)
Previous Owner: Deanna U. Marion and Frank M. Marion
Original Cost to State: \$190,000
Square Footage Improvements: 1,996 sf house (1941)

219 Deloach Street – Parcel No. 140L 044057 00005
Date of Last Transfer: September 11, 1998 (0.3560 ± acres)
Previous Owner: Michael Warner Barton
Original Cost to State: \$210,000
Square Footage Improvements: 2,363 sf house (1947)

211 Deloach Street – Parcel No. 140L 044057 00004
Date of Last Transfer: December 28, 1990 (0.3007 ± acres)
Previous Owner: Drew T. St. John and Katharine M. St. John
Original Cost to State: \$159,000
Square Footage Improvements: 2,418 sf house (1947)

205 Deloach Street – Parcel No. 140L 044057 00003
Date of Last Transfer: February 25, 1977 0.4620 ± acres)
Previous Owner: Stephen E. Tunnell, Jr. and Audra F. Tunnell
Original Cost to State: \$58,500
Square Footage Improvements: 2,740 sf house (1940)

3664 Central Avenue – Parcel No. 140L 044057 00018
Date of Last Transfer: December 27, 1993 (0.3673 ± acres)
Previous Owner: Pauline Merle Maddocks
Original Cost to State: \$107,000
Square Footage Improvements: 1,803 sf house (1930)

Total cost of lease parcels to state: \$2,176,500

Minutes:

12/16/2019 Mr. Tony Poteet presented the item and acknowledged the university and the proposed tenant recognized that approval of this request does not signal approval of a future ground lease.

Commissioner McWhorter confirmed that this is just allowing negotiation and asked what the next steps are as part of this negotiation. Mr. Poteet replied that they would like to bring the mutually acceptable ground lease forward as quickly as they can. Mr. Poteet stated that it appears to be financially feasible for the developer to build this type of development on this property and; it is a good location west of the campus. The developer provided property would allow research growth in the area identified in the Master Plan in the future. Mr. Poteet stated that it could be an equitable and fair deal for both parties.

The Subcommittee approved a waiver of advertisement.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-10-907 and 17-10-908

• **Proposed Lease**

- **Location:** Morgan County – 1326 Knoxville Highway, Wartburg, TN
- **Landlord:** Deborah K. Jones
- **Term:** 7 years with three 1-year renewal options
- **Area / Costs:** 6,800 Square Feet

Annual Contract Rent	\$85,000.00	\$12.50/sf
Estimated Utilities Cost	11,900.00	1.75/sf
Estimated Janitorial Cost	7,480.00	1.10/sf
Annual Effective Cost	\$104,380.00	\$15.35/sf

• **Current Lease**

- **Location:** Morgan County – 1326 Knoxville Highway, Wartburg, TN
- **Landlord:** Deborah K. Jones (Roy E. Jones)
- **Term:** 10 years (April 1, 2004 to March 31, 2014) (Holdover)
- **Area / Costs:** 8,500 Square Feet

Annual Contract Rent	\$48,000.00	\$5.65/sf
Estimated Utilities Cost	11,900.00	1.40/sf
Estimated Janitorial Cost	9,350.00	1.10/sf
Total Annual Effective Cost	\$69,250.00	\$8.15/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$14.00

Comment: This lease will provide office space for Department of Human Services and the Department of Children's Services. Three proposals from three proposers were received. Alternative Workplace Solutions will be implemented at this location. The proposed new location will be renovated to meet the State's needs.

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.

Knox Office Realty commission is \$9,668.75 for the base 7-year term, and if all renewal options are exercised the commission will be \$13,812.50.

Previous Report: 12/16/2002 ESC Approved lease agreement

Minutes: 12/16/2019 ESC Approved a lease

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on November 25, 2019.

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 - \$500,000 in accordance with Item 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** University of Tennessee – Chattanooga
Location: Chattanooga, Tennessee
Project Title: Guerry – Crossroads Roof Replacement
Project Description: This project will replace the Crossroads roof section of the Guerry Center, and repair roofing curbs, flashing, and parapet copings.
SBC Project No. 540/005-05-2019
Total Project Budget: \$129,000.00
Source of Funding: Plant Funds (Aux-Dining) (A)
Approval: Approved project utilizing Campus Consultant for design
Approval Date: 12/03/2019
 - 2) **State Procurement Agency:** University of Tennessee – Chattanooga
Location: Chattanooga, Tennessee
Project Title: Health Science Building (Program)
Project Description: This project will provide programming for the construction of a new, approximately 160,000 GSF, health sciences laboratory facility and parking area with approximately 500 spaces. This facility will address the projected regional workforce growth in the health sciences fields (Nursing, Physical therapy, Occupation therapy and related programs) now limited by the program space. The facility will also have approximately 15,000 sf of Biology research lab space to support the health science fields.
SBC Project No. 540/005-08-2017
Total Project Budget: \$350,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding (increase of \$100,000.00)
Approval Date: 12/02/2019

- 3) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Cryotherm Tubs Renovation
Project Description: This project will remove existing hot/cold therapy tubs and the associated pump room in the Neyland Thompson Sports Complex, and replace with modern and compact cryotherm tubs. Due to the space gained from the tub installation, the project will also relocate a shower and sink, and install new finishes and flooring.
- SBC Project No.** 540/009-30-2019
Total Project Budget: \$135,000.00
Source of Funding: Plant Funds (Aux-Athletics) (A)
Approval: Approved project utilizing Campus Consultant for design, Campus Resources and System Procurement for construction
Approval Date: 12/03/2019
- 4) **State Procurement Agency:** University of Memphis
Location: Memphis, Tennessee
Project Title: Administration Building Transformer Replacement
Project Description: Replace existing transformer with new exterior pad mount unit.
- SBC Project No.** 367/007-08-2019
Total Project Budget: \$215,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget in order to award a contract (increase of \$15,000.00)
Approval Date: 12/03/2019
- 5) **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Parking Lot 35 Maintenance
Project Description: Maintenance and paving to parking lot 35.
- SBC Project No.** 369/005-11-2019
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Aux-Parking) (A)
Approval: Approved project utilizing Campus Purchasing for construction
Approval Date: 12/02/2019

Approvals of Revisions to Existing Capital Projects

- Reported the following two approvals of an alternate construction delivery method in accordance with Item 2.04(B)(1) of the *SBC By-Laws, Policy & Procedures*:
- 1) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Haslam Field Expansion
Project Description: Renovate existing outdoor football practice field including additional exterior exercise and storage space, and fencing. Renovations also include interior training and equipment areas; and staff offices. A new 2-story addition with multi-use space, and players' lounge.
- SBC Project No.** 540/009-08-2016
Total Project Budget: \$14,000,000.00
Current Project Funding: \$ 5,000,000.00
Source of Funding: TSSBA (A)
Approval: Approved utilizing System Procurement for a portion of the work
Approval Date: 12/02/2019

2) **State Procurement Agency:** University of Tennessee – Knoxville
Location: Knoxville, Tennessee
Project Title: Walters Life Science Improvements
Project Description: This project will provide lead and asbestos abatement; decontamination of labs; removal of fume hoods, lab cabinetry, ceilings and lab equipment; repairing floors, walls and ceilings; replacing light fixtures, flooring, and finishes; and painting.

SBC Project No. 540/009-15-2019
Total Project Budget: \$900,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved utilizing Campus Resources and System Procurement for construction for a portion of the work
Approval Date: 12/03/2019

- Reported the following approval of a revision in funding for capital project in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:

1) **State Procurement Agency:** STREAM / Department of Children's Services
Location: Somerville, Tennessee
Project Title: Wilder YDC Sprinkler System Upgrade
Project Description: Address code and compliance issues with the campus fire sprinkler system and replace mixing valves associated with shower facilities and all related work. Installation of fire alarm system replacement and new security locks and smoke evacuation system.

SBC Project No. 144/011-01-2014
Total Project Budget: \$4,071,800.00
Source of Funding: \$1,017,000.00 13/14 CurrFunds-CapImp (A)
\$2,574,800.00 14/15 CurrFunds-CapImp (A)
\$ 480,000.00 14/15 CurrFunds-CapMaint (A)
Approval: Approved a revision in project funding (budget adjustment to complete the work)
Approval Date: 12/03/2019

- Reported the following approval of a bid that exceeds approved MACC in accordance with Item 2.04(B)(5) of the *SBC By-Laws, Policy & Procedures*:

1) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: Student Recreation Center Fabric Replacement
Project Description: Remove and replace self-supporting fabric on basketball/tennis court structure. Replace existing ceiling fans with low speed high volume fans. Replace manual doors with electronic overhead doors.

SBC Project No. 166/032-03-2018
Total Project Budget: \$700,000.00
Source of Funding: Plant Funds (Aux-Student Fees) (A)
Approval: Approved a revision in project funding in order to award a contract
Approval Date: 11/27/2019

Approvals of Contract Amendments

- Reported the following approval of a capital grant amendment in accordance with Item 2.04(C)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** STREAM / Department of General Services
Location: Memphis, Tennessee
Project Title: National Civil Rights Museum Grant
Project Description: Annual grant to provide maintenance support.
SBC Project No. 160/020-01-2014
Total Project Budget: \$1,500,000.00
Source of Funding:

\$ 300,000.00	14/15	CurrFunds-CapMaint	(A)
\$ 300,000.00	15/16	CurrFunds-CapMaint	(A)
\$ 300,000.00	16/17	CurrFunds-CapMaint	(A)
\$ 300,000.00	17/18	CurrFunds-CapMaint	(A)
\$ 300,000.00	18/19	CurrFunds-CapMaint	(A)

Approval: Approved an amendment to grant revising the scope of work
Approval Date: 12/03/2019

Approvals of Acquisitions and Disposals of State Property

- Reported the following acquisition 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. 19-10-003
Location: Booker T. Washington State Park (BTWSP)
Hamilton County – 39.8 +/- acres (6 tracts) – 8550 Old Champion Road and 0 Old Champion Road, Chattanooga, TN
Owner(s): Foothills Land Conservancy (FLC)
Estimated Purchase Price: Gift
Source of Funding: 19/20 State Lands Acquisition Fund (A)
Approval: Approved acquisition in fee with waiver of advertisement and appraisals
Approval Date: 12/03/2019
- Reported the following disposal easement in accordance with Item 2.04(E)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Middle Tennessee State University
Transaction Description: Transaction No. 19-09-001
Location: Middle Tennessee State University
Rutherford County – 0.06 Permanent Easements – N. Rutherford Blvd and Alumni Drive, N. Rutherford Blvd and MTSU Blvd, Murfreesboro, TN
Grantee: City of Murfreesboro
Estimated Sale Price: Mutual Benefit
Source of Funding: City of Murfreesboro
Approval: Approved disposal by easement with waiver of advertisement and appraisals
Approval Date: 12/03/2019

Designer Selections

- Reported the following two designer selections for capital projects as delegated to the State Architect in accordance with Items 2.04(A)(1) and 2.04(A)(2) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: Blount County Fountain Replacement
SBC Project No. 166/032-02-2019
Total Project Budget: \$430,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: MBI Companies, Inc.
Approval Date: 11/22/2019

- 2) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: Student Recreation Center Flooring Replacement
SBC Project No. 166/032-03-2019
Total Project Budget: \$270,000.00
Source of Funding: Plant Funds (Aux-Student Fees) (A)
Designer: Hurst-Rosche, Inc.
Approval Date: 11/22/2019

- 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) **University of Tennessee – Knoxville**
(Arena Renovations & Systems Improvements)
Total Project Budget: \$12,700,000.00
SBC Project No. 540/009-07-2017
Designer: **STUDIO FOUR DESIGN INC**

2) **Various Facilities – West Tennessee**
(Roof Replacements)
Total Project Budget: \$2,720,000.00
SBC Project No. 126/000-02-2019
Designer: **KLINE SWINNEY ASSOCIATES**

Other Business

There being no further business, the meeting adjourned at 3:39 p.m.

UNIVERSITY OF TENNESSEEAcquisition – Fee (Gift)

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

Transaction Description: Transaction No. 19-12-006

- **Location:** University of Tennessee Institute of Agriculture (UTIA)
Franklin County – 4.5 +/- acres – Tullahoma Highway, Estill Springs, TN
- **Owner(s):** JIMEL, LLC
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Auxiliary) (REM fees) (A)

Comment: This property is adjacent to the 860 acre UTIA Highland Rim Forest Research and Education Center (HRFREC). It is unimproved forest land and will be combined with HRFREC and used for research and demonstration projects aimed at identifying optimum tree species and forest production systems to increase forest productivity on similar sites. HRFREC is referenced in the UT Knoxville/UTIA Campus Master Plan which was revised and approved by THEC on December 9, 2019 to accommodate this purchase.

Date of Last Transfer: July 17, 1998
Purchase Price: \$106,000
Property Assessor's Value: \$1,600
Square Footage Improvements: NA

Minutes: 12/16/2019 Approved acquisition in fee with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEEAcquisition – Fee (Gift)

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

Transaction Description: Transaction No. 19-12-007

- **Location:** University of Tennessee Institute of Agriculture (UTIA)
Knox County – 2.71 +/- acres – 0 Delrose Drive, Knoxville, TN
- **Owner(s):** Alan Solomon
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Auxiliary) (REM fees) (A)

Comment: The University seeks to acquire this property via gift for institutional use. The property adjoins 2705 Riverside Drive which was gifted for institutional use as an arboretum and education center with a primary focus of providing educational and experiential learning opportunities. The property is less than five miles from the UTIA Main Campus. The land acquisition plan for UTIA was revised and approved by THEC on November 26, 2019 to accommodate this purchase.

Date of Last Transfer:	09/13/2019
Purchase Price:	\$10,000
Property Assessor's Value:	\$9,800
Square Footage Improvements:	NA

Minutes: 12/16/2019 Approved acquisition in fee with waiver of advertisement and appraisals

TENNESSEE BOARD OF REGENTS

Acquisition – Lease (Space)

Requested Action: Approval of a lease with waiver of advertisement

Transaction Description: Transaction No. 19-33-001

- **Proposed Lease**

- **Location:** Southwest Tennessee Community College
785 Union Avenue, Memphis, TN
- **Landlord:** Southwest Tennessee State University Foundation
- **Term:** 25 Years (July 1, 2020 – June 1, 2045)
- **Area / Costs:** 27,336 Square Feet

Annual Contract Rent	\$184,000	\$6.73/sf
Estimated Annual Utility Cost	47,828	1.75/sf
Estimated Annual Janitorial Cost	30,070	1.10/sf
Total Annual Effective Cost	\$261,898	\$9.58/sf

- **Source of Funding:** Plant Funds (Non-Auxiliary) (A)
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00 sf (for reference only)

Comment: This lease will create a City Campus at Union Avenue with a One Stop Shop for students and creates an opportunity to backfill existing space with enrollment growth initiatives. Waiver of advertisement is requested since the landlord is the Foundation supporting SWCC and the rental rate is below market.

Minutes: 12/16/2019 Approved a lease with waiver of advertisement

TENNESSEE BOARD OF REGENTSAcquisition – Lease Amendment

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 18-86-001

- **Proposed Lease**

- **Area / Costs:**

35,100 Square Feet

Annual Contract Rent	\$ 0.00	\$ 0.00
----------------------	---------	---------

Estimated Utility Cost	61,425	1.75/sf
------------------------	--------	---------

Estimated Janitorial Cost	35,101	1.10/sf
---------------------------	--------	---------

Total Annual Effective Cost	\$96,526	\$2.85/sf
-----------------------------	----------	-----------

- **Current Lease**

- **Location:**

Franklin County – Dinah Shore Boulevard, Winchester, TN

- **Landlord:**

Franklin County

- **Term:**

10 years

- **Area / Costs:**

31,000 Square Feet

Annual Contract Rent	\$ 0.00	\$ 0.00
----------------------	---------	---------

Estimated Utilities Cost	54,250	1.75/sf
--------------------------	--------	---------

Estimated Janitorial Cost	34,100	1.10/sf
---------------------------	--------	---------

Total Annual Effective Cost	\$88,350	\$2.85/sf
-----------------------------	----------	-----------

- **Source of Funding:**

Plant Funds (Non-Aux)(A)

- **FRF Rate:**

\$14.00 (for reference only)

Comment:

This change in square footage is to provide additional classroom and laboratory spaces for the TCAT Shelbyville facility. Advertisement is not required because the landlord is a governmental entity.

Previous Action:

08/20/2018 Approved Lease

Minutes:

12/16/2019 Approved a lease amendment

DEPARTMENT OF EDUCATIONDisposal – Lease Amendment

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

Transaction Description: Transaction No. 19-11-001

Proposed Amendment

○ **Area/Costs** 16.89 +/- acres / \$1

- **Current Lease**

- **Location:** 800 N. York Hwy. Jamestown, TN (Pine Haven Elementary)
- **Landlord:** Fentress County Board of Education
- **Term:** November 7, 1994 – November 7, 2044, plus 50 year renewal option
- **Area / Costs:** 15.73+/-acres / \$1

Comment: Education maintains a long-term lease with the local government to provide land for the Pine Haven Elementary School. Over time, the capacity at the school has grown and access to Highway 127 has become congested and difficult to navigate during peak hours.

The proposed lease amendment will add additional property to allow the local government to develop an access road to provide an additional access point for the school to help alleviate the ongoing traffic concerns.

The access road will be constructed and maintained by the local government, and this improvement is permitted under the current lease agreement.

Previous Action: 12/20/1993 SBC Approved Lease Agreement

Minutes: 12/16/2019 Approved a lease amendment with waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 05-10-907

- **Proposed Amendment**

- **Term:** 13 years (February 1, 2010 – January 31, 2023)
- **Area / Costs:** 5,700 Total Square Feet

Annual Contract Rent:	\$56,430.00	\$9.90/sf
Estimated Annual Utility Cost:	9,975.00	1.75/sf
Estimated Annual Janitorial Cost:	6,270.00	1.10/sf
Total Annual Effective Cost:	\$72,675.00	\$12.75/sf

- **Current Lease**

- **Location:** Grundy County, 606 Highway 41, Tracy City, TN
- **Landlord:** Pedigo-Tracy Properties, LP
- **Term:** 10 years (February 1, 2010 – January 31, 2020)
- **Area / Costs:** 5,700 Square Feet

Annual Contract Rent:	\$56,430.00	\$9.90/sf
Estimated Annual Utility Cost:	7,980.00	1.40/sf
Estimated Annual Janitorial Cost:	6,270.00	1.10/sf
Total Annual Effective Cost:	\$70,680.00	\$12.40/sf

- **Source of Funding:** FRF Operating Funds

- **FRF Rate:** \$14.00

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

The first amendment to this lease decreased the rentable space from 10,100 sf to 5,700 sf effective February 1, 2010. The second amendment extends the term three years at the same rental rate and 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.

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: 09/25/2006 ESC Approved lease agreement

Minutes: 12/16/2019 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICESAcquisition - Lease Amendment

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

Transaction Description: Transaction No. **05-10-906 & 14-09-904**

- **Proposed Amendment**

- **Term:** 13 years (March 1, 2010 – February 28, 2023)

- **Area / Costs:** 4,896 Total Square Feet (Office)

Annual Contract Rent (includes utilities)	\$51,415.00	\$10.50/sf
---	-------------	------------

Estimated Annual Janitorial Cost:	5,385.60	1.10/sf
-----------------------------------	----------	---------

Total Annual Effective Cost:	\$56,800.60	\$11.60/sf
------------------------------	-------------	------------

- **Area / Costs:** 1,015 Total Square Feet (Warehouse)

Annual Contract Rent (includes utilities)	\$6,597.50	\$6.50/sf
---	------------	-----------

- **Current Lease**

- **Location:** Putnam County, 929 West Jackson Street, Cookeville, TN

- **Landlord:** Rebecca & Kwun-Ion Ting

- **Term:** 10 years (March 1, 2010 – February 28, 2020)

- **Area / Costs:** 4,896 Square Feet (Office)

○ Current: Annual Contract Rent (includes utilities)	\$51,415.00	\$10.50/sf
---	-------------	------------

Estimated Annual Janitorial Cost:	5,385.60	1.10/sf
-----------------------------------	----------	---------

Total Annual Effective Cost:	\$56,800.60	\$11.60/sf
------------------------------	-------------	------------

- **Current License**

- **Location:** Putnam County, 929 West Jackson Street, Cookeville, TN

- **Landlord:** Rebecca Ting

- **Term:** July 1, 2018 – February 28, 2020

- **Area / Costs:** 1,015 Total Square Feet (Warehouse)

○ Current: Annual Contract Rent (includes utilities)	\$6,597.50	\$6.50/sf
---	------------	-----------

- **Source of Funding:**

FRF Operating Funds

- **FRF Rate:**

\$18.00 Office / \$6.50 Warehouse

Comment:

This lease will provide office and warehouse space for the Department of Agriculture. The amendment will consolidate the space under a separate license agreement for warehouse space into the lease and extending the term.

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

Previous Report: 05/21/2007 ESC Approved lease agreement

Minutes: 12/16/2019 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENTDisposal – Lease (Crop)

Requested Action: Approval of disposal by lease with waiver of appraisal(s)

Transaction Description: Transaction No. 19-12-008

- **Proposed Lease:**

- **Location:** Haywood County – 1,048+/- acres – Brownsville, TN
- **Tenant:** Alan Keathley
- **Term:** (1 year) January 1, 2020 to December 31, 2020 with four, 1-year renewal options.
- **Area / Costs:** \$200,168 / year

- **Current Lease:**

- **Location:** Haywood County – 3,380+/- acres – Brownsville, TN
- **Tenant:** Willie Glass dba Glass Farms
- **Term:** (1 year) January 1, 2016 to December 31, 2016 with four, 1-year renewal options.
- **Area / Costs:** \$764,776 / year

Comment: The property will be used for the limited purpose of growing and harvesting crops. The lease can be terminated by the State if necessary for development of the Memphis Regional Megasite.

The lease with the prior tenant has been terminated. The lease procurement was conducted in accordance with the SBC approved form of crop lease request for proposal and the lease is on the approved template form. Six proposals from six proposers were received. The original highest proposer elected to not follow through with executing the lease. Alan Keathley was the second highest rental amount.

Minutes: 12/16/2019 Approved disposal by lease with waiver of appraisal(s)

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENTDisposal – Lease (Crop)

Requested Action: Approval of disposal by lease with waiver of appraisal(s)

Transaction Description: Transaction No. 19-12-009

- **Proposed Lease:**

- **Location:** Haywood County – 2,332+/- acres – Brownsville, TN
- **Tenant:** Bobby Cothran
- **Term:** (1 year) January 1, 2020 to December 31, 2020 with four, 1-year renewal options.
- **Area / Costs:** \$437,250 / year

- **Current Lease:**

- **Location:** Haywood County – 3,380+/- acres – Brownsville, TN
- **Tenant:** Willie Glass dba Glass Farms
- **Term:** (1 year) January 1, 2016 to December 31, 2016 with four, 1-year renewal options.
- **Area / Costs:** \$764,776 / year

Comment: The property will be used for the limited purpose of growing and harvesting crops. The lease can be terminated by the State if necessary for development of the Memphis Regional Megasite.

The lease with the prior tenant has been terminated. The lease procurement was conducted in accordance with the SBC approved form of crop lease request for proposal and the lease is on the approved template form. Six proposals from six proposers were received. The original highest proposer elected to not follow through with executing the lease. Bobby Cothran was the second highest rental amount.

Minutes: 12/16/2019 Approved disposal by lease with waiver of appraisal(s)

Approved:



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