

MINUTES
State Building Commission
Executive Subcommittee

February 12, 2026

The State Building Commission Executive Subcommittee met this day at 11:15 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 11:32 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Jim Bryson, Commissioner, Department of Finance and Administration
David Lillard, State Treasurer
Jason Mumpower, Comptroller of the Treasury

MEMBERS ABSENT

Tre Hargett, Secretary of State

ORGANIZATION

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

PRESENTER

Associate Vice President Austin Oakes
Deputy Commissioner John Hull
State Architect Ann McGauran

Commissioner Bryson asked if there were any requests for public comment and State Architect McGauran 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:** University of Tennessee - Knoxville
Requested Action: Approval of a lease amendment with waiver of advertisement and appraisal
Transaction No.: 24-11-010
Location: University of Tennessee – Knoxville (UTK) – Knox County – 0.40 acres – 840 20th Street, Knoxville, Knox County, Tennessee

2. **Agency:** Department of Military
Requested Action: Approval of a revision of disposal in fee
Transaction No.: 24-12-006
Location: Crockett County – 18.878 +/- acres – 778 Hwy 54N, Alamo, TN

3. **Agency:** Department of Environment & Conservation
Requested Action: Approval of acquisition in fee and to utilize a third party
Transaction No.: 25-10-015
Location: Pogue Creek Canyon State Natural Area (PCCSNA), Fentress County – 152.19 +/- acres – 0 Stewart Creek Lane, Pall Mall, TN

4. **Agency:** Department of Environment & Conservation
Requested Action: Approval of acquisition in fee and to utilize a third party
Transaction No.: 25-10-016
Location: Pogue Creek Canyon State Natural Area (PCCSNA), Fentress County – 87.17 ± acres – 0 Stewart Creek Lane, Pall Mall, TN

5. **Agency:** Department of Environment & Conservation
Requested Action: Approval of a revision to a previously approved transaction with waiver of advertisement and appraisal
Transaction No.: 24-01-005
Location: Justin P. Wilson Cumberland Trail State Park (JPWCTSP) Hamilton County – two 50' wide easements - Suck Creek Road & 3027 Edwards Point Road, Chattanooga, TN

6. **Agency:** Department of General Services
Requested Action: Approval of a lease
Transaction No.: 24-09-900 (DOS)
Location: Sullivan County – 3769 Highway 11 West, Blountville, TN

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease with a purchase option and with waiver of advertisement**

Transaction Description: Transaction No. 25-02-024

- **Proposed Lease:**
 - **Location:** University of Tennessee – Knoxville (UTK)
 Knox County – 2501 University Commons Way, Knoxville, Tennessee
 - **Landlord:** UTFI Real Estate, LLC
 - **Term:** 99 years
 - **Area:** 119,355 square feet
 - **Costs:** Prepaid Contract Rent: \$15,625,000.00
 Estimated Annual Operating Cost: \$1,266,356.55 (\$10.61/sf)

- **Source of Funding:** Plant Funds (Non-Aux) A
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00

Comment: This lease will provide space for student recreation and associated uses for UTK. The University will prepay rent of approximately \$15,625,000 which shall be adjusted to match the acquisition price and closing costs paid by UTFI, which is not anticipated to exceed \$16,500,000. The University will have an option to purchase the building from UTFI for \$1.00 at any time upon 180 days' written notice. UTK will build out the space for its intended uses for student recreation and storage space at UTK's expense. Use of the space for storage cannot exceed 40% of the square footage under the terms of other agreements for the shopping center unless such use is temporary in nature. Designer selection and project planning have been approved by SBC, and a project request will be coming back for full commission approval.

The University Commons complex lies between UTK's Agriculture campus and the main portion of the UTK campus and is within the zone of influence of the current Master Plan.

As the space is part of a commercial condominium regime, UTFI is better suited to be a member of the condominium association than the University. UTFI purchased the space and will lease it to the University.

Waiver of advertisement is requested due to its location, and the University's immediate need for recreation and storage space. Tenant may terminate this lease with 120 days' prior notice.

Minutes: 02/12/2026 ESC Approved a lease with a purchase option and with waiver of advertisement pending approval by TSSBA

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 20-01-904 (DOC)

• **Proposed Lease:**

- **Location:** Montgomery County – 997 S. Riverside Drive Clarksville, Tennessee
- **Landlord:** FR2 OZ, LLC (Bernard and Thomas Freeland)
- **Term:** 10 Years with one 5-year renewal option
- **Area:** 14,000 Square Feet
- **Buildout:** Approximately \$750,000.00 (Landlord Expense)
- **Costs:**

Expense Category	Cost/sf	Annual Cost
First Year Contract Rent	\$33.00/sf	\$462,000.00
Average Annual Contract Rent	36.13/sf	505,834.00
Estimated Annual Utility Cost	1.75/sf	24,500.00
Estimated Annual Janitorial Cost	1.10/sf	15,400.00
Total Annual Effective Cost	\$38.98/sf	\$545,734.00

• **Current Lease:**

- **Location:** Montgomery County – 100 Providence Blvd. Suite A, Clarksville, TN
- **Landlord:** Boot Hill Holdings, LLC
- **Term:** 4 Years with one year renewal option (May 1, 2024 – April 30, 2028)
- **Area:** 9,941 Square Feet
- **Costs:**

Expense Category	Cost/sf	Annual Cost
First Year Contract Rent	\$21.40/sf	\$212,737.40
Average Annual Contract Rent	22.38/sf	222,503.48
Estimated Annual Utility Cost	1.75/sf	9,229.50
Estimated Annual Janitorial Cost	1.10/sf	5,801.40
Total Annual Effective Cost	\$25.57/sf	\$240,921.15

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

Comment: This lease will provide office space for Department of Correction Community Supervision Office. Two proposals from two proposers were received and evaluated. The new location will be a build to suit to meet the State's needs. The buildout cost shown above is only for the interior buildout scope. The lease is estimated to commence on or before July 2028.

There is no termination for convenience during the base term of the lease. The lease can be terminated for convenience with 90 days' written notice during the renewal term. If the renewal option is exercised, the rent increases by 2% every year. The State has an option to purchase at any time pursuant to the schedule included in the lease.

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

Minutes: 02/12/2026 ESC Commissioner Bryson noted for the other members of the Executive Subcommittee that the agenda now includes the estimated cost that the landlord will incur for the interior buildout of the leased premises to meet the unique requirements of the State.

The Subcommittee approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 23-04-902 (DOC)

• **Proposed Lease:**

- **Location:** Weakley County – (TBD, East of) 9999 TN-22 Dresden, Tennessee
- **Landlord:** The 2013-D Pedigo Trust
- **Term:** 10 Years with one 5-year renewal option
- **Area:** 9,300 Square Feet
- **Buildout:** Approximately \$1,678,550.00 (Landlord Expense)
- **Costs:**

Expense Category	Cost/sf	Annual Cost
First Year Contract Rent	\$27.50/sf	\$255,750.00
Average Annual Contract Rent	27.80/sf	258,441.00
Estimated Annual Utility Cost	1.75/sf	16,275.00
Estimated Annual Janitorial Cost	1.10/sf	10,230.00
Total Annual Effective Cost	\$30.65/sf	\$284,946.00

• **Current Lease:**

- **Location:** Weakley County – 8593 Highway 22 Dresden, Tennessee
- **Landlord:** James H. Westbrook, Jr. & Partners, a Tennessee limited partnership
- **Term:** 3 Years (May 1, 2025 – April 30, 2028)
- **Area:** 5,274 Square Feet
- **Costs:**

Expense Category	Cost/sf	Annual Cost
Average Annual Contract Rent	\$11.08/sf	\$28,435.92
Estimated Annual Utility Cost	1.75/sf	9,229.50
Estimated Annual Janitorial Cost	1.10/sf	5,801.40
Total Annual Effective Cost	\$13.93/sf	\$43,466.82

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

Comment: This lease will provide office space for Department of Correction. Three proposals from two proposers were received and evaluated. Two proposals were withdrawn after evaluation due to the current tenant at those locations exercising their option to renew. The new location will be a build to suit to meet the State's needs. The buildout cost shown above is only for the interior buildout scope. The lease is estimated to commence on or before May 2028.

The tenant may terminate this lease for convenience at any time after the 9th lease year with a 90-day written notice to the landlord.

If the renewal option is exercised, the rent increases by \$0.50/RSF every two years. The State has an option to purchase at any time pursuant to the schedule included in the lease.

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

Minutes: 02/12/2026 ESC Commissioner Bryson asked why the other two proposers withdrew after proposing. Mr. Hull responded that the existing tenants in the proposed spaces elected to stay and so the landlords had to withdraw their proposals. Commissioner Bryson asked for confirmation that the same reason was given for both of the landlord withdrawals and Mr. Hull responded that he wasn't sure that the same reason was behind both proposals but that both landlords withdrew their proposals.

Commissioner Bryson asked why the interior buildout cost for this lease was almost three times higher than the buildout cost for the prior lease when both leases were for the same agency with the same requirements. Mr. Hull said that he did not know why the amounts were so different but that these are the estimates of the interior buildout costs provided by the landlords.

Commissioner Bryson noted that he and Mr. Hull have previously discussed how much information is shared with potential landlords prior to their proposals and asked if the potential proposers are provided preliminary design or expectations before proposing. Mr. Hull replied designs are not shared but that potential landlords are provided with information about space size and types of space that are required. Commissioner Bryson noted to the other commissioners that he is asking these questions because he feels like the State's procurements put a lot of risk on the landlords and that can cause landlords to proposer higher rents because of the ambiguity about the buildout cost. Commissioner Bryson added that he has discussed this with the Department of General Services and understands that they will work on this and continue to monitor it going forward.

The Subcommittee approved a lease.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

1. Approved the Minutes of the Executive Subcommittee meeting held on December 15, 2025.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following four 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: ARP – ETREC Organic Crops Improvements
Project Description: Improvements include renovation of high tunnel greenhouses and construction of restroom storage building. Work includes irrigation, site infrastructure and all related work.
SBC Project No: 540/001-10-2023
Total Project Budget: \$575,000.00
Source of Funding: Federal Funds (ARP) (F)
Approval: Approved a revision in project budget and funding in order to award a contract (Holtz Buildings, Inc.) (increase of \$100,000.00)
Approval Date: 12/19/2025
 2. **State Procurement Agency:** Tennessee Board of Regents / Tennessee College of Applied Technology
Location: Johnson City, Tennessee
Project Title: TCAT Elizabethton Truck Driving Pad
Project Description: Construction of a skills pad for the Truck Driving program on the Boones Creek Campus.
SBC Project No: 166/052-01-2025
Total Project Budget: \$775,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding in order to award a contract (GRC Construction Services) (increase of \$190,000.00)
Approval Date: 12/19/2025
 3. **State Procurement Agency:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Alexander Hall Modular Classroom
Project Description: Coordinate design and installation of a prefabricated modular structure with quantity (2) new STEM classrooms just outside Alexander Hall. The modular will meet the need for the K-12 “University School’s” programming by providing two additional classroom spaces.
SBC Project No: 369/005-01-2025
Total Project Budget: \$812,500.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding in order to award a contract (Preston Construction) (increase of \$312,500.00)
Approval Date: 01/06/2026

4. **State Procurement Agency:** STREAM / Tennessee Wildlife Resources Agency
Location: Jackson, Tennessee
Project Title: Region 1 New Herb Parsons Lake Pavilion
Project Description: Provide a new pavilion and all required related work.
SBC Project No: 220/017-02-2025
Total Project Budget: \$191,603.00
Source of Funding: \$105,453.00 25/26 TWRA Op Funds (A)
\$ 86,150.00 Gift (O)
Approval: Approved project utilizing an Agency Consultant (A2H) for design
Approval Date: 12/17/2025

Approvals of Revisions to Existing Capital Projects

- Reported the following approval of a revision in funding for capital project (no change in total project budget) in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:
 1. **State Procurement Agency:** Tennessee Board of Regents / Tennessee College of Applied Technology
Location: Hohenwald, Tennessee
Project Title: TCAT Hohenwald Welding and Auto Additions
Project Description: Construct additions to existing facilities and expand parking areas. Project includes site and infrastructure improvements.
SBC Project No: 166/054-01-2023
Total Project Budget: \$6,750,000.00
Source of Funding: 23/24 CurrFunds-CapImp (A)
Approval: Approved a revision in funding (move \$180,000.00 to Construction from Designer Fee, Precon, Commissioning, and Admin & Misc.)
Approval Date: 01/08/2026

- Reported the following approval of an addition of scope for capital project in accordance with Item 2.04(B)(3) of the *SBC By-Laws, Policy & Procedures*:
 1. **State Procurement Agency:** STREAM / Department of General Services
Location: Nashville, Tennessee
Project Title: Ellington Ag Bruer Building Mechanical Upgrades
Project Description: Mechanical system replacement; *electrical system upgrades, fire alarm upgrades*; and all required related work.
SBC Project No: 100/000-01-2025
Total Project Budget: \$3,340,000.00
Source of Funding: FRF Reserves (A/R)
Approval: Approved a revision in project scope
Approval Date: 01/08/2026

- Reported the following three approvals 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*:

- State Procurement Agency:** Tennessee Board of Regents / Tennessee College of Applied Technology
Location: Nashville, Tennessee
Project Title: TCAT Nashville Robertson County Campus Replacement
Project Description: Construct a new campus to include academic buildings, site development, utilities, parking areas, drives, and all related work.
SBC Project No: 166/064-01-2025
Total Project Budget: \$37,500,000.00
Source of Funding: 25/26 CurrFunds-CapImp (A)
Approval: Approved awarding a contract to the best evaluated proposer for CM/GC (Batten and Shaw, Inc.)
Approval Date: 01/07/2026
- State Procurement Agency:** Tennessee Board of Regents / Tennessee College of Applied Technology
Location: Nashville, Tennessee
Project Title: TCAT Nashville Sumner County Campus Expansion & Renovation
Project Description: Expand and renovate the existing facility in Portland, TN.
SBC Project No: 166/064-02-2025
Total Project Budget: \$45,000,000.00
Source of Funding: 25/26 CurrFunds-CapImp (A)
Approval: Approved awarding a contract to the best evaluated proposer for CM/GC (Batten and Shaw, Inc.)
Approval Date: 01/07/2026
- State Procurement Agency:** Tennessee Board of Regents / Tennessee College of Applied Technology
Location: Memphis, Tennessee
Project Title: TCAT Memphis Aviation Campus Replacement
Project Description: Construct a new Aviation Campus for TCAT Memphis including land acquisition, site development, utilities, paving, and landscaping, and all related work.
SBC Project No: 166/070-01-2025
Total Project Budget: \$41,300,000.00
Source of Funding:

Amount	Source
\$21,300,000.00	25/26 CurrFunds-CapImp (A)
\$20,000,000.00	2025 GO Bonds-CapImp (A)

Approval: Approved awarding a contract to the best evaluated proposer for CM/GC (Hoar Construction, LLC)
Approval Date: 01/08/2026

Approvals of Acquisitions and Disposals of State Property

- Reported the following acquisition of land (fee or easement) in accordance with Item 2.04(E)(I)(1) of the *SBC By-Laws, Policy & Procedures*:
 1. **State Procurement Agency:** University of Memphis
Transaction Description: Transaction No. 25-11-001
Location: University of Memphis
Shelby County – 0.1679 +/- acres – 3586 Watauga Avenue, Memphis, TN
Owner(s): 3586 Watauga, LLC
Estimated Purchase Price: Fair Market Value
Source of Funding: Plant Funds (Auz) (A)
Approval: Approved acquisition in fee with waiver of advertisement
Approval Date: 12/17/2025
- Reported the following acquisition of land in fee (capital project funded) in accordance with Item 2.04(E)(I)(2) of the *SBC By-Laws, Policy & Procedures*:
 1. **State Procurement Agency:** Tennessee Board of Regents / Tennessee College of Applied Technology
Transaction Description: Transaction No. 25-11-004
Location: TCAT Memphis
Shelby County – 40 +/- acres – 8300 Patrol Road, Millington, TN
Owner(S): Industrial Development Board of the City of Millington
Estimated Purchase Price: Fair Market Value
Source of Funding: 25/26 CurrFunds-CapImp (A)
2025 GO Bonds-CapImp (A)
Approval: Approved acquisition in fee
Approval Date: 12/23/2025

Designer Selections

- Reported the following three 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 / Columbia State Community College
Location: Columbia, Tennessee
Project Title: Utility Storage Relocation
SBC Project No.: 166/015-03-2025
Total Project Budget: \$275,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: Daniels + Chandler Architects, LLC
Approval Date: 12/09/2025
 2. **State Procurement Agency:** Tennessee Board of Regents / Dyersburg State Community College
Location: Dyersburg, Tennessee
Project Title: New Soccer Field Installation
SBC Project No.: 166/017-02-2025
Total Project Budget: \$780,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: Burr & Cole Consulting Engineers, Inc.
Approval Date: 12/09/2025

3. **State Procurement Agency:** Tennessee Board of Regents / Jackson State Community College
Location: Jackson, Tennessee
Project Title: Library Restroom Improvements
SBC Project No.: 166/019-01-2025
Total Project Budget: \$350,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: Allen & Hoshall, Inc.
Approval Date: 12/09/2025

Other Business

There being no further business, the meeting adjourned at 11:39 a.m.

* * * * *

CONSENT AGENDA ITEMS

1.

UNIVERSITY OF TENNESSEE

Disposal – Lease Amendment

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

Transaction Description: Transaction No. 24-11-010

- **Proposed Amendment:**
 - **Term:** January 1, 2025 – May 31, 2027, with one 1-year extension option
- **Current Lease:**
 - **Location:** University of Tennessee-Knoxville (UTK) – Knox County – 0.40 acres - 840 20th Street, Knoxville, Knox County, Tennessee
 - **Tenant:** Alpha Gamma Delta Property Management, LLC
 - **Term:** January 1, 2025 - May 31, 2026
 - **Area/Costs:** 0.40 +/- acres / \$180,000 annually

- **FRF Rate:** N/A

Comment: A request of waiver of advertisement to amend the current lease by one year and include one (1) one (1) year extension option based on mutual agreement between the parties. The extension option can only be exercised with UTK approval and, if exercised, will include a three percent (3%) rental increase. UTK desires to continue using the property for UTK-affiliated Greek housing and has determined that a lease amendment with extension option will not hamper future UTK operations. Waiver of advertisement is requested to permit this lease amendment because advertisement is not feasible given the requirement that the property be used for UTK-affiliated Greek housing.

Waiver of appraisal is requested as the rent has been determined by UTK to be fair market value, based on current rental rates charge to other Greek organizations leasing on-campus housing. UTK will continue be responsible for maintenance of the property and associated expenses with the Lessee responsible for reimbursing UTK for minor maintenance items such as touch up painting, glass breakage, and grounds maintenance.

Termination for convenience by UTK is allowed at any time by giving one-hundred twenty (120) days written notice to the Lessee.

Previous Action: 12/16/2024 ESC Approval of disposal by lease with waiver of advertisement and appraisal

Minutes: 02/12/2026 ESC Approved a lease amendment with waiver of advertisement and appraisal

DEPARTMENT OF MILITARY**Disposal– Fee**

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

Transaction Description: Transaction No. 24-12-006

- **Location:** Crockett County – 18.878 ± acres – 778 Hwy 54 N, Alamo, TN
- **Sale Price:** Fair Market Value

Comment: The sale of the armory to Crockett County was recently approved. However, Crockett County was unable to purchase the property, and the property will now be advertised and sold via sealed bid.

In accordance with T.C.A. § 12-2-121, proceeds from sale will be appropriated to the Department of Military as funds for facility replacement and repair.

Previous Action: 11/24/2025 Approved disposal in fee with waiver of advertisement

Minutes: 02/12/2026 Approved a revision of disposal in fee

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Third Party)

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

Transaction Description: Transaction No. 25-10-015

- **Location:** Pogue Creek Canyon State Natural Area (PCCSNA), Fentress County – 152.19 ± acres – 0 Stewart Creek Lane, Pall Mall, TN
- **Owner:** Jaxson Sterling Brian Cook
- **Purchase Price:** Fair Market Value
- **Source of Funding:** 25/26 State Lands Acquisition Fund (A)
- **Third Party:** TennGreen Land Conservancy, The Nature Conservancy, The Conservation Fund

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 will be a valuable addition to Pogue Creek State Natural Area, providing protection to a rare natural pond located 1,300 feet above sea level, several prehistoric sites, a Civil War era saltpeter mining site, and watershed protection to Jesse Creek.

Due to time sensitivity, this property may be acquired by a third party prior to this acquisition.

The agency does not anticipate making a request within the next 5 years for a budget adjustment or appropriation in the budget to support this acquisition.

Historical Property Information:

- Date of Last Transfer: 9/1/2023
- Purchase Price: \$0.00 (intrafamily transfer)
- Property Assessor's Value: \$221,600.00
- Square Footage Improvements: N/A

Minutes: 02/12/2026 ESC Approved acquisition in fee and utilizing a third party

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Third Party)

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

Transaction Description: Transaction No. 25-10-016

- **Location:** Pogue Creek Canyon State Natural Area (PCCSNA), Fentress County – 87.17 ± acres – 0 Stewart Creek Lane, Pall Mall, TN
- **Owner:** Fortune 7, Inc.
- **Purchase Price:** Fair Market Value
- **Source of Funding:** 25/26 State Lands Acquisition Fund (A)
- **Third Party:** TennGreen Land Conservancy, The Nature Conservancy, The Conservation Fund

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 will provide undeveloped viewshed of Pogue Creek Canyon State Natural Area (PCCSNA) and provide improved access to its southwestern portion. Access to this area of PCCSNA is currently limited due to rugged terrain and this acquisition will improve access for land management as well as reducing emergency response time.

Due to time sensitivity this property may be acquired by a third party prior to this acquisition.

The agency does not anticipate making a request within the next 5 years for a budget adjustment or appropriation in the budget to support this acquisition.

Historical Property Information:

- Date of Last Transfer: 5/10/2010
- Purchase Price: \$427,000.00
- Property Assessor's Value: \$122,000.00
- Square Footage Improvements: N/A

Minutes: 02/12/2026 ESC Approved acquisition in fee and utilizing a third party

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Easement & Disposal - Fee (Land Swap Revision)

Requested Action: Approval of a revision to a previously approved transaction with waiver of advertisement and appraisal

Revised Transaction Description 1: Transaction No. 24-01-005

Acquisition - Easement

- **Location:** Justin P. Wilson Cumberland Trail State Park (JPWCTSP) Hamilton County – two 50' wide easements - Suck Creek Road & 3027 Edwards Point Road, Chattanooga, TN
- **Source of Funding:** 25/26 State Lands Acquisition Fund (A)

Original Transaction Description 1: Transaction No. 24-01-005

Acquisition - Easement & Fee

- **Location Easement:** Justin P. Wilson Cumberland Trail State Park (JPWCTSP) Hamilton County – 50.0+/- acres (3 tracts) – 0 Suck Creek Road, 2434 Suck Creek Road, & 3027 Edwards Point Road, Chattanooga, TN
- **Location Fee:** Hamilton County – 7+/-acres - 2434 Suck Creek Road, Chattanooga, TN
- **Owner:** Tennessee River Gorge Trust (TRGT)
- **Purchase Price:** Mutual Benefit/Land Swap
- **Source of Funding:** 23/24 State Lands Acquisition Fund (A)

Original Transaction Description 2: Transaction No. 24-01-006

Disposal - Fee

- **Location:** Williams Island
Hamilton County – 1.6 +/- acres – 611 Terminal Road, Chattanooga, TN
- **Sale Price:** Mutual Benefit/Land Swap
- **Grantee:** Tennessee River Gorge Trust (TRGT)

Comment: The state is trading the property in Description 2 for the easements in Description 1. This revision in the easement acquisition area provides an additional access easement to reach the Cumberland Trail across the TRGT property from Edwards Point Road and corrects an error in the previous description of the easement area. The fee conveyance to the State has been removed from the transaction as it wasn't necessary for operational use of the Trail. Waiver of appraisal is requested as the overall transaction value has been established and agreed to by both parties based on earlier appraisal information.

Previous Action: 03/25/2024 ESC Approved acquisition easement, acquisition in fee, and disposal in fee with waiver of advertisement

Minutes: 02/12/2026 ESC Approved a revision to a previously approved transaction with waiver of advertisement and appraisal

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 24-09-900 (DOS)• **Proposed Lease:**

- **Location:** Sullivan County – 3769 Highway 11 West, Blountville, TN
- **Landlord:** David K. Quillen
- **Term:** 10 Years
- **Area:** 5,340 Square Feet
- **Buildout:** Approximately \$434,200.00 (Landlord Expense)
- **Costs:**

Expense Category	Cost/sf	Annual Cost
First Year Contract Rent	\$20.42/sf	\$109,042.80
Average Annual Contract Rent	21.14/sf	112,860.90
Estimated Annual Utility Cost	1.75/sf	9,345.00
Estimated Annual Janitorial Cost	1.10/sf	5,874.00
Total Annual Effective Cost	\$23.99/sf	\$128,079.90

• **Current Lease:**

- **Location:** Sullivan County – 3769 Highway 11 West, Blountville, TN
- **Landlord:** David K. Quillen
- **Term:** 5 years (October 1, 2021 – September 30, 2026)
- **Area:** 2,972 Square Feet
- **Costs:**

Expense Category	Cost/sf	Annual Cost
Average Annual Contract Rent	\$14.08/sf	\$41,844.00
Estimated Annual Utility Cost	1.75/sf	5,201.00
Estimated Annual Janitorial Cost	1.10/sf	3,269.20
Total Annual Effective Cost	\$16.93/sf	\$50,314.20

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

Comment: This lease will provide office space for the Department of Safety and Homeland Security Driver Services Center (DOS). The buildout cost shown above is only for the interior buildout scope. One proposal from one proposer was received and evaluated. The lease is anticipated to commence on or before April 2027.

DOS is increasing in size due to population growth in Sullivan County.

The tenant may terminate this lease for convenience at any time with payment of a fee with 90-days' written notice to the landlord.

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

Minutes: 02/12/2026 ESC Approved a lease

Approved:



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