

**MINUTES**  
**STATE BUILDING COMMISSION**  
**Executive Subcommittee**  
**July 20, 2020**

---

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. via a WebEx electronic meeting, with the following members and Departments present. Commissioner Eley called the meeting to order at 11:04 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Butch Eley, Commissioner, Department of Finance and Administration, participated via electronic communication  
Tre Hargett, Secretary of State, participated via electronic communication  
David Lillard, State Treasurer, participated via electronic communication  
Justin Wilson, Comptroller of the Treasury, participated via electronic communication

ORGANIZATION

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

PRESENTER

Executive Director Austin Oakes  
Chief Financial Officer Raajkumar Kurapati  
Deputy Commissioner John Hull  
State Architect Ann McGauran

Commissioner Eley stated that the purpose of this meeting is to consider the items on the agenda for the July meeting of the Executive Sub-Committee of the State Building Commission. Tennessee Code Annotated §8-44-108 provides that if a quorum of members is not physically present at the meeting, other members may be retained for a vote via electronic or other means of communication if certain statutory requirements are met.

A determination has been made that the electronic communication in this meeting by the members is a necessity based on the following facts and circumstances:

1. The Executive Sub-Committee has regularly scheduled monthly meetings around which agencies and institutions plan, and a delay will cause an operational hardship for certain of the agencies and institutions having time sensitive matters on today's agenda.
2. The current public health crisis resulting from the COVID-19 virus has resulted in declarations of a "State of Emergency" by the State and local governments; and the direction that most government employees work from home.

Let the minutes reflect that Commissioner Eley, Secretary Hargett, Comptroller Wilson and Treasurer Lillard participated electronically.

At a roll call vote all members voted aye and approved the use of electronic communication.

## CONSENT AGENDA

At a roll call vote all members voted aye and approved the following items which have been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: Tennessee Wildlife Resources Agency  
Transaction: Acquisition – Fee (Third Party)  
Provision(s): Waiver of advertisement and one appraisal
  
- B. Agency: Department of Environment & Conservation  
Transaction: Disposal – Lease (Land)  
Provision(s): Waiver of appraisals
  
- C. Agency: Department of Environment & Conservation  
Transaction: Disposal – Fee  
Provision(s): Waiver of advertisement and appraisals
  
- D. Agency: Department of General Services  
Transaction: Acquisition – Lease (Space)  
Provision(s): n/a
  
- E. Agency: Department of General Services  
Transaction: Acquisition – Lease Amendment  
Provision(s): Waiver of advertisement

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 2020-07-01

- **Proposed Lease**

- **Location:**

University of Tennessee – Knoxville, Knox County, Tennessee

- 303 Flats, 303 W Blount Avenue, Knoxville, TN - 303 West, LLC
- The Heights, 1319 Knotty Pine Way, Knoxville, TN – Scion Knoxville Apartments LLC
- Quarry Trails, 3999 Highland Crest Way, Knoxville, TN – Quarry Trail (Knoxville) Propco LLC

- **Landlord:** See above

- **Term:** 1 year (August 15, 2020 – August 14, 2021)

- **Area / Costs:** Up to 200 beds

	\$/bed	Estimated Total Cost
Average cost per bed (incl utilities)	\$850/mo.	\$2,040,000/year

- **Source of Funding:**

Plant Funds (Non-Aux) (R)

- **Procurement Method:**

Negotiated

- **FRF Rate:**

\$18.00/sf (for reference only)

**Comment:**

These master leases are needed as a precautionary measure due to the COVID-19 pandemic which is necessitating increased social distancing on the campus. The leases will provide up to 200 beds for students that cannot be accommodated on campus. Students will be anticipated to transition in and out of these units on an as needed basis and a \$250 cleaning fee will be assessed by the landlords with each transition. Additional master leases may be required to satisfy the University's need for additional student housing this year.

These complexes were selected because of the location, the units are fully furnished, and the rate is competitive. Advertising is not required since the term of this lease is only one year and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience.

**Minutes:**

07/20/2020 At a roll call vote all members voted aye and approved a lease

UNIVERSITY OF MEMPHIS

Disposal – Lease (Space)

**Requested Action:** Approval of disposal by lease with waiver of advertisement and appraisal

**Transaction Description:** Transaction No. 20-07-001

- **Location:** University of Memphis – Defense Audit Building  
Shelby County - 4075 Park Avenue, 1<sup>st</sup> Floor, Memphis, TN
- **Tenant:** The Harwood Center
- **Term:** 20 years lease
- **Area / Costs:** 8,000 sf  
Annual Contract Rent (years 1-10): \$21.55/sf \$172,400.00/yr.  
Average Annual Contract Rent (years 11-20): \$25.45/sf \$203,566.40/yr.

**FRF Rate:** \$18.00 (for reference only)

**Comment:** The request is to lease space to The Harwood Center, a Tennessee not-for-profit corporation (“Harwood”), for a project to expand and enhance programming for specialized education and therapeutic services for children age 18 months through kindergarten who have a diagnosed developmental disability or are experiencing delays in their development or have behavior challenges. Entering into this lease will promote and foster research across the University and foster innovation and encourage the growth of the University district as a center of developmental therapy. A waiver of advertising is requested because of the anticipated benefits from the Center operating in collaboration with the University’s faculty, and the overall benefit the State from fostering the Center’s mission. The Harwood Center will invest to improve the leased space which will be used for their program as well as the academic partnership with University of Memphis College of Education for research and instruction.

Neither rent nor the term will commence until Harwood has completed the improvements, repairs and alterations needed to convert the space for proposed use (the “Work”). The cost of the Work is estimated to be one million dollars (\$1,000,000.00). The final cost of the Work shall be deemed Pre-Paid Rent and credited against amounts due annually until fully utilized. From the time the lease is signed until it expires, Harwood will pay for the cost of utilities and janitorial expenses.

The University may not terminate the lease until the Pre-Paid Rent has been fully utilized. After such time, the University may terminate this Lease by giving no less than ninety (90) days’ written notice to Harwood. Harwood may terminate the Lease at any time on ninety (90) days’ written notice to the University but shall not be entitled to a refund of any unutilized Pre-Paid Rent if such termination is effective prior to full utilization of the credit.

The University will provide Harwood an educational credit on their rent billing for a portion of the space as it is being outfitted by Harwood and co-used for U of M educational programs. The amount of this credit will be \$ 76,400per year for years 1-10 of the lease and will increase by 3% each year for the remainder of the term. The increase in the credit amount will match the annual 3% increase in the rent during years 11-20 of the term.

**Minutes:** 07/20/2020 At a roll call vote all members voted aye and approved disposal by lease with waiver of advertisement and appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

**Requested Action:** Approval to waive advertisement

**Transaction Description:** Transaction No. 20-05-922

- **Proposed Lease**

- **Location:** White County – 620 Roosevelt Street Suites A & B, Sparta, TN
- **Landlord:** CoJack Partnership
- **Term:** 2 years (September 1, 2020 – August 31, 2022)

- **Current Lease**

- **Location:** White County – 620 Roosevelt Street Suites A & B, Sparta, TN
- **Landlord:** CoJack Partnership
- **Term:** 1 year (September 1, 2019 – August 31, 2020)
- **Area / Costs:** 8,500 Square Feet

Annual Contract Rent	\$87,295.08	\$10.27/sf
Estimated Utilities Cost	14,875.00	1.75/sf
Estimated Janitorial Cost	9,350.00	1.10/sf
Total Annual Effective Cost	\$111,520.08	\$13.12/sf

- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** \$14.00

**Comment:** This lease will provide office space for Department of Children’s Services. A new short-term lease is required to allow continuity of operations while a new long-term solution is procured. Waiver of advertisement is requested to allow the state to directly negotiate with the incumbent landlord to secure a new two-year 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:** 07/20/2020 At a roll call vote all members voted aye and approved to waive advertisement

DEPARTMENT OF GENERAL SERVICES

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 19-04-906

• **Proposed Lease**

- **Location:** Campbell County – 600 5<sup>th</sup> Street, Jellico TN
- **Landlord:** John Davenport
- **Term:** 7 years (March 1, 2021 to February 28, 2028) with three 1-year renewal options
- **Area / Costs:** 3,600 Square Feet

Annual Contract Rent	\$47,000.00	\$13.06/sf
Estimated Utilities Cost	6,300.00	1.75/sf
Estimated Janitorial Cost	3,960.00	1.10/sf
Total Annual Effective Cost	\$57,260.00	\$15.91/sf

• **Current Lease**

- **Location:** Campbell County – 600 5<sup>th</sup> Street, Jellico, TN
- **Landlord:** John Davenport
- **Term:** 5 years (March 1, 2016 to February 28, 2021)
- **Area / Costs:** 3,600 Square Feet

Annual Contract Rent	\$39,800.00	\$11.06/sf
Estimated Utilities Cost	6,300.00	1.75/sf
Estimated Janitorial Cost	3,960.00	1.10/sf
Total Annual Effective Cost	\$50,060.00	\$13.91/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Negotiated
- **FRF Rate:** \$14.00

**Comment:** This lease will provide office space for Department of Human Services. The proposed location will be renovated to meet the State's needs.

Rent increases in the renewal option, if exercised, to \$13.33/sf for years 8-10.

Advertisement is not required pursuant to TCA §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.

**Minutes:** 07/20/2020 At a roll call vote all members voted aye and approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 19-12-902

- **Proposed Lease**

- **Location:** Dickson County - 702 E. College Street, Dickson, TN
- **Landlord:** Barrett Thornton Properties, LLC a Tennessee limited liability company
- **Term:** 5 years with two 1-year renewal options
- **Area / Costs:** 4,300 Square Feet

Annual Contract Rent (Includes Utilities and Janitorial)	\$90,300.00	\$21.00/sf
Total Annual Effective Cost	\$90,300.00	\$21.00/sf

- **Current Lease**

- **Location:** Dickson County - 250 State Street, Dickson TN
- **Landlord:** Eddie D. Hamilton (formerly Charles T. Stokes)
- **Term:** 10 years (April 1, 2009 to March 31, 2019) (Holdover)
- **Area / Costs:** 7,812 Square Feet

Annual Contract Rent	\$75,000.00	\$9.60/sf
Estimated Utilities Cost	10,936.80	1.40/sf
Estimated Janitorial Cost	8,593.20	1.10/sf
Total Annual Effective Cost	\$94,530.00	\$12.10/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. Three proposals from three proposers were received and evaluated. Alternative Workplace Solutions will be implemented at this location. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence in January 2022 based on the renovations needed.

The State may terminate this lease for convenience at any time with 90 days written notice to the landlord and payment of a termination fee.

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:** 07/20/2020 At a roll call vote all members voted aye and approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 20-01-916

● **Proposed Lease**

- **Location:** Blount County – 244 S. Calderwood Street, Maryville, TN
- **Landlord:** West 2 East Land, LP
- **Term:** 7 years
- **Area / Costs:** 5,900 Square Feet

First Year Annual Contract Rent	\$88,087.00	\$14.93/sf
Average Annual Rent	102,457.87	17.37/sf
Estimated Utilities Cost	10,325.00	1.75/sf
Estimated Janitorial Cost	6,490.00	1.10/sf
Total Average Annual Effective Cost	\$119,272.87	\$20.22/sf

● **Current Lease**

- **Location:** Blount County – 318 Home Avenue, Maryville, TN
- **Landlord:** A & B Partnership, a Tennessee General Partnership
- **Term:** 10 years (March 1, 2005 to February 28, 2015) (Holdover)
- **Area / Costs:** 5,590 Square Feet

Annual Contract Rent	\$57,000.00	\$10.20/sf
Estimated Utilities Cost	7,826.00	1.40/sf
Estimated Janitorial Cost	6,149.00	1.10/sf
Total Annual Effective Cost	\$70,975.00	\$12.70/sf

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

● **Procurement Method:** LPR on template

● **FRF Rate:** \$18.00

**Comment:** This lease will provide office space for Department of Safety and Homeland Security. Eight proposals from six proposers were received. Six proposals were evaluated. One proposal was disqualified because it did not meet the advertising requirements, and one was withdrawn. The proposed location will be renovated to meet the State's needs. The lease is estimated to commence in November 2021 based on the renovations needed. A future ESC action will be required to amend the current lease to allow for additional time for the landlord to complete the buildout required by the proposed lease.

The State may terminate this lease for convenience at any time with 120 days written notice to the landlord and payment of a termination fee.

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.

The Knox Office Realty commission is \$ 23,309.17 for the lease term.

**Minutes:** 07/20/2020 At a roll call vote all members voted aye and approved a lease



DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 19-04-907

• **Proposed Lease**

- **Location:** Marion County – 4926 Main Street, Suite E., Jasper, TN
- **Landlord:** Acuff Group, LLC, a Tennessee limited liability company
- **Term:** 5 years with two 1-year renewal options
- **Area / Costs:** 4,400 Square Feet

Annual Contract Rent	\$57,768.00	\$13.13/sf
Estimated Utilities Cost	7,700.00	1.75/sf
Estimated Janitorial Cost	4,840.00	1.10/sf
Total Annual Effective Cost	\$74,708.00	\$15.98/sf

• **Current Lease**

- **Location:** Marion County – 4926 Main Street, Suite E., Jasper, TN
- **Landlord:** Acuff Group, LLC, a Tennessee limited liability company
- **Term:** 10 years (September 1, 2010 expires August 31, 2020)
- **Area / Costs:** 5,882 Square Feet

Current Annual Contract Rent	\$68,400.00	\$11.63/sf
Average Annual Contract Rent	63,600.00	10.81/sf
Estimated Utilities Cost	8,234.80	1.40/sf
Estimated Janitorial Cost	6,470.20	1.10/sf
Total Average Annual Effective Cost	\$78,305.00	\$13.31/sf

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

**Comment:** This request will replace the previous approval by the ESC at its May 2020 meeting for this lease. The rent has been reduced from the original approval to address a rent payment issue under the current lease. The lease is estimated to commence in January 2022 based on the renovations needed.

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

**Previous Action:** 05/18/2020 ESC approved lease

**Minutes:** 07/20/2020 At a roll call vote all members voted aye and approved a lease

## STATE BUILDING COMMISSION

### Minutes of Executive Subcommittee Meeting

- 1) At a roll call vote all members voted aye and approved the Minutes of the Executive Subcommittee meeting held on June 22, 2020.
- 2) At a roll call vote all members voted aye and approved the Minutes of the Executive Subcommittee meeting held on June 26, 2020.

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

#### Initial and Revised Approvals of Capital Projects

- Reported the following capital improvement with total project cost of less than \$100,000 in accordance with Item 2.04(A)(1) of the *SBC By-Laws, Policy & Procedures*:
  - 1) **State Procurement Agency:** Tennessee Board of Regents / Columbia State Community College  
**Location:** Columbia, Tennessee  
**Project Title:** Demolition – 1664 Hampshire Pike, Columbia, TN  
**Project Description:** This project provides for the demolition of 1664 Hampshire Pike in Columbia, TN in accordance with the CoSCC's 2017 Master Plan.  
**SBC Project No.** 166/015-01-2020  
**Total Project Budget:** \$70,000.00  
**Source of Funding:** Campus Plant Funds (Non-Aux) (A)  
**Approval:** Approved project  
**Approval Date:** 07/20/2020
- Reported the following capital project 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:** STREAM / Department of Military  
**Location:** Tunnel Hill, Georgia  
**Project Title:** VTS Catoosa Training Range Repair  
**Project Description:** Repair Training Range (TR) 202, 203, and 204 target canopies, baffles, steel framing members, CMU walls and all required related work.  
**SBC Project No.** 368/001-01-2020  
**Total Project Budget:** \$300,000.00  
**Source of Funding:** Federal Funds (NGB) (F)  
**Approval:** Approved project and to select a designer  
**Approval Date:** 06/19/2020

### Approvals of Revisions to Existing Capital Projects

- Reported the following approval 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:** Stokely Mgt Center Improvements  
**Project Description:** This project will provide improvements to interior finishes, furniture, and lighting.  
**SBC Project No.** 540/009-24-2019  
**Total Project Budget:** \$1,000,000.00  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved a revision utilizing Campus Resources and System Procurement for construction  
**Approval Date:** 07/02/2020

### Approvals of Acquisitions and Disposals of State Property

- Reported the following two acquisitions of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
  - 1) **State Procurement Agency:** Tennessee Board of Regents / Columbia State Community College  
**Transaction Description:** Transaction No. 20-04-003  
**Location:** Columbia State Community College (CoSCC)  
Maury County – 4.751 +/- sf – 1664 Hampshire Pike, Columbia, TN  
**Owner(s):** Columbia State Community College Foundation  
**Estimated Purchase Price:** Fair Market Value  
**Source of Funding:** Plant Funds (Non-Aux) (A)  
**Approval:** Approved acquisition in fee with waiver of advertisement and one appraisal  
**Approval Date:** 07/01/2020
  - 2) **State Procurement Agency:** STREAM / Tennessee Wildlife Resources Agency  
**Transaction Description:** Transaction No. 20-05-008  
**Location:** North Cumberland WMA (NCWMA)  
Anderson County – 38.50 +/- acres – 0 Red Oak Lane, Briceville, TN  
**Owner(s):** Jimmy Byrge  
**Estimated Purchase Price:** Fair Market Value  
**Source of Funding:** 19/20 Wetlands Acquisition Fund (A)  
**Approval:** Approved acquisition in fee with waiver of advertisement and one appraisal  
**Approval Date:** 06/25/2020

### Other Business

There being no further business, the meeting adjourned at 11:20 a.m.

\*\*\*\*\*

TENNESSEE WILDLIFE RESOURCES AGENCYAcquisition – Fee (Third Party)

**Requested Action:** Approval of acquisition in fee and to utilize third party with waiver of advertisement and one appraisal

**Transaction Description:** Transaction No 20-03-011

- **Location:** Shoal Creek Access (SCA)  
Lawrence County – 6.0 ± acres – 0 Iron City Street & 0 Joseph Road, Iron City, TN
- **Owner(s):** Iron City Lions Club
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 TWRA Op Funds (A)  
Tennessee Wildlife Resources Foundation (TWRF) (O)
- **Third Party:** TWRF

**Comment:** TWRA is acquiring this tract to improve public access to SCA for boating. This property is contiguous to the SCA site recently approved on May 26, 2020 in TR# 20-03-002.

This acquisition will provide more parking and an existing ramp for future motorboat access, either of which may be enhanced in the future. TWRA will address future construction and/or management expenses from within existing resources. Except as set forth above, no additional management costs are anticipated with this acquisition.

A third party is being used to acquire this property at fair market value, which exceeds the appraised cost. TWRA will acquire the property from TWRF at the appraised value.

Date of Last Transfer:	February 11, 2009
Purchase Price:	\$12,000.00
Property Assessor's Value:	\$16,900.00
Square Footage Improvements:	N/A

**Minutes:** 07/20/2020 Commissioner Eley commended TWRA for reaching out to local authorities and obtaining a letter of support. Commissioner Eley stated that the access points are critical to the local communities and acknowledged that TWRA went the extra step in getting the letter of support

The Subcommittee approved the acquisition in fee and utilizing third party with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Disposal – Lease (Land)

**Requested Action:** Approval of disposal by lease with waiver of appraisals

**Transaction Description:** Transaction No. 20-06-001

- **Location:** Chickasaw State Park (CSP)  
Chester County – 129 ± acres – 9555 State Route 100, Henderson, TN
- **Tenant:** Chester County Government
- **Term:** 10 years with one 10-year renewal option
- **Area / Costs:** 129 ± acres / Five percent (5%) of net profits per year not to exceed ten thousand dollars (\$10,000) per year

**Comment:** TDEC requests approval to continue Chester County’s management of the Golf Course at CSP. Chester County has managed the CSP for the past 10 years at no cost to the State. The agreement recently expired, and this transaction will provide for a new agreement, and is consistent with the terms of the prior agreement.

Advertisement is not required pursuant to TCA §12-2-114. Waiver of appraisals is requested to provide continuity of operations with the county and the public service provided.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 08/12/1955  
 Original Cost to State: N/A  
 Square Footage Improvements: 11,600 (multiple structures built by State)

**Previous Action:** 04/27/2009 ESC Approved lease with waiver of advertisement

**Minutes:** 07/20/2020 ESC Approved disposal by lease with waiver of appraisals

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONDisposal – Fee

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

**Transaction Description:** Transaction No. 19-11-007

- **Location:** Cove Lake State Park (CLSP)  
Campbell County – 2.619± acres – 450 Queener Road, Jacksboro, TN
- **Grantee:** Caryville-Jacksboro Utilities Commission (CJUC)
- **Estimated Sale Price:** No Cost/Mutual Benefit

**Comment:** This property has been determined to be surplus to the Department's needs.

TDEC entered into a 50-year lease on December 8, 1969 with Campbell County to construct, operate, and maintain a sewage treatment plant on this property. The lease was subsequently assigned by the county to the local utility commission which has continued to operate the plant for the public benefit while a new lease was being developed. In lieu of a new lease, TDEC has received consent from TVA to dispose of the property to the CJUC. The disposal deed will incorporate the 1950 grant deed use restrictions as modified by the TVA in 1969 to permit the property to be used as a sewage treatment plant.

The Tennessee Historical Commission (THC) has determined that the disposal of this property will not adversely affect this State-owned resource.

Waiver of advertisement and appraisal is requested since this facility was built by the county specifically for this use for the benefit of CLSP and the surrounding community. It is in the best interest of the State to grant the land with the facility to the CJUC and allow the services to continue and to eliminate potential liability to the State.

Date of Last Transfer: June 18, 1950 (larger tract)  
Original Cost to State: \$2,700.00  
Square Footage Improvements: 32,326 (multiple structures built by County)

**Minutes:** 07/20/2020 Approved disposal in fee with waiver of advertisement and appraisals

DEPARTMENT OF GENERAL SERVICESAcquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 19-06-900

- **Proposed Lease**

- **Location:** Rhea County – 7794 Rhea County Highway, Dayton, TN
- **Landlord:** Rhea County Government
- **Term:** 10 years
- **Area / Costs:** 760 square feet

First Year Annual Contract Rent (Includes Utilities)	\$8,200.40	\$10.79/sf
Average Annual Rent	\$8,405.62	\$11.06/sf
Estimated Janitorial Cost	836.00	1.10/sf
Total Average Annual Effective Cost	\$9,241.62	\$12.16/sf

- **Current Lease**

- **Location:** Rhea County – 202 4<sup>th</sup> Avenue, Dayton, TN
- **Landlord:** City of Dayton
- **Term:** 5 years (September 1, 2015 to August 31, 2020)
- **Area / Costs:** 845 Square Feet

Annual Contract Rent	\$6,996.25	\$8.28/sf
Estimated Utilities Cost	1,478.75	1.75/sf
Estimated Janitorial Cost	929.50	1.10/sf
Total Annual Effective Cost	\$9,404.50	\$11.13/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Negotiated
- **FRF Rate:** \$14.00

**Comment:** This lease will provide office space for the Tennessee Department of Safety and Homeland Security and utilized by Tennessee Highway Patrol (THP). Rhea County government will provide space within the newly renovated section of the Rhea County Justice Center. The lease is estimated to commence in December 2020 based on the renovations needed.

Advertisement is not required pursuant to TCA §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.

**Minutes:** 07/20/2020 Approved a lease

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

**Transaction Description:** Transaction No. 08-02-905

• **Proposed Amendment**

- **Term:** 12 years (September 1, 2010 – August 31, 2022)
- **Area / Costs:** 5,882 Total Square Feet

Annual Contract Rent: (years 11-12)	\$58,800.00	\$10.00/sf
Estimated Annual Utility Cost:	10,293.50	1.75/sf
Estimated Annual Janitorial Cost:	<u>6,470.20</u>	<u>1.10/sf</u>
Total Annual Effective Cost: (years 11-12)	\$75,563.70	\$12.85/sf

• **Current Lease**

- **Location:** Marion County, 4926 Main Street, Suite A, Jasper, TN
- **Landlord:** Acuff Group, LLC
- **Term:** 10 years (September 1, 2010 – August 31, 2020)
- **Area / Costs:** 5,882 Square Feet

Current Annual Contract Rent	\$68,400.00	\$11.63/sf
Average Annual Contract Rent	63,600.00	10.81/sf
Estimated Annual Utility Cost:	8,234.80	1.40/sf
Estimated Annual Janitorial Cost:	<u>6,470.20</u>	<u>1.10/sf</u>
Total Average Annual Effective Cost	\$78,305.00	\$13.31/sf

- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** \$14.00

**Comment:** This lease will provide office space for the Department of Human Services. This amendment will secure the current office space until buildout required by the new lease is completed. The annual rent during this additional period has been reduced to the annual amount paid for the first five years of the term.

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:** 03/22/2010 ESC approved lease agreement

**Minutes:** 07/20/2020 Approved a lease amendment with waiver of advertisement



Approved:



---

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