

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
June 21, 2021

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room I of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner Eley called the meeting to order at 11:00 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
David Lillard, State Treasurer, participated via electronic communication
Jason Mumpower, Comptroller of the Treasury

MEMBERS ABSENT

Tre Hargett, Secretary of State

ORGANIZATION

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

PRESENTER

Executive Director Alex Smart
Assistant Vice President Austin Oakes
Assistant Commissioner Cynthia Tyler
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 June 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 had 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.

Commissioner Eley and Comptroller Mumpower participated in person, Treasurer Lillard participated electronically, and Secretary Hargett was absent.

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

CONSENT AGENDA

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

- A. Agency: **Department of Agriculture**
Transaction: Disposal – Lease (Land)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: **Department of Transportation**
Transaction: Disposal – Fee
Provision(s): Waiver of one appraisal

- C. Agency: **Department of Intellectual & Developmental Disabilities**
Transaction: Disposal – Lease Amendment (Space)
Provision(s): Waiver of advertisement and appraisals

TENNESSEE STATE UNIVERSITY

Acquisition – Lease (Space)

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

Transaction Description: Transaction No. TSU2021-06-01

- **Proposed Lease** TSU Main Campus – Jefferson Flats Apartment Complex
 - **Location:** Davidson County - 2714 Jefferson Street, Nashville, TN
 - **Landlord:** Jefferson Flats, LLC and Jefferson Flats Manager, LLC
 - **Term:** 5 years
 - **Area:** 22 units (34 beds)

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

Comment: TSU is requesting approval to waive the advertising requirement and begin direct negotiations with the landlord to lease the Jefferson Flats apartment complex (10 one bedroom and 12 two bedroom) units to house graduate students. TSU does not currently offer housing for graduate students but sees a need to do so in order to increase enrollment and retention, given the current residential real estate market in Nashville. TSU will be working this summer on an update to the current master plan that would identify a long-term solution to meet this need.

The Jefferson Flats apartment complex was the only complex that could be found to satisfy the criteria specified by TSU to meet this need, within two miles of campus, ability to lease the entire complex, and willingness to allow the TSU Police to monitor the complex, and does not require student's personal financial information. If negotiations with Holladay Ventures are successful, the proposed lease will be brought to the ESC for approval.

Minutes: 06/21/2021 At a roll call vote all members voted aye and approved a waiver of advertisement

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2021-06-001

● **Proposed Lease**

- **Location:** University of Tennessee – Health Science Center (UTHSC)
Knox County – 3999 Highland Crest Way, Knoxville, TN
- **Landlord:** Quarry Trail (Knoxville) Propco LLC
- **Term:** 1 year (August 1, 2021 – July 31, 2022)
- **Area / Costs:** Up to six (6) four (4) bedroom units and one (1) three (3) bedroom unit (2 mos only)

	\$/unit	Estimated Total Cost
Cost per unit (incl utilities) – 4 BR units	\$2,940/mo	\$211,680/year
Cost per unit (incl utilities) – 3 BR unit	\$3,060/unit	<u>\$ 6,120(2 mos)</u>
		\$217,800/total

● **Current Lease**

- **Location:** University of Tennessee – Health Science Center (UTHSC)
Knox County – 303 W Blount Avenue, Knoxville, TN
- **Landlord:** 303 West, LLC
- **Term:** 1 year (August 15, 2020 – August 14, 2021)
- **Area / Costs:** Up to six (6) four (4) bedroom units

	\$/unit	Estimated Total Cost
Annual Contract Rent		
Cost per unit (incl utilities)	\$3,120/mos	\$224,640/year

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

Comment: This lease accommodates UTHSC medical students doing clinical rotations with UT's College of Medicine – Knoxville. In prior years, housing for these students was provided by UT Knoxville campus housing. Due to Covid-19, the units were not available during the 2020-2021 school year. UTK has experienced an increase in Fall 2021 enrollment and housing requests and will not have space available during the 2021-2022 school year.

The apartments are furnished and the rate includes utilities. A one-time parking fee of \$20 per space will be assessed. One three-bedroom unit will be leased for two months to meet Fall 2021 demand.

This complex was selected because of the location, the units are fully furnished, the configuration of the units, 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. The University will issue an advertisement for this need in Spring/Summer 2022 to accommodate 2022/2023 needs, if any. Due to the short-term of the lease, there is no termination for convenience.

Minutes: 06/21/2021 At a roll call vote all members voted aye and approved a lease

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2021-06-002

● **Proposed Lease**

- **Location:** University of Tennessee – Knoxville, Knox County, Tennessee
 - 303 Flats, 303 W Blount Avenue, Knoxville, TN - 303 West, LLC
 - Aspen Heights, 2223 Cumberland Avenue, Knoxville, TN – Breckenridge Group Knoxville Tennessee
- **Landlord:** See above
- **Term:** 1 year (August 8, 2021 – August 7, 2022)
- **Area / Costs:** Up to 325 beds (mix of 2, 4 and 5 br units)

	<u>\$/bed</u>	<u>Estimated Total Cost</u>
Average cost per bed (incl utilities)	\$888/mo.	\$3,463,200/year

- **Source of Funding:** Plant Funds (Aux-Housing) (A)
- **Procurement Method:** Negotiated
- **Current 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

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

- **Source of Funding:** Plant Funds (Non-Aux) (R)
- **Procurement Method:** Negotiated

Comment: Based on enrollment projections, UTK will need to increase bed capacity in order to offer on-campus housing for first year students who are required to live on campus. While changes in demand are expected over the summer, these master leases will likely be needed to offset the deficit of on-campus beds. It is anticipated that these units will be used to house upperclassmen.

These complexes were selected because of the proximity to campus, the units have comparable or upgraded amenities compared to on-campus housing, the rate is all inclusive including utilities (for 303 Flats), cable and internet, the units are fully furnished, and the rate is competitive. These complexes also have a high volume of completely vacant units which allows UTK students to be housed together and not share space with non-UTK students. 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: 06/21/2021 At a roll call vote all members voted aye and approved a lease

DEPARTMENT OF MENTAL HEALTH & SUBSTANCE ABUSE SERVICES

Disposal – Fee

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

Transaction Description: Transaction Nos. 21-03-009, 21-03-010, 21-03-011

- **Location:** Former Central State Hospital
Davidson County – 6.092 +/- acres – 319 Ezell Pike, Nashville, TN (TR 21-03-009)
Davidson County – 24.42 +/- acres – Citation Drive, Nashville, TN (TR 21-03-010)
Davidson County – 21 +/- acres – Donelson Pike, Nashville, TN (TR 21-03-011)
- **Estimated Sale Price:** Fair Market Value

Comment: These properties were part of the former Central State Hospital property and have been determined to be surplus to the Department’s needs. At the conclusion of these disposals, the Department will only retain the cemetery portion of the original property plus a buffer surrounding it.

Proceeds of the sale will be deposited into the Mental Health Trust Fund pursuant to TCA § 12-2-117.

Date of Last Transfer: November 5, 1841 (larger tract)
Previous Owner: Hugh & John Rickman
Original Cost to State: Unknown
Square Footage Improvements: N/A

Minutes: 06/21/2021 Commissioner Eley asked about the history of this long-standing property and why the department is moving forward now with this sale. Assistant Commissioner Tyler stated that this was part of the former Central State Hospital and was a farm at one time. There is a cemetery on about one and a half acres. The plan is to have a 50-foot buffer around the cemetery and use, under an easement, the access roads of the Airport Authority so that family members can come and visit the cemetery. The department believes it is the perfect time to sell the property because the property has been vacant for some time, the department does not have any plans for its use and because of the Nashville real estate market. They have received some inquiries about the property and the property is close to the airport and behind Dell so they believe it’s a good opportunity.

Comptroller Mumpower confirmed that the State would maintain the cemetery. Assistant Commissioner Tyler replied “yes”.

Treasurer Lillard asked if any of these properties have anything to do with Clover Bottom. Assistant Commissioner Tyler replied “no”.

At a roll call vote all members voted aye and approved disposal in fee with waiver of one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval to waive advertisement

Transaction Description: Transaction No. 21-04-900

● **Proposed Lease**

- **Location:** Davidson County – 900 South Gallatin Pike, Nashville, TN
- **Landlord:** Madison Square Partners, L.P.
- **Term:** 3 years (August 1, 2021 – July 31, 2024)
- **Area/Costs:** 21,083 Square Feet

● **Current Lease**

- **Location:** Davidson County – 900 South Gallatin Pike, Nashville, TN
- **Landlord:** Madison Square Partners, L.P.
- **Term:** 1 year (October 1, 2017 - September 30, 2018) (Holdover)
- **Area / Costs:** 21,083 Square Feet

Annual Contract Rent	\$141,603.00	\$6.72/sf
Estimated Utilities Cost	36,895.25	1.75/sf
Estimated Janitorial Cost	23,191.30	1.10/sf
Total Annual Effective Contract Rent	\$201,689.55	\$9.57/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Negotiated
- **FRF Rate:** \$25.50

Comment: This lease will provide office space for Department of Correction for the Day Reporting Center and Community Resources Center pursuant to Public Safety Act of 2016.

Waiver of advertisement is requested because the long-term lease (TR# 18-05-904) for this need is no longer feasible. The building was sold before the new lease commenced, and the lease was canceled at the request of the new building landlord because they could not meet the long-term space needs due to their future development plans. The landlord is willing to work with the State in the interim while a new long-term solution is procured.

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: 06/21/2021 At a roll call vote all members voted aye and approved waiving advertisement

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 19-03-906 & 19-03-907

● **Proposed Lease**

- **Location:** Grundy County – 13153 US Highway 41, Tracy City, TN
- **Landlord:** Pedigo-Tracy Properties, L.P.
- **Term:** 7 years with one 3-year renewal option
- **Area / Costs:** 5,724 Square Feet

First Year Contract Rent	\$77,274.00	\$13.50/sf
Average Annual Contract Rent	78,377.91	13.69/sf
Estimated Annual Utility Cost	10,017.00	1.75/sf
Estimated Annual Janitorial Cost	6,296.40	1.10/sf
Total Average Annual Effective Cost	\$94,691.31	\$16.54/sf

● **Current Lease**

- **Location:** Grundy County – 606 US Highway 41, Tracy City, TN
- **Landlord:** Pedigo-Tracy Properties, L.P.
- **Term:** 13 years (February 1, 2010 – January 31, 2023)
- **Area / Costs:** 5,700 Square Feet

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

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Human Services and Department of Children’s Services. One proposal was received and evaluated. The proposed location will be renovated to meet the State’s needs and is at the same location as the current lease. The lease is estimated to commence on or before February 2023 based on the renovations needed. The original lease incorrectly stated the square footage as a result of a measuring error by the landlord. It was re-measured by the landlord for this proposal and the State has confirmed the square footage. Rent adjusts in the renewal option, if exercised, to \$14.10/sf in years 8-10.

The tenant may terminate this lease for convenience at any time after the 48th month of the lease term 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: 06/21/2021 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. 20-04-904

● **Proposed Lease**

- **Location:** Knox County – 221 Gore Road, Knoxville, TN
- **Landlord:** Blackhorse Capital Partners
- **Term:** 10 Years
- **Area / Costs:** 9,000 Square Feet

First Year Annual Contract Rent	\$135,000.00	\$15.00/sf
Average Annual Contract Rent	146,250.00	16.25/sf
Estimated Utilities Cost	15,750.00	1.75/sf
Estimated Janitorial Cost	9,900.00	1.10/sf
Total Average Annual Effective Cost	\$171,900.00	\$19.10/sf

● **Current Lease**

- **Location:** Knox County – 5401 Kingston Pike, Suite 300, Knoxville, TN
- **Landlord:** Twelve Oaks of Knoxville, GP
- **Term:** 7 years (July 1, 2016 to June 30, 2023)
- **Area / Costs:** 7,800 Square Feet

Annual Contract Rent (inc. utilities) (Years 6- 7)	\$139,236.00	17.85/sf
Estimated Janitorial Cost	8,580.00	1.10/sf
Total Average Annual Effective Cost	\$147,816.00	\$18.95/sf

- **Source of Funding:** FRF
- **Procurement Method:** LPR on template
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for the Comptroller of the Treasury's regional office. Nine proposals from seven proposers were received. Two proposers withdrew and two proposals were not evaluated because they did not meet the space requirements; therefore, five proposals were evaluated. The increase in space is due to the consolidation into this new space of staff currently housed in office space at UT. The proposed location will be constructed to meet the Agency's needs. The lease is estimated to commence in June 2023 based on the construction required. The tenant 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.

The Knox Office Realty broker commission is \$47,531.25 for the 10-year term.

Minutes: 06/21/2021 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 and bridge lease

Transaction Description: Transaction No. 17-10-900 & 21-03-900

● **Proposed Lease**

- **Location:** Washington County – 922 State of Franklin Road, Johnson City, TN
- **Landlord:** James Holdings LLC
- **Term:** 10 years with one 5-year renewal option
- **Area / Costs:** 5,100 Square Feet

First Year Contract Rent	\$214,965.00	\$42.15/sf
Average Annual Contract Rent	218,049.86	42.75/sf
Estimated Annual Utilities Cost	8,925.00	1.75/sf
Estimated Annual Janitorial Cost	5,610.00	1.10/sf
Total Average Annual Effective Cost	\$232,584.86	\$45.60/sf

● **Proposed Bridge Lease**

- **Location:** Washington County – 4717 Lake Park Drive, Johnson City, TN
- **Landlord:** CDP5, A Tennessee General Partnership
- **Term:** 2 years (July 1, 2021 – June 30, 2023)
- **Area / Costs:** 5,035 Square Feet

Annual Contract Rent	\$209,506.35	\$41.61/sf
Estimated Utilities Cost	8,811.25	1.75/sf
Estimated Janitorial Cost	5,538.50	1.10/sf
Total Annual Effective Cost	\$223,856.10	\$44.46/sf

● **Current Lease**

- **Location:** Washington County - 4717 Lake Park Drive, Johnson City, TN
- **Landlord:** CDP5, A Tennessee General Partnership
- **Term:** 10 years (January 1, 2006 – December 31, 2015) (Holdover)
- **Area / Costs:** 5,035 Square Feet

Annual Contract Rent	\$190,455.00	\$37.83/sf
Estimated Utilities Cost	7,049.00	1.40/sf
Estimated Janitorial Cost	5,538.50	1.10/sf
Total Annual Effective Cost	\$203,042.50	\$40.33/sf

- **Source of Funding:** FRF
- **Procurement Method:** LPR on template
- **FRF Rate:** \$18.00

Comment: This lease and bridge lease will provide space for Department of Safety and Homeland Security. This is for both the Driver Services Center and the Commercial Driver's License (CDL) testing pad. Five proposals from five proposers were received and evaluated. This location, while having the second lowest cost, is recommended because this location has superior ingress and egress access, with traffic lights at two entrances; allows for the CDL pad to be optimally configured to improve the quality of timed tests, and provides improved parking capacity. The proposed location will be constructed to meet the State's needs. The lease is estimated to commence May 2023 based on the construction needed. The lease includes a contingency that allows the landlord to terminate the lease within 90 days of lease execution if financing is not available to facilitate the required site improvements. It is

anticipated that the proposed new lease will be considered a special use facility per SBC policy 14.01 due to the unique features required.

Rent adjusts in the renewal option, if exercised, to \$42.45 in year 11, \$42.88/sf in year 12, \$43.31/sf in year 13, \$43.74/sf in year 14, and \$44.18//sf in year 15.

The tenant may terminate this lease for convenience at any time after the 84th month of the lease term 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.

The bridge lease will bridge the gap in time between the expiration date of the current lease and the ten-year lease. The tenant may not terminate this bridge lease for convenience. It is in the best interest of the State to allow continuity of operations at this location until the new lease is ready for occupancy. Advertising is not required for the bridge lease pursuant to SBC Policy.

- Previous Action:** 05/24/2021 ESC DGS requested that the item be deferred to next month's meeting.
- Minutes:** 06/21/2021 ESC At a roll call vote all members voted aye and approved a lease and bridge 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 May 24, 2021.

Report of Items Approved by Office of the State Architect

Initial and Revised Approvals of Capital Projects

- Reported the following three 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 Institute of Agriculture
Location: Greeneville, Tennessee
Project Title: REC-Residence Improvements
Project Description: This project will repair fire damage at the Research and Education Center Residence which includes replacement/repair of interior finishes; mechanical, electrical, and plumbing components; windows and soffits; and upgrades to be ADA compliant.

SBC Project No. 540/001-05-2020
Total Project Budget: \$301,206.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved a revision in project budget and funding (increase of \$111,206)
Approval Date: 06/07/2021
 - 2) **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: \$150,000.00
Source of Funding: Plant Funds (Aux-Athletics) (A)
Approval: Approved a revision in project budget and funding (increase of \$15,000)
Approval Date: 06/07/2021

- 3) **State Procurement Agency:** Tennessee Board of Regents / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: CPAC Lighting Updates
Project Description: Replace and update electrical and lighting control systems in the Alexander Building Clayton Performing Arts Center.
SBC Project No. 166/032-02-2020
Total Project Budget: \$317,000.00
Source of Funding: \$197,000.00 Plant Funds (Non-Aux) (A)
\$120,000.00 Gifts (O)
Approval: Approved a revision in project budget and funding (increase of \$92,000)
Approval Date: 06/25/2021

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 / Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Roof Replacements
Project Description: Replace several roofs on campus.
SBC Project No. 166/003-05-2017
Total Project Budget: \$1,800,000.00
Source of Funding: 17/18 CurrFunds-CapMaint (MP) (A)
Approval: Approved a revision in project funding (increase MACC \$20,050, decrease Admin & Misc)
Approval Date: 06/07/2021

Approvals of Contract Amendments

- Reported the following approval of a consultant contract amendment in accordance with Item 2.04(C)(1) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** STREAM / Department of Military
Location: Statewide, Tennessee
Project Title: Comprehensive Energy and Water Audit Consultant
Project Description: Engineering consultant to perform energy and water audits at Military facilities.
SBC Project No. 361/000-03-2018
Total Project Budget: \$497,700.00
Source of Funding: Federal Funds (NGB) (F)
Approval: Approved a revision in project budget and funding (increase of \$80,000)
Approval Date: 05/25/2021

Designer Selections

- The following designer selection represents projects approved by the State Building Commission and recommended by the State Procurement Agencies.

1) **University of Tennessee – Knoxville**

(Laurel Hall Lintel Replacement)

Total Project Budget: \$1,570,000.00

SBC Project No. 540/009-14-2021

Designer: **Smee Busby Architects, PC**

Other Business

State Architect McGauran stated that this is the last Executive Subcommittee meeting for Bruce Davis. Commissioner Eley congratulated Mr. Davis.

There being no further business, the meeting adjourned at 11:18 a.m.

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TENNESSEE DEPARTMENT OF AGRICULTURE**Disposal – Lease (Land)**

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

Transaction Description: Transaction No. 21-03-004

- **Proposed Lease**

- **Location:** Pickett State Forest
Pickett County - HWY 154, Pall Mall, TN
- **Tenant:** New Cingular Wireless PCS, LLC
- **Term:** Five (5) years with four (4) five (5) year options to renew
- **Area / Costs:** 60' x 60' area plus access/utility easement
The greater of \$12,000.00/year or Fair Market Value as determined by appraisal, with 10% increases at the end of the initial term and each renewal term

Comment: This lease is for an approximate 60'x60' area in the Pickett State Forest in order to construct a cell site to help increase cell phone coverage, including cell phones used by emergency services, in this area. The leased area will be graveled, fenced-in and include an area for access/utility easement(s) to service the cell site. The Tenant will pay all construction, utility and other costs associated with the Tower and remove the Tower at the end of the term.

This request has followed the process set forth in the Department of Forestry policy. This lease will not negatively impact the state forest. The Department of Forestry has the right to place a State emergency communications antennae on the Tower, but the State does not have the right to place other antennae or repeaters on the Tower or in the utility building.

The State will have the right to terminate on one year's notice at any time during the lease and with 180 days' notice at the end of the term or any renewal term. The Tenant right to terminate on one year's notice at any time during the lease and with 180 days' notice at the end of the term or any renewal term.

Proceeds will be deposited as departmental revenue to Forestry Operations pursuant to 2021 PC 454, Section 10, Item 14.

Date of Last Transfer: January 1, 1993
 Previous Owner: Stearns Coal & Lumber Co.
 Size: 1,751.37 acres
 Original Cost to State: \$0.00

Minutes: 06/21/2021 Approved disposal by lease with waiver of advertisement and one appraisal

DEPARTMENT OF TRANSPORTATION**Disposal – Fee**

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

Transaction Description: Transaction No. 21-05-006

- **Location:** Cocke County – 0.603 +/- acres – Wale Road at East Road, North of SR-35, Parrottsville, TN
- **Estimated Sale Price:** Fair Market Value

Comment: This property has been determined surplus to the needs of the Department. The property was purchased as an uneconomic remnant. This property was purchased in connection with a state road project.

Proceeds of the sale will be deposited into the Highway Fund, per T.C.A 12-2-112.

Date of Last Transfer: November 12, 2002
 Previous Owner: Frazier, Teague
 Original Cost to State: \$89,000.00 (larger tract)

Minutes: 06/21/2021 Approved disposal in fee with waiver of one appraisal

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES**Disposal – Lease Amendment (Space)**

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

Transaction Description: Transaction No. 20-02-006

- **Proposed Lease**

- **Location:** Clover Bottom Campus
Davidson County- 275 Stewarts Ferry Pike, Nashville, TN
- **Tenant:** Youth Opportunity, Inc.
- **Term:** March 1, 2020 – September 30, 2021
- **Area / Costs:** 4 cottages totaling 28,480 Square Feet

Annual Contract Rent	\$149,250.00	\$5.25/sf
Estimated Annual Utility Cost	\$104,236.80	3.66/sf
Total Annual Effective Cost	\$253,756.80	\$8.91/sf

- **Current Lease**

- Location:** Clover Bottom Campus
Davidson County- 275 Stewarts Ferry Pike, Nashville, TN
- Tenant:** Youth Opportunity, Inc.
- Term:** March 1, 2020 – June 30, 2021
- Area / Costs:** 4 cottages totaling 28,480 Square Feet

Annual Contract Rent	\$149,250.00	\$5.25/sf
Estimated Utilities Cost	\$104,236.80	3.66/sf
Total Annual Effective Cost	\$253,756.80	\$8.91/sf

- **FRF Rate:** \$25.50 (Reference Only)

Comment: This request extends the term of the lease by 90 days so that the lease will expire at the same time as the operating contract between Youth Opportunity, Inc. and the Department of Children's Services under which custodial youth are housed at these facilities.

During this extension period, a longer-term lease will be reviewed in connection with a longer-term operating contract. In addition, a new Market Rental Rate study will be obtained before any further action is sought.

The State is responsible for the roof, structural, HVAC and lawn maintenance. Youth Opportunity, Inc. is responsible for all utilities, minor maintenance, and janitorial costs.

Rental rate was determined by previous appraisal and confirmed by State employee pursuant to SBC Policy 7.04(c).

Previous Action: 02/24/2020 ESC Approved disposal by lease with waiver of advertisement and appraisal

Minutes: 06/21/2021 ESC Approved lease amendment with waiver of advertisement and appraisals

Approved:



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