

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
March 23, 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. Secretary Hargett 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

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

MEMBERS ABSENT

Stuart McWhorter, Commissioner, Department of Finance and Administration

ORGANIZATION

- Tennessee Board of Regents
- Department of General Services
- State Building Commission

PRESENTER

Dick Tracy, Executive Director
John Hull, Deputy Commissioner
Ann McGauran, State Architect

Secretary Hargett stated that the purpose of this meeting is to consider the items on the agenda for the March 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 certain of their operational actions and a 30-day delay will cause an operational hardship for certain of the agencies and institutions having 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; the limiting of meetings to 10 persons or less; and the closure of government office buildings with the direction that government employees work from home.
3. There are matters on the agenda which are time sensitive and there will be operational hardships if the Executive Sub-Committee is unable to render decisions on these matters in March.

Let the minutes reflect that Secretary Hargett, Comptroller Wilson and Treasurer Lillard participated electronically and Commissioner McWhorter was absent

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: Tennessee Board of Regents / Pellissippi State Community College
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- B. Agency: Tennessee Board of Regents / Volunteer State Community College
Transaction: Disposal – Fee with Right to Hire Realtor
Provision(s): Waiver of one appraisal and to utilize State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

- C. Agency: Tennessee Board of Regents / Volunteer State Community College
Transaction: Disposal – Fee with Right to Hire Realtor
Provision(s): Waiver of one appraisal and to utilize State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

- D. Agency: Middle Tennessee State University
Transaction: Acquisition – Fee (Purchase)
Provision(s): n/a

- E. Agency: Middle Tennessee State University
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- F. Agency: Department of Correction
Transaction: Disposal – Fee
Provision(s): Waiver of one appraisal

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

- H. Agency: Department of General Services
Transaction: Acquisition – Lease (Space)
Provision(s): Waive advertisement

TENNESSEE BOARD OF REGENTS

Tennessee State University, Nashville, Davidson County, Tennessee

Requested Action: Approval of a project utilizing the regional consultant, a previously selected designer, and proceeding with the process to select a designer

Project Title: Tornado Repairs and Replacement

Project Description: Building and structural repairs and replacement for TSU Agriculture campus caused by the tornado event of March 3, 2020. Design teams and work crews have begun assessing the damage and implementing emergency safety and stabilization protocols. This project will account for those significant measures already taken as well as those to come for site clean-up, temporary repairs, utility restoration, and permanent building repairs and restorations.

SBC Number: 166/001-01-2020

Total Project Budget: \$23,850,000.00

Current Project Funding: \$ 300,000.00

Source of Funding: \$ 300,000.00 19/20 CurrFunds-CapImp (Emergency and Contingency) (A)

Comment: The previously selected designer for the Ag Education Building, Green House Support Building, and Equipment/Pesticide Storage Shed, Hinson Miller Kickirillo, will be engaged to design a replacement facility for the Education Building that was destroyed. Use of regional consultants is requested for limited design services needed for stabilization protocols, and a new designer will be engaged for repair and/or replacement of various structures on the campus.

Previous Action: 03/12/2020 SBC Referred to ESC with authority to act

Minutes: 03/23/2020 ESC At a roll call vote all members voted aye and approved the project utilizing the regional consultant, a previously selected designer, and proceeding with the process to select a designer.

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Gift)

Requested Action: Approval of an acquisition in fee with waiver of advertisement

Transaction Description: Transaction No. 20-01-004

- **Location:** TCAT-Shelbyville
Bedford County – 20+/- acres – Frank Martin Road, TN
- **Owner(s):** City of Shelbyville and Bedford County
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Bedford County (REM fees) (A)

Comment: This property will allow TCAT-Shelbyville to expand existing programs and allow Bedford County to recruit new industry to the business park. The Bedford County Higher Education Center will also have available space for MSCC, MTSU, TTU and UT. The land acquisition plan to TCAT-Shelbyville is being revised to accommodate this donation.

Date of Last Transfer: October 25, 2015
Purchase Price: \$925,000
Property Assessor's Value: \$246,800
Square Footage Improvements: 0

Minutes: 03/23/2020 At a roll call vote all members voted aye and approved an acquisition in fee with waiver of advertisement contingent on THEC approval of a master plan amendment adding this land to the TCAT land acquisition plan.

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 17-06-950

• **Proposed Amendment**

- **Landlord:** James H. Westbrook, Jr. and Partners
- **Term:** 4 years (May 1, 2018 – April 30, 2022)
- **Area / Costs:** 5,274 Total Square Feet

Annual Contract Rent:	\$55,798.92	\$10.58/sf
Estimated Annual Utility Cost:	9,229.50	1.75/sf
Estimated Annual Janitorial Cost:	5,801.40	1.10/sf
Total Annual Effective Cost:	\$70,829.82	\$13.43/sf

• **Current Lease**

- **Location:** Weakley County – 8593 Highway 22, Dresden, TN 38225
- **Landlord:** James H. Westbrook, Jr. and Partners
- **Term:** 2 years (May 1, 2018 – April 30, 2020)
- **Area / Costs:** 5,274 Square Feet

Current: Annual Contract Rent:	\$53,162.00	\$10.08/sf
Estimated Annual Utility Cost:	9,229.50	1.75/sf
Estimated Annual Janitorial Cost:	5,801.40	1.10/sf
Total Annual Effective Cost:	\$68,192.90	\$12.93/sf

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

Comment: This lease will provide office space for the Department of Correction.

This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

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

Minutes: 03/23/2020 At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement.

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 07-05-904

• **Proposed Amendment**

○ **Term:** 11 years (April 1, 2010 – March 31, 2021)

○ **Area / Costs:** 9,500 Total Square Feet

Annual Contract Rent:	\$179,718.00	\$18.92/sf
Estimated Annual Utility Cost (electric only):	10,450.00	1.10/sf
Estimated Annual Janitorial Cost:	10,450.00	1.10/sf
Total Annual Effective Cost:	\$200,618.00	\$21.12/sf

• **Current Lease**

○ **Location:** Knox County, 430 Montbrook Lane, Knoxville, TN

○ **Landlord:** Apex Bank – (formerly Gregory T. Smith Family Partnership, LP)

○ **Term:** 10 years (April 1, 2010 – March 31, 2020)

○ **Area / Costs:** 9,500 Square Feet

○ Current:	Annual Contract Rent:	\$163,380.00	\$17.20/sf
	Estimated Annual Utility Cost (electric only):	10,450.00	1.10/sf
	Estimated Annual Janitorial Cost:	10,450.00	1.10/sf
	Total Annual Effective Cost:	\$184,280.00	\$19.40/sf

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

• **FRF Rate:** \$18.00

Comment: This lease will provide office space for the Department of Safety and Homeland Security. A previous amendment to extend the lease term was recently approved; however, that amendment is being canceled and replaced by the new proposed amendment.

The tenant may not terminate this lease for convenience at any time within the amended term. This amendment is in the best interest of the State to prevent a lease holdover while allowing additional time to evaluate how to best meet programmatic needs in support of the Agency's real estate strategy.

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

Previous Report: 01/28/2020 ESC approved lease amendment with waiver of advertisement
12/17/2007 ESC approved lease agreement

Minutes: 03/23/2020 At a roll call vote all members voted aye and approved a lease amendment with waiver of advertisement.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval to waive advertisement

Transaction Description: Transaction No. 20-01-914 and 20-01-915

• **Proposed Lease**

- **Location:** Campbell County – 2221 Jacksboro Pike, Ste.C19B, Lafollette, TN
- **Landlord:** Woodson's Cash Stores, Inc.
- **Term:** 3 years (June 1, 2020 – May 31, 2023)

• **Current Lease**

- **Location:** Campbell County – 2221 Jacksboro Pike, Ste.C19B, Lafollette, TN
- **Landlord:** Woodson's Cash Stores, Inc.
- **Term:** 10 years (January 1, 2003 to December 31, 2012) (Holdover)
- **Area / Costs:** 22,175 Square Feet

Annual Contract Rent:	\$168,530.04	\$7.60/sf
Estimated Utilities Cost:	38,806.25	1.75/sf
Estimated Janitorial Cost:	24,392.50	1.10/sf
Total Annual Effective Cost:	\$231,728.79	\$10.45/sf

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

Comment: This lease will provide office space for the Department of Human Services and the Department of Children's Services. The current lease cannot be extended, and 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 three-year lease.

The previously approved executed lease is no longer feasible. Based on discussions with the landlord, it was determined that the build-out cost estimate was insufficient to meet the state space requirements. The approved lease was procured utilizing the services of a broker. Half of the broker commission fee has been paid by the landlord, and there is no obligation to the State to pay any additional fees. In lieu of amending the lease, the State and the landlord agreed to cancel the lease and maintain a short-term lease while a new long-term procurement is underway.

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

Previous Action: 05/02/2002 Approved lease agreement
11/19/2018 Approved lease agreement

Minutes: 03/23/2020 At a roll call vote all members voted aye and approved waiving advertisement.

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 February 24, 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 / Pellissippi State Community College
Location: Knoxville, Tennessee
Project Title: Demolition – 520, 522, & 524 Victory Street
Project Description: This project provides for the demolition of 520, 522, & 524 Victory Street in Knoxville, Tennessee in accordance with the PSCC 2013 Master Plan.
SBC Project No. 166/032-01-2020
Total Project Budget: \$36,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project
Approval Date: 03/23/2020

- Reported the following two 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:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: Baseball Hitting Facility
Project Description: Construct a hitting facility adjacent to the baseball stadium. The hitting facility is to be post-beam construction with a metal and brick façade including two hitting tunnels, player lounge, locker room and coaches' offices.
SBC Project No. 369/005-05-2018
Total Project Budget: \$350,000.00
Project Expenditures: \$0.00
Source of Funding: Gifts (O)
Approval: Approved cancellation of the project
Approval Date: 03/09/2020

- 2) **State Procurement Agency:** STREAM / Department of Environment & Conservation
Location: Lebanon, Tennessee
Project Title: Cedars of Lebanon S.P. Trail System Renovation
Project Description: Construct trail improvements, new modular bridge and all required related work.
SBC Project No. 126/015-02-2018
Total Project Budget: \$411,250.00
Source of Funding: \$ 43,750.00 18/19 TDEC Op Funds (A)
\$329,000.00 Federal Funds (F)
\$ 38,500.00 19/20 TDEC Op Funds (A)
Approval: Approved a revision in project budget and funding (increase of \$192,500)
Approval Date: 03/09/2020

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:** STREAM / Department of General Services
Location: Knoxville, Tennessee
Project Title: ETRHO Lab HVAC
Project Description: Modifications to the mechanical system serving the first floor laboratory including: replacing the air handling unit, chiller, and all required related work.
SBC Project No. 408/001-03-2016
Total Project Budget: \$900,000.00
Source of Funding: \$ 44,535.42 10/11 CurrFunds-CapMaint (R)
\$710,429.05 11/12 CurrFunds-CapMaint (R)
\$145,035.53 12/13 CurrFunds-CapMaint (R)
Approval: Approved a revision in project funding (increase in construction cost)
Approval Date: 03/09/2020

Approvals of Emergency Capital Projects

- Reported the following approval of an emergency project in accordance with Item 2.04(D) of the *SBC By-Laws, Policy & Procedures*:

- 1) **State Procurement Agency:** STREAM / Department of Safety & Homeland Security
Location: Nashville, Tennessee
Project Title: Emergency – Nashville TACN Communication Tower
Project Description: Installation of a communication tower at the Old Tennessee State Prison (TSP) site to address complete microwave signal transmission and all required related work.
SBC Project No. 502/001-01-2020
Total Project Budget: \$2,088,600.00
Source of Funding: 19/20 CurrFunds-CapImp (Emergency and Contingency) (A)
Approval: Approved project utilizing previously selected vendors for construction and consultant services
Approval Date: 03/06/2020

Designer Selections

- Reported the following 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:** East Tennessee State University
Location: Johnson City, Tennessee
Project Title: ETSU Physicians of Bristol – Entrance Renovation
SBC Project No. 369/005-02-2020
Total Project Budget: \$200,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: Shaw & Shanks Architects, P.C.
Approval Date: 02/13/2020

- The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.

- 1) **University of Tennessee – Martin**
(Elam Center Arena Lighting Upgrade)
Total Project Budget: \$760,000
SBC Project No. 540/011-03-2020
Designer: **DEPOUW ENGINEERING LLC**

- 2) **Motlow State Community College**
(Classroom Upgrades for Art and Theater)
Total Project Budget: \$550,000
SBC Project No. 166/021-01-2020
Designer: **HEFFERLIN + KRONENBERG ARCH**

- 3) **University of Memphis**
(Student Venture Hub)
Total Project Budget: \$1,000,000
SBC Project No. 367/007-01-2020
Designer: **BRG3S INC**

Other Business

There being no further business, the meeting adjourned at 11:14 a.m.

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TENNESSEE BOARD OF REGENTSAcquisition – Fee (Purchase)

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

Transaction Description:

- Transaction No. 20-02-010
- **Location:** Pellissippi State Community College
Knox County — 0.41+/- acres- 520, 522, & 524 Victory Street, Knoxville, TN
 - **Owner(s):** Hazel Earls Harper & Sondra Harper Pace
 - **Estimated Purchase Price:** Fair Market Value
 - **Source of Funding:** Plant Funds (Non-Aux) (A)

Comment:

This property is in PSCC's **2013 Master Plan**. The three houses on the property will be demolished within the next twelve months. The acquisition of the parcels will accommodate student parking.

Date of Last Transfer: 06/05/1945 & 07/25/1984
Purchase Price: \$0.00 & \$10,000
Property Assessor's Value: \$81,500 & \$48,900
Square Footage Improvements: 5,107+/-sf

Minutes:

03/23/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

TENNESSEE BOARD OF REGENTSDisposal – Fee with Right to Hire Realtor

Requested Action: Approval of disposal in fee with waiver of one appraisal and to utilize State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

Transaction Description: Transaction No. 19-01-008 and 19-01-007

- **Location:** Volunteer State Community College
Sumner County – 2 tracts (67.3+/-acres – 2620 Highway 25 West – 19.66+/- acres – Highway 25 West), Gallatin, TN
- **Estimated Sale Price:** Fair Market Value
- **Estimated Realtor Cost:** 6% of the Sale Price

Comment: These properties were gifted to VSCC in the last will and testament of Tony R. Spurlock. VSCC has explored various options to use the properties, but the properties have proven to be impractical because they too far away to support campus activities (11 miles), and a significant portion of the properties have steep terrain and limited usage. The Davidson County Probate Court issued an Order granting Cy Pres relief to VSCC to allow VSCC to sell these properties and utilize the proceeds for “land acquisition and/or capital improvements” to the Gallatin Campus. The Court also ordered VSCC to seek approval to recognize Mr. Spurlock in any capital improvement project that utilizes the sale proceeds. There are two structures on the Highway 25 West property that are not over 50 years and will not need THC approval.

Date of Last Transfer: 03/11/2011
 Previous Owner: Tony R. Spurlock
 Original Cost to State: \$0.00
 Square Footage Improvements: 2 barns

Minutes: 03/23/2020 Approved disposal in fee with waiver of one appraisal and utilizing State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

TENNESSEE BOARD OF REGENTSDisposal – Fee with Right to Hire Realtor

Requested Action: Approval of disposal in fee with waiver of one appraisal and to utilize State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

Transaction Description: Transaction No. 20-02-004

- **Location:** Volunteer State Community College
Sumner County – 35.50+/-acres – Upper Station Camp Creek, Gallatin, TN
- **Estimated Sale Price:** Fair Market Value
- **Estimated Realtor Cost:** 6% of the Sale Price
- **Grantee** n/a

Comment: This property was gifted to VSCC in the last will and testament of Tony R. Spurlock. VSCC has explored various options to use the property, but the property has proven to be impractical because it is too far away to support campus activities (9 miles), and believed to be in a flood plain. The Davidson County Probate Court issued an Order granting Cy Pres relief to VSCC to allow VSCC to sell the property and utilize the proceeds for “land acquisition and/or capital improvements” to the Gallatin Campus. The Court also ordered VSCC to seek approval to recognize Mr. Spurlock in any capital improvement project that utilizes the sale proceeds. There are no structures on this property.

Date of Last Transfer: 03/11/2011
 Previous Owner: Tony R. Spurlock
 Original Cost to State: \$0.00
 Square Footage Improvements: n/a

Minutes: 03/23/2020 Approved disposal in fee with waiver of one appraisal and utilizing State Procurement Agency procurement methods to contract with a realty firm to assist with the disposal

MIDDLE TENNESSEE STATE UNIVERSITYAcquisition – Fee (Purchase)

Requested Action: Approval to purchase property above fair market value as determined by appraisal

Transaction Description: Transaction No. 19-10-016

- **Location:** Rutherford County – 0.55 +/- acres - 2 tracts (2201 East Main Street and 102-104 City View Drive), Murfreesboro, TN
- **Owner(s):** Timmy Lee Stephens and Christine Stephens
- **Estimated Purchase Price:** \$350,000.00
- **Source of Funding:** Plant Funds (Aux-Housing) (A)

Comment: This property is identified in the 2016 Master Plan acquisition area. This property is contiguous to other MTSU property. The acquisition of this property will enable the University to own the northeast corner of East Main Street and City View Drive. The University owns the entire west side of City View Drive except for the northwest corner of East Main Street and City View Drive. An appraisal of this property was completed on November 15, 2019. The valuation was \$340,000.00. During informal negotiations with the owner, a price of \$350,000.00 has been established which is 2.94% above the appraisal.

There are two residential structures on the property. MTSU conducted an inspection of the houses in January 2020 and has found their condition to be acceptable for rental. The houses will be rented during the immediate future.

Date of Last Transfer:	12/16/2014
Purchase Price:	\$0.00
Property Assessor's Value:	\$174,100.00
Square Footage Improvements:	3,927

Minutes: 03/23/2020 Approved purchasing property above fair market value as determined by appraisal

MIDDLE TENNESSEE STATE UNIVERSITY

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 19-11-005

- **Location:** Rutherford County –0.31 +/- acres - 2727 Middle Tennessee Blvd., Murfreesboro, TN
- **Owner(s):** James Benjamin Penner, Jr
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** Plant Funds (Aux-Housing) (A)

Comment: This property is identified in the 2016 Master Plan acquisition area. This property is contiguous to other MTSU property. The acquisition of this property will enable the University to completely own the Middle Tennessee Blvd side of the block between Greenland Drive and Division Street except for one parcel which is owned by the MTSU Foundation. MTSU has inspected the house on the property and determined it to be in acceptable condition for rental. The property will be rented during the immediate future with long term plans for future development at the prominent corner of Greenland Drive and Middle Tennessee Blvd.

Date of Last Transfer: 07/09/2012
 Purchase Price: \$143,00.00
 Property Assessor's Value: \$209,900.00
 Square Footage Improvements: 2,598

Minutes: 03/23/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF CORRECTION

Disposal – Fee

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

Transaction Description: Transaction No. 20-01-002

- **Location:** Hickman County – 91+/- acres – Near SE Side of Duck River Across from Turney Center, Only, TN (Parcel # 079 005)
- **Estimated Sale Price:** Fair Market Value

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

The proceeds will be deposited into the Sentencing Act Fund pursuant to TCA § 12-2-120.

Date of Last Transfer: September 30, 1965
 Previous Owner: S.L. McCaleb
 Purchase Price: \$145,000.00
 Property Assessor's Value: N/A
 Square Footage Improvements: N/A

Minutes: 03/23/2020 Approved disposal in fee with waiver of one appraisal

DEPARTMENT OF TRANSPORTATIONDisposal – Fee

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

Transaction Description: Transaction No. 20-02-009

- **Location:** Shelby County – 1.29+/- acres – corner of Sam Cooper Blvd., Broad Ave., and Hollywood St., Memphis, TN
- **Estimated Sale Price:** Fair Market Value

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

The proceeds will be deposited into the highway fund per TCA § 12-2-112.

Date of Last Transfer: 02/19/1968

Previous Owner(s): Barrett, Cole, Dawson, Garner, Johnson, McLean, Pitts, Waddey

Purchase Price: \$124,605.17 (larger tract)

Property Assessor's Value: N/A

Square Footage Improvements: N/A

Minutes: 03/23/2020 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. 20-01-901

- **Proposed Lease**

- **Location:** Davidson County – 212 Pavilion Boulevard, Nashville, TN
- **Landlord:** Holly Holy, LLC
- **Term:** 3 years (August 1, 2020 – July 31, 2023)

- **Current Lease**

- **Location:** Davidson County – 212 Pavilion Boulevard, Nashville, TN
- **Landlord:** Holly Holy, LLC
- **Term:** 1 year (August 1, 2019 to July 31, 2020)
- **Area / Costs:** 11,780 Square Feet

Annual Contract Rent:	\$174,287.25	\$14.80/sf
Estimated Utilities Cost:	20,615.00	1.75/sf
Estimated Janitorial Cost:	12,958.00	1.10/sf
Estimated Insurance:	13,215.66	1.12
Estimated Taxes:	5,652.48	0.48
Total Annual Effective Cost:	\$226,728.39	\$19.25

- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** \$22.50

Comment: This lease will provide office space for Department of Correction. The current lease cannot be extended, and 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 three-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: 03/23/2020 Approved waiving advertisement

Approved:



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