

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
November 23, 2020

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. via WebEx electronic meeting, with the following members and Departments present. Commissioner Eley called the meeting to order at 11:10 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
Justin Wilson, Comptroller of the Treasury, participated via electronic communication
David Lillard, State Treasurer, participated via electronic communication

ORGANIZATION

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

PRESENTER

Executive Director Austin Oakes
Assistant Commissioner Jennifer Murphy
State Architect Ann McGauran

Commissioner Eley stated that the purpose of this meeting was to consider the items on the agenda for the November 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.
3. Meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 outbreak

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 for this meeting.

STATE BUILDING COMMISSION

SBC By-Laws, Policy and Procedures

- 1) At a roll call vote all members voted aye and approved the revisions to Item 7 of the SBC By-laws, Policy and Procedures to be effective upon approval.

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: **University of Memphis**
Transaction: Acquisition – Easement (Joint Driveway Access)
Provision(s): Waiver of advertisement and appraisals
- B. Agency: **University of Tennessee – Knoxville**
Transaction: Acquisition – Lease Amendment
Provision(s): n/a
- C. Agency: **University of Tennessee – Martin**
Transaction: Acquisition – Lease Amendment
Provision(s): n/a
- D. Agency: **Department of Environment & Conservation**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal
- E. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- F. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- G. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- H. Agency: **Department of General Services**
Transaction: Acquisition – Lease Amendment
Provision(s): Waiver of advertisement
- I. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- J. Agency: **Department of General Services**
Transaction: Acquisition – Lease (Space)
Provision(s): n/a

UNIVERSITY OF TENNESSEE

University of Tennessee, Knoxville, Knox County, Tennessee

Requested Action: Approval of a revision in project budget, scope, and funding, utilizing Construction Manager/General Contractor alternative delivery method, and utilizing Campus Resources and System Procurement for a portion of the work

Project Title: Haslam Field Expansion

Project Description: Renovate existing outdoor football practice field including additional exterior exercise and storage space, and fencing. Renovations also include interior training and equipment areas; and staff offices. *A new 1-story addition with an outdoor players' patio; locker room support areas; and a high-bay addition to the existing weight room.*

SBC Number: 540/009-08-2016

Total Project Budget: \$21,600,000.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$ 5,000,000.00	\$0.00	\$ 5,000,000.00	TSSBA	(A)
	0.00	12,600,000.00	12,600,000.00	Plant Funds (Aux-Athletics)	(A)
	0.00	4,000,000.00	4,000,000.00	Gifts	(O)
Original Project Budget:	\$ 5,000,000.00				
Change in Funding:		\$16,600,000.00			
Revised Project Budget:			\$21,600,000.00		

Comment: This request increases the Total Project Budget from \$14,000,000 and covers the revised scope for a new 1 story addition instead of 2 stories with an outdoor *players' patio; locker room support areas; and a high-bay addition to the existing weight room.* The Construction Manager/General Contractor is requested due to possible phasing required since the building will remain open during construction, along with the expertise needed in the remaining phases of design.

Campus Resources and System Procurement are requested to provide column covers and door and louver replacements. Doors and louvers are immediate maintenance issues which the campus would like to go ahead and alleviate. Both of these items along with the column covers would be easier to schedule during this time.

Previous Action:

06/09/2016	SBC	Approved project and to select a designer
09/12/2019	SBC	Approved revision in project budget and scope
09/23/2019	ESC	Approved designer selection (Johnson Architecture, Inc.)
12/16/2019	ESC	Approved utilizing System Procurement for a portion of the work
06/11/2020	SBC	Approved utilizing Campus Resources and System Procurement for a portion of the work
11/12/2020	SBC	Referred to ESC with authority to act

Minutes: 11/23/2020 ESC At a roll call vote all members voted aye and approved a revision in project budget, scope, and funding, utilizing CM/GC alternative delivery method, and utilizing Campus Resources and System Procurement for a portion of the work

UNIVERSITY OF TENNESSEE

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 20-06-004

- **Location:** University of Tennessee Health Science Center (UTHSC)
Shelby County – 0.88 +/- acres – 45 S. Dudley Street (Vivarium) and 5.50 +/- acres -
885 Madison Avenue (Land), Memphis, TN
- **Owner(s):** Memphis Specialized Laboratory, Inc. (Memphis Bioworks Foundation)
- **Purchase Price:** \$16,000,000.00
- **Source of Funding:** \$ 1,550,000.00 Plant Funds (Non-Aux) (A)
\$14,450,000.00 TSSBA (Grants) (O)

Comment: This is an additional FY 20/21 **disclosed** project reported to THEC in Quarter 2 for \$16,000,000 and is in UTHSC's 2020 Master Plan. The vivarium was designed for orthopedic, medical device and therapeutics/pharmaceuticals research studies. The facility supports Good Lab Practices compliant studies and will accommodate multiple occupants and simultaneous studies.

The vivarium is currently leased by UTHSC which has a long-term need for this type of lab and research space. The lease includes a purchase option for \$14,450,000, so waiver of appraisals is requested. When the vivarium was constructed in 2013, the State of Tennessee provided a \$7,000,000 grant, funded with bonds, toward the construction cost of approximately \$22,600,000. The purchase price has taken into account the outstanding bond balance of approximately \$4,342,000 as of October 2020. Accordingly, the Vivarium represents \$10,108,000.00 of the purchase price.

The purchase price of Land is \$5,892,000.00 based on a total cash payment to the seller of \$16,000,000.00 for Land and Vivarium. The purchase price for Land is well below 2015 appraisal, so waiver of additional appraisals is requested. This acquisition did not close under the prior ESC approval because a coordinated agreement on both properties could not be reached.

Memphis Bioworks Foundation will convey Land to Memphis Specialized Laboratory, Inc. prior to closing.

Waiver of advertisement for Vivarium is requested because of the unique features and use of the building and on campus location. Waiver of advertisement for Land is requested due to the location and the opportunity to purchase concurrently with the Vivarium.

Vivarium

Date of Last Transfer:	October 25, 2011
Purchase Price:	Unknown
Property Assessor's Value:	\$7,194,000
Square Footage Improvements:	38,000 sf vivarium/office

Land -

Date of Last Transfer: August 16, 2002
Purchase Price: Unknown
Property Assessor's Value: \$2,327,200
Square Footage Improvements: +/- 38,000 sf

Previous Action: 03/24/2014 ESC Approval of acquisition (TR No. 14-02-011)
03/23/2015 ESC Approval of acquisition (TR No. 15-03-003)
08/21/2017 ESC Approval of a lease and option to purchase (TR No. 2017-07-003)
06/24/2019 ESC Approval of a lease and option to purchase (TR No. 2019-06-01)

Minutes: 11/23/2020 ESC At a roll call vote all members voted aye and approved acquisition in fee with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEE

Disposal – Lease (Land)

Requested Action: Approval to issue a Request for Proposal for disposal by lease

Transaction Description: Transaction No. 20-10-010

- **Location:** University of Tennessee - Health Science Center (UTHSC)
Shelby County – 0.5 +/- acres – 694-704 Madison Avenue, Memphis, TN
- **Term:** Thirty (30) years with two (2) 15-year extension options

Comment: In January 2019, the University acquired this property for storage and parking in the near term and long-term to provide student services for the west side of campus and those living in the housing development on the adjacent property. Student services include uses such as coffee/snack shop, foodservice and student connection space. Renovations will be required for the long-term use and due to the financial impacts from Covid-19 UTHSC will have limited funds for facility related projects. In addition, the complexity of providing the proposed uses internally has increased. As a result, the University requests approval to issue an RFP to lease the property to a developer to finance, design, construct, operate and maintain the site for the proposed uses. The University will have the right to approve the design.

Date of Last Transfer: 12/30/2019
Purchase Price: \$1,000,000
Property Assessor's Value: \$ 762,900
Square Footage Improvements: 11,625 sf

Previous Action: 10/31/2019 Approved acquisition in fee with waiver of advertisement and one appraisal

Minutes: 11/23/2020 At a roll call vote all members voted aye and approved issuing a Request for Proposal for disposal by lease

UNIVERSITY OF TENNESSEE

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 16-10-017

- **Proposed Amendment**

- **Term:** Extend Inspection Period through May 31, 2021 with authority to extend the Inspection Period for an additional 120-day period

- **Current Lease**

- **Location:** University of Tennessee - Health Science Center Shelby County – 9.7 +/- acres - 22 parcels on 0 Jefferson Avenue, 0 N Orleans Avenue, 0 Orleans Avenue, 0 Court Avenue, 951 Court Avenue, 740 Court Avenue, 22 N Orleans, 706 Madison Avenue, 710 Madison Avenue, 714 Madison Avenue and 0 Madison Avenue, Memphis, TN

- **Landlord:** Memphis Medical District Apartments, GP with Henry Turley as managing partner

- **Term:** Thirty (30) years with two (2) 15-year extension options

- **Area / Costs:** 9.7 +/- acres; \$207,500/year with 5% increase every five (5) years

Comment:

On April 1, 2019, the State of Tennessee, on behalf of the University of Tennessee leased approximately 9.7 +/- acres to Memphis Medical District Apartments, GP (Tenant) for the design, construction, operation and management of residential multi-family housing units, supporting retail and commercial uses and associated parking. The agreement included a 120-day Inspection Period for Tenant to perform due diligence, inspections and testing on the property, as the property was believed by the State to be free of any environmental contamination. The Phase I environmental assessment, however, revealed that a dry cleaning facility and gasoline filling station had previously been located on the property and an out-of-use underground storage tank is still located on the property, resulting in the need for further testing and soil sampling. After completion of a Phase II environmental assessment and thorough sampling and evaluation of the soils and groundwater on the property, it was determined that there were dry cleaning contaminants in the soils necessitating remediation. Tenant, in coordination with the Tennessee Department and Conservation (TDEC), has developed remedial work plans to address the contamination and the plans have been approved by TDEC. Due to the unexpected environmental issues and the need to obtain TDEC approval of the remedial work plans, the University and the Tenant have agreed to extend the Inspection Period several times to allow the parties to understand and plan for how to address the environmental contamination. The current extension ends on November 25, 2020.

In January 2019, the University acquired a 0.5 +/- acre parcel adjacent to the proposed housing development with plans to provide student services for the west side of campus and those living in the housing development. Student service includes uses such as coffee/snack shop, foodservice and student connection space. Renovations to the building located on the property would be required for the long-term use. Due to the financial impacts from Covid-19, UTHSC will have limited funds to dedicate to this building. As a result, the University will request ESC approval to issue an RFP to lease the property to a developer to finance, design, construct, operate and maintain the site for the proposed uses.

Since this property adjoins the housing development, Tenant has indicated plans to submit a proposal and has requested a further extension of the Inspection Period. The requested

extension would allow Tenant to integrate this property into the housing development and seek financing and city, county, and state approvals for both areas simultaneously, if it were the selected proposer for the 0.5 +/- acre student services property. Extending the Inspection Period through May 31, 2021 is requested to coincide with the RFP award schedule. If Tenant is selected proposer, an additional 120-day extension would be granted to parallel the anticipated Inspection Period of the 0.5 +/- acre parcel.

The current lease provides that during the Inspection Period, Tenant may terminate the lease for any reason, and this termination right would continue through the requested extensions of the Inspection Period. Following the end of the Inspection Period, Tenant has a 120-day Approvals Period to obtain approvals as described above. During this period, Tenant has the right to terminate the lease if it is unable to obtain the approvals necessary or appropriate in Tenant's sole discretion.

The University believes granting these extensions to the Inspection Period are in the State's best interest because of the unanticipated actions required due to the environmental issues, the progress made with Tenant and TDEC in identifying issues and TDEC's approval of work plans submitted by Tenant, UTHSC desire for coordination between the two developments and for the developments to occur simultaneously, and concerns that the market for developers is limited as Tenant was only respondent to RFP committed to the full build-out of the property and demolition of the existing buildings. Based on the RFP evaluation, we believe Tenant will deliver and maintain a high-quality development that meets UTHSC's needs. In addition, and while the environmental testing and mitigation planning were ongoing, Tenant has shown good faith and continued to develop plans for University approval as outlined in the lease.

Previous Action:

12/16/2016 Approved issuing a Request for Proposal for disposal by lease
09/28/2017 Approved issuing a revised Request for Proposal for disposal by lease
03/25/2019 Approved disposal by lease with waiver of appraisals

Minutes:

11/23/2020 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. 07-05-905

● **Proposed Amendment**

○ **Term:** 14 years (December 1, 2008 – November 30, 2022)

○ **Area / Costs:** 6,100 Total Square Feet

Annual Contract Rent	\$91,896.00	\$15.06/sf
Estimated Annual Utility Cost	10,675.00	1.75/sf
Estimated Annual Janitorial Cost	6,710.00	1.10/sf
Total Annual Effective Cost	\$109,281.00	\$17.91/sf

● **Current Lease**

○ **Location:** McMinn County – 150 Plaza Circle, Athens, TN

○ **Landlord:** Williams Family Properties. L.P.

○ **Term:** 12 years (December 1, 2008 – November 30, 2020)

○ **Area / Costs:** 6,100 Square Feet

○ **Current:**

Annual Contract Rent	\$91,896.00	\$15.06/sf
Estimated Annual Utility Cost	10,675.00	1.75/sf
Estimated Annual Janitorial Cost	6,710.00	1.10/sf
Total Annual Effective Cost	\$109,281.00	\$17.91/sf

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

● **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Safety and Homeland Security for use as a driver's license facility and THP office.

This amendment is in the best interest of the State to allow continuity of operations until a new lease is approved and ready for occupancy. A future ESC action will be required for approval of the new long-term solution. The procurement of the long-term solution is currently in the "market phase" and DGS believes that the lease for the long-term solution will commence prior to the expiration of this extended 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 Action: 10/22/2007 ESC Approved lease
08/20/2018 ESC Approved a lease amendment

Minutes: 11/23/2020 At a roll call vote all members voted aye and approved a lease amendment with waiver of 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 October 19, 2020.

Report of Items Submitted to the ESC

- 1) Status Update Reports from the State Procurement Agencies in accordance with SBC Policy & Procedures Item 2.03.

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:** Middle Tennessee State University
Location: Murfreesboro, Tennessee
Project Title: Woodmore Building Electrical Upgrades
Project Description: Renovation of the Woodmore Building electrical system to accommodate the new academic usage by the MTSU Recording Industry Management program, and all related work.

SBC Project No. 366/009-04-2020
Total Project Budget: \$80,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approved project utilizing Campus Resources for design and construction
Approval Date: 11/23/2020

Approvals of Revisions to Existing Capital Projects

- Reported the following two approvals 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:** Middle Tennessee State University
Location: Murfreesboro, Tennessee
Project Title: KOM Mechanical Upgrades
Project Description: Replacement of the HVAC system in the Kirskey Old Main Building and all related work.

SBC Project No. 366/009-14-2019
Total Project Budget: \$1,317,000.00
Source of Funding: 19/20 CurrFunds-CapMaint (A)
Approval: Approved a revision in project budget (increase MACC by \$43,700)
Approval Date: 11/06/2020

- 2) **State Procurement Agency:** Department of Children's Services
Location: Somerville, Tennessee
Project Title: Wilder YDC Sprinkler System Upgrade
Project Description: Address code and compliance issues with the campus fire sprinkler system and replace mixing valves associated with shower facilities and all related work. Installation of fire system replacement and new security locks and smoke evacuation system.
- SBC Project No.** 144/011-01-2014
Total Project Budget: \$4,071,800.00
Source of Funding: \$1,017,000.00 13/14 CurrFunds-CapImp (A)
\$2,574,800.00 14/15 CurrFunds-CapImp (A)
\$ 480,000.00 14/15 CurrFunds-CapMaint (A)
- Approval:** Approved a revision in project funding (increase MACC by \$2,278,000)
Approval Date: 11/03/2020

Designer Selections

- Reported the following designer selection 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:** STREAM / Department of Intellectual & Developmental Disabilities
Location: Nashville, Tennessee
Project Title: MTRO One Cannon Building Elevator Upgrades
SBC Project No. 346/003-01-2020
Total Project Budget: \$480,000.00
Source of Funding: 20/21 CurrFunds-CapMaint (MP) (A)
Designer: Smith Seckman Reid, Inc.
Approval Date: 10/09/2020

- Reported a designer name change from "CBRE/Heery, Inc." to "The S/L/A/M Collaborative, Inc." on the following project:
 - University of Tennessee, Programming Consultants, SBC 540/000-01-2019

- The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.
 - 1) **University of Tennessee**
(Innovation & Advanced Manufacturing Application Center (I-AMAC))
Total Project Budget: \$925,000.00
SBC Project No. 540/005-06-2020
Designer: Tinker Ma, Inc.
 - 2) **Tennessee Board of Regents – Statewide**
(Architectural Consultant - West)
Total Project Budget: Not Applicable
SBC Project No. 166/000-03-2017
Designer: Brg3s, Inc.

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| <p>3) Southwest Tennessee Community College
(Central Plant Updates)
Total Project Budget: \$1,500,000.00
SBC Project No. 166/033-01-2020
Designer: OGCB, Inc.</p> | <p>7) Hotel Halbrook State Historic Site
(HVAC & Building Repairs)
Total Project Budget: \$550,000.00
SBC Project No. 160/023-01-2020
Designer: Smith Seckman Reid, Inc.</p> |
| <p>4) University of Memphis
(Middle School Renovation)
Total Project Budget: \$3,100,000.00
SBC Project No. 367/007-07-2020
Designer: Fisher and Arnold, Inc.</p> | <p>8) Middle Tennessee MHI
(Mechanical Equipment Replacement)
Total Project Budget: \$4,350,000.00
SBC Project No. 344/001-01-2020
Designer: Henderson Engineers, Inc.</p> |
| <p>5) Ducktown Basin Museum State Historic Site
(Building & Site Restoration)
Total Project Budget: \$5,200,000.00
SBC Project No. 160/009-01-2020
Designer: Hefferlin + Kronenberg Architects, PLLC</p> | <p>9) Volunteer Training Site – Smyrna
(Building 415 Facility Update)
Total Project Budget: \$730,000.00
SBC Project No. 361/079-08-2020
Designer: Design House 1411, LLC</p> |
| <p>6) Chester Inn State Historic Site
(HVAC & Building Repairs)
Total Project Budget: \$710,000.00
SBC Project No. 160/021-01-2020
Designer: BLS Thompson & Litton, Inc.</p> | <p>10) Fort Campbell UTES
(Re-Roof & Facility Update)
Total Project Budget: \$905,000.00
SBC Project No. 368/014-01-2020
Designer: LCMA, LLC dba Lyle Cook Martin Architects</p> |

Other Business

There being no further business, the meeting adjourned at 11:25 a.m.

UNIVERSITY OF MEMPHISAcquisition/Disposal – Easement (Joint Driveway Access)

Requested Action: Approval of acquisition and disposal by easement with waiver of advertisement and appraisals

Transaction Description: Transaction No. 20-11-002

- **Location:** University of Memphis (UoM)
Shelby County - 0.63 acres +/- 0 Cuba-Millington Road, Memphis, TN
- **Grantee/Grantor:** William L. Pruitt
- **Estimated Sale Price:** Mutual Benefit
- **Source of Funding:** William L. Pruitt (REM Fees) (O)

Comment: William L. Pruitt owns property located at 1429 Cuba-Millington Road that is land-locked and for years the owners of this property have driven across a driveway that crosses UoM property. The UoM employees use the driveway across Mr. Pruitt's property to get to the UoM parcel. This easement will document the rights of both parties to use the driveway.

Date of Last Transfer: December 26, 1967
Original Cost to State \$0

Minutes: 11/23/2020 Approved acquisition and disposal by easement with waiver of advertisement and appraisals

UNIVERSITY OF TENNESSEE

Acquisition - Lease Amendment

Requested Action: **Approval of a lease amendment**

Transaction Description: Transaction No. 2020-08-02

- **Proposed Amendment**

- **Term:** August 30, 2020 – November 30, 2020 / January 15, 2021 – May 15, 2021
- **Area / Costs:** Up to 150 hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$103.00/night	\$3,275,400.00

- **Current Lease**

- **Location:** University of Tennessee – Knoxville (UTK)
Knox County – 501 W Church Avenue, Knoxville, TN
- **Landlord:** RB Knoxville, LLC dba Hilton Knoxville
- **Term:** August 30, 2020 – November 30, 2020
- **Area / Costs:** Up to 150 hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$103.00/night	\$1,436,850.00

- **Source of Funding:**

- **FRF Rate:**

Plant Funds (Non-Aux) (R)
\$18.00/sf (for reference only)

Comment:

In August 2020, ESC approved the lease of rooms for students that need to be isolated due to possible exposure to Covid-19. This amendment is requested to extend the agreement into the Spring semester. It is anticipated that 50 rooms will initially be reserved.

In addition to the nightly room rate, a \$5.00 per stay fee will be assessed for providing in-room microwaves and a \$150 cleaning fee will apply each time a student checks out.

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease amendment is for one year or less. The University may cancel rooms with 72 hours prior approval.

Previous Action: 08/24/2020 Approved a lease

Minutes: 11/23/2020 Approved a lease amendment

UNIVERSITY OF TENNESSEEAcquisition - Lease Amendment

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 09-12-900

- **Proposed Amendment**
 - **Term:** January 1, 2010 – December 31, 2021
 - **Area / Costs:** 45+/- acres with improvements/\$18,000 per year
- **Current Lease**
 - **Location:** University of Tennessee – Martin (UTM)
Weakley County – 546 & 548 Littrell Road, Martin, TN
 - **Landlord:** University of Tennessee Foundation, Inc. (UTFI)
 - **Term:** January 1, 2010 – December 31, 2020
 - **Area / Costs:** 45+/- acres with improvements/\$24,000.00 per year
- **Source of Funding:** Rodeo Event Revenue, Stall Rentals and Athletics Operating Budget
- **FRF Rate:** \$14.00/sf (for reference only)

Comment: The University leases this property for the UTM Rodeo Team and Rodeo and Equine Science Programs. A one-year lease extension is requested to allow time for due diligence to evaluate acquiring this property from UTFI. UTFI acquired this property subject to a Deed of Trust that will be paid off in December 2020. Request for approval to acquire the property, subject to satisfactory due diligence, will be brought to SBC as a separate action. The rental rate will be \$18,000 per year made as a one-time payment.

The University is responsible for utilities, janitorial and maintenance. The lease may be terminated for convenience with thirty (30) days prior notice. Advertising is not required for a one-year extension under these circumstances.

Previous Action: 12/21/2009 Approved a lease

Minutes: 11/23/2020 Approved a lease amendment

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Acquisition – Fee (Purchase)

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

Transaction Description: Transaction No. 20-10-004

- **Location:** Justin P. Wilson Cumberland Trail State Park (JPWCTSP)
Morgan County – 291± acres – 0 Catoosa Road, Wartburg, TN
- **Owner(s):** Alberta C. Long
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 20/21 State Lands Acquisition Fund (A)

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 property is one of several tracts needed to connect the Cumberland Trail from Frozen Head State Park to the Nemo Bridge section of the Emory River.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	09/06/1975
Purchase Price:	\$0.00 (inter-family transfer)
Property Assessor's Value:	\$197,900.00
Square Footage Improvements:	N/A

Minutes: 11/23/2020 Approved acquisition in fee with waiver of advertisement and one appraisal

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease Amendment

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

Transaction Description: Transaction No. 05-05-905

● **Proposed Amendment**

○ Term:	14 years (December 1, 2008 – November 30, 2022)	
	Annual Contract Rent	\$117,000.00 \$9.00/sf
	Estimated Annual Utility Cost	22,750.00 1.75/sf
	Estimated Annual Janitorial Cost	14,300.00 1.10/sf
	Total Annual Effective Cost	\$154,050.00 \$11.85/sf

● **Current Lease**

○ Location:	Sullivan County – 707 North Eastman Road, Kingsport, TN	
○ Landlord:	Richard O. Ripley	
○ Term:	12 years (December 1, 2008 – November 30, 2020)	
○ Area / Costs:	<u>13,000 Square Feet</u>	
	Annual Contract Rent	\$117,000.00 \$9.00/sf
	Estimated Annual Utility Cost	22,750.00 1.75/sf
	Estimated Annual Janitorial Cost	14,300.00 1.10/sf
	Total Annual Effective Cost	\$154,050.00 \$11.85/sf

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

● **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Children’s Services.

This amendment is in the best interest of the State to allow continuity of operations until a new lease is approved and ready for occupancy. A future ESC action will be required for approval of the new long-term solution. The procurement of the long-term solution is currently in the “market phase” and DGS believes that the lease for the long-term solution will commence prior to the expiration of this extended 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 Action: 09/23/2005 Subcommittee approved the request as presented
 08/23/2018 Approved a lease amendment with waiver of advertisement

Minutes: 11/23/2020 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. 07-05-907

● **Proposed Amendment**

○ **Term:** 14 years (December 1, 2008 – November 30, 2022)

○ **Area / Costs:** 6,500 Total Square Feet

Annual Contract Rent	\$97,500.00	\$15.00/sf
Estimated Annual Utility Cost	11,375.00	1.75/sf
Estimated Annual Janitorial Cost	7,150.00	1.10/sf
Total Annual Effective Cost	\$116,025.00	\$17.85/sf

● **Current Lease**

○ **Location:** Sevier County – 1220 Graduate Dr., Sevierville, TN

○ **Landlord:** Steven D Layman

○ **Term:** 12 years (December 1, 2008 – November 30, 2020)

○ **Area / Costs:** 6,500 Square Feet

○ Current: Annual Contract Rent	\$97,500.00	\$15.00/sf
Estimated Annual Utility Cost:	11,375.00	1.75/sf
Estimated Annual Janitorial Cost	7,150.00	1.10/sf
Total Annual Effective Cost	\$116,025.00	\$17.85/sf

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

● **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Safety and Homeland Security for use as a driver's license facility and THP office. This amendment is in the best interest of the State to allow continuity of operations until a new lease is approved and ready for occupancy. A future ESC action will be required for approval of the new long-term solution. The procurement of the long-term solution is currently in the "market phase" and DGS believes that the lease for the long-term solution will commence prior to the expiration of this extended 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 Action: 12/17/2007 Approved lease
08/20/2018 Approved lease amendment

Minutes: 11/23/2020 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. 07-05-902

- **Proposed Amendment**

- **Term:** 14 years (January 1, 2009 – December 31, 2022)

- **Area / Costs:** 5,959 Square Feet

Annual Contract Rent	\$63,909.00	\$10.73/sf
Estimated Annual Utility Cost	10,428.25	1.75/sf
Estimated Annual Janitorial Cost	6,554.90	1.10/sf
Total Annual Effective Cost	\$80,892.15	\$13.58/sf

- **Current Lease**

- **Location:** Dickson County – 114 West Christi Drive, Dickson, TN

- **Landlord:** Kimberly Diane Alley

- **Term:** 12 years (January 1, 2009 – December 31, 2020)

- **Area / Costs:** 5,959 Square Feet

Annual Contract Rent	\$63,909.00	\$10.73/sf
Estimated Annual Utility Cost	10,428.25	1.75/sf
Estimated Annual Janitorial Cost	6,554.90	1.10/sf
Total Annual Effective Cost	\$80,892.50	\$13.58/sf

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

- **FRF Rate:** \$15.00

Comment: This lease will provide office space for Department of Safety and Homeland Security for use as a driver's license facility and THP office.

This amendment is in the best interest of the State to allow continuity of operations until a new lease is approved and ready for occupancy. A future ESC action will be required for approval of the new long-term solution. The procurement of the long-term solution is currently in the "market phase" and DGS believes that the lease for the long-term solution will commence prior to the expiration of this extended 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 Action: 09/24/2007 Approved lease
09/24/2018 Approved a lease amendment with waiver of advertisement

Minutes: 11/23/2020 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. 13-01-909

● **Proposed Amendment**

○ Term:	9 years (January 1, 2014 – December 31, 2022)		
○	Annual Contract Rent	\$54,009.60	\$11.25/sf
	Estimated Annual Utility Cost	8,400.00	1.75/sf
	Estimated Annual Janitorial Cost	5,280.00	1.10/sf
	Total Annual Effective Cost	\$67,689.60	\$14.10/sf

● **Current Lease**

○ Location:	Rutherford County – 845 Esther Lane, Murfreesboro, TN		
○ Landlord:	Charitable Remainder Unitrust		
○ Term:	7 years (January 1, 2014 – December 31, 2020)		
○ Area / Costs:	<u>4,800 Square Feet</u>		
○	Annual Contract Rent	\$54,009.60	\$11.25/sf
	Estimated Annual Utility Cost	8,400.00	1.75/sf
	Estimated Annual Janitorial Cost	5,280.00	1.10/sf
	Total Annual Effective Cost:	\$67,689.60	\$14.10/sf

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

● **FRF Rate:** \$18.00

Comment: This lease provides office space for the Department of Labor and Workforce Development. A new 10-year lease was approved by the ESC in October 2020 for this need and is estimated to commence January 2022 based on the renovations needed.

This amendment is in the best interest of the State to allow continuity of operations until the new lease is ready for occupancy. 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: 09/24/2018 Approved a lease amendment with wavier of advertisement

Minutes: 11/23/2020 Approved a lease amendment with waiver of advertisement

DEPARTMENT OF GENERAL SERVICESAcquisition – Lease (Space)

Requested Action: Approval of a lease and amendment of existing lease

Transaction Description: Transaction No. 19-02-902 & 19-02-903; 19-11-920 & 19-11-921, respectively

- **Proposed Lease**

- **Location:** Fayette County - 18115 & 18125 Highway 64 E., Somerville, TN
- **Landlord:** Thomas G. Peebles & Betty L. Peebles
- **Term:** Ten (10) Years
- **Area / Costs:** 9,496 Square Feet

Annual Contract Rent	\$113,952.00	\$12.00/sf
Estimated Annual Utilities Cost	16,618.00	1.75/sf
Estimated Annual Janitorial Cost	10,445.60	1.10/sf
Total Annual Effective Cost	\$141,015.60	\$14.85/sf

- **Proposed Amendment**

- **Location:** Fayette County -18115 & 18125 Highway 64 E. Somerville, TN
- **Landlord:** Thomas G. Peebles & Betty L. Peebles
- **Term:** Three (3) years (January 1, 2020 – December 31, 2022)
- **Area / Costs:** 9,496 Square Feet

Annual Contract Rent	\$ 72,000.00	\$7.58/sf
Estimated Utilities Cost	16,618.00	1.75/sf
Estimated Janitorial Cost	10,445.60	1.10/sf
Total Annual Effective Cost	\$99,063.60	\$10.43/sf

- **Current Lease**

- **Location:** Fayette County -18115 & 18125 Highway 64 E. Somerville, TN
- **Landlord:** Thomas G. Peebles & Betty L. Peebles
- **Term:** One (1) year (January 1, 2020 – December 31, 2020)
- **Area / Costs:** 9,496 Square Feet

Annual Contract Rent	\$ 72,000.00	\$7.58/sf
Estimated Utilities Cost	16,618.00	1.75/sf
Estimated Janitorial Cost	10,445.60	1.10/sf
Total Annual Effective Cost	\$99,063.60	\$10.43/sf

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

Comment: This lease and lease amendment will provide office space for Department of Human Services & Department of Children's Services. For the ten-year lease, two proposals from two proposers were received and evaluated. One proposal was disqualified because it did not meet the advertisement requirements. The lease is estimated to commence in August 2022 based on the renovations needed.

The State may terminate the ten-year lease for convenience at any time after 60 months with 120 days written notice to the landlord. Based on a review of the

financial aspects, occupancy requirements, and market indicators, this ten-year lease is deemed to be in the state's best interest at this time.

The CBRE, Inc. commission is \$15,668.40 for the 10-year term.

The lease amendment will bridge the gap between the expiration date of the current lease and the ten-year lease. 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 lease amendment pursuant to SBC Policy.

Minutes:

11/23/2020 Approved a lease and amendment of existing lease

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-06-928 & 17-06-929

● **Proposed Lease**

- **Location:** Franklin County – 2160 Cowan Highway, Winchester, TN
- **Landlord:** Grider Family Partnership
- **Term:** 5 years with two 1-year renewal options
- **Area / Costs:** 10,300 Square Feet

Average Annual Rent	\$125,145.00	\$12.15/sf
Estimated Annual Utilities Cost	18,025.00	1.75/sf
Estimated Annual Janitorial Cost	11,330.00	1.10/sf
Total Average Annual Effective Cost	\$154,500.00	\$15.00/sf

● **Current Lease**

- **Location:** Franklin County – 2160 Cowan Highway, Winchester, TN
- **Landlord:** Grider Family Partnership
- **Term:** 3 years (July 1, 2020 to June 30, 2023)
- **Area / Costs:** 11,300 Square Feet

Annual Contract Rent	\$109,264.80	\$9.67/sf
Estimated Annual Utilities Cost	19,775.00	1.75sf
Estimated Annual Janitorial Cost	12,430.00	1.10/sf
Total Annual Effective Cost	\$141,469.80	\$12.52/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 the Department of Children’s Services. Three proposals from two proposers were received and evaluated. One proposal was disqualified because it did not meet the advertisement requirements. Alternative Workplace Solutions has been implemented at this location. The proposed location will be renovated to meet the State’s needs. The lease is estimated to commence in July 2023 based on the renovations needed.

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: 11/23/2020 Approved a lease

Approved:



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