MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
October 29, 2018

The State Building Commission Executive Subcommittee met this day at 10:00 a.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Commissioner Martin called the meeting to order at 10:02 a.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Larry Martin, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
David Lillard, State Treasurer
Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Department of General Services
- Department of Finance & Administration
- Tennessee Wildlife Resources Agency
- State Building Commission

PRESENTER

- John Hull
- Eugene Neubert
- Roger Jackson
- Ann McGauran
CONSENT AGENDA

Approved the following four real property transactions which have been reviewed and recommended for approval by Subcommittee staff:

A. Agency: Tennessee Board of Regents – Chattanooga State Community College
   Transaction: Acquisition – Lease (Space)
   Provision(s): n/a

B. Agency: Department of Intellectual & Developmental Disabilities
   Transaction: Disposal – Lease Amendment
   Provision(s): n/a

C. Agency: Department of General Services
   Transaction: Acquisition – Lease (Space)
   Provision(s): n/a

D. Agency: Department of General Services
   Transaction: Acquisition – Lease (Space)
   Provision(s): n/a
DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease with waiver of advertisement

Transaction Description: Transaction No. 18-06-903

• Proposed Lease
  o Location: Warren County – 594 Vervilla Road, McMinnville, TN
  o Landlord: Cambridge Development, GP
  o Term: 7 years with one three year renewal option
  o Area / Costs: 5,500 Square Feet
    Annual Contract Rent $68,250.00 $12.41/sf
    Estimated Annual Utility Cost 9,625.00 1.75/sf
    Estimated Annual Janitorial Cost 6,050.00 1.10/sf
    Total Annual Effective Cost $83,925.00 $15.26/sf

• Current Lease
  o Location: Warren County – 594 Vervilla Road, McMinnville, TN
  o Landlord: Cambridge Development, GP
  o Term: 1 year (May 1, 2016 – April 30, 2017) Holdover
  o Area / Costs: 5,500 Square Feet
    Annual Contract Rent $65,000.00 $11.82/sf
    Estimated Annual Utility Cost 7,700.00 1.40/sf
    Estimated Annual Janitorial Cost 6,050.00 1.10/sf
    Total Annual Effective Cost $78,750.00 $14.32/sf

• Source of Funding: FRF Operating Funds
• Procurement Method: Negotiated
• FRF Rate: $14.00

Comment: This lease will provide office space for Department of Safety Driver License Issuance and Tennessee Highway Patrol. Location was built to suit for the State. That lease was terminated, however based upon further evaluation it was determined that a driver services presence was still needed so a short-term lease was executed at this same location. Prior to its expiration, it was determined that the driver services center in McMinnville should continue in this location.

The tenant may terminate this lease at any time by giving 90 days written notice to the landlord. Waiver of advertisement is being requested for special and unique consideration pursuant to T.C.A. § 12-2-114.

Rent increases by 3% for the renewal option, if exercised.

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: 10/29/2018  Approved a lease with waiver of advertisement
**DEPARTMENT OF GENERAL SERVICES**

**Acquisition - Lease Amendment**

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

**Transaction Description:**
- **Proposed Amendment**
  - **Term:** 13 years (December 1, 2008 – November 30, 2021)
  - **Area/Costs:** 10,114 Square Feet
    - Average Annual Contract Rent: (Years 11-13) $197,223.00 $19.50/sf
    - Estimated Annual Utility Cost: 17,699.50 1.75/sf
    - Estimated Annual Janitorial Cost: 11,125.40 1.10/sf
    - Total Average Annual Effective Cost: $226,047.90 $22.35/sf
- **Current Lease**
  - **Location:** Shelby County – 3040 Walnut Grove Road, Memphis, TN
  - **Landlord:** Circo Enterprises, LLC
  - **Term:** 10 years (December 1, 2008 – November 30, 2018)
  - **Area / Costs:** 10,114 Square Feet
    - Average Annual Contract Rent: (Years 1-10) $189,637.50 $18.75/sf
    - Estimated Annual Utility Cost: 14,159.60 1.40/sf
    - Estimated Annual Janitorial Cost: 11,125.40 1.10/sf
    - Total Average Annual Effective Cost: $214,922.50 $21.25/sf
- **Source of Funding:** FRF Operating Funds
- **FRF Rate:** $18.00

**Comment:**
- This lease will provide office space for Department of Labor and Workforce Development.
- Termination for Convenience for the three (3) year amendment will be 90 days.
- A request for waiver of advertisement and to amend the current lease by 3 years is in the best interest of the State at this time for strategic alignment of existing in-term lease expirations for long-term planning to effectuate a balance of portfolio resources.

**Previous Action:** 11/19/2007 ESC Approved lease agreement.

**Minutes:**
- 10/29/2018 Commissioner Martin asked Deputy Commissioner John Hull to explain the third paragraph of the comment. Deputy Commissioner Hull explained that as more agencies are choosing to utilize alternative workplace solutions (AWS) their space needs are changing. The language is intended to reflect that additional time will allow the agencies to consider their needs more holistically with the agencies and DGS working together to make sure that co-locations and all strategies are considered to meet future space needs.

The Subcommittee approved a lease amendment with waiver of advertisement.
Memphis Tourism Development Zone, Memphis, Shelby County, Tennessee

Requested Action: Approval of a modification to the Memphis Tourism Development Zone

Comment: This action will modify the application of the Memphis Tourism Development Zone (TDZ) approved on December 18, 2000, as modified on April 19, 2010 and again on May 22, 2018, to add a hotel as an additional Qualified Public Use Facility (QPUF) in the TDZ. This modification would allow the City of Memphis to spend their incremental tax revenue to develop a hotel etc. This modification would not increase the size of their TDZ nor would it extend the 30 year maximum period to receive the incremental state revenue; however, in accordance with T.C.A. § 7-88-106(a)(2) as amended by Chapter 1058 of the Public Acts of 2018, the city will be allowed to continue to receive the incremental local revenue for a period up to 30 years from the date the hotel opens if placed into service by December 31, 2022. This is in accordance with the Convention Center and Tourist Development Act of 1998. In accordance with T.C.A. § 7-88-106(a)(2)(A), the Comptroller has reviewed this modification and also recommends for approval.

Previous Action:
- 12/14/2000 SBC Referred to Executive Subcommittee with authority to act
- 12/18/2000 ESC Approved the application for Cook Convention Center as a QPUF and Memphis TDZ
- 04/19/2010 ESC Approved the inclusion of the Pinch District and the Pyramid as a QPUF in the Memphis TDZ
- 04/13/2017 SBC Referred to Executive Subcommittee with authority to act
- 04/24/2017 ESC Approved the final agreement between the City of Memphis and the State of Tennessee per the application approved on April 19, 2010 for the TDZ Revenue Agreement
- 12/14/2017 SBC Referred to the January Executive Subcommittee with authority to act
- 01/22/2018 ESC Deferred to a future ESC meeting
- 05/22/2018 ESC Approved modification to Memphis Tourism Development Zone
- 10/11/2018 SBC Referred to ESC with authority to act

Minutes: 10/29/2018 Deferred to a future meeting
Acquisition – Fee (Purchase)

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

Transaction Description:
- Location: White Oak Wildlife Management Area
  Hardin County 166 +/- acres – Sulphur Wells Rd, White Oak WMA, TN
- Owner(s): Triple Creek Farms
- Estimated Purchase Price: Fair Market Value
- Source of Funding: 18/19 Wetlands Acquisition Fund (A)

Comment:
This property is on the wetlands priority list and has been approved for purchase by the Commissioner of the Department of Agriculture and the Executive Director of Tennessee Wildlife Resources Agency per T.C.A. § 11-14-402.

The tract is an inholding at the White Oak Wildlife Management Area. Acquisition of this tract is an important addition to the White Oak Wildlife Management Area and will protect and preserve wetlands and other watershed functions in the White Oak ecosystem.

Currently, there is a three (3) year farm lease on the 62 acres of the property that expires December 31, 2020. TWRA plans to amend and assume the farm lease until its expiration.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 03/20/2008
Purchase Price: $0
Property Assessor’s Value: $194,400.00
Square Footage Improvements: N/A

Minutes: 10/29/2018 Comptroller Wilson asked if TWRA, after acquiring the existing lease, would have the fee in the property and receive the rents. Mr. Roger Jackson replied that TWRA would own the fee subject to the lease and receive rents under the lease. Once the lease expired, the State would own all interests in the property.

The Subcommittee approved acquisition in fee with waiver of advertisement and one appraisal.
Minutes of Executive Subcommittee Meeting

1) Approved the Minutes of the Executive Subcommittee meeting held on September 24, 2018.

Report of Items Approved by Office of the State Architect

Initial Approvals of Capital Projects

- Reported the following capital project with total project cost of $100,000 - $500,000 in accordance with Item 2.04(A)(2) of the SBC By-Laws, Policy & Procedures:

  1) State Procurement Agency: Tennessee Board of Regents / Austin Peay State University
     Location: Clarksville, Tennessee
     Project Title: Greek Housing Sprinkler Installation
     Project Description: Install a sprinkler system in the Greek housing units.
     SBC Project No.: 166/003-01-2017
     Total Project Budget: $445,000
     Source of Funding: Plant Funds (Aux-Housing) (A)
     Approval: Approved a revision in project budget and funding
     Approval Date: 09/27/2018

Approvals of Revisions to Existing Capital Projects

- Reported the following two approvals of an alternate construction delivery method in accordance with Item 2.04(B)(1) of the SBC By-Laws, Policy & Procedures:

  1) State Procurement Agency: University of Tennessee – Chattanooga
     Location: Chattanooga, Tennessee
     Project Title: Academic Classroom Buildings Renovation (Lupton/Fine Arts)
     Project Description: This project expands space for the College of Arts & Sciences including associated classrooms and offices through the renovation of two existing buildings, Lupton Library and the Fine Arts Center. The renovation of the 116,000 sf Lupton Library includes replacement of all building systems and finishes to accommodate general classrooms, Arts & Science offices, and other academic spaces. The renovation of the 72,300 sf Fine Arts Center includes upgrades to the building’s structure and systems and renovation of two large theaters and strategic 2nd floor infill in the art, theater, and music wings. In FY 15/16 $2M was approved for Planning this project.
     SBC Project No.: 540/005-01-2015
     Total Project Budget: $38,410,000
     Source of Funding: $28,433,000 16/17 CurrFunds-Caplmp (A)
                      $ 7,277,000 Gifts
                      $  2,700,000 Plant Funds (Non-Aux) (A)
     Approval: Approved utilizing Best Value
     Approval Date: 10/05/2018
2) **State Procurement Agency:** University of Tennessee – Chattanooga  
   **Location:** Chattanooga, Tennessee  
   **Project Title:** Fine Arts Mechanical & Electrical Improvements  
   **Project Description:** This project will replace mechanical and electrical equipment and systems in the Fine Arts Building (1975). Mechanical improvements include replacement of the existing perimeter heating system, new AHU’s, VAV boxes with reheat, and a new digital control system. Electrical work includes upgrade of building service, new main panel and subpanels, new lighting fixtures and controls. Ceilings and finishes will also be replaced in all common areas, Auditorium 356, and Cress Gallery.

   **SBC Project No.** 540/005-05-2017  
   **Total Project Budget:** $8,400,000  
   **Source of Funding:** 17/18 CurrFunds-CapMaint (A)  
   **Approval:** Approved utilizing Best Value  
   **Approval Date:** 10/05/2018

- Reported the following two approvals of a revision in funding for capital project in accordance with Item 2.04(B)(2) of the SBC By-Laws, Policy & Procedures:

  1) **State Procurement Agency:** University of Tennessee – Knoxville  
     **Location:** Knoxville, Tennessee  
     **Project Title:** Deferred Maintenance (2013-2014)  
     **Project Description:** This project will address a backlog of deferred maintenance consisting of, but not limited to, roof replacements and repairs, window replacements, HVAC replacement, and masonry repairs.

     **SBC Project No.** 540/009-08-2013  
     **Total Project Budget:** $1,730,000  
     **Source of Funding:** $1,240,000 Plant Funds (Non-Aux) (A)  
                            $  490,000 Plant Funds (Aux-Athletics) (A)  
     **Approval:** Approved a revision in funding  
     **Approval Date:** 10/02/2018

  2) **State Procurement Agency:** STREAM / Department of Military  
     **Location:** Statewide, Tennessee  
     **Project Title:** Statewide Energy Updates  
     **Project Description:** Construct solar photovoltaic (PV) collector arrays to generate electricity and LED lighting retrofits with lighting controls and related work.

     **SBC Project No.** 361/000-02-2018  
     **Total Project Budget:** $1,500,000  
     **Source of Funding:** $  750,000 TDEC Grant (Clean Energy) (I)  
                            $  750,000 Federal Funds (NGB) (F)  
     **Approval:** Approved a revision in project budget  
     **Approval Date:** 09/27/2018
Approvals of Contract Amendments

- Reported the following two approvals 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 Environment & Conservation  
   **Location:** Statewide, Tennessee  
   **Project Title:** Architectural Consultant  
   **Project Description:** Consultant to support the agency for project development and associated facility needs.  
   **SBC Project No.:** 126/000-02-2016  
   **Total Project Budget:** $250,000  
   **Source of Funding:**  
   - $100,000  16/17 CurrFunds-MajMaint (A)  
   - $ 50,000  16/17 TDEC Op Funds (A)  
   - $ 50,000  17/18 CurrFunds-MajMaint (A)  
   - $ 50,000  18/19 CurrFunds-MajMaint (A)  
   **Approval:** Approved a revision in project budget and funding and an amendment to contract extending the term  
   **Approval Date:** 09/27/2018

2) **State Procurement Agency:** STREAM / West Tennessee River Basin Authority  
   **Location:** Statewide, Tennessee  
   **Project Title:** Engineering Services Consultant  
   **Project Description:** Provide professional engineering services for the agency.  
   **SBC Project No.:** 128/020-01-2014  
   **Total Project Budget:** $1,595,000  
   **Source of Funding:**  
   - $ 100,000  14/15 CurrFunds-MajMaint (A)  
   - $ 700,000  15/16 CurrFunds-MajMaint (A)  
   - $ 250,000  16/17 CurrFunds-MajMaint (A)  
   - $ 295,000  17/18 CurrFunds-MajMaint (A)  
   - $ 250,000  18/19 CurrFunds-MajMaint (A)  
   **Approval:** Approved a revision in project budget and funding and an amendment to contract extending the term  
   **Approval Date:** 10/02/2018

Designer Selections

1) Reported designer name change from “Gresham, Smith and Partners” to “Gresham Smith” on all State projects.

2) 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 Institute of Agriculture**  
   (Energy & Environmental Science Research Building – Ellington)  
   **Total Project Budget:** $84,000,000  
   **SBC Project No.:** 540/001-04-2013  
   **Designer:** BARBER MCMURRY ARCHITECTS LLC

2) **University of Tennessee – Chattanooga**  
   (Consultant – Building Envelope / Roofing)  
   **Total Project Budget:** Not Applicable  
   **SBC Project No.:** 540/005-06-2015  
   **Designer:** HIXSON CONSULTANTS INC
3) University of Tennessee – Chattanooga
(Consultant – Landscape)
Total Project Budget: Not Applicable
SBC Project No. 540/005-06-2015
Designer: ROSS/FOWLER PC

4) University of Tennessee – Chattanooga
(Hunter Hall Improvements)
Total Project Budget: $13,000,000
SBC Project No. 540/005-10-2018
Designer: DERTHICK HENLEY & WILKERSON ARCH

5) University of Tennessee – Knoxville
(Consultant – Architectural)
Total Project Budget: Not Applicable
SBC Project No. 540/009-10-2015
Designer: DOLLAR & EWERS ARCHITECTURE INC

6) University of Tennessee – Knoxville
(Consultant – Building Envelope)
Total Project Budget: Not Applicable
SBC Project No. 540/009-10-2015
Designer: ROOF DESIGN & CONSULTING SERVICES

7) University of Tennessee – Knoxville
(Consultant – Civil)
Total Project Budget: Not Applicable
SBC Project No. 540/009-10-2015
Designer: FULGHUM MACINDOE & ASSOCIATES INC

8) University of Tennessee – Knoxville
(Consultant – Mechanical)
Total Project Budget: Not Applicable
SBC Project No. 540/009-10-2015
Designer: ENGINEERING SERVICES GROUP INC

9) University of Tennessee – Knoxville
(Haslam Business Building Upgrades)
Total Project Budget: $2,500,000
SBC Project No. 540/009-14-2018
Designer: BREWER INGRAM FULLER ARCHITECTS

10) University of Tennessee – Knoxville
(Intramural & Band Facility)
Total Project Budget: $3,000,000
SBC Project No. 540/009-15-2018
Designer: COPE ASSOCIATES INC

11) University of Tennessee – Martin
(Consultant – Civil)
Total Project Budget: Not Applicable
SBC Project No. 540/011-06-2015
Designer: PICKERING FIRM INC

12) University of Tennessee – Martin
(Consultant – Structural)
Total Project Budget: Not Applicable
SBC Project No. 540/011-06-2015
Designer: KSI STRUCTURAL ENGINEERS

13) University of Tennessee Health Science Center
(Madison Plaza Food Court Upgrade)
Total Project Budget: $968,000
SBC Project No. 540/013-07-2018
Designer: SELF TUCKER ARCHITECTS INC

14) The University of Memphis
(Consultant - Architectural)
Total Project Budget: Not Applicable
SBC Project No. 367/000-01-2018
Designer: FLEMING ASSOCIATES ARCHITECTS PC

15) The University of Memphis
(Consultant – Mechanical, Electrical & Plumbing)
Total Project Budget: Not Applicable
SBC Project No. 367/000-01-2018
Designer: HALTOM ENGINEERING LLC

16) The University of Memphis
(Consultant – Stormwater)
Total Project Budget: Not Applicable
SBC Project No. 367/000-01-2018
Designer: BURR & COLE CONSULTING ENGINEERS

17) The University of Memphis
(Consultant – Structural & Civil)
Total Project Budget: Not Applicable
SBC Project No. 367/000-01-2018
Designer: BURR & COLE CONSULTING ENGINEERS

18) East Tennessee State University
(Memorial Center Code Corrections)
Total Project Budget: $2,500,000
SBC Project No. 369/005-11-2018
Designer: MICHAEL BRADY INC
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<td>THE ORCUTT WINSLOW LLP</td>
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**Other Business**

There being no further business, the meeting adjourned at 10:11 a.m.

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A.

TENNESSEE BOARD OF REGENTS

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 18-12-001

- Proposed Lease
  - Location: Chattanooga State Community College (ChSCC)
    2100 Main Street, Kimball, TN
  - Landlord: Marion County, Tennessee
  - Term: 10 Years (January 1, 2019-December 31, 2029)
  - Area / Costs: 29,500 Square Feet

  | Average Annual Contract Rent | $221,250.00 | $7.50/sf |
  | Estimated Annual Utility Cost | 51,625.00 | 1.75/sf |
  | Estimated Annual Janitorial Cost | 32,450.00 | 1.10/sf |
  | Total Annual Effective Cost | $305,325.00 | $10.35/sf |

- Source of Funding: Plant Funds (Non-Auxiliary) (A)
- Procurement Method: Negotiated
- FRF Rate: $14.00 (for reference only)

Comment: The building is in furtherance of Marion County’s Strategic Plan to relocate ChSCC to a new satellite campus with new facilities in Kimball, Tennessee. This will be a second building on the new satellite campus and will include space for existing and new programs. The square footage total is for both buildings. Advertising is not required since the landlord is a governmental entity.

Minutes: 10/29/2018 Approved a lease
Disposal – Lease Amendment

Requested Action: Approval of lease amendment

Transaction Description: Transaction No. 06-06-004

- Proposed Amendment:
  - Location: Davidson County – 18,600 sf - 319 Ezell Pike, Nashville, TN

- Current Lease:
  - Location: Davidson County – 12,500 sf - 319 Ezell Pike, Nashville, TN
  - Tenant: Progress, Inc.
  - Term: December 4, 1996 – October 31, 2056
  - Area/Costs: 6.238 +/- acres /Mutual Benefit

Comment: Progress, Inc. has requested a lease amendment allowing them to build an additional 6,100 square foot administration building on the campus at a cost of approximately $1.2 million. Progress, Inc. will be responsible for all costs of construction of the new building and will continue to be responsible for the costs at the leased property, including utilities and maintenance. The State Architect’s Office will review the plans for the new building. The lease provides that at the end of the lease term the State can elect to accept the structures or require Progress, Inc. to demolish them.

On this site, Progress Inc. provides an essential public purpose through the delivery of services and support to Tennesseans with intellectual and developmental disabilities.

Date of Last Transfer: December 9, 1942
Original Cost to State: $0
Square Footage Improvements: N/A

Previous Action:
10/31/1995 ESC Approved disposal by lease
05/28/1996 ESC Approved review of disposal lease
07/24/2006 ESC Approved lease amendment

Minutes: 10/29/2018 Approved a lease amendment
Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 18-05-904

- Proposed Lease
  - Location: Davidson County – 900 South Gallatin Pike, Madison, TN
  - Landlord: Madison Square Partners, L.P.
  - Term: 5 years with one five year renewal option
  - Area / Costs: 17,353 Square Feet
    - Annual Contract Rent: $134,485.75 $7.75/sf
    - Estimated Annual Utility Cost: 30,367.75 1.75/sf
    - Estimated Annual Janitorial Cost: 19,088.30 1.10/sf
    - Total Annual Effective Cost: $183,941.80 $10.60/sf

- Current Lease
  - Location: Davidson County – 900 South Gallatin Pike, Madison, 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: $141,677.76 $6.72/sf
    - Estimated Annual Utility Cost: 36,895.25 1.75/sf
    - Estimated Annual Janitorial Cost: 23,191.30 1.10/sf
    - Total Annual Effective Cost: $201,764.31 $9.57/sf

- Source of Funding: FRF Operating Funds
- Procurement Method: LPR on template
- FRF Rate: $21.00

Comment: This lease will provide office space for the Department of Correction’s Day Reporting and Community Resource Center as a result of the Public Safety Act of 2016. Three proposals were received; however one was withdrawn from further evaluations as the proposed location was leased and no longer available.

The tenant may terminate this lease at any time by giving 90 days written notice to the landlord, with payment of a termination fee.

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

Minutes: 10/29/2018 Approved a lease
DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 18-07-928

• Proposed Lease
  o Location: Shelby County – 2175 Business Center Dr. Ste11, Memphis TN
  o Landlord: Elizon DB 2015-1 LLC
  o Term: 5 years with one two-year renewal option
  o Area / Costs: 7,298 Square Feet
    Annual Contract Rent (includes janitorial) $72,980.00 $10.00/sf
    Estimated Annual Utility Cost 12,771.50 1.75/sf
    Total Annual Effective Cost $85,751.50 $11.75/sf

• Current Lease
  o Location: Shelby County – 2175 Business Center Dr. Ste11, Memphis TN
  o Landlord: CP Perimeter Point East, LLC (Elizon DB 2015-1 LLC)
  o Term: 5 years (December 1, 2010 – November 30, 2015) Holdover
  o Area / Costs: 7,298 Square Feet
    Annual Contract Rent $83,927.00 $11.50/sf
    Estimated Annual Utility Cost 10,217.20 1.40/sf
    Estimated Annual Janitorial Cost 8,027.80 1.10/sf
    Total Annual Effective Cost $102,172.00 $14.00/sf

• Source of Funding: FRF Operating Funds
• Procurement Method: LPR on template
• FRF Rate: $18.00

Comment: This lease will provide office space for Department of Education, and utilized by Tennessee Early Intervention System. Nine proposals were received from six proposers.

The tenant may terminate this lease at any time by giving 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 CBRE Inc. commission amount is $5,035.60 for the 5-year base term; if each renewal option is exercised the commission will be $7,049.84.

Minutes: 10/29/2018 Approved a lease
Approved:

[Signature]

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