

AGENDA

STATE BUILDING COMMISSION
Executive Subcommittee
Cordell Hull State Office Building
House Hearing Room I
September 21, 2021
1:00 p.m.

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Pursuant to T.C.A. §8-44-108, meetings may be conducted permitting participation of electronic or other means of communication.

CONSENT AGENDA

Approval of the following items which have been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: **University of Tennessee – Chattanooga**
Transaction: Disposal – Lease (Space)
Provision(s): n/a

- B. Agency: **University of Tennessee Health Science Center**
Transaction: Disposal – Lease (Parking)
Provision(s): Waiver of advertisement and appraisals

- C. Agency: **University of Tennessee Institute of Agriculture**
Transaction: Disposal – Easement (Other)
Provision(s): Waiver of advertisement and appraisals

- D. Agency: **University of Tennessee – Martin**
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

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

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2021-09-01

• **Proposed Lease**

- **Location:** University of Tennessee Knoxville (UTK)
Knox County – 501 W Church Avenue, Knoxville, TN
- **Landlord:** RB Knoxville, LLC dba Hilton Knoxville
- **Term:** October 4, 2021 – May 31, 2022
- **Area / Costs:** Up to 20 hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$102.00/night	\$491,902.00

- **Source of Funding:** Plant Funds (Aux-Athletics) (A)
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00/sf (for reference only)

Comment: These rooms will be used for students that need to be quarantined due to possible exposure to Covid-19. Initially 10 rooms will be reserved.

In addition to the nightly room rate, a \$5.00 per stay fee will be assessed and a \$150 cleaning fee will apply each time a student checks out. The hotel will impose Special Events/Blackout rates during six nights of this lease period (the average rate for these six nights is \$485.67/night). If hotel occupancy falls below 95% during the Special Event/Blackout dates, the rate will adjust to the CONUS rate. In addition, the University may terminate these nights with seven days prior notice.

To meet possible immediate needs, the University has entered into a short-term agreement with the Hilton from August 23, 2021 through October 3, 2021.

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 is for one year or less and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience. However, the University may cancel any rooms with exception of special event/blackout dates with 72 hours prior notice.

SSC Report: 09/13/2021 Austin Oakes summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 2021-09-02

• **Proposed Lease**

- **Location:** University of Tennessee Knoxville (UTK)
Knox County – 205 Langley Place, Knoxville, TN
- **Landlord:** Apple Ten SPE Knoxville 1, Inc. dba TownePlace Suites
- **Term:** October 4, 2021 – May 30, 2022
- **Area / Costs:** Up to 20 hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$74.00/night	\$355,200.00

- **Source of Funding:** Plant Funds (Aux-Athletics) (A)
- **Procurement Method:** Negotiated
- **FRF Rate:** \$18.00/sf (for reference only)

Comment: These rooms will be used for students that need to be quarantined due to possible exposure to Covid-19. Initially 7 rooms will be reserved. The University may not terminate these initial 7 rooms during the term of the lease.

In addition to the nightly room rate, a \$150 cleaning fee will apply each time a student checks out.

To meet possible immediate needs, the University has entered into a short-term agreement with the TownePlace Suites from August 24, 2021 through October 3, 2021.

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 is for one year or less and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience. However, the University may cancel any additional rooms above the seven initially leased with 48 hours-notice.

SSC Report: 09/13/2021 Austin Oakes summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

DEPARTMENT OF INTELLECTUAL & DEVELOPMENTAL DISABILITIES

Report Item

Transaction Description: Transaction No. 21-05-020
• **Location:** Arlington Development Center
Shelby County – 2.915 +/- acres – 11293 Memphis Arlington Rd, Arlington, TN

Comment: This is a report item for a Transfer of Jurisdiction of 2.915 +/- acres from the Department of Intellectual and Developmental Disabilities (DIDD) to the Department of Veterans Services (TDVS) for the full appraised value of \$80,163.00. DIDD believes that accepting this offer was in the best interests of the State and compliant with the terms of the Arlington Development Center litigation and exit plan. The purchase price will be paid out of the West TN Veterans Nursing Home project (SBC number 680/006-01-2014). The 2.915 +/- acres will be used to construct an additional access road to the future West Tennessee State Veterans' Home.

The Executive Subcommittee approved the disposal of 416 +/- acres associated with the Arlington Development Center in Transaction No. 13-09-004 on October 21, 2013. This disposal is part of the settlement and exit plan in compliance with the Arlington Development Center litigation which requires that the sale be conducted so as to maximize sale proceeds.

The sale proceeds are to be deposited in the Intellectual Disabilities Trust Fund pursuant to TCA §12-2-117 and set aside within that fund as part of the Arlington settlement.

Previous Actions: 10/21/2013 Approved disposal in fee
04/25/2016 Subcommittee accepted report as presented.

SSC Report: 09/13/2021 Jen Murphy summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

DEPARTMENT OF GENERAL SERVICES

Acquisition - Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No: 20-07-915

● **Proposed Lease**

- **Location:** Williamson Co. – 1810 Columbia Avenue, Suite A, Franklin, TN
- **Landlord:** Rolling Hills Community Church
- **Term:** 5 years (January 1, 2022 – December 31, 2026)
- **Area / Costs:** 10,076 Square Feet

Annual Contract Rent	\$292,617.54	\$29.04/sf
Estimated Utilities Cost	17,633.00	1.75/sf
Estimated Janitorial Cost	11,083.60	1.10/sf
Total Average Effective Cost	\$321,334.14	\$31.89/sf

● **Current Lease**

- **Location:** Williamson Co. – 1810 Columbia Avenue, Suite A, Franklin, TN
- **Landlord:** Rolling Hills Community Church
- **Term:** 13 years (January 1, 2009 – December 31, 2021)
- **Area / Costs:** 10,076 Square Feet

Annual Contract Rent	\$284,094.70	\$28.20/sf
Estimated Utilities Cost	17,633.00	1.75/sf
Estimated Janitorial Cost	11,083.00	1.10/sf
Total Average Effective Cost	\$312,810.70	\$31.05/sf

- **Source of Funding:** FRF
- **Procurement Method:** Waiver of Advertisement
- **FRF Rate:** \$18.00

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

The tenant may terminate this lease for convenience at any time after the 36th month with 90 days written notice to the landlord.

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

Previous Action: 08/23/2021 Approved waiver of advertisement

SSC Report: 09/13/2021 Jen Murphy summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 20-05-916

• **Proposed Lease**

- **Location:** Knox County – 2651 E. Magnolia Avenue, Knoxville, TN
- **Landlord:** John C. Davenport
- **Term:** 15 Years
- **Area / Costs:** 14,143 Square Feet

First Year Annual Contract Rent	\$331,653.35	\$23.45/sf
Average Annual Rent	337,169.12	23.84/sf
Estimated Utilities Cost	24,750.25	1.75/sf
Estimated Janitorial Cost	15,557.30	1.10/sf
Total Average Annual Effective Cost	\$377,476.67	\$26.69/sf

• **Current Lease**

- **Location:** Knox County – 1426 Elm Street, Knoxville, TN
- **Landlord:** BOSK Properties, LLC
- **Term:** 3 years (January 1, 2021 to December 31, 2023)
- **Area / Costs:** 18,256 Square Feet

First Year Annual Contract Rent	\$212,066.40	\$11.62/sf
Average Annual Rent	218,492.01	11.97/sf
Estimated Utilities Cost	31,948.00	1.75/sf
Estimated Janitorial Cost	20,081.60	1.10/sf
Total Average Annual Effective Cost	\$270,521.61	\$14.82/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 Correction. Three proposals from three proposers were received and evaluated. The proposed location will be renovated to meet the State's needs. Alternative Workplace Solutions will be implemented at this location. The lease is estimated to commence September 2023 based on the renovations needed. Rent adjusts to \$24.62/sf in year 11.

The tenant may terminate this lease for convenience at any time after the 60th month with 90 days written notice to the landlord.

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

SSC Report: 09/13/2021 Jen Murphy summarized the transaction. Staff referred to Executive Subcommittee with recommendation.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) APPROVAL of the Minutes of the Executive Subcommittee meeting held on August 12, 2021.
- 2) APPROVAL of the Minutes of the Executive Subcommittee meeting held on August 23, 2021.

Report of Items Approved by Office of the State Architect

Approvals of Revisions to Existing Capital Projects

- REPORT of the following approval of a revision in funding for capital project (no change in total project budget) in accordance with Item 2.04(B)(2) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Board of Regents / Columbia State Community College
Location: Columbia, Tennessee
Project Title: Multiple Buildings Roof Replacements
Project Description: Replace roofs on Webster Athletic Center, Walter Nursing Building, Pryor Administration Building, Jones Student Center, Waymon L. Hickman Building. Replace roofs on the Clifton and Health Sciences Buildings.
SBC Project No. 166/015-01-2016
Total Project Budget: \$1,170,000.00
Source of Funding: \$ 700,000.00 16/17 CurrFunds-CapMaint (A)
\$ 470,000.00 19/20 CurrFunds-CapMaint (MP) (A)
Approval: Approved a revision in project budget and funding to award a contract
Approval Date: 08/31/2021

Designer Selections

- REPORT of 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:** University of Tennessee – Chattanooga
Location: Chattanooga, Tennessee
Project Title: Divine Nine Heritage Park
SBC Project No. 540/005-07-2021
Total Project Budget: \$250,000.00
Source of Funding: Plant Funds (Non-Aux) (A)
Designer: MAR-7 Architecture
Approval Date: 08/17/2021

- 2) **State Procurement Agency:** Tennessee Board of Regents / Tennessee State University
Location: Nashville, Tennessee
Project Title: Goodwill Manor and Harned Hall Exterior Renovations
SBC Project No. 166/001-01-2021
Total Project Budget: \$400,000.00
Source of Funding: 21/22 CurrFunds-CapMaint (A)
Designer: American Structurepoint, Inc.
Approval Date: 08/30/2021

- 3) **State Procurement Agency:** Tennessee Board of Regents / Volunteer State Community College
Location: Gallatin, Tennessee
Project Title: Ramer Building ADA and Interior Upgrades
SBC Project No. 166/025-04-2021
Total Project Budget: \$410,000.00
Source of Funding: 21/22 CurrFunds-CapMaint (A)
Designer: DKRS Architecture, PLLC
Approval Date: 08/31/2021

- 4) **State Procurement Agency:** Tennessee Board of Regents / TCAT Hartsville
Location: Hartsville, Tennessee
Project Title: Safety and Security Updates
SBC Project No. 166/050-01-2021
Total Project Budget: \$450,000.00
Source of Funding: 21/22 CurrFunds-CapMaint (A)
Designer: I. C. Thomasson Associates, Inc.
Approval Date: 08/30/2021

- 5) **State Procurement Agency:** Tennessee Board of Regents / TCAT Knoxville
Location: Knoxville, Tennessee
Project Title: Interior Updates
SBC Project No. 166/060-01-2021
Total Project Budget: \$260,000.00
Source of Funding: 21/22 CurrFunds-CapMaint (A)
Designer: The Architecture Collaborative, LLC
Approval Date: 08/30/2021

- 6) **State Procurement Agency:** STREAM / Department of Military
Location: Sparta, Tennessee
Project Title: Sparta Readiness Center Structural Repairs
SBC Project No. 361/087-01-2021
Total Project Budget: \$170,000.00
Source of Funding: \$ 85,000.00 Federal Funds (NGB) (F)
\$ 85,000.00 21/22 CurrFunds-CapMaint (MP) (A)
Designer: Hurst-Rosche, Inc.
Approval Date: 08/17/2021

- SELECTION of DESIGNERS for projects approved by the State Building Commission as recommended by the State Procurement Agencies.

Other Business

UNIVERSITY OF TENNESSEE**Disposal – Lease (Space)**

Requested Action:	Approval to issue a Request for Proposal for disposal by lease
Transaction Description:	21-09-002
<ul style="list-style-type: none"> • Location: • Term: • Area: 	University of Tennessee Chattanooga (UTC) Hamilton County – 515 Vine Street, Chattanooga, TN Five (5) years with one (1) five (5) year extension option 1,500 square feet
Comment:	The University proposes to lease approximately 1,500 square feet for commercial/retail uses to support students, faculty and staff. The successful proposer will be responsible for the design, financing, construction, and operation of the commercial/retail space. Due to the nature of the lease and the tenant cost to build-out the space, there is no termination for convenience provision. The University has the right to approve the design. While other uses will be considered, the preferred uses are bank/credit union or drugstore/pharmacy.
SSC Report:	09/13/2021 Austin Oakes summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

UNIVERSITY OF TENNESSEE**Disposal - Lease (Parking)**

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

Transaction Description: Transaction No. 21-09-001

- **Proposed Lease**

- **Location:** University of Tennessee Health Science Center (UTHSC)
Shelby County - 900 Madison Avenue, Memphis Tennessee
- **Tenant:** Regional One Health (ROH)
- **Term:** 5 years with one (1) five (5) year option to extend
- **Area/Costs:** 67 parking spaces – \$1.00/year, mutual benefit

- **Current Lease**

- **Location:** University of Tennessee Health Science Center (UTHSC)
Shelby County - 900 Madison Avenue, Memphis Tennessee
- **Tenant:** Regional One Health (ROH)
- **Term:** 4 years (September 1, 2017- August 31, 2021)
- **Area / Costs:** 67 parking spaces – \$1.00/year, mutual benefit

Comment: The University proposes to enter into a new lease agreement with ROH. The UTHSC campus and ROH are located on adjacent properties in Midtown Memphis. UTHSC has a long-standing affiliation with ROH and has located their teaching and residency program at this site for many years. In addition, UTHSC's faculty comprise the majority of medical providers at ROH facilities. The University proposes to lease the parking lot for use by staff working in the in ROH facilities.

Waiver of advertisement and appraisals is requested due to the mutual benefit and the unique nature of the relationship between the parties.

Either party may terminate with 180 days-notice.

SSC Report: 09/13/2021 Austin Oakes summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

UNIVERSITY OF TENNESSEE

Disposal – Easement (Other)

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

Transaction Description: Transaction No. 21-09-003

- **Location:** University of Tennessee Institute of Agriculture (UTIA)
Gibson County – 2.0 +/- acres – East Van Hook Street, Milan, TN
- **Grantee:** City of Milan
- **Estimated Sale Price:** \$0.00
- **Source of Funding:** City of Milan

Comment: The easement would be used for a public use bike trail/greenway that would be built and maintained by the City. The trail will connect the city park with the Milan City limits at the junction of Highway 104 and Highway 45.

This easement will not adversely affect UTIA’s use of the property. The grantee is a local governmental entity and due to public use and benefit of the bike trail/greenway, the University is not seeking consideration from the City of Milan. The estimated value of this property is \$9,000.

Date of Last Transfer: 12/03/1962
Original Cost to State NA

SSC Report: 09/13/2021 Austin Oakes summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

UNIVERSITY OF TENNESSEE**Acquisition – Fee (Gift)**

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

Transaction Description: Transaction No. 21-01-011
 • **Location:** University of Tennessee Martin (UTM)
 Weakley and Obion Counties, 87 +/- acres, 546 Littrell Road and 548 Littrell Road
 • **Owner(s):** University of Tennessee Foundation, Inc. (UTFI)
 • **Estimated Purchase Price:** Gift
 • **Source of Funding:** Plant Funds (Non-Aux) (A) (REM fees)

Comment: The University has leased this property since 2010 for use by the UTM Equine-Rodeo Program. UTFI will gift the property to the University for this continued use. The property includes ten structures ranging from a small house to hay/feeding sheds to barns. A facilities condition assessment was completed in May 2021 and found these structures to be in a well-maintained condition with the exception of a small officials stand.

The land acquisition plan in the 2016 Master Plan Update for the UTM was revised and approved by THEC to accommodate this purchase.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: 01/02/2006
 Purchase Price: \$506,000.00
 Property Assessor's Value: \$174,600.00
 Square Footage Improvements: 18,065 sf

Previous Action: 12/21/2009 Approved a lease
 11/23/2020 Approved a lease amendment

SSC Report: 09/13/2021 Austin Oakes summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

DEPARTMENT OF GENERAL SERVICES**Acquisition – Lease (Space)****Requested Action:** Approval of a lease**Transaction Description:** Transaction No. 21-06-910

- **Proposed Lease**

○ Location:	Montgomery County – 1850 Business Park Drive, Suite 122B, Clarksville, TN		
○ Landlord:	Westchase Series 4, a series of Westchase Partners, L.L.C.		
○ Term:	3 years (December 1, 2021 – November 30, 2024)		
○ Area/Costs:	13,500 Square Feet		
	Annual Contract Rent	\$189,540.00	\$14.04/sf
	Estimated Utilities Cost	23,625.00	1.75/sf
	Estimated Janitorial Cost	14,850.00	1.10/sf
	Total Estimated Annual Effective Cost	\$228,015.00	\$16.89/sf

- **Current Lease**

○ Location:	Montgomery County – 1850 Business Park Drive, Suite 122B, Clarksville, TN		
○ Landlord:	Westchase Series 4, a series of Westchase Partners, L.L.C.		
○ Term:	10 years (January 1, 2005 – December 31, 2014) (Holdover)		
○ Area / Costs:	13,500 Square Feet		
	Annual Contract Rent	\$189,540.00	\$14.04/sf
	Estimated Utilities Cost	18,900.00	1.40/sf
	Estimated Janitorial Cost	14,850.00	1.10/sf
	Total Annual Effective Contract Rent	\$223,290.00	\$16.54/sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** Waiver of Advertisement
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for Department of Human Services for a Family Assistance Service Center (call center).

The long-term consolidated procurement is currently in the market phase; and will be presented to ESC pursuant to applicable SBC policy at a future date. STREAM and the agency are confident a new procurement can be awarded prior to expiration of this 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.

Previous Action: 08/23/2021 Approved waiver of advertisement

SSC Report: 09/13/2021 Jen Murphy summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.