MINUTES

State Building Commission
September 21, 2026

The State Building Commission met this day at 2:00 p.m. in House Hearing Room II of the Cordell Hull State Office Building, Nashville, Tennessee, with the following members and Departments present. Governor Lee called the meeting to order at 2:03 p.m. and requested action on the following matters as presented by State Architect Ann McGauran.

MEMBERS PRESENT

Chairman Bill Lee, Governor
Vice-Chairman Randy McNally, Lieutenant Governor
Cameron Sexton, Speaker of the House of Representatives
Tre Hargett, Secretary of State
David Lillard, State Treasurer
Jason Mumpower, Comptroller of the Treasury, via electronic participation
Jim Bryson, Commissioner, Department of Finance and Administration, via electronic participation

ORGANIZATION	PRESENTER
• Department of General Services	Commissioner Andy Kidd
• State Building Commission	State Architect Ann McGauran

OTHER PARTICIPANTS

Senator Heidi Campbell
Representative John Ray Clemmons

Governor Lee asked if there were any requests for public comment and State Architect McGauran replied that there were two requests for public comment by Senator Heidi Campbell (District 20) and Representative John Ray Clemmons (District 55) regarding the Downtown Nashville P3 Development project.

Governor Lee recognized Senator Campbell. Senator Campbell thanked the commission for taking additional time sharing that it made a difference, stating that she really appreciated that the evaluation committee would be public, and conflict of interest disclosures would be required. The answers she received also made the fundamental issues clearer to her in that the project is bypassing the normal disclosure timetable to select one developer to negotiate a long-term deal involving more than $160 million in state owned downtown property without first holding competitive price stage. She noted that there will not be a competitive RFP after this RFQ. The answers she received also made it clear that there is no outside deadline requiring the state to do this now. Since the state is required to receive "fair market value", Senator Campbell wondered why the state wouldn't use price competition to determine what the market would pay. Senator Campbell then mentioned the Polk Building which DGS stated currently has an unknown value and has not been evaluated for another state use or independent disposition. She stated that the state should not bundle an unvalued state asset into this procurement. Senator Campbell clarified that she is not making any allegations of impropriety, is not advocating for surface parking lots, and understands there is a higher value to be realized but that public confidence should not be dependent on trusting the people making the deal but rather depend on a process that protects the taxpayers regardless of who is making the deal. Senator Cambell asked the commission to add a competitive price stage and take the Polk Building out of the procurement until it can be adequately valued, stating that if these things can't be done then she doesn't believe the commission should waive the normal disclosure process. Senator Campbell stated that if this is a good deal for Tennessee then transparency and competition can't hurt and can only improve the deal.

Governor Lee recognized Representative Clemmons. Representative Clemmons stated that he was there to speak in opposition of the proposal to waive disclosure. He stated that the proposed project not only includes the development of surface parking lots but also oddly includes the ability to expand development to the James K. Polk Building site. Representative Clemmons stated that the agenda states that "waiver of disclosure is requested as delaying will significantly impact the realized benefit to the state" and this would appear to imply that those requesting such a waiver would have the burden of proofing this statement but he has yet to hear any argument of merit that satisfies this burden of proof. He goes on to say that without that proof, he doesn't know how the members could in good conscience approve this waiver because as a statutorily created body, this commission has the duty, as stated on its website, to "ensure that actions and decisions affecting real property in which the State has an interest are made in the best interest of the State". Representative Clemmons stated that the commission's role expressly includes sound fiscal management which cannot be overstated, adding that each member in an individual capacity also has a fiscal duty to the state of Tennessee and taxpayers. He thanked the members for their time and concluded by stating that no one can or has demonstrated how avoiding the normal disclosure process will significantly or detrimentally impact the realized impact to state, therefore arguing that approving this waiver is a breach of the members fiscal duty to the state of Tennessee and Tennessee taxpayers, respectfully requesting that the commission not approve this waiver.

DEPARTMENT OF GENERAL SERVICES

Statewide, Tennessee

Requested Action: **Approval to issue a Request for Qualifications for Public-Private Partnership with waiver of disclosure**

Project Title: Downtown Nashville P3 Development

Project Description: Development of mixed-use district anticipated to include housing, hotel(s), retail, and public space on State-owned property in Nashville through a public-private partnership.

SBC Number: 529/000-01-2026

Comment: This RFQ will seek to engage a developer to design, build, finance, and maintain a mixed-use development on land owned by the State of Tennessee. This procurement will lead to development initially on Lot 16, Lot 28, Lot 29, the Blue Lot, and the Gold Lot in downtown Nashville (approximately 10.37 acres). These tracts are currently used for surface parking, and the proposed development would be required to replace all existing parking on a 1:1 basis.

The successful proposer may also receive an option to expand this type of development to the James K. Polk building site if that site is vacated by the State with a requirement that such development will also include improved parking solutions for the State.

The proposals will be evaluated based on the firm's experience with similar projects, financial capability, and project approach (including proposed program, site plan, schedule, and operating and financial plan). The Department will return to request approval for subsequent agreements.

Waiver of disclosure is requested as delaying will significantly impact the realized benefit to the state.

Previous Action: 09/10/2026 SBC Denied approval to issue a Request for Qualification for Public Private Partnership with waiver of disclosure. Approved reconvening for a specially called SBC meeting in a few weeks to take up this matter again.

Minutes: 09/21/2026 SBC Secretary Hargett stated that the Polk Building was mentioned earlier and received confirmation from Commissioner Kidd that it is included in this solicitation as an option. Secretary Hargett shared that there were several items members had brought to Commissioner Kidd's attention, highlighting that he had requested a change from "a maximum of two" to "at least two" for the BAFO round and this change had been made. Secretary Hargett stated that he was hopeful that as they went through the process that the team would include an approval requirement for "assignment of contract" in the event there is a successful proposer and sometime in the future they desire to sell their property rights. Secretary Hargett received confirmation that DGS had integrated more about employee parking, particularly for the 365-day 24/7 parking. Secretary Hargett reiterated his prior concerns about "escalation of commitment" and today's approval does not mean the deal is a fait accompli but rather one step in the process. Commissioner Kidd reiterated that if he is still in this role with the new administration, he gives his word to stop the deal if it is not in the best interest of the state. Secretary Hargett also asked the Commissioner to explain, one more time, why they are requesting an RFQ and not an RFP. Commissioner Kidd stated that this RFQ is the first step in having conversations with a developer about options and an RFP would require the state to prescribe the solution.

Speaker Sexton asked and received confirmation that the state is not selling the property and so is not receiving fair market value for a sale. Speaker Sexton then clarified that since the state is retaining ownership, we have the right to determine what we would like to be built on the property and that part of what the state would like to be built on the property is workforce housing potentially. Commissioner Kidd agreed. Speaker Sexton further stated that while the state retaining ownership of the property and leasing it for someone to build on was a novel approach for the state of Tennessee and asked, in terms of their duties of fiscal responsibility, was this likely to create positive relationship through the state's ability to retain ownership, and control development in response to prior questions about members meeting their fiscal responsibilities to the state. Commissioner Kidd stated that land will not get cheaper over time so the state retaining ownership of this appreciating asset allows the state in the future, in 50 or 99 years, to use it as needed while allowing the state to also benefit from the revenue and potentially a new parking garage on top of the hill is a benefit to the state. Speaker Sexton asked if putting a development on the surface parking lots would increase the value of the land or decrease the value. Commissioner Kidd stated that it would increase the value and added that this would be at no cost to the state. Speaker Sexton received confirmation that this increased value would come with no added cost, increased revenue and new parking for the state.

Lt. Governor McNally stated that he appreciated the reordering of the priorities, placing the financial interest of the state as number one and moving up employee parking which shows a clear intent on how the state will view this project going forward. Lt. Governor McNally asked who would be responsible for the risk and the cost when developer started site work. Commissioner Kidd stated that there will be several steps requiring SBC approval prior to any ground being broken and this initial RFQ is just to request proposals followed by a request to negotiate, followed by approval of the agreement and subsequent approvals of each development prior to any ground being broken. Lt. Governor McNally asked who would be responsible for the cost of any site investigation and Commissioner Kidd confirmed that it would be the responsibility of the developer and the RFQ clearly states that the state has no liability.

Treasurer Lillard stated that two weeks ago the commission showed that they were taking a judicious approach to this by delaying the approval and that it is clear to him that the proposal was improved during the delay by the member comments and the changes made to the document. He also wanted to restate that he is not concerned about this being an RFQ as opposed to an RFP because as the head of an administrative agency he has done both and there are times when a RFQ can result in greater value to the state and he believes firmly that this is one of those instances. He went on to share that this procurement has a BAFO or Best and Final Offer Round which is most easily done with an RFQ and that step in procurements he has been involved with has resulted in much better value to the taxpayers of Tennessee. Treasurer Lillard reiterated that he has always been in favor of using a RFQ and that it is the prudent thing to do here. He also reiterated that he commended the Lee administration for bringing this forward, it's tough to do a transaction like this, but it shows the leadership that Tennessee needs to move forward for the taxpayers.

Governor Lee thanked Commissioner Kidd and the members of the commission for their work stating that the administration had worked on this for several years because the state was not using the property that it owns in the best interest of the taxpayers. He stated that this land is being significantly under-utilized from a revenue standpoint, which is what prompted this effort, but the administration also wanted to make sure that they did it correctly. Governor Lee shared that they have taken several iterations to make sure they get it right, have the correct approach, and answer all the questions so that at the end of the day the taxpayers will benefit from the work that has been done and decisions being made. He stated that it was important to him that the state start this process to provide significant benefit to the taxpayers. Governor Lee thanked everyone who was involved in the project over the last season and the work of the commission, not only on this item for the taxpayers but for the eight years of working together.

At a roll call vote the commission approved issuing a Request for Qualification for Public Private Partnership with waiver of disclosure.

Other Business

There being no further business, the meeting adjourned at 2:18 p.m.

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Approved:

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Tre Hargett
Secretary, State Building Commission
Secretary of State