

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
April 23, 2018

The State Building Commission Executive Subcommittee met this day at 11:00 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 11:00 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
- State Building Commission

PRESENTER

John Hull
Ann McGauran

CONSENT AGENDA

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

- A. Agency: **University of Tennessee – Knox County**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal
- B. Agency: **University of Tennessee – Hamilton County**
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and one appraisal
- C. Agency: **University of Tennessee – Hamilton County**
Transaction: Acquisition – Lease (Land)
Provision(s): Waiver of advertisement and appraisals
- D. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Disposal – Fee
Provision(s): Waiver of one appraisal
- E. Agency: **Tennessee Board of Regents – Davidson County**
Transaction: Disposal – Lease (Space)
Provision(s): Waiver of appraisals
- F. Agency: **Tennessee Wildlife Resources Agency – Cumberland County**
Transaction: Acquisition – Fee (Land Swap)
Provision(s): Waiver of advertisement and one appraisal
- G. Agency: **Tennessee Wildlife Resources Agency – Cumberland County**
Transaction: Disposal – Fee (Land Swap)
Provision(s): Waiver of advertisement and one appraisal
- H. Agency: **Department of Environment & Conservation – Cumberland County**
Transaction: Acquisition – Fee (Third Party)
Provision(s): Waiver of advertisement and one appraisal
- I. Agency: **Department of Environment & Conservation – Franklin County**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal
- J. Agency: **Department of Intellectual & Developmental Disabilities – Shelby County**
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a
- K. Agency: **Department of Intellectual & Developmental Disabilities – Shelby County**
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a
- L. Agency: **Department of Intellectual & Developmental Disabilities – Shelby County**
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a

- M. Agency: Department of Intellectual & Developmental Disabilities – Shelby County
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a
- N. Agency: Department of Intellectual & Developmental Disabilities – Shelby County
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a
- O. Agency: Department of Intellectual & Developmental Disabilities – Shelby County
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a
- P. Agency: Department of Intellectual & Developmental Disabilities – Shelby County
Transaction: Disposal – Fee (with Right to Hire Realtor)
Provision(s): n/a
- Q. Agency: Department of General Services – Maury County
Transaction: Disposal – Fee
Provision(s): Waiver of advertisement and one appraisal
- R. Agency: Department of General Services – Carter County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- S. Agency: Department of General Services – Carter County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- T. Agency: Department of General Services – McMinn County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- U. Agency: Department of General Services – Shelby County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- V. Agency: Department of General Services – Washington County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- W. Agency: Department of General Services – Cumberland County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a

DEPARTMENT OF GENERAL SERVICES

Acquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 18-03-011-CC
• **Location:** Knox County – 11.018 +/- acres - 1730 Neals Commerce Lane, Knoxville, TN
• **Owner(s):** Vaulton Family Holding Company LLC
• **Estimated Purchase Price:** Fair Market Value
• **Source of Funding:** SBC Project Number 502/009-01-2017 - 17/18 FRF CurrFunds-CapImp (A)

Comment: The purpose of this acquisition is to provide property to construct a new Tennessee Highway Patrol Headquarters in Knox County, TN in conjunction with SBC project number 502/009-01-2017. The existing facility will continue to operate until this project is completed at which time the disposition of the property will be evaluated.

Date of Last Transfer: April 11, 2013
Purchase Price: \$540,000.00
Property Assessor's Value: \$231,400.00
Square Footage Improvements: None

Minutes: 04/23/2018 ESC Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-06-957 SH

• **Proposed Lease**

- **Location:** Sevier County – 2411 Business Center Circle, Sevierville, TN
- **Landlord:** Maples Properties, LLC
- **Term:** 8 years with two (2) one year renewal options
- **Area / Costs:** 4,980 Square Feet

Average Annual Contract Rent	\$121,761.00	\$24.45 / sf
Estimated Annual Utility Cost	8,715.00	1.75 / sf
Estimated Annual Janitorial Cost	5,478.00	1.10 / sf
Total Annual Effective Cost	\$135,954.00	\$27.30 / sf

• **Current Lease**

- **Location:** Sevier County – 127 Joy Street, Sevierville, TN
- **Landlord:** SCCS, Inc.
- **Term:** 5 years (May 1, 2007 – April 30, 2012) Holdover
- **Area / Costs:** 2,106 Square Feet

Annual Contract Rent	\$21,600.00	\$10.25 / sf
Estimated Utilities Cost	2,948.40	1.40 / sf
Estimated Janitorial Cost	2,316.60	1.10 / sf
Total Annual Effective Cost	\$26,865.00	\$12.75 / sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$18.00

Comment: This lease will provide office space for the office of probation and parole. The Public Safety Act of 2016 increased the responsibilities for this division resulting in increased space needs and enhanced build-out requirements.

The tenant may terminate this lease at any time by giving 120 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: 04/23/2018 ESC Treasurer Lillard asked about the increase in cost per square footage. Deputy Commissioner Hull replied that the increase was due to the limited locations where this division could be located and the area being expensive. There were nine proposals received but only two were considered qualified with this lease being the lowest cost.

The Subcommittee approved the lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 16-05-904 KC

● **Proposed Lease**

- **Location:** Knox County – 3711 Middlebrook Pike, Knoxville, TN
- **Landlord:** NSA, a Tennessee General Partnership
- **Term:** 5 years with one (1) two year renewal option
- **Area / Costs:** 6,600 Square Feet

First Year Contract Rent	\$94,380.00	\$14.30 /sf
Average Annual Contract Rent	97,218.00	14.73 /sf
Estimated Annual Utility Cost	11,550.00	1.75 / sf
Estimated Annual Janitorial Cost	7,260.00	1.10 / sf
Total Annual Effective Cost	\$116,028.00	\$17.58 / 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 Labor and Workforce Development.

Rent increases 1.5% each year. Renewal option continues 1.5% increase, if exercised.

The tenant may terminate this lease after the 36th month by giving 90 days written notice to the landlord, with payment of a termination fee.

Due to agency programmatic needs, the Unemployment Insurance program needs additional space that is not available at the current location. The vacated state space will be back filled by the Adult Education program.

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: 04/23/2018 ESC Approved a lease.

DEPARTMENT OF GENERAL SERVICES

Report Item:

Pursuant to State Building Commission Policy and Procedures, Item 8.01 (J) Report Item as approved

For all acquisition and disposals of interest in real property, closed in the previous quarter, that have been previously approved by the Executive Subcommittee, shall be reported back to the Executive Subcommittee by STREAM on a quarterly basis (January 1, 2018 – March 31, 2018).

Minutes: 04/23/2018 ESC Subcommittee acknowledged receipt of the report.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on March 19, 2018.
- 2) Approved the Minutes of the Executive Subcommittee meeting held on March 29, 2018.

SPA Policy & Procedures

- 1) Approved the following policy revisions for the University of Tennessee:
 - Leasing – Form of Request for Proposals
 - Leasing – Negotiation Policy

Report of Items Approved by Office of the State Architect

Initial Approvals of Capital Projects

- The Subcommittee acknowledged report of the following capital improvement(s) with total project cost of less than \$100,000 in accordance with Item 2.04(A)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Board of Regents / Tennessee State University
Location: Nashville, Tennessee
Project Title: Demolition – 1116 38th Avenue
Project Description: This project provides for the demolition of a house located at 1116 38th Avenue, Nashville, Tennessee in accordance with the TSU's 2016 Master Plan.
SBC Project No. 166/001-03-2018
Total Project Budget: \$25,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approval of a project.
 - 2) **State Procurement Agency:** STREAM / Department of Agriculture
Location: Jamestown, Tennessee
Project Title: House Demolition
Project Description: Demolition of a house that has been deteriorating for many years and presents a hazard for staff and visitors, and all required related work.
SBC Project No. 100/010-01-2017
Total Project Budget: \$33,000
Source of Funding: 2017-2018 Agency Op Funds
Approval: Approval of a revision in project budget.

- The Subcommittee acknowledged report of the following capital project(s) 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:** University of Tennessee
Location: Chattanooga, Tennessee
Project Title: 5th Street Parking Garage Repair
Project Description: This project will repair and paint rusted steel stairs, repair the adjacent elevator floor plan and replace stairwell doors.
SBC Project No. 540/005-03-2018
Total Project Budget: \$235,000
Source of Funding: Plant Funds (Aux-Parking) (A)
Approval: Approval of a project and proceeding with the process to select a designer.

- 2) **State Procurement Agency:** University of Tennessee
Location: Chattanooga, Tennessee
Project Title: EMCS Student Success Center & Classroom Renovations
Project Description: This project will reconfigure and renovate the Engineering/Math/Computer Science Building Student Success Center offices and classrooms to meet ADA and code requirements and provide more capacity.
SBC Project No. 540/005-04-2018
Total Project Budget: \$245,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approval of a project and proceeding with the process to select a designer.

- 3) **State Procurement Agency:** University of Tennessee
Location: Chattanooga, Tennessee
Project Title: Lupton Garage Repair
Project Description: This project will repair stress-cracked columns and multiple thru-deck holes in the driving surface of the garage. Spalled concrete areas in the upper level parking surface will also be repaired.
SBC Project No. 540/005-05-2018
Total Project Budget: \$271,000
Source of Funding: Plant Funds (Aux-Parking) (A)
Approval: Approval of a project and proceeding with the process to select a designer.

- 4) **State Procurement Agency:** University of Tennessee
Location: Martin, Tennessee
Project Title: Derry Berry Lane Improvements
Project Description: This project will widen and repave Derry Berry Lane to accommodate increasing traffic on campus.
SBC Project No. 540/011-01-2018
Total Project Budget: \$240,000
Source of Funding: Plant Funds (Aux-Parking) (A)
Approval: Approval of a project and proceeding with the process to select a designer.

- 5) **State Procurement Agency:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Marion Street Renovation / UDC Relocation
Project Description: Renovation of two apartment units into offices and a conference room to accommodate department expansion.
SBC Project No. 373/003-02-2018
Total Project Budget: \$120,000
Source of Funding: Plant Funds (Non-Aux)
Approval: Approval of a project utilizing a previously selected Consultant for design.
- 6) **State Procurement Agency:** Austin Peay State University
Location: Clarksville, Tennessee
Project Title: Hand Village Complex – Upgrades
Project Description: This project includes exterior and interior finish upgrades, repairs and all required related work.
SBC Project No. 373/003-04-2018
Total Project Budget: \$175,000
Source of Funding: Plant Funds (Aux)
Approval: Approval of a project utilizing an Agency Resources for design.

Approvals of Revisions to Existing Capital Projects

- The Subcommittee acknowledged report of the following approval 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:** STREAM / Department of Military
Location: Athens, Tennessee
Project Title: Field Maintenance Shop Sanitary Sewer Repairs
Project Description: Make repairs to existing septic sewer system and all required related work.
SBC Project No. 361/002-02-2017
Total Project Budget: \$150,000
Source of Funding: Federal (NGB) (F)
Approval: Approval to utilize Statewide Contract as an alternate delivery method.
 - 2) **State Procurement Agency:** STREAM / Department General Services
Location: Jackson, Tennessee
Project Title: New Jackson THP District Headquarters
Project Description: Construct a new headquarters.
SBC Project No. 502/006-01-2016
Total Project Budget: \$8,348,100
Source of Funding: 16/17 FRF CurrFunds-CapImp (A)
Approval: Approval to utilize Best Value Alternative Delivery Method.

- The Subcommittee acknowledged report of the following approval 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:** Tennessee Board of Regents / University of Memphis
Location: Memphis, Tennessee
Project Title: Getwell Entry Gate
Project Description: Install entry gate at the Getwell entry to the Park Avenue campus.
SBC Project No. 166/007-02-2017
Total Project Budget: \$225,000
Source of Funding: Plant Funds (Non-Aux) (A)
Approval: Approval of a revision in funding.

 - 2) **State Procurement Agency:** Tennessee Board of Regents / Motlow State Community College
Location: Lynchburg, Tennessee
Project Title: Advanced Robotics Training Center
Project Description: Construct facility at the McMinnville campus for robotics training classrooms and laboratory space. Project includes parking.

SBC Project No. 166/021-01-2017
Total Project Budget: \$5,500,000
Source of Funding: 16/17 CurrFunds-CapImp (D55Cap) (A)
Approval: Approval of a revision in funding.

 - 3) **State Procurement Agency:** Tennessee Board of Regents / TCAT Memphis
Location: Memphis, Tennessee
Project Title: Bartlett Satellite Campus
Project Description: Acquire and build a new satellite campus for programs focusing on the medical device manufacturing industry. Program will include Machining, Welding and Industrial Maintenance and other programs to support area work force development. Make renovations for programs at the main campus.

SBC Project No. 166/070-01-2017
Total Project Budget: \$16,925,000
Source of Funding: \$10,925,000 17/18 CurrFunds-CapImp (A)
 3,977,270 16/17 CurrFunds-CapImp (D55Cap) (A)
 2,000,000 Gifts
 22,730 THEC Operating (D55)
Approval: Approval of a revision in funding.

 - 4) **State Procurement Agency:** STREAM / Department of Safety & Homeland Security
Location: Statewide, Tennessee
Project Title: White County TACN Communication Tower
Project Description: Installation of a tower in White County to address complete microwave signal transmission, and all required related work.

SBC Project No. 502/001-01-2017
Total Project Budget: \$1,500,000
Source of Funding: 17/18 TDOS Op Funds (A)
Approval: Approval of a revision in funding.

Approvals of Acquisitions and Disposals of State Property

- The Subcommittee acknowledged report of the following acquisition(s) of land in accordance with Item 2.04(E)(1) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Board of Regents
Transaction Description: Transaction No. 18-03-006
Location: TCAT Knoxville
Anderson County – 1.96 +/- acres – 278 Frank Diggs Drive, Clinton, TN
Owner(s): SL Tennessee LLC
Estimated Purchase Price: Gift
Source of Funding: Plant Funds (Non-Aux) (REM Fees) (A)
Approval: Approval to obtain title work, survey, and environmental assessment, and to accept as gift the required interest with waiver of advertisement and appraisal.
 - 2) **State Procurement Agency:** Tennessee Board of Regents
Transaction Description: Transaction No. 18-03-008
Location: Motlow State Community College
Rutherford County – 0.2 +/- acres – 2001 Motlow College Blvd, Smyrna, TN
Owner(s): City of Smyrna
Estimated Purchase Price: Gift
Source of Funding: Plant Funds (REM Fees) (A)
Approval: Approval to obtain title work, survey, and environmental assessment, and to accept as gift the required interest with waiver of advertisement and one appraisal.
- The Subcommittee acknowledged report of the following disposal easement(s) in accordance with Item 2.04(E)(3) of the *SBC By-Laws, Policy & Procedures*:
 - 1) **State Procurement Agency:** Tennessee Board of Regents
Transaction Description: Transaction No. 18-02-013
Location: TCAT Memphis
Shelby County – 0.56 +/- acres – Brother Blvd & Appling Road
Grantee: City of Bartlett
Estimated Sale Price: Mutual Benefit
Source of Funding: City of Bartlett
Approval: Approval of disposal by easement with waiver of advertisement and one appraisal.

Designer Selections

- 1) The Subcommittee acknowledged report of the following designer selection(s) as delegated to the State Architect for projects below the major maintenance threshold:

State Procurement Agency: Tennessee Board of Regents
User Agency: Tennessee State University
Location: Nashville, Tennessee
Project Title: Elevators Upgrades
SBC Project No. 166/001-01-2018
Total Project Budget: \$490,000
Designer: Engineering Services Group

- 2) The Subcommittee acknowledged report of a designer name change from "Heery International, Inc." to "CBRE Heery, Inc." on all State projects.
- 3) 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.

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| <ol style="list-style-type: none"> 1) University of Tennessee – Institute of Agriculture
 (Educational Facility & Shooting Range – West TN
 4-H Center)
 Total Project Budget: \$3,550,000
 SBC Project No. 540/001-04-2016
 Designer: WM WHITAKER & ASSOCIATES (WMWA) | <ol style="list-style-type: none"> 3) Tennessee Technological University
 (Residence Halls Roof Replacement Ph 2)
 Total Project Budget: \$780,000
 SBC Project No. 166/011-02-2018
 Designer: COMMUNITY TECTONICS ARCHITECTS |
| <ol style="list-style-type: none"> 2) Middle Tennessee State University
 (Cope Building Executive Suite Updates)
 Total Project Budget: \$490,000
 SBC Project No. 166/009-01-2018
 Designer: GOULD TURNER GROUP | <ol style="list-style-type: none"> 4) Tennessee Correction Academy
 (Classroom Technology Upgrade)
 Total Project Budget: \$750,000
 SBC Project No. 140/009-01-2013
 Designer: M SHANKS ARCHITECTS |

Additional Report Items

- The Subcommittee acknowledged report of delayed, anticipated lease commencement for the Lease from Knox County to the State with the space to be occupied by the Department of Children’s Services, Transaction Number 17-01-907-WW, Lease approved at the January 22, 2018 Executive Subcommittee Meeting.

Other Business

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

UNIVERSITY OF TENNESSEEAcquisition – Fee (Purchase)

Requested Action:	Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal	
Transaction Description:	Transaction No. 18-02-001	
• Location:	University of Tennessee-Knoxville (UTK) Knox County – 0.64+/- acres - 2007 and 2023 Lake Avenue, Knoxville, TN	
• Owner(s):	Eugene B. and Deborah N. Wofford	
• Estimated Purchase Price:	Fair Market Value	
• Source of Funding:	Plant Funds (Non-Aux) (A)	
Comment:	The property is being acquired for the land base and will be used for parking in the short-term. This property is UTK's 2016 Master Plan. The intent is to demolish the dwelling and school, and retain the block building.	
	Date of Last Transfer: N/A	
	Purchase Price: N/A	
	Property Assessor's Value: \$818,100	
	Square Footage Improvements: 2,715 +/-	Dwelling
	4,330 +/-	School
	1,650 +/-	Block Building
Minutes:	04/23/2018 ESC	Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

UNIVERSITY OF TENNESSEE

Disposal – Fee

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

Transaction Description: Transaction No. 18-04-006

- **Location:** University of Tennessee-Chattanooga (UTC)
Hamilton County – 0.22 +/- acres – E 8th Street, Chattanooga, TN
- **Estimated Sale Price:** Fair Market Value
- **Estimated Realtor Cost:** N/A
- **Grantee** First Baptist Church Inc.

Comment: This parking lot contains 26 spaces. In addition to receiving fair market value, the University will enter into a long-term no cost lease agreement with First Baptist Church for another lot containing 38 parking spaces.

Date of Last Transfer: July 24, 1981
 Previous Owner: Gulf Life Insurance Company
 Original Cost to State: \$0
 Square Footage Improvements: N/A

Minutes: 04/23/2018 ESC Approved disposal in fee with waiver of advertisement and one appraisal.

UNIVERSITY OF TENNESSEEAcquisition – Lease (Land)

Requested Action:	Approval of a lease with waiver of advertisement and appraisals
Transaction Description:	Transaction No. 18-04-005
<ul style="list-style-type: none"> ● Proposed Lease <ul style="list-style-type: none"> ○ Location: University of Tennessee-Chattanooga Hamilton County – 514 E 8th Street, Chattanooga, TN ○ Landlord: First Baptist Church Inc. ○ Term: May 1, 2018 – April 30, 2028, with three 10 year renewal options ○ Area / Costs: 38 parking spaces; no cost ● Source of Funding: N/A <ul style="list-style-type: none"> ○ Procurement Method: Negotiated ○ FRF Rate: N/A 	
Comment:	This parking lot contains 38 parking spaces. The University proposes to sell an owned lot containing 26 spaces to First Baptist Church and enter into a long-term no cost lease for this lot.
Minutes:	04/23/2018 ESC Approved a lease with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTSDisposal – Fee

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

Transaction Description: Transaction No. 18-04-002
 • **Location:** Southwest Tennessee Community College
 Shelby – 0.7970+/-acres – 358 Walnut Street, Memphis, TN
 • **Estimated Sale Price:** Fair Market Value

Comment: This building was originally bought to house the EMT Program, but is currently being utilized as a storage facility and the campus no longer has a need for it.

Date of Last Transfer: 01/31/2006
 Previous Owner: Charles L. and Donna C. Ewing
 Original Cost to State: \$300,000
 Square Footage Improvements: 23,588

Minutes: 04/23/2018 ESC Approved disposal in fee with waiver of one appraisal.

TENNESSEE BOARD OF REGENTSDisposal – Lease (Space)

Requested Action: Approval of disposal by lease with waiver of appraisals

Transaction Description: Transaction No. 18-03-908

- **Location:** Nashville State Community College
120 White Bridge Pike, Nashville, TN
- **Tenant:** Metropolitan Government of Nashville and Davidson County
- **Term:** July 1, 2018 – June 30, 2027
- **Area / Costs:** 8,422 sf / \$54,544.00 annually (\$7.00/sf)

Comment: NaSCC is seeking to expand its middle college program and through this lease students will be able to earn both their high school diploma and their A.A.S. degree. MNPS currently operates at NaSCC and is seeking to formalize their program. Rent will cover operating expenses. Advertising is not required for use by a governmental entity.

Minutes: 04/23/2018 ESC Approved disposal by lease with waiver of appraisals.

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Land Swap)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 17-12-007-RA
 • **Location:** Mt Roosevelt Wildlife Management Area (MRWMA)
 Cumberland County – 15.2 +/- acres – Mt Roosevelt Road, Rockwood, TN
 • **Owner(s):** John E. Stokely-Trustee
 • **Estimated Purchase Price:** Fair Market Value (Land Swap)
 • **Source of Funding:** John Stokely (REM Fees) (O)

Comment: TWRA is requesting approval to complete an equal value land swap with Mr. John Stokely at Mt Roosevelt Wildlife Management Area (MRWMA) in Cumberland County. This land swap will allow TWRA to remove a small inholding and give Mr. Stokely a more contiguous tract of land. Mr. Stokely has agreed to cover all cost associated with this exchange.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: February 26, 2018
 Purchase Price: \$12,000.00
 Property Assessor's Value: \$ 4,400.00
 Square Footage Improvements: None

Minutes: 04/23/2018 ESC Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

TENNESSEE WILDLIFE RESOURCES AGENCY

Disposal – Fee (Land Swap)

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

Transaction Description:

Transaction No. 18-03-007-RA

• **Location:**

Mt Roosevelt Wildlife Management Area (MRWMA)

Cumberland County – 15.2 +/- acres – Westal Road Off, Rockwood, TN

• **Grantee**

John E. Stokely-Trustee

• **Estimated Sale Price:**

Fair Market Value (Land Swap)

• **Source of Funding**

John E. Stokely (REM Fees) (O)

Comment:

TWRA is requesting approval to complete an equal value land swap with Mr. John Stokely at Mt Roosevelt Wildlife Management Area (MRWMA) in Cumberland County. This land swap will allow TWRA to remove a small inholding and give Mr. Stokely a more contiguous tract of land. Mr. Stokely has agreed to cover all cost associated with this exchange.

Date of Last Transfer: January 1, 1991

Previous Owner: N/A

Original Cost to State: \$0

Square Footage Improvements: None

Minutes:

04/23/2018 ESC Approved disposal in fee with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Fee (Third Party)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment; to exercise an option to acquire the required interest, not to exceed fair market value; and to utilize third party with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 18-03-014-DM

- **Location:** Justin P. Wilson Cumberland Trail
Cumberland County – 200 +/- acres - Hinch Mountain Road, Spring City, TN
- **Owner(s):** Johnny Warner
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 17/18 State Lands Acquisition Fund (A)
- **Third Party:** Tennessee Parks and Greenways Foundation (TennGreen)

Comment: Per Tenn. Code Ann. §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.

TDEC is requesting the acquisition of this parcel to continue the Justin P. Wilson Cumberland Trail. Utilization of a third party is requested because TennGreen has built a relationship with the seller(s) and can purchase the property quickly. The property is actively on the market and timing is of the essence.

No additional third party costs are requested as a part of this transaction.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	December 01, 1999
Purchase Price:	\$144,204.00
Property Assessor's Value:	\$240,000.00
Square Footage Improvements:	None

Minutes: 04/23/2018 ESC Approved obtaining title work, appraisal, survey, and environmental assessment; to exercise an option to acquire the required interest, not to exceed fair market value; and to utilize third party with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Fee (Purchase)

Requested Action: Approval to obtain title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal

Transaction Description: Transaction No. 18-03-004-DM

- **Location:** Sherwood Forest State Natural Area (SFSNA)
Franklin County – 40.37 +/- acres – 301 Lois Lane, Sewanee, TN
- **Owner(s):** Lois J Burns Revocable Trust
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 17/18 State Lands Acquisition Fund (A)

Comment: Per Tenn. Code Ann. §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 currently on the market and has been a part of the Sherwood Forest acquisition plan. This property is adjacent to Sherwood Forest SNA and the structure will satisfy the need for a ranger office and maintenance space. TDEC has verified that the structure is sound and in the appropriate condition for the intended use.

Date of Last Transfer:	December 12, 2014
Purchase Price:	\$0
Property Assessor’s Value:	\$460,400.00
Square Footage Improvements:	2,700 sf

Minutes: 04/23/2018 ESC Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIESDisposal – Fee (with Right to Hire Realtor)

Requested Action: Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price

Transaction Description: Transaction No. 14-10-009-MB
 • **Location:** Shelby County - 9.053 +/- acres - Brunswick Road, Arlington, TN
 • **Estimated Sale Price:** Fair Market Value
 • **Estimated Realtor Cost:** To Be Negotiated

Comment: The parcel did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.

Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state's and broker's analysis of value.

Date of Last Transfer: 5/7/2009
 Previous Owner: Gerald D. Lawson
 Original Cost to State: \$91,400.00
 Square Footage Improvements: N/A

Previous Action: 11/24/2014 ESC Approved disposal in fee with waiver of one appraisal

Minutes: 04/23/2018 ESC Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIESDisposal – Fee (with Right to Hire Realtor)

Requested Action:	Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price		
Transaction Description:	Transaction No. 14-07-035-MB		
• Location:	Fayette County – 1.95 +/- acres – 4955 Donelson Dr., Hickory Withe, TN		
• Estimated Sale Price:	Fair Market Value		
• Estimated Realtor Cost:	To Be Negotiated		
Comment:	<p>The parcel did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.</p> <p>Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state's and broker's analysis of value.</p> <p>Date of Last Transfer: 07/02/2008 Previous Owner: Jamie & Betty Surratt Original Cost to State: \$72,000.00 Square Footage Improvements: 1,284 sf</p>		
Previous Action:	08/28/2014	ESC	Approved disposal in fee with waiver of one appraisal
Minutes:	04/23/2018	ESC	Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIESDisposal – Fee (with Right to Hire Realtor)

Requested Action: Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price

Transaction Description: Transaction No. 12-10-017-MB
 • **Location:** Shelby County - 2.0 +/- acres – Lot #3 Shelby Meadows Subdivision, Arlington, TN
 • **Estimated Sale Price:** Fair Market Value
 • **Estimated Realtor Cost:** To Be Negotiated

Comment: The parcel did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.

Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state's and broker's analysis of value.

Date of Last Transfer: 08/14/2009
 Previous Owner: Trustmark National Bank
 Original Cost to State: \$39,500.00
 Square Footage Improvements: N/A

Previous Action:

01/20/2009	ESC	Approval to purchase the property for Construction of a four bedroom group home.
11/19/2012	ESC	Approved disposal in fee with waiver of one appraisal
03/24/2014	ESC	Approved revision in the estimated sale price

Minutes: 04/23/2018 ESC Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIESDisposal – Fee (with Right to Hire Realtor)

Requested Action: Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price

Transaction Description: Transaction No. 12-10-018-MB
 • **Location:** Shelby County - 2.0 +/- acres – Lot #5 Shelby Meadows Subdivision, Arlington, TN
 • **Estimated Sale Price:** Fair Market Value
 • **Estimated Realtor Cost:** To Be Negotiated

Comment: The parcels did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.

Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state's and broker's analysis of value.

Date of Last Transfer: 08/14/2009
 Previous Owner: Trustmark National Bank
 Original Cost to State: \$38,900.00
 Square Footage Improvements: N/A

Previous Action:

01/20/2009	ESC	Approval to purchase the property for Construction of a four bedroom group home.
11/19/2012	ESC	Approved disposal in fee with waiver of one appraisal
03/24/2014	ESC	Approved revision in the estimated sale price

Minutes: 04/23/2018 ESC Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

Disposal – Fee (with Right to Hire Realtor)

Requested Action: Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price

Transaction Description: Transaction No. 12-10-019-MB
 • **Location:** 2.16 +/- acres – Lot #12 Shelby Meadows Subdivision, Arlington, TN
 • **Estimated Sale Price:** Fair Market Value
 • **Estimated Realtor Cost:** To Be Negotiated

Comment: The parcel did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.

Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state’s and broker’s analysis of value.

Date of Last Transfer: 08/14/2009
 Previous Owner: Trustmark National Bank
 Original Cost to State: \$32,500.00
 Square Footage Improvements: N/A

Previous Action: 01/20/2009 ESC Approval to purchase the property for Construction of a four bedroom group home.
 11/19/2012 ESC Approved disposal in fee with waiver of one appraisal
 03/24/2014 ESC Approved revision in the estimated sale price

Minutes: 04/23/2018 ESC Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIESDisposal – Fee (with Right to Hire Realtor)

Requested Action: Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price

Transaction Description: Transaction No. 12-10-021-MB
 • **Location:** Shelby County - 2.18 +/- acres – Lot #13 Shelby Meadows Subdivision, Arlington, TN
 • **Estimated Sale Price:** Fair Market Value
 • **Estimated Realtor Cost:** To Be Negotiated

Comment: The parcel did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.

Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state's and broker's analysis of value.

Date of Last Transfer: 08/14/2009
 Previous Owner: Trustmark National Bank
 Original Cost to State: \$32,500.00
 Square Footage Improvements: N/A

Previous Action:

01/20/2009	ESC	Approval to purchase the property for Construction of a four bedroom group home.
11/19/2012	ESC	Approved disposal in fee with waiver of one appraisal
03/24/2014	ESC	Approved revision in the estimated sale price

Minutes: 04/23/2018 ESC Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

Disposal – Fee (with Right to Hire Realtor)

Requested Action: Approval to utilize Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price

Transaction Description: Transaction No. 14-07-036-MB
 • **Location:** Shelby County – 3.5 +/- acres – Tracy Road, Atoka, TN
 • **Estimated Sale Price:** Fair Market Value
 • **Estimated Realtor Cost:** To Be Negotiated

Comment: The parcel did not produce required results under the sealed bid method, held May 8, 2014; May 16, 2016; and April 26, 2017. This request is to hire a realtor, experienced in the disposal of residential land, to assist the State.

Proceeds from the sale will be deposited into the Intellectual Disabilities Trust Fund pursuant to TCA 12-2-117. Sale price will not be limited by the state purchase price. Fair market value will be established based on the state’s and broker’s analysis of value.

Date of Last Transfer: 05/17/2009
 Previous Owner: Robert & Mary Conrad
 Original Cost to State: \$75,000.00
 Property Assessor’s Value \$34,600 (1.8 acres)
 Square Footage Improvements: N/A

Date of Last Transfer: 05/17/2009
 Previous Owner: Robert & Mary Conrad
 Original Cost to State: \$75,000.00
 Property Assessor’s Value \$34,600 (1.7 acres)
 Square Footage Improvements: N/A

Previous Action: 08/28/2014 ESC Approved disposal in fee with waiver of one appraisal

Minutes: 04/23/2018 ESC Approved utilizing the Central Procurement Office procedures to contract with a realty firm to assist with the disposal and revise estimated sale price.

DEPARTMENT OF GENERAL SERVICESDisposal – Fee

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

Transaction Description: Transaction No. 17-08-013 - BN
 • **Location:** South Central Regional Office (Department of Health)
 Maury County – 3.0 +/- acres, 17,360 sf Office Building
 1216 Trotwood Avenue, Columbia, TN
 • **Grantee:** Maury County Regional Hospital
 • **Estimated Sale Price:** Fair Market Value

Comment: Building is no longer a good fit for the agency because of square footage, configuration and age of systems. The agency intends to pursue the lease of a smaller space in the Columbia area. Financial modeling indicates that the sale of the property and lease of a smaller space will result in savings to the State.

Waiver of advertisement is requested because the County has agreed to waive the reversion clause in the deed conveying this property to the State if it is sold to Maury County Regional Hospital.

The proceeds from the sale of this property will be deposited into the Facility Revolving Fund as authorized by TCA Title 9, Chapter 4, Part 9 and TCA Section 12-2-119.

Date of Last Transfer: March 6, 1974
 Previous Owner: Maury County, Tennessee
 Original Cost to State: \$1.00

Minutes: 04/23/2018 ESC Approved disposal in fee with waiver of advertisement and one appraisal.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 14-10-908 & 14-10-909 WW

● **Proposed Lease**

- **Location:** Carter County – 1729 Highway 19 East, Elizabethton, TN
- **Landlord:** BulWil, LLC
- **Term:** 7 years with three (3) one year renewal options
- **Area / Costs:** 12,000 Square Feet

Annual Contract Rent	\$144,000.00	\$12.00 / sf
Estimated Annual Utility Cost	21,000.00	1.75 / sf
Estimated Annual Janitorial Cost	13,200.00	1.10 / sf
Total Annual Effective Cost	\$178,200.00	\$14.85 / sf

● **Current Lease**

- **Location:** Carter County – 206 Cherokee Park Dr., Elizabethton, TN
- **Landlord:** Kathleen Glover
- **Term:** 10 years (May 1, 2003 – April 30, 2013) Holdover
- **Area / Costs:** 13,000 Square Feet

Annual Contract Rent	\$100,979.00	\$7.77 / sf
Estimated Utilities Cost	18,200.00	1.40 / sf
Estimated Janitorial Cost	14,300.00	1.10 / sf
Total Annual Effective Cost	\$133,479.00	\$10.27 / sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$14.00

Comment: This lease will provide office space for Departments of Human Services and Children's Services, and the reduction in space needs is a result of implementation of Alternative Work Solutions at this location.

Rent increases to \$13.25 per square foot for each renewal option, if exercised.

The tenant may terminate this lease at any time after the 36th month.

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: 04/23/2018 ESC Approved a lease.

DEPARTMENT OF GENERAL SERVICESAcquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 14-10-910 WW

- Proposed Lease

- Location: Carter County – 1729 Highway 19 East, Elizabethton, TN
- Landlord: BulWil, LLC
- Term: 7 years with three (3) one year renewal options
- Area / Costs: 4,200 Square Feet

Annual Contract Rent	\$50,400.00	\$12.00 / sf
Estimated Annual Utility Cost	7,350.00	1.75 / sf
Estimated Annual Janitorial Cost	4,620.00	1.10 / sf
Total Annual Effective Cost	\$62,370.00	\$14.85 / sf

- Current Lease

- Location: Carter County – 206 Cherokee Park Dr., Elizabethton, TN
- Landlord: Kathleen Glover
- Term: 10 years (May 1, 2003 – April 30, 2013) Holdover
- Area / Costs: 3,500 Square Feet

Annual Contract Rent	\$27,187.00	\$7.77 / sf
Estimated Utilities Cost	4,900.00	1.40 / sf
Estimated Janitorial Cost	3,850.00	1.10 / sf
Total Annual Effective Cost	\$35,937.00	\$10.27 / sf

- Source of Funding: FRF Operating Funds
- Procurement Method: LPR on template
- FRF Rate: \$14.00

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

Rent increases to \$13.25 per square foot for each renewal option, if exercised.

The tenant may terminate this lease at any time after the 36th month.

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: 04/23/2018 ESC Approved a lease.

DEPARTMENT OF GENERAL SERVICESAcquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-03-904 DHS & 15-01-915 DCS - SH

- **Proposed Lease**

- **Location:** McMinn County – 1008 Knight Road, Athens, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 7 years – with three (3) one year renewal options
- **Area / Costs:** 12,650 Square Feet

First Year Contract Rent	\$170,775.00	\$13.50 / sf
Average Annual Contract Rent	175,984.50	13.91 / sf
Estimated Annual Utility Cost	22,137.50	1.75 / sf
Estimated Annual Janitorial Cost	13,915.00	1.10 / sf
Total Annual Effective Cost	\$212,037.00	\$16.76 / sf

- **Current Lease**

- **Location:** McMinn County – 1008 Knight Road, Athens, TN
- **Landlord:** NSI, a Tennessee General Partnership
- **Term:** 10 years (July 1, 2002 – June 30, 2012) Holdover
- **Area / Costs:** 13,500 Square Feet

Annual Contract Rent	\$110,700.00	\$8.20 / sf
Estimated Utilities Cost	18,900.00	1.40 / sf
Estimated Janitorial Cost	14,850.00	1.10 / sf
Total Annual Effective Cost	\$144,450.00	\$10.70 / sf

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

- **Procurement Method:** LPR on template

- **FRF Rate:** \$14.00

Comment: This lease will provide office space for Departments of Human Services & Children's Services, and the reduction in space needs is a result of implementation of Alternative Work Solutions at this location.

Rent increases 1% each year.

The tenant may terminate this lease at any time by giving 120 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: 04/23/2018 ESC Approved a lease.

DEPARTMENT OF GENERAL SERVICESAcquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-10-940 KC

- Proposed Lease

- Location: Shelby County – 1407 Union Avenue, Memphis, TN

- Landlord: Olymbec USA, LLC

- Term: 10 years

- Area / Costs: 18,800 Square Feet

First Year Contract Rent	\$376,000.00	\$20.00 / sf
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Average Annual Contract Rent (Janitorial and Utilities Included)	385,400.00	20.50 / sf
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Total Annual Effective Cost	\$385,400.00	\$20.50 / sf
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- Current Lease

- Location: Shelby County – 1925 South Third Street, Memphis, TN

- Landlord: Union Realty Company, GP

- Term: 1 year (July 1, 2018 – June 30, 2019)

- Area / Costs: 22,000 Square Feet

Annual Contract Rent	\$184,360.00	\$8.38 / sf
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Estimated Utilities Cost	38,500.00	1.75 / sf
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Estimated Janitorial Cost	24,200.00	1.10 / sf
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Total Annual Effective Cost	\$247,060.00	\$11.23 / sf
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- 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 Children's Services.

The current one year lease at the existing location was approved by the Executive Subcommittee at its March 2018 meeting to allow sufficient time to complete this procurement and permit the landlord under this procurement to fit out the space in accordance with the lease requirements.

Rent increases years 6 – 10 to \$21.00 / sf

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: 04/23/2018 ESC Approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-12-902-WW

• **Proposed Lease**

- **Location:** Washington County - 2555 Plymouth Road, Johnson City, TN
- **Landlord:** Peter A. Paduch & Ben Paduch
- **Term:** 10 years
- **Area / Costs:** 21,500 Square Feet

Annual Contract Rent	\$215,000.00	\$10.00/sf
Estimated Annual Utility Cost (Electric Only)	37,625.00	1.75/sf
Estimated Annual Janitorial Cost	23,650.00	1.10/sf
Total Annual Effective Cost	\$276,275.00	\$12.85/sf

• **Current Lease**

- **Location 1:** 2557 Plymouth Road, Johnson City, TN
- **Landlord:** Peter A. Paduch & Ben Paduch
- **Term:** (10 years) September 1, 2005 to August 31, 2015 - Holdover
- **Area / Costs:** 15,000 Square Feet

Annual Contract Rent	\$120,000.00	\$8.00/sf
Estimated Utilities Cost	21,000.00	1.40/sf
Estimated Janitorial Cost	16,500.00	1.10/sf
Total Annual Effective Cost	\$157,500.00	\$10.50/sf

- **Location 2:** 2555 Plymouth Road, Johnson City, TN
- **Landlord:** Peter A. Paduch & Ben Paduch
- **Term:** (10 years) January 1, 2004 to December 13, 2013 - Holdover
- **Area / Costs:** 24,266 Square Feet

Annual Contract Rent	\$184,421.04	\$7.60/sf
Estimated Utilities Cost	33,972.40	1.40/sf
Estimated Janitorial Cost	26,692.60	1.10/sf
Total Annual Effective Cost	\$245,086.04	\$10.10/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 Children's Services, and the reduction in space needs is a result of implementation of Alternative Work Solutions at this location.

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.

Minutes: 04/23/2018 ESC Approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-07-908 TK

- **Proposed Lease**

- **Location:** Cumberland County – 48 Woodgate Drive, Crossville, TN
- **Landlord:** TRJ Corley LLC
- **Term:** 7 years with three (3) one-year renewal options
- **Area / Costs:** 4,136 Square Feet

Annual Year Contract Rent (Including Utilities)	\$68,987.69	\$16.68 / sf
Estimated Annual Janitorial Cost	4,549.60	1.10 / sf
Total Annual Effective Cost	\$73,447.29	\$17.78 / sf

- **Current Lease**

- **Location:** Cumberland County – 29 Daniel Drive, Suites 101 & 102, Crossville, TN
- **Landlord:** Paul Gaw Family Partnership
- **Term:** 5 years (April 1, 2012 to March 31, 2017) Holdover
- **Area / Costs:** 2,550 Square Feet

Annual Contract Rent	\$24,862.56	\$9.75 / sf
Estimated Utilities Cost	4,462.50	1.75 / sf
Estimated Janitorial Cost	2,805.00	1.10 / sf
Total Annual Effective Cost	\$32,130.06	\$12.60 / sf

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** \$14.00

Comment: This lease will provide office and evidence storage space for the investigation and compliance unit of the Department of Correction. There are enhanced build-out requirements because of the operations housed in the space. Additional square footage is needed for this program’s mission.

Rent increases to \$18.30 per square foot for first renewal option, if exercised. It would remain at new rate for future options.

The tenant may terminate this lease at any time by giving 120 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: 04/23/2018 ESC Approved a lease.

Approved:



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