The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in House Hearing Room 16 of the Legislative Plaza, 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

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

ORGANIZATION                  PRESENTER

• University of Tennessee     Michelle Crowder
• Tennessee Board of Regents   Dick Tracy
• Department of Military       Andrew Milligan
• Department of Correction     Ken Scalf
• Department of General Services John Hull
• State Building Commission    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 – Hamilton County
   Transaction: Acquisition – Lease (Land)
   Provision(s): Waiver of appraisals

B. Agency: University of Tennessee – Hamilton County
   Transaction: Disposal Fee & Acquisition – Lease Amendment
   Provision(s): Waiver of advertisement

C. Agency: University of Tennessee – Davidson County
   Transaction: Acquisition – Lease Amendment
   Provision(s): Waiver of advertisement

D. Agency: Tennessee Board of Regents – Blount County
   Transaction: Acquisition/Disposition – Easement (Access)
   Provision(s): n/a

E. Agency: Tennessee Board of Regents – Hamblen County
   Transaction: Acquisition – Lease Amendment
   Provision(s): n/a

F. Agency: Tennessee Wildlife Resources Agency – Madison County
   Transaction: Acquisition – Fee (Third Party)
   Provision(s): Waiver of advertisement and one appraisal

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

H. Agency: Department of General Services – Davidson County
   Transaction: Acquisition – Lease (Space)
   Provision(s): n/a
**UNIVERSITY OF TENNESSEE**

**University of Tennessee Health Science Center, Memphis, Shelby County, Tennessee**

**Requested Action:** Approval of a revision in project budget, funding and source(s) of funding

**Project Title:** Multidisciplinary Simulation Center – GEB Annex

**Project Description:** This project will provide a new, approximately 59,000 GSF state of the art simulation center and renovate certain spaces of the existing Humphreys building. The addition will house the multidisciplinary patient simulation activities for the Colleges of Medicine, Pharmacy, Dentistry, Nursing, and Allied Health. The project will also demolish the Feurt Building as part of this project.

**SBC Number:** 540/013-03-2012

**Total Project Budget:** $39,750,000.00

**Source of Funding:**

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**Original Project Budget:** $36,750,000.00

**Change in Funding:** $3,000,000.00

**Revised Project Budget:** $39,750,000.00

**Comment:** This increase is due to additional equipment needs. This utilizes the $6.5M UTHSC Campus Restroom Upgrades FY 17/18 Capital Maintenance line-item in the capital budget; therefore, it will not be considered for approval as a separate project.

**Previous Action:**

- **07/12/2012** SBC Approved project
- **06/13/2013** SBC Approved alternative delivery method to issue RFP for CM/GC
- **07/30/2013** ESC Approved designer (brg3s)
- **11/14/2013** SBC Approval to award CM/GC (Flintco Constructive Solutions)
- **11/13/2014** SBC Approved the Early Design Phase as presented.
- **12/11/2014** SBC Approved a revision in project budget and source(s) of funding
- **08/10/2017** SBC Referred to the ESC with authority to act.

Continued...
Michelle Crowder recognized Mr. Tony Ferrara with University of Tennessee Health Science Center. Treasurer Lillard acknowledged receipt of a memorandum from Finance & Administration that the repurposing of capital maintenance funds is permitted.

The Subcommittee approved a revision in project budget, funding and sources of funding.
UNIVERSITY OF TENNESSEE

Acquisition – Lease (Space)

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

Transaction Description:
- Proposed Lease
  - Location: University of Tennessee Health Science Center
    Shelby County – 45 S. Dudley Street, Memphis, TN 38104
  - Landlord: Memphis Specialized Laboratory, Inc. (MSL), Subsidiary of Memphis Bioworks Foundation
  - Term: September 1, 2017 thru November 30, 2018
  - Area / Costs: 26,171 Square Feet
    Annual Contract Rent $1,040,004.00/yr $39.74/sf
    Estimated Annual Operating Cost 644,379.00/yr 24.62/sf
    Total Annual Effective Cost $1,684,383.00/yr $64.36/sf

- Source of Funding: Plant Funds (Non-Auxiliary)(A)
- Procurement Method: Negotiated
- FRF Rate: $18.00/sf (for reference)

Comment:
The ESC approved the acquisition of 45 S. Dudley Street (Transaction No. 15-03-003) on March 23, 2015; however, UT has not exercised their option to purchase. The property is currently occupied and operated by Memphis Specialized Labs, Inc. (MSL) under a Lease Agreement with the Industrial Development Board of the City of Memphis and County of Shelby (IDB). MSL received Federal New Market Tax Credit financing for construction of the facility.

The University proposes to sublease the vivarium located on the property from MSL from September 1, 2017 through November 30, 2018 to conduct research projects. The University would be responsible for paying utilities, maintenance, and janitorial costs. Due to the short term of the lease, waiver of termination for convenience is requested. The University may terminate for cause due to lack of funding by the appropriate Legislative Body. At the expiration of the lease, the University intends to initiate the closing on the acquisition of the property. The total amount of the lease payments will be credited toward the final acquisition price.

Previous Action: 03/23/2015 ESC Approved obtaining title work, appraisal, survey, and environmental assessment, and to exercise option to acquire interest, not to exceed fair market value, with waiver of advertisement and one appraisal. (Transaction No. 15-03-003)

Minutes: 08/21/2017 ESC Approved a lease and option to purchase with waiver of advertisement and appraisals.
**Other - Contract Amendment**

**Requested Action:** Approval of an Amendment to the Agreement for Development Management Services

**Transaction Description:**
- **Proposed Amendment**
  - **Term:** September 1, 2012 – August 31, 2020 with one (1) option to extend for two (2) years
  - **Costs:** Up to a maximum of $800K per year and with the $2M lump sum payment, not to exceed $8M over the potential ten (10) year term
- **Current Agreement**
  - **Location:** Cherokee Farm Innovation Campus, Knoxville
  - **Developer:** University of Tennessee Research Foundation (UTRF)
  - **Term:** September 1, 2012 – August 31, 2017
  - **Costs:** Up to a maximum of $800K per year and with the $2M lump sum payment, not to exceed $5M over five (5) years
- **Source of Funding:** Plant (Auxiliary)(A)

**Comment:**
This Amendment will extend the contract between the University and UTRF for the management and development of Cherokee Farm Innovation Campus. Either party may terminate this agreement with ninety (90) days notice or for cause.

**Previous Action:**
- 03/19/2012 ESC Subcommittee approved the Agreement for Development Management Services
- 11/23/2015 ESC Subcommittee approved an amendment to the Agreement for Development Management Services

**Minutes:**
08/21/2017 ESC Comptroller Wilson stated that the information for this came in late and there was not adequate time to review. He would be agreeable to renew for a shorter amount of time like for one year. During the year extension they can get into evaluating the matter. Comptroller Wilson stated he is nervous to renew this for the five years without having the chance to really review it. Secretary of State commented that he was inclined to go with a one year extension. Commissioner Martin asked what additional information would be needed to help them feel more comfortable. Comptroller Wilson stated that he would feel more comfortable if he could review what they had received. Treasurer Lillard suggested having a special called ESC meeting in the next week. Stacey Patterson with UT Research Foundation stated that they would gladly come and explain more information. Ms. Patterson stated that they have two employees paid with this contract and if the contract expires then they would lose those employees. Treasurer Lillard moved to have a one year extension and Commissioner Martin seconded the motion. The subcommittee approved an Amendment to the Agreement for Development Management Services for one year.
Motlow State Community College, Lynchburg, Moore County, Tennessee **

Requested Action: Approval to award a contract to the best evaluated proposer for a Construction Manager/General Contractor

Project Title: Rutherford County Teaching Addition III

Project Description: Construct a third building at the Rutherford County (Smyrna) center. Project to include parking and renovations of existing facilities.

SBC Number: 166/021-01-2016

Total Project Budget: $27,190,000.00

Source of Funding: $24,471,000.00 17/18 Current Funds-CapImp (A)
959,000.00 Plant Funds (Non-Auxiliary (A)
760,000.00 Land value (O)
1,000,000.00 Gifts (O)

Comment: Six proposals were received on July 20th. The Notice of Intent to award was sent on August 9th, naming Messer Construction Company as the best evaluated proposer. No protests were received in the protest period.

** Work will be done in Rutherford County

Previous Action: 07/14/2016 SBC Approved project
09/19/2016 ESC Selected designer (TM Partners)
08/10/2017 SBC Referred selection of CM/GC to ESC

Minutes: 08/21/2017 ESC Approved awarding a contract to the best evaluated proposer for a Construction Manager/General Contractor
Requested Action: Approval of a revision in project budget, funding, and source(s) of funding in order to award a contract

Project Title: Russellville RC Re-roof and Facility Update

Project Description: Installation of new roof assembly; perform repairs to interior and exterior finishes, and all required related work.

SBC Number: 361/063-01-2016

Total Project Budget: $197,847.00

Source of Funding:

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16/17 CurrFunds-CapMaint (A)
06/07 CurrFunds-CapImp (R)
07/08 CurrFunds-CapImp (R)
Federal Funds (NGB) (F)

Original Project Budget: $130,000.00
Change in Funding: $67,847.00
Revised Project Budget: $197,847.00

Comment: Three bids were received on 07/25/2017 with Dixie Roofing, Inc. submitting the low bid. The agency requests additional funds to award the base bid. There will be no additional designer fees. In order to utilize federal funding, the contract must be executed by September 30, 2017.

Previous Action:
07/25/2016 ESC Approved designer selection (Roof Design & Consulting Svs)
08/11/2016 SBC Reported threshold project. Referred to ESC with authority to act.

Minutes:
08/21/2017 ESC Approved a revision in project budget, funding, and sources of funding in order to award a contract.
DEPARTMENT OF CORRECTION

**Statewide**

**Requested Action:** Approval of a revision in project budget, funding and source(s) of funding in order to award a contract

**Project Title:** Various Facilities Steam System Replacements

**Project Description:** Conversion of steam systems to hot water at Turney Center Industrial Complex and Morgan County Correctional Complex. Project also includes the replacement of all necessary equipment and related work.

**SBC Number:** 140/001-03-2014

**Total Project Budget:** $4,736,497.00

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**Original Project Budget:** $4,400,000.00

**Change in Funding:** $336,497.00

**Revised Project Budget:** $4,736,497.00

**Comment:** One bid was received from FM Silvan on August 1, 2017 for the work at Turney Center. The agency request the award of the contract and addition of funding in order to get this time sensitive project underway, and believes the bid is fair given the project scope and market conditions. Additional funds are for the base bid only. There will be no additional designer fees.

This is a FY 14/15 line-item in the capital budget. The project will remove high pressure steam systems at two institutions to reduce the operational burden. The project will also provide energy efficient hot water heat exchangers and will demolish all equipment and piping associated with the existing high pressure system.

**Previous Actions:**

- 07/10/2014 SBC Approved project and to proceed with the process to select a designer.
- 10/02/2014 ESC Selected designer (Smith Seckman Reid)

**Minutes:**

- 08/21/2017 ESC Approved revision in project budget, funding and sources of funding in order to award a contract.
DEPARTMENT OF GENERAL SERVICES

Warehouse @ Old Tennessee State Prison, Nashville, Davidson County, Tennessee

Requested Action: Approval of a project, budget, scope, funding and source(s) of funding, and proceeding with the process to select a designer

Project Title: State Museum Storage Building Renovation

Project Description: Renovate existing warehouse facility to provide storage for museum artifacts. Project includes office areas, storage, new mechanical system, site modifications, and all required related work.

SBC Number: 529/010-02-2017

Total Project Budget: $3,750,000.00

Source of Funding: $3,750,000.00 17/18 FRF CurrFunds-CapImp (A)

Comment: This project is a FY 17/18 line-item in the capital budget.

Previous Action: 08/10/2017 SBC Referred to ESC with authority to act.

Minutes: 08/21/2017 ESC Treasurer Lillard asked if General Services has any concerns regarding the letter from the insurance company about the needed work. John Hull replied that they have no concerns. The Subcommittee approved the project, budget, scope, funding and source of funding, and proceeding with the process to select a designer.
Disposal – Fee

Requested Action: Approval of disposal in fee with waiver of advertisement

Transaction Description: Transaction No. 14-11-008-MB
- Location: Davidson County – 2.59 +/- acres – 88 Hermitage Avenue, Nashville, TN
- Estimated Sale Price: Fair Market Value
- Grantee: Metropolitan Government of Nashville and Davidson County

Comment: The property is to be used for the relocated Nashville School of the Arts, a public high school.

Waiver of advertisement is being requested since this is a transfer to a municipality.

Date of Last Transfer: October 18, 1872
Previous Owner: Judge John M. Lea
Original Cost to State: Gift
Square Footage Improvements: 27,000 sf

Minutes: 08/21/2017 ESC Approved disposal in fee with waiver of advertisement.
DEPARTMENT OF GENERAL SERVICES

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 17-01-903-TK

- **Proposed Lease**
  - **Location:** Coffee County – 151 Freeman Street, Tullahoma, TN
  - **Landlord:** NSI, TN General Partnership
  - **Term:** 10 years
  - **Area / Costs:** 8,800 Square Feet
    - First Year Contract Rent: $94,000.00, $10.68/sf
    - Average Annual Contract Rent: $99,000.00, $11.25/sf
    - Estimated Annual Utility Cost: $15,400.00, 1.75/sf
    - Estimated Annual Janitorial Cost: $9,680.00, 1.10/sf
    - Total Annual Effective Cost: $124,080.00, $14.10/sf

- **Current Lease**
  - **Location:** Coffee County – 151 Freeman Street, Tullahoma, TN
  - **Landlord:** Tennessee Office Holdings, LLC
  - **Term:** (10 years) January 1, 2000 – December 31, 2009 - Holdover
  - **Area / Costs:** 12,000 Square Feet
    - Annual Contract Rent: $112,500.00, $9.38/sf
    - Estimated Utilities Cost: $16,800.00, 1.40/sf
    - Estimated Janitorial Cost: $13,200.00, 1.10/sf
    - Total Annual Effective Cost: $142,500.00, $11.88/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 Children’s Services, and the reduction in space needs is a result of the implementation of Alternative Work Solutions at this location. There were two proposals from two proposers. Based on a strategic review by DGS, award to the second lowest cost proposer was deemed to be in the best interest of the State. Rent increases beginning in year 6 through remainder of term.

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

**Minutes:** 08/21/2017 ESC Approved the lease.
Minutes of Executive Subcommittee Meeting

1) Approved the Minutes of the Executive Subcommittee meeting held on July 27, 2017.

Designer Selections

1) REPORT of the following designer selection(s) as delegated to the State Architect for projects below the major maintenance threshold:

1) State Procurement Agency: Tennessee Board of Regents
User Agency: Tennessee State University
Location: Nashville, Tennessee
Project Title: Rudolph Roof, Ventilation, and Fire Alarm Repairs
SBC Project No.: 166/001-03-2017
Total Project Budget: $490,000
Designer: Johnson + Associates Architects, Inc.

2) State Procurement Agency: STREAM
User Agency: Department of Mental Health & Substance Abuse Services
Location: Middle Tennessee Mental Health Institution
Project Title: Cooling Tower Replacement
SBC Project No.: 344/001-01-2017
Total Project Budget: $430,000
Designer: Edmonds Engineering, Inc.

3) State Procurement Agency: STREAM
User Agency: Department of Military
Location: Milan Volunteer Training Site
Project Title: Building I-200 Latrine Repairs
SBC Project No.: 368/031-03-2017
Total Project Budget: $393,000
Designer: HFR Design

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

1) University of Tennessee - Chattanooga
(Chattanooga State Office Building)
Total Project Budget: $2,530,000
SBC Project No.: 540/005-03-2017
Designer: WORKSHOP ARCHITECTURE LLC

2) University of Tennessee - Chattanooga
(Dining Improvements)
Total Project Budget: $10,400,000
SBC Project No.: 540/005-04-2017
Designer: TWH ARCHITECTS
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<td>(Visitor Center Renovation &amp; Expansion)</td>
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<td>Henry Horton State Park</td>
<td>(Inn, Restaurant &amp; Visitor Center)</td>
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<td>126/051-02-2017</td>
<td>COGENT STUDIO LLC</td>
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<td>Project Description</td>
<td>Total Project Budget</td>
<td>SBC Project No.</td>
<td>Designer</td>
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<td>19)</td>
<td>Pickwick Landing State Park</td>
<td>$11,680,000</td>
<td>126/079-01-2017</td>
<td>RENAISSANCE GROUP INC</td>
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<td>20)</td>
<td>Standing Stone State Park</td>
<td>$1,960,000</td>
<td>126/091-01-2017</td>
<td>SPARKMAN &amp; ASSOCIATES ARCH</td>
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<td>21)</td>
<td>Clover Bottom Campus</td>
<td>$1,290,000</td>
<td>346/003-01-2017</td>
<td>M SHANKS ARCHITECTS</td>
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<td>22)</td>
<td>Jackson Airport Readiness Center</td>
<td>$220,000</td>
<td>361/042-01-2017</td>
<td>HFR DESIGN INC</td>
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<td>23)</td>
<td>Statewide</td>
<td>Not Applicable</td>
<td>529/000-08-2012</td>
<td>EDMONDS ENGINEERING INC</td>
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<td>24)</td>
<td>Warehouse @ Old Tennessee State Prison</td>
<td>$3,750,000</td>
<td>529/010-02-2017</td>
<td>GOBELL HAYS PARTNERS INC</td>
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</tbody>
</table>

**Other Business**

There being no further business, the meeting adjourned at 11:17 a.m.

******
A. UNIVERSITY OF TENNESSEE

Acquisition – Lease (Land)

Requested Action: Approval of a lease with waiver of appraisals

Transaction Description: Transaction No. 2017-04-001

- Proposed Lease
  - Location: University of Tennessee-Chattanooga
    Hamilton County, 2543 Hickory Valley Road, Chattanooga, TN
  - Landlord: City of Chattanooga
  - Term: Through April 8, 2034 with one (1) fifteen (15) year option to extend
  - Area / Costs: 34 +/- acres with 1,824 sf office/maintenance building and 800 sf hitting bay
    $1.00 per year

- Source of Funding: Plant (Auxiliary)(A)

- Procurement Method: Negotiated

Comment: Since 2009, the City of Chattanooga leased this property to a non-profit corporation who allowed the University to use it as a golf practice facility under a Shared Use Agreement. The third party closed its operations and the University proposes to assume the lease under an amended and restated lease agreement. As a part of the lease agreement, the University will provide outreach to children through various golf-related events and programs. The University will continue to be responsible for maintenance costs and has the option to purchase the property. Either party may terminate for convenience with one hundred twenty (120) days-notice.

Minutes: 08/21/2017 ESC Approved lease with waiver of appraisals.
Disposal-Fee & Acquisition - Lease Amendment

Requested Action: Approval of a disposal in fee with waiver of advertisement and appraisals and approval of a lease amendment with waiver of advertisement

Transaction Description:
Transaction No. 17-08-006

- Location:
  University of Tennessee – Chattanooga
  Hamilton County – 0.60 +/- acres - Riverside Drive, Chattanooga, TN

- Proposed Disposal
  - Estimated Sale Price: Mutual Benefit
  - Grantee: City of Chattanooga

- Proposed Amendment
  - Term: June 8, 1999 – September 30, 2057

- Current Lease
  - Location: Hamilton County – Riverside Drive, Chattanooga, TN
  - Landlord: City of Chattanooga
  - Term: June 9, 1999 – June 8, 2049
  - Area / Costs: 1,110 square feet
  - Annual Contract Rent (includes utilities, maintenance and janitorial services) $0.00

- Source of Funding: Plant Funds (Non-Auxiliary)

- FRF Rate: $18.00/ sq. ft. (for reference)

Comment:
In November 1998, the University transferred property on Riverside Drive, Chattanooga, Tennessee to the City of Chattanooga for the construction of the Citico Combined Pump Station and Sewer Overflow Facility. Under a Lease and Transfer Agreement, the University quitclaimed 0.55 +/- acres to the City and was granted use of 1,110 square feet of the facility constructed by the City for an Aquatic Biology Lab. The term of the lease is fifty (50) years beginning June 9, 1999 at no cost to the University. The facility was constructed and the University occupies the space.

It was recently found that the quitclaim deed was not recorded and an original could not be located. As a result, the City initiated a survey of the property which found the combined sewer overflow facility does not meet setback requirements and encroaches on a small portion of University property. To eliminate the encroachment, the City has requested the transfer of an additional 0.05 +/- acres on the western side of the property. This additional acreage would provide the 15’ clearance required from the western limit of the facility foundation.

In return for the additional acreage, the University has requested a seven (7) year extension of the lease for a term to forty (40) years beginning October 1, 2017. The City would continue to be responsible for all maintenance and utilities. For convenience, the University may terminate at any time by giving sixty (60) days prior notice.

Minutes: 08/21/2017 ESC Approved disposal in fee with waiver of advertisement and appraisals and approval of a lease amendment with waiver of advertisement.
Acquisition - Lease Amendment

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

Transaction Description:

- Proposed Amendment
  - Area / Costs:
    - Years 1-5 (through August 31, 2019)
      - 17,836 square feet
      - Annual Contract Rent (includes utilities and janitorial services)
        - $258,622.00
        - $14.50/sf
      - Total Annual Effective Cost
        - $258,622.00
        - $14.50/sf
    - Years 6-10 (if desired)
      - 17,836 square feet
      - Annual Contract Rent (includes utilities and janitorial services)
        - $267,540.00
        - $15.00/sf
      - Total Annual Effective Cost
        - $267,540.00
        - $15.00/sf

- Current Lease
  - Location: Davidson County – 226 Capitol Boulevard, Nashville, TN
  - Landlord: Tennessee Municipal League
  - Term: September 1, 2014 – August 31, 2024
  - Area / Costs:
    - Years 1-5 (through August 31, 2019)
      - 15,756 square feet
      - Annual Contract Rent (includes utilities and janitorial services)
        - $228,462.00
        - $14.50/sf
      - Total Annual Effective Cost
        - $228,462.00
        - $14.50/sf
    - Years 6-10 (if desired)
      - 15,756 square feet
      - Annual Contract Rent (includes utilities and janitorial services)
        - $236,340.00
        - $15.00/sf
      - Total Annual Effective Cost
        - $236,340.00
        - $15.00/sf

- Source of Funding: Existing appropriations and income from grant and contract programs
- FRF Rate: $18.00/ sq. ft. (for reference)

Comment:
The University’s Institute for Public Service Municipal Technical Advisory Service (MTAS) currently occupies space at this location and desires to increase its leased premises. MTAS works closely with other agencies in this building and the Nashville area and plans to relocate several employees from other offices to improve delivery of services to customers and increase efficiencies in terms of travel and other expenses.

Previous Action: 04/21/2014 ESC Approved lease agreement with waiver of advertisement.

Minutes: 08/21/2017 ESC Approved lease amendment with waiver of advertisement.
Acquisition/Disposition – Easement (Access)

Requested Action: Approval of a reciprocal access easement

Transaction Description:
- **Location:** Pellissippi State Community College
  Blount County – 50+/feet Access Easement – Hunters Crossing Drive, Alcoa, TN
- **Owner(s):** D&E General Partnership & DT Retail Properties
- **Estimated Purchase Price:** Mutual Benefit
- **Source of Funding:** Plant (Non-Auxiliary) (A)

Comment: This agreement will allow for reciprocal access across the State property and an adjacent property and will increase the marketability of the State property.

Minutes: 08/21/2017 ESC Approved a reciprocal access easement.
Acquisition – Lease Amendment

Requested Action: Approval of a lease amendment

Transaction Description: Transaction No. 15-03-096

- Proposed Amendment
  - Area / Costs: 10,446 Square Feet
    - Annual Average Contract Rent: $94,014.00, $9.00/sf
    - Estimated Annual Utility Cost: 18,280.50, 1.75/sf
    - Estimated Annual Janitorial Cost: 11,490.60, 1.10/sf
    - Total Annual Effective Cost: $123,785.10, $11.85/sf

- Current Lease
  - Location: Walters State Community College
    - Hamblen County – 215 S. Liberty Hill Road, Morristown, TN
  - Landlord: Investment Properties
  - Term: 13,796 Square Feet
  - Area / Costs: Annual Average Contract Rent $124,164.00, $9.00/sf
    - Estimated Utilities Cost: 24,143.00, 1.75/sf
    - Estimated Janitorial Cost: 15,175.60, 1.10/sf
    - Total Annual Effective Cost: $163,482.60, $11.85/sf

- Source of Funding: Workforce Investment Act (WIA) Grant (F)
- FRF Rate: $14.00

Comment: Due to funding cuts, the campus will no longer be able to pay for the additional space they previously acquired.

Previous Action:
- 03/23/2015 ESC Approved a lease with waiver of advertisement.
- 10/24/2016 ESC Approved a lease amendment with waiver of advertisement.

Minutes:
- 08/21/2017 ESC Approved a lease amendment.
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. 17-07-003
Location: Madison County – 281+/- acres – Scarbrough Loop Road, Humboldt, TN (2 tracts)
Owner(s): Green Scott D Rev Trust
Estimated Purchase Price: Fair Market Value
Source of Funding: 16/17 Wetland Acquisition Funds (A)
Third Party: The Nature Conservancy
Third Party Costs: None

Comment: Per Tenn. Code Ann. §11-14-402, this property is on the wetlands priority list and has been approved for purchase by the Commissioner of the Department of Agriculture and Executive Director of Tennessee Wildlife Resources Agency.

These two parcels are the final tracts to be added to the Middle Fork Forked Deer Refuge Project in Madison County. This wetland acquisition will protect and preserve wetlands and other watershed functions in the Middle Fork Forked Deer Refuge ecosystem.

Utilization of the third party is requested because of timing.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: May 29, 2013
Purchase Price: $1,525,000.00
Property Assessor's Value: $859,900.00
Square Footage Improvements: N/A

Date of Last Transfer: May 29, 2013
Purchase Price: $1,525,000.00
Property Assessor's Value: $365,000.00
Square Footage Improvements: N/A

Minutes: 08/21/2017 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.
# Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:**

- **Proposed Lease**
  - **Location:** Knox County – 8417 Kingston Pike, Knoxville, TN 37919
  - **Landlord:** KWD Warehouse, GP
  - **Term:** 5 years / 5 year renewal
  - **Area / Costs:** 11,282 Square Feet

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost 1</th>
<th>Cost 2</th>
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<tbody>
<tr>
<td>First Year Contract Rent (Including Utilities)</td>
<td>$170,583.84</td>
<td>$15.12/sf</td>
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<tr>
<td>Average Annual Contract Rent (Including Utilities)</td>
<td>174,029.80</td>
<td>15.43/sf</td>
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<tr>
<td>Estimated Annual Janitorial Cost:</td>
<td>12,410.20</td>
<td>1.10/sf</td>
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<tr>
<td>Total Annual Effective Cost (Years 1-5)</td>
<td>$186,440.00</td>
<td>$16.53/sf</td>
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</tbody>
</table>

- **Current Lease**
  - **Location:** Knox County – 8417 Kingston Pike, Knoxville, TN 37919
  - **Landlord:** KWD Warehouse, GP
  - **Term:** (1 year) July 1, 2017 – June 30, 2018
  - **Area / Costs:** 11,282 Square Feet

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost 1</th>
<th>Cost 2</th>
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</thead>
<tbody>
<tr>
<td>Annual Contract Rent (Including Utilities)</td>
<td>$188,973.50</td>
<td>$16.75/sf</td>
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<tr>
<td>Estimated Janitorial Cost:</td>
<td>12,410.20</td>
<td>1.10/sf</td>
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<tr>
<td>Total Annual Effective Cost</td>
<td>$201,383.70</td>
<td>$17.85/sf</td>
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</table>

- **Source of Funding:** FRF
- **Procurement Method:** LPR on Template
- **FRF Rate:** $18.00

**Comment:**

This lease will provide a long term training center for the Department of Correction. There were three proposals from three proposers. The Annual Contract Rent during the renewal will continue to increase by 2% each year.

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

**Minutes:** 08/21/2017 ESC Approved a lease.
DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-03-905-TK

- **Proposed Lease**
  - Location: Davidson County – 5252 Hickory Hollow Parkway, Antioch, TN
  - Landlord: The Global Crossings Mall, LLC
  - Term: 10 years
  - Area / Costs: 8,690 Square Feet
    - First Year Contract Rent: $158,418.70 ($18.23/sf)
    - Average Annual Contract Rent (including Utilities): 178,353.56 ($20.52/sf)
    - Estimated Annual Janitorial Cost: 9,559.00 ($1.10/sf)
    - Total Annual Effective Cost: $187,912.56 ($21.62/sf)

- **Current Lease**
  - Location: Davidson County – 5216 Hickory Hollow Parkway, Antioch, TN
  - Landlord: E3 Partners, GP
  - Term: January 1, 2016 to November 20, 2016 – Holdover
  - Area / Costs: 8,901 Square Feet
    - Annual Contract Rent: $127,813.92 ($14.36/sf)
    - Estimated Utilities Cost: 15,576.75 ($1.75/sf)
    - Estimated Janitorial Cost: 9,791.10 ($1.10/sf)
    - Total Annual Effective Cost: $153,181.77 ($17.21/sf)

- **Source of Funding:** FRF Operating Funds
- **Procurement Method:** LPR on template
- **FRF Rate:** $19.00

**Comment:**
This lease will provide office space for Department of Safety. Procurement advertised, market survey, and market tour was performed to seek out perspective proposers. Four proposals were received from three proposers.

Tenant may terminate this Lease at any time by giving written notice to Landlord at least 90 days prior to the date the termination becomes effective, with payment of a termination fee.

**Minutes:** 08/21/2017 ESC Approved a lease.
Approved:

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