

MINUTES
STATE BUILDING COMMISSION
Executive Subcommittee
October 23, 2017

The State Building Commission Executive Subcommittee met this day at 11:00 a.m. in the Nashville Room of the Tennessee Tower, Nashville, Tennessee, with the following members and Departments present. Commissioner Martin called the meeting to order at 4:00 p.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, participated via electronic communication
David Lillard, State Treasurer

MEMBERS ABSENT

Justin Wilson, Comptroller of the Treasury

ORGANIZATION

- Department of Environment & Conservation
- Department of General Services
- State Building Commission

PRESENTER

David Benton
John Hull
Ann McGauran

Commissioner Martin stated that the purpose of this meeting is to consider the items on the agenda for the October meeting of the Executive Sub-Committee of the State Building Commission. Tennessee Code Annotated §8-44-108 provides that if a quorum of members is not physically present at the meeting, other members may be retained for a vote via electronic or other means of communication if certain statutory requirements are met.

A determination has been made that that electronic communication in this meeting by the Secretary of State is a necessity based on the following facts and circumstances:

1. The Executive Sub-Committee has regularly scheduled monthly meetings around which agencies and institutions plan certain of their operational actions and a 30 day delay will cause an operational hardship for certain of the agencies and institutions having matters on today's agenda.
2. The Executive Sub-Committee was unable to obtain a quorum by physical or electronic means at its regularly scheduled meeting time for this month. Today's date and time was the only option for obtaining a quorum of any kind in order to have the meeting in a timely manner based on polling of the members.
3. There are matters on the agenda which are time sensitive and there will be operational hardships if the Executive Sub-Committee is unable to render decisions on these matters in October.

Let the minutes reflect that Commissioner Martin and Treasurer Lillard are physically present; Secretary Hargett is participating electronically; and that Comptroller Wilson is absent.

CONSENT AGENDA

At a roll call vote all members voted aye and approved the following real property transactions which have been reviewed and recommended for approval by Subcommittee staff:

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

- B. Agency: **Tennessee Board of Regents – Montgomery County**
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

- C. Agency: **Tennessee Board of Regents – Shelby County**
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisal

- D. Agency: **Department of Economic & Community Development – Tipton & Haywood Counties**
Transaction: Acquisition – Easement (Utility)
Provision(s): n/a

- E. Agency: **Department of Environment & Conservation – Stewart County**
Transaction: Acquisition – Easement (Conservation)
Provision(s): Waiver of advertisement and appraisals

- F. Agency: **Department of Environment & Conservation – Stewart County**
Transaction: Acquisition – Easement (Conservation)
Provision(s): Waiver of advertisement and appraisals

- G. Agency: **Tennessee Wildlife Resources Agency – Hardin County**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- H. Agency: **Tennessee Wildlife Resources Agency – Cumberland County**
Transaction: Acquisition – Fee (Gift)
Provision(s): Waiver of advertisement and appraisals

- I. Agency: **Tennessee Wildlife Resources Agency – Madison County**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- J. Agency: **Tennessee Wildlife Resources Agency – Carroll County**
Transaction: Acquisition – Fee (Purchase)
Provision(s): Waiver of advertisement and one appraisal

- K. Agency: **Department of General Services – Davidson County**
Transaction: Disposal – Easement (Sidewalk & Bus Stop)
Provision(s): Waiver of advertisement and appraisals

- L. Agency: Department of General Services – Rutherford County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a
- M. Agency: Department of General Services – Shelby County
Transaction: Acquisition – Lease (Space)
Provision(s): n/a

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Disposal - Lease Amendment

Requested Action: Approval to amend current lease to extend it for six years with waiver of advertisement and appraisals

Transaction Description: Transaction No. 17-08-008-DM

- **Proposed Amendment**

- **Term:** April 16, 1986 to April 15, 2042
- **Area / Costs:** 26 +/- acres / 3.5 % of gross receipts

- **Current Lease**

- **Location:** Norris Dam Marina
Anderson & Campbell Counties – 125 Village Green Circle, Rocky Top, TN
- **Tenant:** H & B Enterprises, Inc
- **Term:** April 16, 1986 to April 15, 2036
- **Area / Costs:** 93 +/- acres / 3.5 % of gross receipts

Comment: Brad Bardo is seeking to acquire all shares to H & B Enterprises, Inc., the corporate lessee of Norris Dam Marina. TDEC supports this ownership change because Brad Bardo has been the general manager at the marina since 2013 and oversaw the construction process and growth since 2012. In each of these years, H & B Enterprises has increased its revenue. Since 2012, over \$1,500,000.00 of improvements have been added to the marina. For future plans, Brad Bardo plans to replace the last remaining old dock section of the marina as well as add a floating house buoy line that can hold up to 35 boats, 45 new boat slips, jet ski rentals, and additional pontoon boat rentals. Mr. Bardo requires a SBA loan to make improvements to the marina. The bank making the loan requires the lease term to be twenty-five years. In partial consideration for the extension, the leased premises will be reduced.

Previous Action: 02/21/2012 Subcommittee approved the request as presented

Minutes: 10/23/2017 At a roll call vote all members voted aye and approved amending the current lease to extend it for six years with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

Statewide

Requested Action: Approval of a project budget, scope, funding and source(s) of funding, and to issue a Request for Qualifications for a Hospitality Consultant

Project Title: Hospitality Consultant

Project Description: Hospitality consultant to support the agency for project development and associated facility needs, along with addressing operational and business requirements.

SBC Number: 126/000-04-2017

Total Project Budget: \$1,200,000.00

Source of Funding:	\$ 200,000.00	17/18	TDEC Op Funds	(A)
	\$1,000,000.00		Various Project Funds	(O)

Comment: The consultant will have an initial term of three years with two one-year renewals.

The value of services for TDEC hospitality general support is expected to be \$200,000. The consultant will also be providing services on various SBC approved TDEC projects having hospitality components, the value of which is currently unknown but estimated to have a maximum potential expenditure of \$1,000,000.00. These services will be provided under separate, project-specific task orders and will be funded through the SBC approved project funds. All amendments to the task orders will follow the same process and approvals as the original task orders.

Previous Action: 10/12/2017 SBC referred to ESC with authority to act

Minutes: 10/23/2017 At a roll call vote all members voted aye and approved project budget, scope, funding and sources of funding, and to issue a Request for Qualifications for a Hospitality Consultant.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: **Approval of a lease**

Transaction Description: Transaction No. 17-01-905-WW

● **Proposed Lease**

- **Location:** Washington County - 4721 Lake Park Drive, Johnson City, TN
- **Landlord:** RBM Properties Group
- **Term:** 10 years
- **Area / Costs:** 22,000 Square Feet

Annual Contract Rent	\$331,760.00	\$15.08/sf
Estimated Annual Utility Cost (electric only)	38,500.00	1.75/sf
Estimated Annual Janitorial Cost	24,200.00	1.10/sf
Total Annual Effective Cost	\$394,460.00	\$17.93/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. There were three proposals from three proposers. Landlord to pay cost of water service.

The tenant may terminate this lease at any time by giving 90 days written notice to the landlord after the 60th month, payment of fee if before 60th month.

Minutes: 10/23/2017 At the Department's request the item was deferred until next month's Executive Subcommittee meeting to allow the Department the opportunity to further look into all the facts and details of this item.

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 (July 1, 2017 – September 30, 2017).

Minutes: 10/23/2017 Subcommittee acknowledged receipt of the report.

STATE BUILDING COMMISSION

Minutes of Executive Subcommittee Meeting

- 1) At a roll call vote all members voted aye and approved the Minutes of the Executive Subcommittee meeting held on September 28, 2017.

Report Item

- 1) REPORT of a clarification of the rental rate in a previously approved lease. The rental rate reported for the lease provided only the rental rate for the first five years and did not recognize the escalation of rent in years six, eight and ten. The minutes should have reflected that Average Annual Rent is \$12.32/sf with an estimated Total Average Annual Effective Cost of \$15.17.

Transaction: 16-05-915-TK
Location: Robertson County – 812 South Brown Street, Springfield, TN
Landlord: Pedigo Equities, LP

Designer Selections

- 1) 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. At a roll call vote all members voted aye and approved the designer selections.

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| <ol style="list-style-type: none">1) University of Tennessee Institute of Agriculture
(Clyde York 4-H Center Improvements)
Total Project Budget: \$1,100,000
SBC Project No. 540/001-01-2017
Designer: ARCHITECTS WEEKS AMBROSE
MCDONALD2) University of Tennessee Institute of Agriculture
(Ridley 4-H Center Improvements)
Total Project Budget: \$4,950,000
SBC Project No. 540/001-02-2017
Designer: LYLE COOK MARTIN ARCHITECTS3) University of Memphis
(Lighting Updates)
Total Project Budget: \$4,030,000
SBC Project No. 166/007-08-2017
Designer: CANUP ENGINEERING INC4) Chattanooga State Community College
(CETAS Building Roof Replacement)
Total Project Budget: \$1,430,000
SBC Project No. 166/012-02-2017
Designer: TWH ARCHITECTS | <ol style="list-style-type: none">5) Volunteer State Community College
(Ramer Renovations)
Total Project Budget: \$980,000
SBC Project No. 166/025-02-2017
Designer: J HOLMES ARCHITECTURE PLLC6) Montgomery Bell State Park
(Inn Renovation)
Total Project Budget: \$12,125,000
SBC Project No. 126/054-01-2017
Designer: EOA ARCHITECTS PLLC7) Paris Landing State Park
(Inn Replacement)
Total Project Budget: \$26,075,000
SBC Project No. 126/075-01-2017
Designer: GOODWYN MILLS & CAWOOD INC8) Mark Luttrell Transition Center
(Renovation to Transition Center)
Total Project Budget: \$11,300,000
SBC Project No. 140/005-01-2017
Designer: EVANS TAYLOR FOSTER CHILDRESS |
|---|---|

9) **Alvin C. York Institute**
(English & Science Building Upgrades)
Total Project Budget: \$1,890,000
SBC Project No. 168/001-01-2017
Designer: THE LEWIS GROUP ARCHITECTS INC

11) **Legislative / War Memorial Plaza**
(WM Renovation & Legislative Plaza Garage-Planning)
Total Project Budget: \$1,100,000
SBC Project No. 529/045-02-2017
Designer: CENTRIC ARCHITECTURE

10) **Jackson Supreme Court**
(HVAC & Lighting Upgrades)
Total Project Budget: \$1,790,000
SBC Project No. 523/073-01-2017
Designer: EDMONDS ENGINEERING INC

Other Business

There being no further business, the meeting adjourned at 4:10 p.m.

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UNIVERSITY OF TENNESSEEAcquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: 2017-05-001

• Proposed Lease

- Location: University of Tennessee - Martin
McNairy County – 1269 Tennessee Avenue, Selmer, TN
- Landlord: McNairy County and City of Selmer
- Term: Ten (10) years
- Area / Costs: 19,330 Square Feet

First Year Contract Rent	\$6.50/sf	\$125,645
Average Annual Contract Rent	\$6.70/sf	\$129,511
Estimated Annual Utility Cost	incl	NA
Estimated Annual Janitorial Cost	\$1.10/sf	\$21,263
Average Annual Effective Cost	\$7.80/sf	\$150,774

• Current Lease

- Location: McNairy County – 1269 Tennessee Avenue, Selmer, TN 38375
- Landlord: McNairy County and City of Selmer
- Term: August 1, 2007 through July 31, 2017
- Area / Costs: 19,330 Square Feet

Annual Contract Rent	\$6.83/sf	\$132,024
Estimated Annual Utilities Cost	incl	NA
Estimated Annual Janitorial Cost	\$1.10/sf	\$21,263
Annual Effective Cost	\$7.93/sf	\$153,287

- Source of Funding: Student Tuition/Fees and Current State Appropriations
- Procurement Method: Negotiated
- FRF Rate: \$18.00/sf (for reference)

Comment:

The Extended Campus and Online Studies Program offers general education and undergraduate courses in this area. The rental rate in years 1–5 is lower than the current rate and will not increase. The rate in years 6-10 will increase up to a maximum of 2% annually. In return for the reduced lease rate, the University will make a one-time payment for one-half of the actual costs of HVAC repairs, not to exceed \$57,500. Waiver of advertisement and appraisals is allowed as both parties are government agencies. For cause, the University can terminate for lack of funding by the appropriate Legislative Body. In years 1-5 of the lease, the University may terminate for convenience with 120 days-notice. In years 6-10, either party may terminate for convenience with 120 days-notice.

Minutes: 10/23/2017 Approved a lease.

TENNESSEE BOARD OF REGENTS

Acquisition – Fee (Gift)

Requested Action: Approval to accept as gift the required interest with waiver of advertisement and appraisals

Transaction Description: Transaction No. 17-09-007

- **Location:** Austin Peay State University
Montgomery County - 50+/-feet wide and 410+/-feet long containing approximately 20,500+/- sf – Drane, Henry and Hannum Streets, Clarksville, TN
- **Owner(s):** City of Clarksville
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Auxiliary) (REM fees) (A)

Comment: This City is abandoning the streets and gifting them to the campus for their use. This property is in APSU's 2013 Master Plan

Date of Last Transfer: 1988
Purchase Price: Various
Property Assessor's Value: Various
Square Footage Improvements: 0

Minutes: 10/23/2017 Approved accepting as gift the required interest with waiver of advertisement and appraisals.

TENNESSEE BOARD OF REGENTSAcquisition – Fee (Gift)

Requested Action: Approval to obtain title work and to accept as gift the required interest with waiver of advertisement and appraisal

Transaction Description: Transaction No. 17-09-006

- **Location:** TCAT-Memphis
Shelby County – 20.49+/-acres – 3375 Appling Road, Memphis, TN
- **Owner(s):** City of Bartlett
- **Estimated Purchase Price:** Gift
- **Source of Funding:** Plant Funds (Non-Auxiliary) (REM fees) (A)

Comment: The City of Bartlett is donating this property to TCAT-Memphis for a satellite campus. The City will also be demolishing the house on the property. Although the property is not in the TCAT-Memphis 2014 Master Plan, the master plan does identify the need for a potential future campus. This property is a Drive to 55 capacity fund initiative and is attached to the SBC Project Number 166/070-01-2016. The City of Bartlett provided a survey and Phase I acceptable to the State.

Date of Last Transfer: August 31, 2017
Purchase Price: \$770,000
Property Assessor's Value: \$678,600
Square Footage Improvements: 1,624

Minutes: 10/23/2017 Approved obtaining title work and accepting as gift the required interest with waiver of advertisement and appraisal.

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

Acquisition – Easement (Utility)

Requested Action: Approval to acquire utility easements for the Memphis Regional Megasite

Transaction Description: Transaction No. 16-08-005-DM

- **Location:** Tipton & Haywood Counties – 105.45+/- acres (multiple parcels)
- **Owner(s):** Estimated 210 individual owners - estimated 260 properties
- **Estimated Purchase Price:** Greater of Fair Market Value or \$5,300/acre
- **Source of Funding:** SBC Project Number 529/000-02-2010 – CurrFunds-CapImprov (A/R)

Comment: The Agency previously received approval to acquire easements for \$5,300 per acre, with a \$1,000 minimum. A very small number of the easements cross parcels which may be worth more.

Previous Actions: 08/22/2016 Subcommittee approved the request as presented.
 05/22/2017 Subcommittee approved the request as presented.

Minutes: 10/23/2017 Approved acquiring utility easements for the Memphis Regional Megasite.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Easement (Conservation)

Requested Action: Approval to accept conservation easement with waiver of advertisement and appraisals

Transaction Description:

Transaction No. 17-09-008-DM

• **Location:**

Fort Donelson National Battlefield

Stewart County - 4.25 +/- acres – 103 Norfleet Drive, Dover, TN

• **Owner(s):**

Michael Todd Beard

• **Estimated Purchase Price:**

Gift

• **Source of Funding:**

17/18 Historical Commission Op Funds (Wars Commission) (REM Fees) (A)

Comment:

The Civil War Trust requests that the Tennessee Historical Commission (THC) hold a conservation easement for the preservation of the Beard Tract. The THC has agreed to hold the conservation easement in perpetuity. This tract is also adjacent to property (124-acre Cherry Tract), previously preserved by the Trust and transferred to the National Park Service.

Minutes:

10/23/2017

Approved accepting conservation easement with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Acquisition – Easement (Conservation)

Requested Action: **Approval to accept conservation easement with waiver of advertisement and appraisals**

Transaction Description: Transaction No. 17-09-009-DM
 • **Location:** Fort Donelson National Battlefield
 Stewart County – 38.97 +/- acres – 165 Lick Creek Road, Dover, TN
 • **Owner(s):** Civil War Preservation Trust
 • **Estimated Purchase Price:** Gift
 • **Source of Funding:** 17/18 Historical Commission Op Funds (Wars Commission) (REM Fees) (A)

Comment: The Civil War Trust requests that the Tennessee Historical Commission (THC) hold a conservation easement for the preservation of the Watson Tract. The THC has agreed to hold the conservation easement in perpetuity. The Watson tract has significant cultural and historical value in connection with Fort Donelson Battlefield. This tract is also adjacent to property (124-acre Cherry Tract), previously preserved by the Trust and transferred to the National Park Service.

Minutes: 10/23/2017 Approved accepting conservation easement with waiver of advertisement and appraisals.

TENNESSEE WILDLIFE RESOURCES AGENCY

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. 17-07-002-RA

- **Location:** Hardin County – 259 +/- acres – Gospel Lane, Sardis, TN
- **Owner(s):** Danny Snodgrass
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 17/18 Wetlands Acquisition Fund (A)

Comment: Per TCA 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.

This property is adjacent to the White Oak Wildlife Management Area and will allow for the protection and preservation of wetlands and watershed functions.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	December 30, 2003
Purchase Price:	\$0
Property Assessor's Value:	\$297,300.00
Square Footage Improvements:	N/A

Minutes: 10/23/2017 Approved obtaining title work, appraisal, survey, and environmental assessment, and exercising an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

TENNESSEE WILDLIFE RESOURCES AGENCY

Acquisition – Fee (Gift)

Requested Action: Approval to obtain title work, survey, and environmental assessment, and to accept as gift the required interest with waiver of advertisement and appraisals

Transaction Description: Transaction No. 17-09-002-RA

- **Location:** Cumberland County – 620 +/- acres - Millstone Mountain Road, Crab Orchard, TN
- **Owner(s):** Sandra Laforge & Phyllis Pennington
- **Estimated Purchase Price:** Gift
- **Source of Funding:** 17/18 TWRA Op Funds (REM Fees) (A)

Comment: TWRA is seeking approval to accept two gift tracts in Cumberland County, known as the Laforge/Pennington tracts. These two tracts are adjacent to the Luper Mountain WMA in Cumberland County.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: December 20, 1986
 Purchase Price: \$12,250.00
 Property Assessor's Value: \$449,200.00
 Square Footage Improvements: N/A

Minutes: 10/23/2017 Approved obtaining title work, survey, and environmental assessment, and accepting as gift the required interest with waiver of advertisement and appraisals.

TENNESSEE WILDLIFE RESOURCES AGENCY

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. 17-09-003-RA

- **Location:** Madison County – 114 +/- acres – State Route 412, Jackson, TN
- **Owner(s):** Sam M. Lawrence, III
- **Estimated Purchase Price:** Fair Market Value
- **Source of Funding:** 17/18 Wetlands Acquisition Fund (A)

Comment: Per TCA 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.

This property is adjacent to the South Fork Waterfowl Refuge and will allow for the protection and preservation of wetlands and watershed functions.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer: May 3, 1996
Purchase Price: \$120,000.00
Property Assessor's Value: \$313,900.00
Square Footage Improvements: N/A

Minutes: 10/23/2017 Approved obtaining title work, appraisal, survey, and environmental assessment, and exercising an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

TENNESSEE WILDLIFE RESOURCES AGENCYAcquisition – 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. 17-09-004-RA
 • **Location:** Carroll County – 22 +/- acres – Highway 105, Atwood, TN
 • **Owner(s):** The Conservation Fund (Arnold W. Paul Trust)
 • **Estimated Purchase Price:** Fair Market Value
 • **Source of Funding:** 17/18 Wetlands Acquisition Fund (A)

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.

This property is adjacent to Hart Mill WMA. Acquiring this area will protect and preserve wetlands and other watershed functions in the Hart Mill WMA ecosystem.

No additional management costs are anticipated with this acquisition.

Date of Last Transfer:	September 11, 2003
Purchase Price:	\$0
Property Assessor's Value:	\$10,800.00
Square Footage Improvements:	N/A

Minutes: 10/23/20117 Approved obtaining title work, appraisal, survey, and environmental assessment, and exercising an option to acquire the required interest, not to exceed fair market value, with waiver of advertisement and one appraisal.

DEPARTMENT OF GENERAL SERVICESDisposal – Easement (Sidewalk & Bus Stop)

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

Transaction Description: Transaction No. 16-12-009-MB

- **Location:** Davidson County – .032 +/- acres – 1603 Murfreesboro Pike, Nashville, TN
- **Grantee:** Metropolitan Government of Nashville and Davidson County (Metro)
- **Estimated Sale Price:** No Cost / Mutual Benefit
- **Source of Funding:** Metropolitan Government of Nashville and Davidson County (REM Fees) (O)

Comment: This transaction was previously approved on January 23, 2017 ESC for .029 +/- acres for a sidewalk and drainage easement. Metro is now requesting an additional .003 +/- acres for access to a bus stop that is located adjacent to the sidewalk.

Date of Last Transfer: N/A
Original Cost to State N/A

Previous Action: 01/23/2017 Approved disposal by easement with waiver of advertisement and appraisals.

Minutes: 10/23/2017 Approved disposal by easement with waiver of advertisement and appraisals.

DEPARTMENT OF GENERAL SERVICESAcquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-06-900-TK

- **Proposed Lease**

- **Location:** Rutherford County – West Rutherford Blvd, Murfreesboro, TN
- **Landlord:** The 2012-B Pedigo Trust
- **Term:** 5 years with one 5 year option to renew
- **Area / Costs:** 11,060 Square Feet

First Year Contract Rent	\$182,490.00	\$16.50/sf
Average Annual Contract Rent	184,149.00	16.65/sf
Estimated Annual Utility Cost	19,355.00	1.75/sf
Estimated Annual Janitorial Cost	12,166.00	1.10/sf
Total Average Annual Effective Cost	\$214,011.00	\$19.35/sf

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

Comment: This lease will provide a long-term post training center for the Department of Correction to support the re-entry directives of the Public Safety Act of 2016. There were three proposals from three proposers. The proposed location is to be constructed for the State.

Rent increases each year of the renewal term and the renewal term has an Average Annual Rent rate of \$18.26/sf.

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: 10/23/2017 Approved a lease.

DEPARTMENT OF GENERAL SERVICES

Acquisition – Lease (Space)

Requested Action: Approval of a lease

Transaction Description: Transaction No. 17-04-905-KC

• **Proposed Lease**

- **Location:** Shelby County – 1991 Corporate Avenue, 1st and 2nd floors, Memphis, TN
- **Landlord:** Olymbec USA, LLC
- **Term:** 10 years
- **Area / Costs:** 18,680 Square Feet

First Year Contract Rent: (Including Utilities and Janitorial)	\$336,240.00	\$18.00/sf
Average Annual Contract Rent	340,910.00	18.25/sf
Total Average Annual Effective Cost	\$340,910.00	\$18.25/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 Human Services (DHS) – Shelby County southern boundary. There were five proposals from five proposers. Rent increases at the beginning of the sixth lease year.

DHS currently has two larger field offices providing customer-facing services. The AWS based strategy converts these two larger offices to three smaller locations resulting in a net reduction in total square footage of over 50%.

The tenant may terminate this lease at any time by giving 90 days written notice to the landlord after the 60th month, with payment of a termination fee.

Minutes: 10/23/2017 Approved a lease.

Approved:



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