



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**August 28, 2020**  
**AGENDA**

1. Call meeting to order
2. Consideration and approval of minutes from the TSSBA meeting held on July 20, 2020
3. Consideration and approval of a Project for:  
**The University of Tennessee**
  - The University of Tennessee Health Science Center – Memphis Bioworks Acquisition (A97); Cost: \$16,000,000 of which \$14,450,000 will be funded by TSSBA; Term of Financing: 20 years as long-term financing at an assumed taxable rate
4. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee at Knoxville (Hilton Knoxville)
5. Consideration and approval of the Resolution to Approve the Borrowing of Money by Another Method by the University of Tennessee at Knoxville (Embassy Suites Knoxville)
6. Adjourn

## TENNESSEE STATE SCHOOL BOND AUTHORITY

July 20, 2020

The Tennessee State School Bond Authority (“TSSBA”, or the “Authority”) met on Monday, July 20, 2020, at 1:35 p.m. via Webex Events with certain members being physically present in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee. Interested members of the public were only able to observe and listen to the meeting through electronic means. The Honorable Justin Wilson, Comptroller of the Treasury, was present and presided over the meeting.

The following member was physically present:

The Honorable Tre Hargett, Secretary of State (arrived at 1:37 p.m.)

The following members participated electronically via Webex Events:

The Honorable David Lillard, State Treasurer  
Mr. Mark Paganelli, proxy for Mr. Randy Boyd, President, University of Tennessee  
Ms. Angela Scott, proxy for Commissioner Butch Eley, Department of Finance and Administration

The following members were absent:

The Honorable Bill Lee, Governor  
Dr. Flora Tydings, Chancellor, Tennessee Board of Regents

Mr. Wilson called the meeting to order and asked Ms. Sandi Thompson, Director of the Division of State Government Finance (SGF) and Assistant Secretary of the TSSBA, to verify that she had distributed to the members copies of the documents to be discussed at the meeting in substantially the same form as to be considered. Ms. Thompson confirmed that her office had distributed the documents to the members. Mr. Wilson then asked for Ms. Thompson to call the roll and for members to identify themselves and announce if any persons were present with them. Ms. Thompson called the roll:

Mr. Wilson – Present  
Mr. Lillard – Present  
Mr. Paganelli – Present  
Ms. Scott – Present

Recognizing a quorum present, Mr. Wilson called the meeting to order and stated that Mr. Lee, a member of the Authority, had previously declared a state of emergency to facilitate Tennessee’s response to the coronavirus disease. He stated that Mr. Lee’s Executive Order No. 16, as amended by Executive Order No. 34, allows governing bodies to meet electronically regarding essential business in light of COVID-19, so long as they provided electronic access to the public and meet certain safeguards established in that Order to ensure the openness and transparency of the proceedings. Mr. Wilson stated that the Notice for this meeting indicated the meeting would be conducted through Webex Events and provided information for the public to participate electronically. Mr. Wilson stated that the Authority needed a motion pursuant to the provisions of Executive Order 16, as amended, that meeting electronically without a physical location was necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak, that the matters listed on the agenda of the meeting related to the essential business of the Authority, and that the necessary safeguards had been taken. Hearing no discussion, Mr. Wilson made such a motion, Mr. Hargett seconded the motion, and Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Ms. Scott – Aye  
Mr. Paganelli – Aye  
Mr. Lillard – Aye

The motion was approved unanimously.

Mr. Wilson stated that the first item on the agenda was the approval of the minutes of the meeting held on June 25, 2020. Mr. Wilson stated that he had read the minutes, and everything appeared to be in order. Mr. Wilson asked if there were any comments or corrections to the minutes. Mr. Lillard stated that the roll call vote on the second page of the minutes of the meeting held on June 25, 2020, showed all members as voting “present” on the minutes of the meeting held on May 21, 2020. Mr. Lillard stated that he believed the secretary meant to record that everyone had voted “Aye” on the minutes. Mr. Wilson stated that without objection, the correction would be made. Mr. Hargett moved approval of the minutes as amended, Mr. Lillard seconded the motion, and Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Ms. Scott – Aye  
Mr. Paganelli – Aye  
Mr. Lillard – Aye

The motion was approved unanimously.

Mr. Wilson then stated that the next item on the agenda was consideration of a resolution to approve the borrowing of money by another method by The University of Tennessee (“UT”). Mr. Wilson stated the request to borrow money was for an execution of a lease between UT and various apartment complexes in Knoxville, Tennessee. Mr. Wilson explained the reason for consideration of this request was that the lease was considered to be a liability or debt obligation of the University. Mr. Wilson recognized Mr. Austin Oakes, Executive Director of Capital Projects at the University of Tennessee, to present the project.

Mr. Oakes stated that three master leases for student housing were needed as a precautionary measure due to the COVID-19 pandemic which has necessitated increased social distancing on campus. Mr. Oakes explained that the leases will provide housing for up to 200 students on the UT campus in Knoxville. Mr. Oakes stated that these were one-year agreements with a total annual lease amount of \$2,040,000. An additional \$250 charge would also be applicable for each occupant change. Mr. Oakes stated that this rate was all inclusive for furnished units and was a competitive rate. Mr. Oakes explained that the agreement in the package was a sample copy of a master lease approved last month for the University of Tennessee Health Science Center campus. Mr. Oakes stated that the master leases would be updated to include the pertinent details. Mr. Oakes stated that as a direct COVID-19 expense, UT would fund the lease through non-auxiliary plant fund reserves. Mr. Oakes stated that the Executive Subcommittee had approved the lease earlier in the day and asked if there were any questions.

Mr. Wilson then asked if there were any comments or questions. Hearing none, Mr. Hargett made a motion to approve the resolution and Mr. Wilson seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Ms. Scott – Aye  
Mr. Paganelli – Aye  
Mr. Lillard – Aye

The motion was approved unanimously.

Mr. Wilson stated that the next item on the agenda was a report on the debt outstanding for the TSSBA Higher Educational Facilities program. Mr. Wilson recognized Ms. Jacqueline Felland, Program Accountant in the Division of State Government Finance, to present the report. Ms. Felland stated that as of June 30, 2020, the Authority’s short-term Revolving Credit Facility (RCF) had a balance of \$23,113,425 outstanding in taxable proceeds and \$51,367,265 outstanding in tax-exempt proceeds, for a total of \$74,480,690 outstanding in the revolving credit facility. Ms. Felland stated that expenses for the RCF for fiscal year 2020 were interest in the amount of \$1,574,740, quarterly commitment fees for unused capacity

totaling \$512,427, and draw fees in the amount of \$3,600. Ms. Felland stated that over the fiscal year the average daily balance outstanding of the taxable and tax-exempt RCF was \$24,340,701 and \$78,640,218, respectively. Ms. Felland stated that the taxable RCF interest rates ranged from 0.70% – 2.93% while the tax-exempt rates ranged from 0.56% – 2.43%. Ms. Felland stated that the weighted average yield of the taxable and tax-exempt RCF for fiscal year 2020 was 2.22%, and 1.77%, respectively. Ms. Felland stated that bonds outstanding for fiscal year 2020 were \$292,655,000 in taxable debt and \$1,338,780,000 in tax-exempt debt for a total of \$1,631,435,000 bonds outstanding, and trustee expenses on the bond program for fiscal year 2020 were \$82,958.

Mr. Wilson asked if there were any questions or discussion on the TSSBA Higher Educational Facilities debt report. Hearing none, Mr. Wilson stated that the next item on the agenda was the review of debt report for the TSSBA Qualified Zone Academy Bond (QZAB) program. Mr. Wilson recognized Mr. Michael Mercer, Program Accountant in the Division of State Government Finance, to present the review. Mr. Mercer stated that the total debt outstanding for the QZAB program as of June 30, 2020, was \$30,145,000 all of which will mature this fiscal year. Mr. Mercer stated that QZAB Series 2004 with a par value of \$12,600,000 would mature on November 24, 2020, and that the QZAB Series 2005 with a par value pf \$17,545,000 would mature on December 28, 2020.

Mr. Wilson asked if there were any questions or discussion on the QZAB debt report. Hearing none, Mr. Wilson stated that the next item on the agenda was the review of debt outstanding for the TSSBA Qualified School Construction Bond (QSCB) program. Mr. Wilson recognized Mr. Mark Graubner, Program Accountant in the Division of State Government Finance, to present the report. Mr. Graubner stated that the QSCB program was comprised of two series of bonds. Mr. Graubner stated that as of June 30, 2020, the total amount of debt outstanding for the Series 2009 bonds maturing September 15, 2026, and for the Series 2010 bonds maturing on September 15, 2027, was \$177,000,000 and \$212,440,000, respectively. Mr. Graubner stated that as of June 30, 2020, the book value of the QSCB Series 2009 and the Series 2010 sinking funds were \$113,141,168 and \$121,523,025, respectively. Mr. Graubner pointed out that these are unaudited numbers as of June 30, 2020. Mr. Graubner stated that the sinking funds are on deposit with the Tennessee Department of Treasury.

Mr. Wilson asked if there were any questions or discussion on the QSCB debt review. Hearing none, Mr. Wilson stated that the next item on the agenda was the review of the TSSBA debt management policy. Mr. Wilson recognized Ms. Thompson to present the review.

Ms. Thompson stated that the Authority reviews the debt management policy at least annually and recently circulated the document to staff and members for comments. Ms. Thompson stated that the only revision received was to reflect the change as of July 1, 2020, of the name of the Office of State and Local Finance to the Division of State Government Finance. Ms. Thompson stated that there were no other updates to the policy. Mr. Wilson asked if there were any questions or discussion on the Debt Management Policy. No further action was necessary.

Mr. Wilson asked if there were any other matters to come before the Authority. Hearing none, Mr. Wilson made a motion to adjourn. Mr. Hargett seconded the motion. Ms. Thompson called the roll:

Mr. Wilson – Aye  
Mr. Hargett – Aye  
Ms. Scott – Aye  
Mr. Paganelli – Aye  
Mr. Lillard – Aye

The meeting was adjourned.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

# Tennessee State School Bond Authority Feasibility Study

## UTHSC Health Science Center - Memphis - Project Number A97

### Individual Project Summary

Revenue Source:	Research activity & F&A cost reimbursement	\$1,420,000
	<b>Total Revenue Source:</b>	<b>\$1,420,000</b>
Assumptions:	TSSBA Funding Requested	\$14,450,000
	Interest Rate	7.60%
	Tax Status	Taxable
	Term of Financing	20-Years
	Cost of Issuance	\$216,750

Feasibility Test		
	May Principal (No DSRF)	November Principal (no DSRF)
Pledged Revenues	\$1,420,000	\$1,420,000
New Max Annual Debt Service	\$1,398,457	\$1,419,522
<b>Feasible</b>	<b>Yes</b>	<b>Yes</b>

Prepared on July 02, 2020 by Jacqueline Felland

Project Disclosed in Budget

\*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

OFFICE OF THE PRESIDENT

August 17, 2020

Ms. Sandi Thompson  
Director  
Office of State and Local Finance  
James K. Polk Building, 16<sup>th</sup> Floor  
Nashville, TN 37243

RE: UTHSC Memphis Bioworks Acquisitions - Transaction No. **TBD**

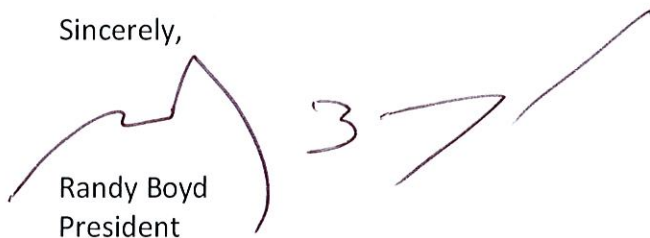
Ms. Thompson:

The University of Tennessee is submitting a request to TSSBA for approval of bond funding for the acquisition of properties from Memphis Bioworks Foundation or its subsidiary/affiliate. The properties include approximately 6.3 +/- acres with a vivarium and truck court.

The total estimated acquisition cost is \$16,000,000. The attached Executive Summary outlines the request for \$14,450,000 of TSSBA funds and we would like to consider the different financing options you mentioned. The bond financing will be repaid with existing revenues generated by research activities and associated Facilities & Administrative cost reimbursement. The project application is also attached.

Your review and consideration of this request is appreciated. Please contact me if you have any questions.

Sincerely,



Randy Boyd  
President

## EXECUTIVE SUMMARY

The University of Tennessee proposes to acquire properties from Memphis Bioworks Foundation, or its affiliate/subsidiary. The properties include a total of 6.38 +/- acres, a 26,171 square foot vivarium facility and truck court.

In June 2019, the SBC ESC approved the lease of the vivarium located at 45 S. Dudley Street in Memphis, Tennessee. The two-year agreement, which includes a purchase option, provided time for the University to complete due diligence and secure funding for the acquisition. The vivarium was designed for orthopedic, medical device and therapeutics/pharmaceuticals research studies. The facility supports Good Lab Practices (GLP) compliant studies and will accommodate multiple occupants and simultaneous studies. The adjoining land with an address of 885 Madison Avenue includes a truck court and vacant land.

The University proposes to acquire the properties for \$16,000,000\* with \$14,450,000 in TSSBA bond funding and \$1,550,000 from University reserves. The purchase price reflects a reduction of \$4,770,000, the outstanding balance of bonds the State of Tennessee issued to help fund the construction of the vivarium.

The properties are within the University of Tennessee Health Science Center 2020 Campus Master Plan Update boundary.

\* This is comprised of the following –

- TSSBA Bonds - \$9,680,000 for 45 S. Dudley (Vivarium) and \$4,770,000 for 885 Madison Avenue (Land and Improvements)
- Plant Funds (Non-Aux) - \$1,550,000 for 885 Madison Avenue.



**Tennessee State School Bond Authority**  
**UTHSC – Memphis Bioworks Acquisition**

**DEPARTMENT:** University of Tennessee

**INSTITUTION/LOCATION:** Health Science Center – Memphis

**ESC TRANSACTION #:** Transaction No. TBD

**PROJECT BUDGET:**

<b>Funding Sources:</b>	<u>TSSBA*</u>	<u>\$14,450,000</u>
	<u>Plant Funds (Non-Aux)*</u>	<u>\$1,550,000</u>
	<b>Total</b>	<b><u>\$16,000,000</u></b>

**PROJECT REVENUES:** (Describe sources and projected levels)

Annual debt service to be funded by existing revenues generated by research activities and associated Facilities & Administrative (F&A) cost reimbursement. Current rent for the facility is paid from these revenues and would be transferred to debt service to meet the annual payments. In addition, with the facility, it is expected for F&A revenues to continue growing. Over the period of FY 2016 through FY 2020 projected, F&A revenues have increased from \$12.5 million to \$16.0 million annually.

**PROJECT LIFE:**

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 20 years

**ESTIMATED ANNUAL FINANCING CHARGE:** \$944,900

**PROJECT APPROVAL DATES:**

**BOARD:** 06/21/2019

**THEC:** 11/07/2019

**SBC:** \_\_\_\_\_

Disclosed in the Governor's Budget:  Yes  No If yes, what year? 20/21

\* This is comprised of the following –

- TSSBA Bonds - \$9,680,000 for 45 S. Dudley (Vivarium) and \$4,770,000 for 885 Madison Avenue (Land and Improvements)
- Plant Funds(Non-Aux) - \$1,550,000 for 885 Madison Avenue.

**PROJECT DESCRIPTION:** Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This will provide funding for the acquisition of the 26,171 square foot vivarium which sits on approximately 0.88 +/- acres and is currently leased through October 31, 2021. It will also provide funding for the adjacent 5.5 +/- acres undeveloped parcel that includes a truck court.

**REAL ESTATE:**

Owner of real property Memphis Specilaized Laboratory, Inc. / Memphis Bioworks Foundation – properties will be titled to one owner – in-progress

X To be acquired \_\_\_\_\_ To be leased or other arrangement

\*\*\*\*\*

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Closing on acquisition  
expected Fall 2020.

2. Project completion estimated to be: Fall 2020

3. Project Owner: University of Tennessee

4. Project Operator (see also item 8 below): University of Tennessee

5. Intended Use of the Project: Research

6. Intended Users of the Project (excluding use by the general public): Faculty, Research staff, Graduate students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses.

For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 26,171 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator \_\_\_\_\_

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? \_\_\_\_\_

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type \_\_\_\_\_

Operator \_\_\_\_\_

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator \_\_\_\_\_

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? \_\_\_\_\_

E. Cafeteria or other food services areas:

Square Footage N/A

Operator \_\_\_\_\_

F. Provision of health care services:

Square Footage N/A

Operator \_\_\_\_\_

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage TBD

Recipient \_\_\_\_\_

H. Office space utilized by or on behalf of private entities:

Square Footage TBD

Occupant \_\_\_\_\_

I. Provision of housing for persons or entities other than enrolled students:

Square Footage NA

- 8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N/A

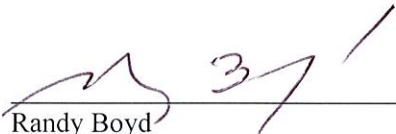
- 9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

- 10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.


N/A

- 11. Additional information not explained above. None

Completed this 17th day of August, 2020.

  
 Randy Boyd  
 President

DocuSigned by:  
  
 Austin Oakes, Executive Director  
 Office of Capital Projects

DocuSigned by:  
  
 David Miller, Senior Vice President and Chief Financial Officer

*To be filled out by the Authority*

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

**RESOLUTION TO APPROVE THE BORROWING OF  
MONEY BY ANOTHER METHOD BY THE UNIVERSITY  
OF TENNESSEE**

**Recitals**

Whereas the University of Tennessee-Knoxville (“UT-K”) desires to enter into a three (3) month lease (the “Hilton Lease”) for the rental of up to one hundred fifty (150) hotel rooms (collectively, the “Rooms” or, individually, a “Room”) with RB Knoxville, LLC d/b/a Hilton Knoxville (the “Hilton”) in Knoxville, Tennessee; and

Whereas the Rooms will be for use by students who need to be isolated due to possible exposure to Covid-19 but who have tested negative or have not been tested but are not symptomatic; and

Whereas the Rooms were chosen because of the location of the Hilton and the availability of the Rooms for this use; and

Whereas the terms of the Lease are: a three (3) month lease term beginning August 30, 2020 and ending November 30, 2020 with a nightly Room rate of one hundred three dollars (\$103.00) and total estimated Room charges of one million, four hundred thirty-six thousand, eight hundred fifty dollars (\$1,436,850.00). In addition, a five-dollar (\$5.00) per stay fee will be assessed for providing in-Room microwaves and a one hundred fifty dollar (\$150.00) cleaning fee will apply each time a student checks out of a Room; and

Whereas the payments for the Hilton Lease will be funded by UT-K through plant funds (Non-Auxiliary).

**BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:**

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval to the University of Tennessee to enter into the Hilton Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of August 28, 2020.

Adopted by the Authority at its meeting on August 28, 2020.

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JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

## UNIVERSITY OF TENNESSEE

### Acquisition – Lease (Space)

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 2020-08-02

- **Proposed Lease**

- **Location:**

University of Tennessee – Knoxville (UTK)  
Knox County – 501 W Church Avenue, Knoxville, TN

- **Landlord:**

RB Knoxville, LLC dba Hilton Knoxville

- **Term:**

August 30, 2020 – November 30, 2020

- **Area / Costs:**

150 hotel rooms

	<u>\$/room</u>	<u>Estimated Total Cost</u>
Cost per room	\$103.00/night	\$1,436,850.00

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

**Comment:**

These rooms will be used for students that need to be isolated due to possible exposure to Covid-19 but who have tested negative or have not been tested but are not symptomatic. One student would be placed in each room and routine housekeeping items such as linens and towels will be provided as needed. UTK Housing will arrange for transportation to and from the hotel, will provide daily meals and periodic check-ins on the students. Initially 100 rooms will be reserved.

In addition to the nightly room rate, a \$5.00 per stay fee will be assessed for providing in-room microwaves and a \$150 cleaning fee will apply each time a student checks out.

Students begin moving onto campus August 9. To meet possible immediate needs, the University will enter into a short-term agreement with the Hilton from August 9, 2020 through August 29, 2020.

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is for one year or less and an unforeseen situation has arisen making it impractical to advertise. Due to the short-term of the lease, there is no termination for convenience.

However, after September 20, 2020 the University may cancel any rooms with 72 hours prior approval.

A similar request for approval but under a separate contract with the downtown Knoxville Embassy Suites is also on the August 2020 ESC agenda.

**SSC Report:** 08/17/2020

## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to enter into an agreement with Hilton Knoxville at 501 W Church Avenue, Knoxville, TN. The University proposes to lease up to 150 rooms for UTK's use related to Covid-19. Initially 100 rooms will be reserved.

UTK's goal is to have isolation spaces (used for quarantine or isolation) for 3-5% of on-campus student population. There are approximately 8,000 UTK Housing beds and 1,000 Greek housing beds for a total of 9,000 on-campus. UTK has taken several measures to decrease the density in the residence halls by not backfilling any spaces that are being vacated by students taking advantage of 1) the removal of the requirement for all first-year students to live in on-campus housing and 2) granting permission to terminate existing housing contracts as requested.

With the hotel leases presented this month and apartment leases previously approved, UTK will have 311 isolation spaces (39 on-campus and 272 off-campus). The rooms will be used by UTK residential students who have tested negative Covid-19 or who have not been tested but are not symptomatic and are in isolation due to possible exposure. The rooms will be limited to one person and routine housekeeping items including linens and towels will be provided as requested by a student. Students will not be allowed to use the hotels amenities.

UTK Housing will arrange for transportation to and from the hotel, will provide daily meals and will provide periodic checks on the students.

This hotel was selected because of the location and the availability of rooms for this use.

Students begin moving in to campus on August 9 and to meet immediate needs, the University is entering into a short-term agreement with Hilton from August 9, 2020 through August 29, 2020 with a total contract amount expected to be less than \$150,000.

Similar but separate short and longer-term contracts will be entered into with the downtown Embassy Suites.

### **TERMS:**

The University proposes a term beginning August 30, 2020 through November 30, 2020, the duration of the Fall semester. At 150 rooms, the total number of room nights would be 13,950 over this period. The nightly room rate is \$103 and the total estimated charges are \$1,436,850.00. In addition, the University will be charged a \$5.00 per stay microwave fee and a \$150 cleaning fee each time a student moves out.



Beginning September 20, 2020, the University may cancel rooms with 72 hours prior notice.

**FUNDING:**

Funding for the lease payments will be funded by UTK through Plant Funds (Non-Auxiliary) (R).

**REQUEST:**

Request for approval to enter into an agreement for hotel rooms.

**Part I**

Date Needed: (Mo./Yr.)	<b>SPACE ACTION REQUEST TRANSMITTAL</b>	F&A Date Logged In: (Mo./Day/Yr.)
<b>SAR Transmittal Instructions:</b> Prepare in duplicate, include attachments and submit to F&A	Tennessee Department of Finance & Administration Real Property Administration William R. Snodgrass Tennessee Tower 312 Rosa L. Parks Avenue, 22 <sup>nd</sup> Floor Nashville, Tennessee 37243	F&A Transaction No.:
		F&A Transaction Code:

<b>REQUESTING AGENCY:</b> <u>UNIVERSITY OF TENNESSEE</u>	<b>SUBJECT LOCATION</b>
Allotment Code: <u>332.10</u> Agency Cost Center: _____	<b>Complete only if different from information shown at left.</b>
Address (including County, City & Zip Code):	ADDRESS (INCLUDING COUNTY, CITY & ZIP CODE):
<b>5723 Middlebrook Pike Suite 207</b>	<b>Hilton – Downtown Knoxville</b>
<b>Knox County, Knoxville, TN 37996-0045</b>	<b>501 W Church Avenue, Knoxville, TN</b>
Agency Contact (Name & Phone No.): <b>865-974-2441</b>	ON-SITE CONTACT (NAME & PHONE NO.):
<b>Tony Hopson                      ahopson4@tennessee.edu</b>	<b>Tony Hopson 865-974-2441</b>

<b>* Reason for REQUEST *</b>	<b>* ACTION REQUESTED *</b>
Check item(s) that best describe current situation and need	Check item(s) that will best meet need
<b>* Must attach either letter of justification/explanation or Office Space Needs Worksheet to address both the reason and the action requested *</b>	
Current Space: <input type="checkbox"/> State Owned <input type="checkbox"/> Leased <input type="checkbox"/> Other Reflects Space: <input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> No Change  <input type="checkbox"/> Lease Expiration <input type="checkbox"/> New Unit Activated <input type="checkbox"/> Staff Reorganization: <input type="checkbox"/> Reconfigure Existing Staff Only (OR) <input type="checkbox"/> Staff Increase <input type="checkbox"/> From: _____ To: _____ Decrease <input type="checkbox"/> File / Storage / Equipment Space Need <input type="checkbox"/> Unresolved Tenant-Landlord Issue <input checked="" type="checkbox"/> Other Reason: <b>Apartments to meet housing needs for UTK in Knoxville related to Covid-19.</b>	<input type="checkbox"/> Terminate Existing Lease <input type="checkbox"/> Amend (OR) <input type="checkbox"/> Hold-Over Existing Lease <input checked="" type="checkbox"/> Initiate Action for New Lease <input type="checkbox"/> Unique and Special Requirement (TCA 12-2-114) <input type="checkbox"/> Desire Space Assignment in State Owned Building <input type="checkbox"/> Make Alteration to Current Space for Accommodating Need  <input type="checkbox"/> Contact Landlord and/or DGS on Behalf of Tenant <input type="checkbox"/> Other Action: _____ <div style="text-align: center; border-top: 1px solid black; margin-top: 5px;">(Cost estimate, planning consultation, etc.)</div>

**Current Data**

Current SF = NA    Current Lease Number: NA    FRF Cost Center: NA    Current Lease Expiration Date: NA

**TYPE OF SPACE NEEDED (Check all that apply)**

Office                       Land                       Airport Facilities  
 Warehouse             House (Living Quarters)             Educational Facilities             Other: Hotel Rooms

**NEW LOCATION CONSIDERATIONS**

Location (County/City) and Boundaries if Required\*: **See Executive Summary**

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**\* Must attach justification letter for special boundaries \***

Cost Estm:    \_\_\_\_\_ NA SF x \_\_\_\_\_ NA (FRF Rate) = \_\_\_\_\_ // \_\_\_\_\_ SF x \_\_\_\_\_ (A-87 Rate)= \_\_\_\_\_

Lease Term:    0.25 Years Commencing August 30 2020 ; Ending November 30 2020

Cancellation upon     **Lack of funding** (OR)     No Cancellation             Convenience after September 20

**Parking Included** (OR)     Parking spaces desired to accommodate     staff ( approx: \_\_\_\_\_ )     clients ( approx. no.: \_\_\_\_\_ ) no.:

Other Considerations: **See Executive Summary**

**ATTACHMENTS (Check all that apply)**

Office Space Needs Worksheet\*             Lead Sheet             Photo             Other: **Executive Summary**  
 Justification / Explanation Letter\*         Other:                       Map                       Other: **Lease**

**REQUESTING AGENCY AUTHORIZATION**

Austin Oakes                      Executive Director, Capital Project                      06/08/2020  
\_\_\_\_\_                      Signature                      Title                      Date

Fiscal Office Review    Funding Source: Plant Funds (Non-Auxiliary)(R)             Planned Budget Item     Unplanned Budget Item

To: David Miller, Senior Vice President & Chief Financial Officer

From: Tony Hopson, Director of Real Property and Space Administration

Date: August 4, 2020

Re: Justification for Not Advertising – UT Knoxville (UTK) Hotel Leases – Covid-19

UTK proposes to lease hotel rooms at Embassy Suites and Hilton Hotel, both in downtown Knoxville. The rooms will be dedicated for use by UTK residential students that are not symptomatic for Covid-19 or who have tested negative but are in isolation due to possible exposure. The rooms will be limited to one person and routine housekeeping will be provided once per week and as requested by a student. Students will not be allowed to use the hotel amenities.

UTK Housing will arrange for transportation to and from the hotel, will provide daily meals and will provide periodic checks on the students.

The room rate is \$103 per night and Hilton will charge an additional \$5.00 per stay for use of a microwave and a \$200 cleaning fee each time a student moves out. The Hilton lease begins August 31, 2020 and the Embassy Suites lease September 20, 2020. Both end on November 30, 2020 if not terminated earlier. Students begin arriving on campus August 9, to meet immediate needs the University is entering into short-term agreements until these leases are approved by the University and State Building Commission.

These complexes were selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is less than one year and an unforeseen situation has arisen making it impractical to advertise. The rooms at Embassy Suites may be terminated with 7 days-notice and the rooms at Hilton may be terminated after September 20, 2020 with 72-hour notice.

Approved:

DocuSigned by:

*David Miller*

6BFFC85430B140D...

David L. Miller, Senior Vice President & Chief Financial Officer

Cc: Austin Oakes

### CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee - Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property lease with **Hilton – Downtown Knoxville** in the amount of **One million seven hundred eighty one thousand eight hundred fifty and 00/100 (\$1,781,850.00) per year.**

DocuSigned by:

*David Miller*

Date: 8/5/2020 | 07:55:55 PDT

David L. Miller

Senior Vice President & Chief Financial Officer



**Hotel Event Order Form**

<b>Department Name:</b>	University of Tennessee				
<b>Meeting Name:</b>	Housing Requirements for Students – Phase II				
<b>Address:</b>	Magnolia Hall, G040 2107 Andy Holt Avenue				
<b>City:</b>	Knoxville	<b>State:</b>	TN	<b>Zip:</b>	37996
<b>Group Contact:</b>	Chandra Myrick, Executive Director, University Housing				
<b>Phone Number:</b>	(850) 694-1380	<b>Email:</b>	cmyrick1@utk.edu		
<b>Alt. Group Contact:</b>					
<b>Alt. Phone Number:</b>		<b>Email:</b>			

**Method of Reservations:** *Choose Method:*

**Rooming List/Housing Form**     X    

**Billing Instructions:** *Choose Method:*

**Direct bill Only:** *(Individuals will pay their own incidentals)* \$103.00 per room, per night room rate, one time cleaning fee upon every departure of \$150.00.

**Individuals Pay Own Charges:** Incidentals will be turned off in the student rooms unless valid method of payment is provided by the individual in which they will be responsible.

**Other:** *(please specify)* Hotel will provide a microwave in each student guest room. U.T. is responsible for the \$5.00 one time charge, per guest stay.

**Billing Contact:** *(University contact responsible for processing payments):*

<b>Name:</b>	Kay Sisco	<b>Phone:</b>	
<b>Email:</b>	ssisco@utk.edu		

**Group Room Block:**

**Group Room Block:**

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	08/30/2020	08/31/2020	09/01/2020	09/02/2020	09/03/2020	09/04/2020	09/05/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	09/06/2020	09/07/2020	09/08/2020	09/09/2020	09/10/2020	09/11/2020	09/12/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	09/13/2020	09/14/2020	09/15/2020	09/16/2020	09/17/2020	09/18/2020	09/19/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	09/20/2020	09/21/2020	09/22/2020	09/23/2020	09/24/2020	09/25/2020	09/26/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	09/27/2020	09/28/2020	09/29/2020	09/30/2020	10/01/2020	10/02/2020	10/03/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

(continue)

**Group Room Block (continued):**

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	10/04/2020	10/05/2020	10/06/2020	10/07/2020	10/08/2020	10/09/2020	10/10/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Date	10/11/2020	10/12/2020	10/13/2020	10/14/2020	10/15/2020	10/16/2020	10/17/2020
Room Type							
Rate	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
# of Rooms	100	100	100	100	100	100	100

Day	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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<b>Date</b>	10/18/2020	10/19/2020	10/20/2020	10/21/2020	10/22/2020	10/23/2020	10/24/2020
<b>Room Type</b>							
<b>Rate</b>	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
<b># of Rooms</b>	100	100	100	100	100	100	100

<b>Day</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<b>Date</b>	10/25/2020	10/26/2020	10/27/2020	10/28/2020	10/29/2020	10/30/2020	10/31/2020
<b>Room Type</b>							
<b>Rate</b>	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
<b># of Rooms</b>	100	100	100	100	100	100	100

<b>Day</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<b>Date</b>	11/01/2020	11/02/2020	11/03/2020	11/04/2020	11/05/2020	11/06/2020	11/07/2020
<b>Room Type</b>							
<b>Rate</b>	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
<b># of Rooms</b>	100	100	100	100	100	100	100

<b>Day</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<b>Date</b>	11/08/2020	11/09/2020	11/10/2020	11/11/2020	11/12/2020	11/13/2020	11/14/2020
<b>Room Type</b>							
<b>Rate</b>	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
<b># of Rooms</b>	100	100	100	100	100	100	100

<b>Day</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<b>Date</b>	11/15/2020	11/16/2020	11/17/2020	11/18/2020	11/19/2020	11/20/2020	11/21/2020
<b>Room Type</b>							
<b>Rate</b>	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
<b># of Rooms</b>	100	100	100	100	100	100	100

<b>Day</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<b>Date</b>	11/22/2020	11/23/2020	11/24/2020	11/25/2020	11/26/2020	11/27/2020	11/28/2020
<b>Room Type</b>							
<b>Rate</b>	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
<b># of Rooms</b>	100	100	100	100	100	100	100

(continue)

**Group Room Block (continued):**

<b>Day</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>
<b>Date</b>	11/29/2020	11/30/2020					
<b>Room Type</b>							
<b>Rate</b>	\$103.00	END					
<b># of Rooms</b>	100						

As the host Hotel, the Hilton is requesting that any additional room night needs be directed to the Hotel. It is understood by both parties that other lodging arrangements have been coordinated for similar use and will also be utilized for such services. The Hotel will provide the University with the flexibility to cancel any

rooms reserved for check-in on or after September 20, 2020 with 72 hours prior to arrival. Additionally, the Hotel in good faith, will honor the University with the proposed rate of \$103.00/night, even through previously mentioned and quoted Blackout Dates.

What separates us from other Lodging options:

- Location within the city and to the University of Tennessee campus
- Conus rate provided through the length of the Agreement
- Room commitment beyond September 20, 2020 thru the end of November, provides flexible cancellation without penalty of 72 hours prior notice to arrival.
- Complimentary Self-Parking
- Complimentary Wi-Fi

**Meeting and Catering Requirements:**

**Describe Your Proposed Meeting/Set-up Requirements by Day or by Meeting:**

At this time the University of Tennessee does not require any meeting or banquet space.

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**Describe Your Audio/Visual Requirements by Day:**

N/A

**Hotel Features:**

- Complimentary Wireless Internet Throughout the Hotel
- Refrigerators in all rooms
- Full Service Starbucks Coffee in the Lobby (hours may vary)
- State-of-the Art Fitness Center
- Full Service Restaurant (hours may vary)
- Within 5 minute walk to University of Tennessee Campus
- Located on complimentary City Trolley Line

**Additional information:**

- ✓ Hotel to provide housing option for students for isolation protocol (students not positive or symptomatic of COVID-19)
- ✓ Organization will not knowingly secure arrangements at the Hotel for any infected or positively tested COVID-19 patron. Organization's liability will be governed by the Tennessee Claims Commission Act.
- ✓ The University of Tennessee acknowledges that the Hotel maintains the right to remove guests who violate the hotel's policies.
- ✓ The University of Tennessee Housing Administration understands that it is responsible for payment of (100) guest rooms per night starting August 30, 2020 (check-in) through September 20, 2020 (check-out). Rooms will be invoiced whether the room is occupied or not.
- ✓ Additionally, the Hotel has committed to providing 100 rooms per night, starting on or with the arrival date of September 20, 2020 thru November 30<sup>th</sup>, 2020. The University of Tennessee has been granted a flexible option in which to cancel or adjust its room night requirement(s) with a minimum of 72 hours prior notice to each arrival date. Should a committed room night not be cancelled prior to this 72 hour requirement, the University of Tennessee will be responsible for payment of committed room allocation held by the Hotel, per the original request. All changes and cancellations must be received in writing by the University of Tennessee to the Hotel.
- ✓ The University of Tennessee understands a one-time \$200.00 cleaning fee will apply and be charged upon every guest departure.
- ✓ U.T. to provide housing form or rooming list to secure housing (forms are attached for reference)
- ✓ Hotel offers student limited contact (no longer than 10 minute contact with any individual)
- ✓ Hotel to shut off incidentals all guest rooms
- ✓ Hotel understands no meals to be provided however the Hotel offers a full service restaurant and/or meeting facilities that can accommodate any requested needs following CDC guidelines of Social Distancing. Special meal packages have been established by the Hotel to provide a well-balanced, healthy and safe option should student not have a standing meal plan.
- ✓ Hotel will provide minimal housekeeping services, to include but not limited to, scheduled pick up and drop off of bed linens and towels from guest room doorways.
- ✓ Hilton & Lysol Clean Stay Program (see attached for details)



**Rooming Lists/Housing Form:**

Please be advised housing forms submitted to the Hilton Knoxville must be provided on the designated hotel approved housing form. These forms will be provided to the group prior to the group arrival for completion.

**Taxes:** The University is tax exempt and all applicable taxes will be removed at the conclusion of the stay and/or event.

*By submitting this document, I acknowledge that the information on this document is correct. The hotel and the University agree that the person listed below is not an authorized signature for contract or purchase order purposes. Rather, the person below only signifies that the information in this document is accurate and approved for processing by the hotel. Furthermore, this order is governed by the terms and conditions of*

**UT Hotel Rewards Number:** 146985097

**University's maximum financial obligation for room nights:** \$ \_\_\_\_\_, in addition to the \$150.00 cleaning fee and \$5.00 microwave fee per check-out.

**Responsibility:** University is only responsible for the acts of its employees. Hotel acknowledges that University is not liable for the acts of its students or their invitees.

**Governing Law:** The laws of the state of Tennessee, without giving effect to its principles of conflicts of law, govern this agreement. The University's liability will be governed by the Tennessee Claims Commission Act.

**Self-Insurance:** The University is self-insured under the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301 et seq., which covers certain tort liability for actual damages of up to \$300,000 per claimant and \$1,000,000 per occurrence.

**Records; Audit:**

Records: Hotel shall maintain records for all expenses for which Hotel invoices the University under this agreement. Hotel shall maintain its records for at least 5 years, and shall maintain its records in accordance with generally accepted accounting principles.

Audit: During the term of this agreement and for 5 years after the last payment from the University to Hotel under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Hotel's records that relate to this agreement.

Assistance: Hotel shall provide the University with any documentation, access to information, or other assistance necessary for the University to ensure that Hotel complies with its obligations under this agreement.

**Force Majeure:**

- i. If a Force Majeure Event prevents a party from complying with any one or more obligations under this agreement, that inability to comply will not constitute breach if (1) that party uses reasonable efforts to perform those obligations, (2) that party's inability to perform those obligations is not due to its failure to (A) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (B) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (3) that party complies with its obligations under section this section.
- ii. For purposes of this agreement, "Force Majeure Event" means, with respect to a party, any event or circumstance, whether or not foreseeable, that was not caused by that party and any consequences of that event or circumstance.
- iii. If a Force Majeure Event occurs, the noncomplying party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long the noncomplying party expects it to last. Thereafter the noncomplying party shall update that information as reasonably necessary. During a Force Majeure Event, the noncomplying party shall use reasonable efforts to limit damages to the other party and to resume its performance under this agreement.

**Conflicts of Interest:**

- i. Hotel states that no part of the Hotel's compensation will be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Hotel in connection with any work contemplated or performed under this agreement.
- ii. Hotel states that this agreement is immediately void if the Hotel is, or within the past 6 months has been, an employee of the State of Tennessee or if the Hotel is an entity in which a controlling interest is held by an individual who is, or within the past 6 months has been, an employee of the State of Tennessee.

**Iran Divestment Act:** The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Hotel hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

**Illegal Immigrants:** In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Hotel hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.

**Tennessee Department of Revenue:** In compliance with the requirements of Tenn. Code Ann. § 12-3-306, the Hotel hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this agreement.

**Debarment:** Hotel hereby attests that the following are true statements:

- i. Hotel is not currently debarred by the U.S. federal government.
- ii. Hotel is not currently suspended by the U.S. federal government.
- iii. Hotel is not currently named as an “excluded” Hotel by the U.S. federal government.

**Records; Audit:**

Records: Hotel shall maintain records for all expenses for which Hotel invoices the University under this agreement. Hotel shall maintain its records for at least 5 years, and shall maintain its records in accordance with generally accepted accounting principles.

Audit: During the term of this agreement and for 5 years after the last payment from the University to Hotel under this agreement, the State of Tennessee Comptroller or the University’s internal audit, or both, may audit Hotel’s records that relate to this agreement.

Assistance: Hotel shall provide the University with any documentation, access to information, or other assistance necessary for the University to ensure that Hotel complies with its obligations under this agreement.

Signature:

\_\_\_\_\_  
University Approval

\_\_\_\_\_  
Hotel Approval

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**RESOLUTION TO APPROVE THE BORROWING OF  
MONEY BY ANOTHER METHOD BY THE UNIVERSITY  
OF TENNESSEE**

**Recitals**

Whereas the University of Tennessee-Knoxville (“UT-K”) desires to enter into an approximately ten (10) week lease (the “Embassy Suites Lease”) for the rental of up to thirty-two (32) hotel rooms (collectively, the “Rooms” or, individually, a “Room”) with Embassy Suites–Knoxville Downtown (the “Embassy Suites”) in Knoxville, Tennessee; and

Whereas the Rooms will be for use by students who need to be isolated due to possible exposure to Covid-19 but who have tested negative or have not been tested but are not symptomatic; and

Whereas the Rooms were chosen because of the location of the Embassy Suites and the availability of the Rooms for this use; and

Whereas the terms of the Lease are: an approximately ten (10) week lease term beginning September 20, 2020 and ending November 30, 2020 with a nightly Room rate of one hundred three dollars (\$103.00) and total estimated Room charges of two hundred thirty-seven thousand, three hundred twelve dollars (\$237,312.00); and

Whereas the payments for the Embassy Suites Lease will be funded by UT-K through plant funds (Non-Auxiliary).

**BE IT RESOLVED BY THE TENNESSEE STATE SCHOOL BOND AUTHORITY:**

1. In accordance with the authority provided by Tennessee Code Annotated Section 49-3-1205(11), the Authority gives its approval to the University of Tennessee to enter into the Embassy Suites Lease.

BE IF FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of August 28, 2020.

Adopted by the Authority at its meeting on August 28, 2020.

---

JUSTIN P. WILSON, SECRETARY  
TENNESSEE STATE SCHOOL BOND AUTHORITY

UNIVERSITY OF TENNESSEE

**Acquisition – Lease (Space)**

**Requested Action:** Approval of a lease

**Transaction Description:** Transaction No. 2020-08-01

- **Proposed Lease**

- **Location:**

University of Tennessee – Knoxville (UTK)  
Knox County – 507 S Gay Street, Knoxville, TN

- **Landlord:**

Embassy Suites – Knoxville Downtown

- **Term:**

September 20, 2020 – November 30, 2020

- **Area / Costs:**

32 hotel rooms (2 dedicated floors)

	\$/room	Estimated Total Cost
Cost per room	\$103.00/night	\$237,312.00

- **Source of Funding:**

Plant Funds (Non-Aux)(R)

- **Procurement Method:**

Negotiated

- **FRF Rate:**

\$18.00/sf (for reference only)

**Comment:**

These rooms will be used for students that need to be isolated due to possible exposure to Covid-19 but have tested negative or have not been tested and are not symptomatic. One student would be placed in each room and routine housekeeping will be provided once per week or as requested by the student. UTK Housing will arrange for transportation to and from the hotel, will provide daily meals and periodic check-ins on the students.

Students begin moving onto campus August 9. To meet possible immediate needs, the University will enter into a short-term agreement with Embassy Suites from August 9, 2020 through September 20, 2020.

This hotel was selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is for one year or less and an unforeseen situation has arisen making it impractical to advertise. The University may terminate this agreement for any reason by giving Embassy Suites at least seven days advance notice.

A similar request for approval but under a separate contract with the downtown Knoxville Hilton Hotel is also on the August 2020 ESC agenda.

**SSC Report:** 08/17/2020

## EXECUTIVE SUMMARY

### **BACKGROUND:**

The University of Tennessee, on behalf of its Knoxville campus (UTK), proposes to enter into an agreement with Embassy Suites at 507 S Gay Street, Knoxville, TN. Embassy Suites will reserve and dedicate two floors or 32 rooms for UTK's use related to Covid-19.

UTK goal is to have isolation spaces (used for quarantine or isolation) for 3-5% of on-campus student population. There are approximately 8,000 UTK Housing beds and 1,000 Greek housing beds for a total of 9,000 on-campus. UTK has taken several measures to decrease the density in the residence halls by not backfilling any spaces that are being vacated by students taking advantage of 1) the removal of the requirement for all first-year students to live in on-campus housing and 2) granting permission to terminate existing housing contracts as requested.

With the hotel leases presented this month and apartment leases previously approved, UTK will have 311 isolation spaces (39 on-campus and 272 off-campus). The rooms will be used by UTK residential students who have tested negative Covid-19 or who have not been tested but are not symptomatic and are in isolation due to possible exposure. The rooms will be limited to one person and routine housekeeping will be provided once per week and as requested by a student. Students will not be allowed to use the hotels amenities.

UTK Housing will arrange for transportation to and from the hotel, will provide daily meals and will provide periodic checks on the students.

This hotel was selected because of the location and the availability of rooms for this use.

Students begin moving in to campus on August 9 and to meet immediate needs, the University is entering into a short-term agreement with Embassy Suites from August 9, 2020 through September 20, 2020 with a total contract amount expected to be less than \$150,000.

Similar but separate short and longer-term contracts will be entered into with the downtown Knoxville Hilton Hotel.

### **TERMS:**

The University proposes a term beginning September 20, 2020 through November 30, 2020, the duration of the Fall semester. At 32 rooms, the total number of room nights would be 2,304 over this period. The nightly room rate is \$103

The University may terminate this agreement at any time and for any reason by giving 7 days prior notice.

**FUNDING:**

Funding for the lease payments will be funded by UTK through Plant Funds (Non-Auxiliary) (R).

**REQUEST:**

Request for approval to enter into an agreement for hotel rooms.





To: David Miller, Senior Vice President & Chief Financial Officer

From: Tony Hopson, Director of Real Property and Space Administration

Date: August 4, 2020

Re: Justification for Not Advertising – UT Knoxville (UTK) Hotel Leases – Covid-19

UTK proposes to lease hotel rooms at Embassy Suites and Hilton Hotel, both in downtown Knoxville. The rooms will be dedicated for use by UTK residential students that are not symptomatic for Covid-19 or who have tested negative but are in isolation due to possible exposure. The rooms will be limited to one person and routine housekeeping will be provided once per week and as requested by a student. Students will not be allowed to use the hotel amenities.

UTK Housing will arrange for transportation to and from the hotel, will provide daily meals and will provide periodic checks on the students.

The room rate is \$103 per night and Hilton will charge an additional \$5.00 per stay for use of a microwave and a \$200 cleaning fee each time a student moves out. The Hilton lease begins August 31, 2020 and the Embassy Suites lease September 20, 2020. Both end on November 30, 2020 if not terminated earlier. Students begin arriving on campus August 9, to meet immediate needs the University is entering into short-term agreements until these leases are approved by the University and State Building Commission.

These complexes were selected because of the location and the availability of rooms for this use. Advertising is not required since the term of this lease is less than one year and an unforeseen situation has arisen making it impractical to advertise. The rooms at Embassy Suites may be terminated with 7 days-notice and the rooms at Hilton may be terminated after September 20, 2020 with 72-hour notice.

Approved:

DocuSigned by:

*David Miller*

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David L. Miller, Senior Vice President & Chief Financial Officer

Cc: Austin Oakes

## CERTIFICATION OF FUNDS

Please be advised that The University of Tennessee - Knoxville has adequate resources that are not encumbered or otherwise obligated from which to make related payments in accordance with the real property lease with **Embassy Suites – Downtown Knoxville** in the amount of **Two hundred thirty seven thousand three hundred twelve and 00/100 (\$237,312.00) per year.**

DocuSigned by:

*David Miller*

Date: 8/4/2020 | 13:39:52 PDT

David L. Miller

Senior Vice President & Chief Financial Officer



## CONTRACT TERMS

**PAYMENT TERMS:** The University of Tennessee will pay for 32 rooms per night at \$103 (plus applicable taxes) for the duration of the contract, whether rooms are occupied or vacant. The University is only responsible for the room rate. Individual occupants will be responsible for any incidental costs. Hotel will inform each guest at check-in of their responsibility for incidentals.

Hotel will bill the University of Tennessee in 2 week increments for the number of nights in the contract for the preceding 14 days.

**Billing Schedule:**

Every other Monday the hotel will bill \$46,144 (UT is exempt from state taxes, and also exempt from Knoxville city and Knox County taxes).

University's maximum financial obligation: \$23,072 per week

**ACCOMMODATIONS:** Accommodations will be provided on two dedicated floors and only University of Tennessee guests will be housed on said floors. Accommodations will be provided on two dedicated floors and only University of Tennessee guests will be housed on said floors. Students housed with the Embassy Suites Knoxville Downtown will be not be symptomatic, or must have tested negative for COVID-19, and are only in isolation for observation due to possible exposure.

Routine housekeeping will be available once per week at a specified time agreed between the student and the hotel. Hotel must provide towels, bathroom items (soap, etc.), and spot cleaning as needed, and when requested by a student.

**HOTEL AMENITIES:** For the safety of the students, other guests and team members, students will not be allowed in Radius, the rooftop pool, breakfast, CJs Tacos or Knox Mason. Students and their invitees will have access to hotel's elevators and stairwells.

**RESERVATION METHODS:** Direct email to [mburke@kanahotelgroup.com](mailto:mburke@kanahotelgroup.com) or other appointed Embassy Suites representative.

**CANCELLATION AND PERFORMANCE:** The University may terminate this agreement for any reason by giving the Hotel notice at least 7 days in advance. In the event of cancellation of this Agreement, University will provide Hotel with notice as soon as reasonably possible. University will not be responsible for any cancellation costs.

**CHECK-IN/CHECK-OUT:** Check-in time for all hotel guests is anytime. Check out time is 11:00 A.M.

**SIGNAGE AND BANNERS:** Signs and banners are not permitted in the hotel lobby. In an effort to maintain appearances, the attachment of these items to function walls, floors, ceilings or curtains is also prohibited. Should these restrictions be of concern, please discuss them with your Sales Manager.

**PROMOTIONAL CONSIDERATIONS:** We have the right to review and approve any advertisements or promotional materials in connection with your function which specifically reference the hotel name or logo.

**YOUR PROPERTY:** We are not responsible for any loss or damage to your property.

**WAIVER:** If one party agrees to waive its right to enforce any terms of this Contract, it does not waive its right to enforce such terms or any or all other terms of this Contract at any other time.

**GOVERNING LAW:** This Contract shall be governed by and construed under the laws of the state the hotel is located in. Any liability of the University to Hotel and third parties for any claims, damages, losses, or costs arising out of or related to acts performed by the University under this agreement will be governed by the Tennessee Claims Commission Act, Tenn. Code Ann. §§ 9-8-301, et. seq. If any provision of the Contract is unenforceable under applicable law, the remaining provisions shall continue in full force and effect.

**Responsibility:** University is only responsible for the acts of its employees. Hotel acknowledges that University is not liable for the acts of its students or their invitees.

Company Rep. Initials \_\_\_\_\_

**Records; Audit:**

Records: Hotel shall maintain records for all expenses for which Hotel invoices the University under this agreement. Hotel shall maintain its records for at least 5 years, and shall maintain its records in accordance with generally accepted accounting principles.

Audit: During the term of this agreement and for 5 years after the last payment from the University to Hotel under this agreement, the State of Tennessee Comptroller or the University's internal audit, or both, may audit Hotel's records that relate to this agreement.

Assistance: Hotel shall provide the University with any documentation, access to information, or other assistance necessary for the University to ensure that Hotel complies with its obligations under this agreement.

**Force Majeure:**

- i. If a Force Majeure Event prevents a party from complying with any one or more obligations under this agreement, that inability to comply will not constitute breach if (1) that party uses reasonable efforts to perform those obligations, (2) that party's inability to perform those obligations is not due to its failure to (A) take reasonable measures to protect itself against events or circumstances of the same type as that Force Majeure Event or (B) develop and maintain a reasonable contingency plan to respond to events or circumstances of the same type as that Force Majeure Event, and (3) that party complies with its obligations under section this section.
- ii. For purposes of this agreement, "Force Majeure Event" means, with respect to a party, any event or circumstance, whether or not foreseeable, that was not caused by that party and any consequences of that event or circumstance.
- iii. If a Force Majeure Event occurs, the noncomplying party shall promptly notify the other party of occurrence of that Force Majeure Event, its effect on performance, and how long the noncomplying party expects it to last. Thereafter the noncomplying party shall update that information as reasonably necessary. During a Force Majeure Event, the noncomplying party shall use reasonable efforts to limit damages to the other party and to resume its performance under this agreement.

**Conflicts of Interest:**

- i. Hotel states that no part of the Hotel's compensation will be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Hotel in connection with any work contemplated or performed under this agreement.
- ii. Hotel states that this agreement is immediately void if the Hotel is, or within the past 6 months has been, an employee of the State of Tennessee or if the Hotel is an entity in which a controlling interest is held by an individual who is, or within the past 6 months has been, an employee of the State of Tennessee.

**Iran Divestment Act:** The requirements of Tenn. Code Ann. § 12-12-101 et. seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, are a material provision of this agreement. Hotel hereby certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

**Illegal Immigrants:** In compliance with the requirements of Tenn. Code Ann. § 12-3-309, Hotel hereby attests that it shall not knowingly utilize the services of an illegal immigrant in the United States in the performance of this agreement and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the United States in the performance of this agreement.

**Tennessee Department of Revenue:** In compliance with the requirements of Tenn. Code Ann. § 12-3-306, the Hotel hereby attests that it has registered with the State of Tennessee's Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this agreement.

**Debarment:** Hotel hereby attests that the following are true statements:

- i. Hotel is not currently debarred by the U.S. federal government.
- ii. Hotel is not currently suspended by the U.S. federal government.
- iii. Hotel is not currently named as an "excluded" Hotel by the U.S. federal government.

**Background Checks:** This clause applies if Hotel will provide services on the University's property.

- i. **General Obligation:** Hotel will not knowingly assign any individual to provide services to University if the individual has a history of criminal conduct. For purposes of this agreement, "criminal conduct" means (a) that the person is listed on any state's sexual offender registry; (b) that person is listed on the Tennessee Abuse Registry, or (c) that the person has been convicted of a felony in any state.

Company Rep. Initials\_\_\_\_\_

- ii. Prompt Background Checks: If the University requests, Hotel must perform a comprehensive criminal background check on any Hotel employee or sub-contractor.

**AUXILIARY AIDS:** The hotel represents and you acknowledge that the hotel's facilities being rented for you including guest rooms and common areas will be in compliance with our public accommodation requirements under the **Americans with Disabilities Act**. You agree that one week in advance you will furnish to us a list of any auxiliary aids needed by your attendees in meeting or function space. You agree to pay all charges associated with the provision of such aids by the hotel. When your attendees make room reservations, please ask them to notify us of their auxiliary aid needs so that we may notify you as to the names of businesses which you may contract to obtain those aids.

**DELIVERIES:** Arrangements for delivery of packages should be made through your sales contract. You must prepay all packages sent to the hotel. Packages for functions must be addressed to the attention of University of Tennessee and marked with the name and date of your arrival. Due to limited storage space, we request that shipment not arrive any earlier than two days prior to group's arrival.

**FAX COPY:** Upon completion of this contractual agreement, both parties agree that a faxed copy is to be considered legal and binding.

**ACCEPTANCE:** A signed copy of this agreement and the deposit (if required) should be returned by 07/29/2020 in order for the arrangements to be reserved. If the agreement is not returned by this date, the arrangements will be released. The undersigned represents that he/she is a representative authorized to sign on behalf of the Group and to enter into this contractual agreement, confirming the agreement to the above conditions, terms and policies of the Hotel

The undersigned is authorized to sign and enter into this contract.

<b>ORGANIZATION:</b>	University of Tennessee	<b>HOTEL:</b>	Embassy Suites Knoxville Downtown
<b>PRINT NAME:</b>		<b>PRINT NAME:</b>	Alpesh Patel
<b>PRINT TITLE:</b>		<b>PRINT TITLE:</b>	Owner
<b>SIGNATURE:</b>		<b>SIGNATURE:</b>	
<b>DATE:</b>		<b>DATE:</b>	8/5/20