

**WASHINGTON COUNTY, TENNESSEE
BOARD OF COUNTY COMMISSIONERS**

RESOLUTION NO. 25-10-16

***RESOLUTION APPROVING THE REVISED WASHINGTON COUNTY
5-YEAR CAPITAL PROJECT PLAN FOR FY26 – FY30 AND
AMENDING FY26 BUDGET AND APPROVING AND AUTHORIZING
CAPITAL FUNDS FOR GRAY TLC NORTHEAST STATE CULINARY
ARTS EDUCATION PROGRAM***

WHEREAS, Resolution No. 24-10-06 approved a draft Property Lease Between Washington County and The Tennessee Board of Regents, on Behalf of Northeast State Community College (TBR on behalf of NeSCC), to accommodate the Culinary Arts Degree Program of the college (a copy of the executed version of the lease is attached as Exhibit A; and

WHEREAS, Resolution 25-08-18, approved the revised Washington County 5-year capital project plan for FY26 – FY30, amended the FY26 budget, and approved and authorized capital funds for the Gray TLC Northeast State Culinary Arts Education Program in the amount of \$325,000.00 conditioned upon and subject to the preparation of a revised lease agreement with Northeast State Community College, providing full reimbursement of the \$325,000.00 over a five-year term; and

WHEREAS, the bid proposal associated with the tenant renovations has been received and requires funding in excess of the previously approved amount; and

WHEREAS, the current cost of the renovation work is \$561,405; and

WHEREAS, TBR on behalf of NeSCC has to fund a total amount of \$405,378 over the remainder of the lease term which would be memorialized in an amendment to the subject lease but has not yet agreed to an amortization of the principal amount (); and

WHEREAS, the Mayor requests the adoption of the Revised Washington County 5-Year Capital Project Plan for FY26-FY30 to reflect \$575,000 for renovations as shown on Exhibit B attached hereto; and

WHEREAS, the Mayor requests the following amendment to FY26 budget for tenant renovation to the Gray TLC facility for a Northeast State culinary arts education program and general building requirements for occupancy:

1. Increase \$250,000.00 to expense line item 171-91110-707 (General Administration Projects- Building Improvements);
2. Decrease \$250,000.00 from equity line item 171-39000 (Fund Balance); and

WHEREAS, the Capital Projects Funds Policy, adopted August 29, 2016 (Resolution 16-08-14), requires an enabling Resolution approved by the County Commission, identifying a specific project or use of capital funds prior to expenditure or transfer from the Capital Projects Fund; and

WHEREAS, the Mayor requests authorization to spend up to \$575,000.00 of budgeted funds from the County's Capital Project Fund, 171-91110-707, General Administration Projects- Building Improvements for tenant renovation to the Gray TLC facility in FY26 for a Northeast State culinary arts education program and building requirements associated with occupancy; and

WHEREAS, the funding of expenditure in the amount of \$405,378.00 shall be conditioned upon and subject to the preparation and execution of a revised lease agreement or lease amendment with TBR on behalf of NeSCC, providing full reimbursement of the \$405,378.00, over the remaining term of the existing lease; and

WHEREAS, at its October 15, 2025 meeting the Budget Committee recommended consideration and approval of this request to the Board of County Commissioners; now therefore

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHINGTON COUNTY, TENNESSEE THAT:

SECTION 1. The Revised Washington County 5-Year Capital Project Plan for FY26-FY30 as shown on Exhibit B is hereby approved.

SECTION 2: The Revised Fiscal Year Budget 2025-2026 is amended to:

1. Increase \$250,000.00 to expense line item 171-91110-707 (General Administration Projects- Building Improvements).
2. Decrease \$250,000.00 from equity line item 171-39000 (Fund Balance).

SECTION 3. The Board of County Commissioners approves and authorizes the expenditure in an amount not to exceed \$575,000.00, from expense line item 171-91110-707, General Administration Projects- Building Improvements, for tenant renovation to the Gray TLC facility for a Northeast State culinary arts education program and building requirements associated with occupancy.

SECTION 4: The funding of expenditure in the amount of \$405,378.00 shall be conditioned upon and subject to the preparation and execution of a revised lease agreement or lease amendment with TBR on behalf of NeSCC, providing full reimbursement of the \$405,378.00, over the remaining term of the existing lease.


SECTION 5. The County Purchasing Agent and County Mayor are authorized to execute all necessary documents, subject to the approval of the County Attorney.

SECTION 6. This Resolution which replaces the action set out in No. 25-08-18 shall take effect from and after the date on which it is approved by the County

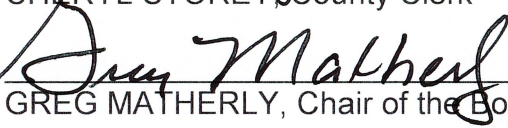
Mayor or as indicated by certification of the County Clerk, as hereinafter set forth.

Motion to amend to remove interest, Introduced by Commissioner: *Carder*
Seconded by Commissioner: *Tucker*
Commissioners Voting FOR: *Tucker, Johnson, Fitzgerald, Matherly, England, Malone, Stout, Tomita, Jones, Wexler, Huffine, Wheeler, Carder*
Commissioners Voting AGAINST: *Jones*
Commissioners Abstaining: *None*
Commissioners Absent: *Edens, Davenport*

ADOPTED BY THE COUNTY LEGISLATIVE BODY, in session duly assembled, on this the 27th day of October, 2025.

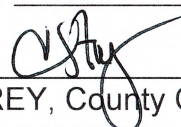


CHERYL STOREY, County Clerk



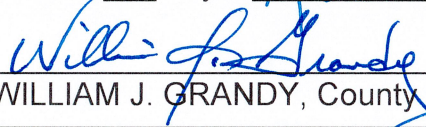
GREG MATHERLY, Chair of the Board

REFERRED to County Mayor this the 4 day of Nov. 2025



CHERYL STOREY, County Clerk

APPROVED by County Mayor on this the 4 day of November 2025.

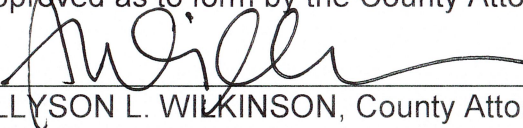


WILLIAM J. GRANDY, County Mayor

The County Mayor having declined to approve this Resolution, the same became effective on the ___ day of _____ 2025, pursuant to Tennessee Code Annotated § 5-6-107(b)(5).

CHERYL STOREY, County Clerk

Approved as to form by the County Attorney this 28th day of October 2025.



ALLYSON L. WILKINSON, County Attorney

LEASE AGREEMENT FORM

(TBR institution is Lessee)

Administrative use only:
Agency: _____
Allotment Code: _____
No. _____

This Instrument Prepared By:



Tennessee Board of Regents
1 Bridgestone Park, 3rd Floor
Nashville, Tennessee 37214

This Lease, entered into as of this 13th day of December, 2024,
made by and between

Washington County TN

hereinafter called the Lessor, and

**the Tennessee Board of Regents, on behalf of
Northeast State Community College**

hereinafter called the State.

WITNESSETH:

- LOCATION:** The Lessor hereby leases unto the State those certain premises with the appurtenances situated in the County of Washington, City of Gray, located at 533 Sid Martin Road
- DESCRIPTION:** The premises above are more particularly described as follows: Building located at 533 Sid Martin Road, to be renovated for the college's Culinary Art Degree program.

Being (part of) the same property further described in last recorded instrument conveyed to the Lessor in Deed Book 1162, Page 1325, recorded in the Register's Office, Washington County, Tennessee

- TERM:** The term of this Lease shall commence on January 1, 2025 and shall end on December 31, 2030 with such rights of termination as are hereinafter expressly set forth. If the date of occupancy is other than the commencement date, then the rental period shall begin with the date of occupancy, provided that the rental period shall begin no later than the latter of (a) the commencement date or (b) 30 days after the space is made available to the State in accordance with the conditions of this Lease. This provision shall not relieve the Lessor of the liability to the State for damages in the event that the space is not made available to the State in accordance with the conditions of this Lease on the commencement date specified above.

4. RENTAL:

- State shall pay rental in arrears on the last day of the payment period as follows:
annual rent of \$ 83,000.00, payable in installments of \$ 6,916.67 per month.

Rent payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified, based on the actual number of days in the month. Rental shall be paid to Lessor at the address specified in Paragraph 6, or to such other address as the Lessor may designate by a notice in writing.

- b) **AUTOMATIC DEPOSITS:** Lessor shall complete and execute an Authorization Agreement for Automatic Deposits (ACH Credits) Form, using the form provided to Lessor by State. Once this executed form has been provided to State by Lessor, all payments to Lessor under this or any other contract the Lessor has with the State of Tennessee, shall be made through the State of Tennessee's Automated Clearing House wire transfer system. Lessor shall not invoice State for services until Lessor has executed this form and submitted it to State. The debit entries to correct errors authorized by the Authorization Agreement for Automatic Deposits Form shall be limited to those errors detected prior to the effective date of the credit entry. The remittance advice shall note that a correcting entry was made. All corrections shall be made within two banking days of the effective date of the original transaction. All other errors detected at a later date shall take the form of a refund or, in some instances, a credit memo if additional payments are to be made.

5. TERMINATION:

- a) **FOR CONVENIENCE:**
State may terminate this lease at any time by giving written notice to the Lessor at least **90 days** prior to the date when such termination becomes effective. Notice shall commence on the day after the date of mailing.
- b) **FOR CAUSE:** The State may in its sole discretion terminate this Lease at any time for any of the following causes:
- 1) Failure of the Lessor to provide any of the services required under the terms of this Lease;
 - 2) Failure by the Lessor to make such modifications, alterations or improvements as may be necessary to ensure that the Leased Premises are brought up to, and maintained at, codes for building construction, health, fire and life safety, and handicapped accessibility, applicable to the Leased Premises, except where deficiencies are caused by State;
 - 3) Failure to disclose any conflict or potential conflict of interest existing at the date of this Lease or hereafter created;
 - 4) Termination or consolidation of the State operations or programs housed in the Leased Premises because of loss of funding or otherwise;
 - 5) Lack of funding by the appropriate Legislative Body for obligations required of the State under this Lease;
 - 6) Misrepresentations contained in the response to the request for proposal or committed during the negotiation, execution, or term of this Lease;
 - 7) The availability of space in State-owned property, provided that no cancellation for this reason may take place until the lease has been in effect for one year; and,
 - 8) Any other breach of the terms of this lease by Lessor which is not adequately remedied within twenty (20) days of the mailing of written notices thereof to Lessor.

6. **NOTICES:** All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To the Lessor at:

Joe Grandy, Mayor
100 East Main Street
PO Box 219
Jonesborough, TN 37659

To the State at:

Tennessee Board of Regents
1 Bridgestone Park, 3rd Floor
Nashville, TN 37214

7. **ASSIGNMENT AND SUBLETTING:** The State shall not assign this Lease without the written consent of the Lessor, but shall in any event have the right to sublet the Leased Premises.
8. **INSPECTION:** The Lessor reserves the right to enter and inspect the Leased Premises, at reasonable times, and to render services and make any necessary repairs to the Leased Premises.
9. **ALTERATIONS:** The State shall have the right during the existence of this Lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the Leased Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Leased Premises under this Lease or any prior Lease of which this Lease is an extension or renewal shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this Lease or any renewal or extension thereof, or within a reasonable time thereafter.
10. **SURRENDER OF POSSESSION:** Upon termination or expiration of this Lease, the State will peaceably surrender to the Lessor the Leased Premises in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the State has no control or for which Lessor is responsible pursuant to this Lease, excepted. The State shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the Leased Premises altered by it, save and except in the event the State elects to remove any such improvement or fixture and such removal causes damages or injury to the Leased Premises and then only to the extent of any such damage or injury.
11. **QUIET POSSESSION:** Lessor agrees that the State, keeping and performing covenants contained herein on the part of the State to be kept and performed, shall at all times during the existence of this Lease peaceably and quietly have, hold and enjoy the Leased Premises, without suit, trouble or hindrance from the Lessor, or any person claiming under Lessor.
12. **REPAIR AND MAINTENANCE:**
 - a) During the lease term, Lessor shall maintain the Leased Premises and appurtenances which it provides in good repair and tenantable condition, including, but not limited to, the maintenance and repair of the elevator, if any, plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in good operating condition except in case of damage arising solely from a willful or negligent act of the State's agent, invitee, or employee.
 - b) Lessor's obligations shall also include, but are not limited to, periodic painting to the satisfaction of the State, furnishing and replacing electrical light bulbs, fluorescent tubes, ballasts and starters, and air conditioning and ventilating equipment filters.
 - c) In case Lessor, after notice in writing from the State requiring the Lessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply therewith, or in the event of an emergency constituting a hazard to the health or

safety of the State's employees, property, or invitees, the State may perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

13. **APPROPRIATIONS:** All terms and conditions of this Lease are made subject to the continued appropriations by the appropriate Legislative Body.

14. **DESTRUCTION:**

- a) If the Leased Premises are totally destroyed by fire or other casualty, this Lease shall terminate. If such casualty shall render ten (10) percent or less of the floor space of the Leased Premises unusable for the purpose intended, Lessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.
- b) In the event such casualty shall render more than ten (10) percent of such floor space unusable but not constitute total destruction, Lessor shall forthwith give notice to State of the specific number of days required to repair the same. If Lessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option, may terminate this Lease or, upon notice to Lessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due to become due under this Lease and any other lease between Lessor and State.
- c) In the event of any such destruction other than total, where the State has not terminated the lease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Lessor shall diligently prosecute the repair of the leased premises and, in any event, if repairs are not completed within the period of thirty (30) days for destruction aggregating ten (10) percent or less of the floor space, or within the period specified in Lessor's notice in connection with partial destruction aggregating more than ten (10) percent, the State shall have the option to terminate this Lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and State.
- d) In the event the State remains in possession of the Leased Premises though partially destroyed, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the Leased Premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

15. **SERVICES AND UTILITIES:**

a) The Lessor shall furnish to the State, during lease term, at Lessor's sole cost, the following services, utilities and supplies: (Enter "X" in each applicable box)

- | | | | |
|---|-------------------------------------|---|---------------------------------|
| X | 1) All utilities (except telephone) | X | 5) Hot and Cold Water Equipment |
| X | 2) Janitor Services & Supplies | | 6) Restroom Supplies |
| | 3) Drinking Fountain | X | 7) Heat Equipment |
| | 4) Elevator Service | X | 8) Air Conditioning Equipment |

b) The **janitorial service**, if provided above, shall be provided in accordance with the following schedule:

- 1) **Daily:**
Dust all furniture, counters, cabinets and window sills; sweep all floors, empty all wastebaskets and ashtrays; dispose of all rubbish; clean and maintain in sanitary condition all restrooms and plumbing fixtures; sweep sidewalks, stairways and halls; remove snow from entrance ways and parking areas if present; clean the parking area; and replace light bulbs, tubes, ballasts and starters if necessary.
 - 2) **Weekly:**
Mop all floors and dust all venetian blinds. Vacuum carpets, if any.
 - 3) **Every Other Month:**
Strip and wax all floors.
 - 4) **Semi-Annually:**
Wash all windows, venetian blinds, light fixtures, walls and painted surfaces.
- c) In the event of the failure by the Lessor to furnish any such services, utilities or supplies in a satisfactory manner, the State may furnish the same at its own cost, and, in addition to any other remedy the State may have, may deduct the amount thereof from the rent or any other payments that may then be or thereafter become due hereunder.
16. **SERVICES CREDIT:** Lessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Lessor pursuant to Paragraph 15 hereof and that should the State vacate the premises prior to the end of the term of this Lease, or, if after notice in writing from the State, all or any part of such services, utilities or supplies for any reason are not used by the State, then, in such event, the monthly rental rate as to each month or portion thereof as to which such services, utilities or supplies are not used by the State shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.
17. **TIME OF THE ESSENCE:** Time is of the essence of this Lease, and the terms and provisions of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns to the respective parties hereto.
18. **HOLDING OVER:** In the event the State remains in possession of the premises after the expiration of the lease term, or any extension thereof, this Lease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable.
19. **FINANCIAL INTEREST:** The Lessor will provide or has provided to the State a list of names and addresses of persons, associations, or corporations who hold any financial interest in the above Leased Premises; such list shall be immediately revised in the event of a transfer of any such interest.
20. **CODES:** The Lessor shall maintain the Leased Premises in accordance with all fire, building and life safety codes and the Americans with Disabilities Act.
21. **SPACE AUDIT:** The Lessor certifies that the amount of space, as described in Paragraph 2 above, is accurate to the best of its knowledge. The State reserves the right to perform physical measurements of the space and adjust the rental amount based upon the amount of space as measured. If the measured amount is less than the amount of space indicated in Paragraph 2 above, the adjustment in rent shall be a percentage reduction equal to the percentage difference between the space as reported by the Lessor and that actually measured by the State. In all cases,

the State shall use the current Building Owner's and Manager's Association (BOMA) standards of measurements for either single or multi-tenant occupancy, whichever is applicable.

- 22. **PEST CONTROL:** The Lessor shall maintain the premises in a condition that is free of pests, rodents, and other vermin.
- 23. The Lessor fully understands that this Lease is not binding except and until all appropriate State officials' signatures have been fully obtained, approval of this agreement has been given by the State Building Commission, if applicable, and the fully executed document returned to the Lessor.
- 24. **PAYMENT OF TAXES:** Lessor, by virtue of leasing property to the State, does not become a State agency, entity, or employee, and is not entitled to any rights, privileges, or immunities pertaining to the State or its agencies and instrumentalities. Lessor shall pay all applicable taxes by virtue of ownership of the property subject to this Lease and is not authorized to pass through the amount of such taxes to the State.
- 25. Prior to the execution of this Lease, the special provisions which are described below and/or attached hereto and incorporated by reference were agreed upon.

All utilities and the cost of any renovations will be paid by Washington County.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto:

LESSOR

STATE

DocuSigned by:
 BY: Joe Grandy
1FF26BA1BAAS41Z
 2024-12-12 | 4:39 PM EST
 Joe Grandy
 Mayor

Signed by:
 BY: Jeff McCord
F3C31DD73720A59...
 2024-12-13 | 12:21 PM PST
 Jeff McCord
 President

DocuSigned by:
 BY: Flora W. Tydings
15B44CDEEAC7429...
 2024-12-13 | 2:25 PM CST
 Flora W. Tydings
 Chancellor

171 - General Government Capital Projects Fund
Five-Year Plan
FY2026 - FY2030

	BUDGET	YTD	PROPOSED				
	2025	2025	2026	2027	2028	2029	2030
Source of Funds for Capital Expenditures							
Property Tax Projected at 1% Growth	6,381	6,342	6,813	6,882	6,950	7,020	7,090
Other Revenue (Grants, Invest Income, etc.)	1,740	2,589	0	0	0	0	0
Revenues Available for County Projects	8,121	8,932	6,814	6,882	6,951	7,020	7,090
EXPENDITURES							
Trustee Commission	81	126	135	136	138	139	140
Ag Extension Office - HVAC & Roof	20	0					
Countywide IT Network Infrastructure	150	128	50	50	60	60	80
Storm Water - Stream Sampling				60			
Codes - Computers & Software	8	4	5	6	5	3	6
Codes - Vehicle	93	93			50	55	
Circuit Court - Furniture	10	10					
Chancery Court - Recording System & Computers	20	0					
County TLC - NE State Tenant Improvements			575				
Justice Center - Chiller Replacement	200	170					
Justice Center - Courtroom 7 Sound System	90	63					
Sheriff - Justice Center Camera Conversion to Digital	160	147					
Sheriff - Computer Replacements	18	18	18	250			
Sheriff - Body Cams & Radio Upgrades	100	99	100	100	100	100	
Sheriff - Tasers	50		86	86	86	86	86
Sheriff - Farro/Matterport Camera-Scene Scanner	70	70					
Sheriff - Additional Office & Jail Security Cameras	20	25					
Sheriff - Firing Range	250	203					
Sheriff - Data Backup (Datto) Hardware	11	10					
Jail - Dryers (3)					225		
Jail - Shower/Waterline Upgrades	15	4	15				
Jail - Security Locks	150	150					
Jail - Security Locks (Funding to Complete)	149	148					
Health Department - Storage Pod	208	61					
Health Department - HVAC					TBD		
Health Department - Phone System				50			
Historic Courthouse - Elevator Upgrade	100	96					
Library - Jonesborough Gutters	7	0	6				
Library - Jonesborough Carpet	14	0					
Library - Computers & Network Infrastructure			67				
Library - Computer Replacements	6						
Gray Library - Architects	19	0					
Gray Library - Lease Payments	99	98					
Gray Library - Renovations	1,524	1,345					
Gray Library - Furniture & Equipment	350	350					

171 - General Government Capital Projects Fund

Five-Year Plan

FY2026 - FY2030

	BUDGET	YTD	PROPOSED				
	2025	2025	2026	2027	2028	2029	2030
Solid Waste - Vehicle			40				
Solid Waste - Laptop Replacements (10)				18			
Solid Waste - Wheel Loader			110				
Solid Waste - Backhoe			140				
Solid Waste - Cardboard Baler			140				
Solid Waste - Hooklift Trucks (2)						600	
Solid Waste - Skid Steer Replacement	67	57					
Solid Waste - Lamar Convenience Ctr Helene	1,000						
EMA - Laptop Replacements (16)				40			
EMA - Office Renovations	48		48				
EMA - Communications Upgrade to EOC	27	25					
EMA - Vehicle Replacement (2012 Tahoe)			55				
Schools - Reimbursement for BC Athletic	60	0					
EMS/Fire - Telford Station	1,000	1,000					
EMS - Paving	160	154	6				
Water Projects	3,000	0	6,000	4,000	4,000	4,000	4,000
General Fund Transfer			1,800				
Total Expenditure Projection	9,353	4,653	9,446	4,746	4,664	5,043	4,313
Capital Surplus (Deficit)	-1,232	4,279	-2,633	2,136	2,287	1,977	2,778
Budgeted Fund Balance 6-30-2025	1,237						
Fund Balance	1,237	6,748	4,115	6,251	8,538	10,515	13,292
<i>Memo Only - Assessor Vehicles funded via General Fund</i>	<i>84</i>		<i>46</i>	<i>48</i>	<i>50</i>	<i>52</i>	