

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That the Agreement by and between the Metropolitan Government of Nashville and Davidson County and the Metropolitan Nashville Airport Authority, a copy of which is attached hereto and incorporated herein, is hereby approved.

Section 2. This Resolution shall take effect from and after its adoption, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This resolution approves an agreement between the Metropolitan Government and the Metropolitan Nashville Airport Authority ("MNAA") for the use of the John C. Tune Airport. The Metropolitan Government plans to design and construct an aircraft hangar and ancillary facilities for the storage of aircraft, aeronautical equipment, and other related materials.

The Metropolitan Government desires to lease a parcel consisting of .84 acres or 36,624 square feet of unimproved land. The term of the lease is 30 years, with one option to extend the term for an additional period of five years.

The rent in the first year of the lease will be \$2.21 per square foot, or \$80,939.04. Each year, rent will be increased to an amount equal to 103% of the rent payable for the immediately preceding leasing year, representing a 3% annual rent increase, for the first nine years. At the beginning of the tenth year of the lease and the twentieth year of the lease, the rent will be adjusted to the then-prevailing fair market value rental rate for the premises.

Pursuant to the terms of the agreement MNAA will engage a firm to design the initial improvements and engage a firm to construct the initial improvements. The Metropolitan Government will be able to install or erect additional improvements upon approval of MNAA. The Metropolitan Government is responsible for repairs and maintenance of the premises, including grassed areas, buildings, roadways, driveways, paved aircraft and automobile parking areas, landscaping, sidewalks, fencing, lighting, detention areas, drainage and utility facilities and other improvements in or under the premises. Every five years, the Metropolitan Government must conduct a Property Condition Assessment. The Metropolitan Government will also be responsible for all utility services required for the premises.

Fiscal Note: Metro will lease annually, for 30 years, an aircraft hangar and ancillary facilities that Metro Nashville Airport Authority will design and construct at John C. Tune Airport. The initial base rent for the premises will be \$80,939.04, representing a rate of \$2.21 per square foot. Each year the rent will be increased by 3%. In the tenth year and the twentieth year, rent will be adjusted to the then-prevailing fair market value rental rate for the premises.