



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2024-377, **Version:** 1

An ordinance approving a lease agreement between the Metropolitan Government of Nashville and Davidson County and Trimac 401 Church Property Owner LLC for office space at 401 Church Street, Nashville, Tennessee (Parcel No. 09306108900) (Proposal No. 2024M-024AG-001).

WHEREAS, 401 Church Property Owner LLC owns certain real property located at 401 Church Street, Nashville, Tennessee; and,

WHEREAS, The Metropolitan Government of Nashville and Davidson County has determined that this property is needed to provide office space for the Community Review Board; and,

WHEREAS, The Metropolitan Government of Nashville and Davidson County and 401 Church Property Owner LLC have negotiated the lease agreement attached hereto and incorporated herein; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that this lease agreement be approved.

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

Section 1. That the Lease Agreement between The Metropolitan Government of Nashville and Davidson County and 401 Church Property Owner LLC, attached hereto and incorporated herein, is hereby approved and the Director of Public Property Administration, or his designee, is hereby authorized to execute the same.

Section 2. That any amendment to this lease agreement shall be approved by resolution of the Metropolitan Council receiving at least twenty-one (21) affirmative votes.

Section 3. This ordinance shall take effect from and after its final passage, the welfare of the Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This ordinance approves a lease agreement between the Metropolitan Government and Trimac 401 Church Property Owner LLC for office space at 401 Church Street for use by the Community Review Board.

The lease provides for Metro lease approximately 5,790 square feet of property on the thirteenth floor of 401 Church Street, also known as L&C Tower. The term of the lease is five years and Metro would have one option to extend the lease term for an additional five-year period.

The base rent would begin at \$32 per square foot per year and increase by three percent annually during the lease. The annual rent payments are as follows:

- Lease months 1-12 -- \$185,280
- Lease months 13-24 -- \$190,838.40
- Lease months 25-36 -- \$196,563.55

- Lease months 37-48 -- \$202,460.46
- Lease months 49-60 -- \$208,534.27
- Lease months 61-63 -- \$214,790.30

In addition to rent, Metro is responsible for operation expenses such as utilities, licenses, permits, inspections, insurance, landscaping and supplies, janitorial services, and other expenses. Metro is also responsible for tax expenses.

Future amendments to this lease agreement may be approved by a resolution receiving at least 21 affirmative votes.

Fiscal Note: Metro would pay the base rent of \$32 per square foot per year or \$15,440 monthly for approximately 5,790 rentable square feet for the initial term of the lease or the first consecutive twelve (12) calendar month period. The base rent will increase by three percent (3%) annually. Metro will not pay an amount equal to \$46,320, as base rent abatement, during the initial three (3) full calendar months according to the terms of this agreement. Metro would receive up to 15 parking passes for unreserved parking free of charge for the initial lease term and the option term. Metro will pay for the allocated parking passes on a monthly basis, after the initial lease term, at the prevailing rates charged by Trimac 401 Church Property Owner LLC or it's parking operator through a separate agreement. Metro will have improvement allowance of \$20 per rentable square foot for a total of \$115,800 subject to the terms of the Tenant Work Letter attached as Exhibit B to this agreement.