



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

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**File #:** BL2023-2011, **Version:** 1

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An ordinance approving a lease agreement between the Metropolitan Government of Nashville and Davidson County and Donelson Corporate Centre, L.P. for office space at 3055 Lebanon Road, Nashville, Tennessee (Proposal No. 2023M-022AG-001).

WHEREAS, Donelson Corporate Centre, L.P. owns certain real property located at 3055 Lebanon Road, Nashville, Tennessee 37214; and,

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

WHEREAS, The Metropolitan Government of Nashville and Davidson County and Donelson Corporate Centre, L.P. have negotiated the lease agreement attached hereto and incorporated herein as Exhibit 1; and,

WHEREAS, this ordinance has been mandatorily referred to the Planning Commission pursuant to Section 11.505 of the Metropolitan Charter and has been assigned Proposal No. 2023M-022AG-001 which has been administratively reviewed and recommended for approval; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that this 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 Donelson Corporate Centre, L.P., attached hereto as Exhibit 1, 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 Donelson Corporate Centre, L.P. ("the Landlord"), for use for office space located at 3055 Lebanon Road.

The Metropolitan Government has determined that office space at 3055 Lebanon Road is needed to provide office space for the Department of Social Services. Per the lease agreement, Metro would lease 29,956 square feet of space. The lease would begin upon the Landlord's completion of improvements, which is anticipated to December 1, 2023, and continue for 121 months.

The rent for months two through thirteen will be \$26.50 per square foot, with an annual increase of 2.5%. The monthly rent for the term of the lease is as follows:

- Month 1: \$0.00
- Months 2-13: \$66,152.83
- Months 14-25: \$67,806.83
- Months 26-37: \$69,501.82
- Months 38-49: \$71,239.37
- Months 50-61: \$73,020.35
- Months 62-73: \$74,845.86
- Months 74-85: \$76,717.01
- Months 86-97: \$78,634.93
- Months 98-109: \$80,600.80
- Months 110-121: \$82,615.82

Metro shall have the option to renew this lease for a single, five-year term. Starting in the second year of the contract, Metro is responsible for a portion of operating expenses, including utilities and insurance, based on the expenses on the property when compared to the previous year's operating expenses.

*Fiscal Note: The base rental price is \$26.50/square foot or \$66,152.83 per month for the square footage of 29,956, the net rentable area, beginning the second month of Year 1 and will increase by 2.5% annually thereafter. Donelson Corporate Centre, L.P. will pay for the operating expenses or all operating costs for the building during the first calendar year of the lease and Metro will pay the tenant's percentage share of the operating expenses after the first calendar year. The percentage share is calculated by the total number of square feet of net rentable area divided by 95% of the total square footage for all net rentable area in the building or total square footage of all net rentable area in the building leased by Metro.*