



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2023-140, **Version:** 1

An ordinance approving a Lease Agreement by and between the Metropolitan Government of Nashville and Davidson County acting by and through the Metropolitan Board of Education and LEAD Public Schools, Inc. d/b/a Cameron College Prep, Nonprofit LLC (Proposal No. 2021M-011PR-002).

WHEREAS, The Metropolitan Government of Nashville and Davidson County ("Metro"), acting by and through the Metropolitan Nashville Public Schools, and LEAD Public Schools, Inc. d/b/a Cameron College Prep, Nonprofit LLC desire to enter into an agreement for the lease of property for the purpose of a charter school.

WHEREAS, Metro wishes to lease the Premises noted in the lease to LEAD Public Schools, Inc. d/b/a Cameron College Prep, Nonprofit LLC.

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

Section 1. The Lease agreement between The Metropolitan Government of Nashville and Davidson County and LEAD Public Schools, Inc. d/b/a Cameron College Prep, Nonprofit LLC, which is attached hereto and incorporated by reference, is hereby approved and the Directors of Schools and the Department of Public Property are authorized to execute the lease on behalf of the Metropolitan Government.

Section 2. Any amendment, change, or extension to the lease shall be approved by resolution of the Metropolitan Council receiving twenty-one affirmative votes.

Section 3. That the Director of Schools shall have authority to approve any and all renovation and/or improvement projects presented by and for LEAD Public Schools, Inc. d/b/a Cameron College Prep, Nonprofit LLC.

Section 4. 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 ordinance approves a lease agreement between the Metropolitan Board of Education ("MNPS") and LEAD Public Schools, Inc. d/b/a/ Cameron College Prep, Nonprofit LLC ("Cameron College Prep") for use of property at 1034 1st Avenue South as a charter school. The property includes approximately 125,835 square feet of the building.

The term of the lease begins January 1, 2024, and ends on June 30, 2031. Upon termination of the lease, the property will revert to MNPS. For the first year, the lease payment will be \$45,090.88 per month, which represents a rate of \$4.30 per square foot. The lease includes the cost of grounds maintenance, major building systems components, and capital repairs. Cameron College Prep will be responsible for routine/preventative maintenance and refuse removal. The lease payment will increase by 2.5% each year throughout the term of the lease. The monthly rental payments will be as follows:

- July 1, 2024 - June 30, 2025: \$46,218.15/month
- July 1, 2025 - June 30, 2026: \$47,373.60/month
- July 1, 2026 - June 30, 2027: \$48,557.94/month
- July 1, 2027 - June 30, 2028: \$49,771.89/month
- July 1, 2028 - June 30, 2029: \$51,016.19/month
- July 1, 2029 - June 30, 2030: \$52,291.59/month
- July 1, 2030 - June 30, 2031: \$53,598.88/month

MNPS is responsible for the replacement major building system components and their capital repairs. This includes the building's roof, foundation, structural members of exterior walls, HVAC system components, and plumbing system. MNPS is also responsible for ground maintenance, the cost of which is included in the lease payment. Cameron College Prep is responsible for custodial services, refuse collection, utilities, routine maintenance of the premises, ADA compliance, and building, fire, and zoning codes and regulations. Cameron College Prep must maintain commercial general liability insurance of not less than \$1,000,000 per occurrence.

Cameron College Prep will be entitled to a credit of fifty percent (50%) of the base building lease rent for tenant capital improvement expenditures made by the charter school, subject to MNPS's approval. In Year 1, the monthly rental payments after the credit may not be less than \$2.00 per square foot. Starting on July 1, 2024, rent shall not be less than 50% of the current lease rate throughout the contract term.

Fiscal Note: The lease rate per square foot price is \$4.30/square foot or \$45,090.88 per month for the approximate square footage of 125,835 during the lease period January 1, 2024, to June 30, 2024. The lease rate per square foot includes the cost of grounds maintenance and major building systems components and capital repairs. The lease rate will increase by 2.5% each year beginning July 1, 2024. Metro would provide fifty percent (50%) rent credit of the base building rent for any tenant improvement expenditures made by Cameron College Prep. The rent credit would cease when the accumulated total of the improvement expenditures is met. Minimum rent in one year cannot be less than \$2.00 per square foot and starting July 1, 2024, rent shall not be less than 50% of the current lease rate throughout the term of the contract.