



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2024-189, **Version:** 1

An ordinance approving a lease agreement between the Metropolitan Government of Nashville and Davidson County and Nashville Garage LP for office space at 350 Deaderick Street, Nashville, Tennessee (Parcel No. 09302318400) (Proposal No. 2024M-002AG-001).

WHEREAS, Nashville Garage LP owns certain real property located at 350 Deaderick 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 Register of Deeds Office; and,

WHEREAS, The Metropolitan Government of Nashville and Davidson County and Nashville Garage LP 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 Nashville Garage LP, 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 Nashville Garage LP for use of office space located at 350 Deaderick Street. This property would serve as office space for the Davidson County Register of Deeds.

The lease provides for Metro to lease approximately 14,837 of rentable square feet in the building. The term of the lease is six years, and Metro would have two options to extend the lease for one year each.

The agreed rent would begin at \$40 per square foot and increase by 3.5 percent annually during the lease. The annual rent payments are as follows:

- Year 1 - \$49,456.67 per month, \$593,480.00 per year
- Year 2 - \$51,187.65 per month, \$614,251.80 per year
- Year 3 - \$52,979.22 per month, \$635,750.61 per year

- Year 4 - \$54,833.49 per month, \$658,001.88 per year
- Year 5 - \$56,752.66 per month, \$681,031.95 per year
- Year 6 - \$58,739.01 per month, \$704,868.07 per year
- Year 7 (if extended) - \$60,794.87 per month, \$729,538.45 per year
- Year 8 (if extended) - \$62,922.69 per month, \$755,072.30 per year

Metro is responsible for a portion of operating expenses, including utilities and maintenance, based on the percentage of space it rents within the entire building.

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

Fiscal Note: The base rental price is \$40.00/square foot or \$49,456.67 per month for approximately 14,837 square feet for the first through twelfth month of the first year. The rental rate will increase at an annual rate of 3.5% thereafter through the remaining terms of the lease agreement.