



# Metropolitan Nashville and Davidson County, TN

## Legislation Text

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**File #:** BL2023-2012, **Version:** 1

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An ordinance approving three agreements relating to the acquisition of a parcel of property and improvements located at 607 Bass Street. (Proposal No. 2023M-030AG-001).

WHEREAS, American Battlefield Trust (“ABT”), a Virginia non-stock corporation, has entered into an option agreement (the “Option Agreement”) to purchase a parcel of property and improvements (Metro Parcel ID 10502043300; collectively, the “Property”) located at 607 Bass Street; and,

WHEREAS, a copy of the Option Agreement is attached as Exhibit 1 to this ordinance; and,

WHEREAS, pursuant to the terms of the Assignment and Assumption of Real Estate Purchase Agreement (the “Assignment Agreement”) attached as Exhibit 2 to this ordinance, ABT proposes to assign the Option Agreement to the Metropolitan Government; and,

WHEREAS, pursuant to the lease agreement (the “Lease”) attached to the Option Agreement, the current owner of the Property proposes to lease the Property from the Metropolitan Government for a term of three years for a nominal sum in order to wind up the business currently operating there; and,

WHEREAS, the appraised value of the Property exceeds the purchase price stated in the Option Agreement; and,

WHEREAS, pursuant to the Assignment Agreement, ABT will pursue grant funding from the governments of the United States and State of Tennessee that if obtained will reduce the portion of the purchase price the Metropolitan Government will be required to pay at closing; and,

WHEREAS, the Property comprised a portion of the grounds of Fort Negley during its initial construction and use and has great historical significance; and,

WHEREAS, pursuant to RS2023-1978, the Metropolitan Council authorized funding for capital projects including implementation of the Fort Negley master plan and park land acquisition; and,

WHEREAS, acquiring the Property and adding it to Fort Negley Park will help preserve the Property’s historic features and improve the park for the benefit of the citizens of Nashville and Davidson County and approval of the Assignment Agreement, Option Agreement, and Lease is in the best interest of the Metropolitan Government.

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

Section 1. The Option Agreement, Assignment Agreement, and Lease are approved, and the Director of Public Property or his designee is authorized to execute them and such other documents as may be customary and necessary to carry out the transaction contemplated therein.

Section 2. Amendments to any of the Agreements may be approved by resolution of the Metropolitan Council.

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

## Analysis

This legislation approves three agreements tied to approximately 2.36 acres of land at 607 Bass Street that was part of the grounds of the original Fort Negley.

The first agreement is an Option Agreement for American Battlefield Trust, a Virginia non-stock corporation, to purchase the land from the current owner Robert F. Green for \$9,250,000. The Metropolitan Government is not a formal party to this Option Agreement. However, as conditions to closing, the American Battlefield Trust will assign the Option Agreement to the Metropolitan Government, a conservation easement to a qualified conservation easement holder shall be conveyed or executed upon closing, and grants shall be approved and received by Robert F. Green from the American Battlefield Protection Program in the amount of \$3,250,000, the State of Tennessee in the amount of \$3,000,000, and the Metropolitan Board of Parks and Recreation in the amount of \$3,000,000. The grants total \$9,250,000 and will be used to fund the acquisition of the property. The property sale would close on or before April 1, 2024. The appraised value of the property exceeds the purchase price stated in the Option Agreement.

The second agreement is an Assignment Agreement transferring the same parcel of property to the Metropolitan Government. Per the agreement, Metro would pay between \$3,000,000 and \$9,250,000 as its share of the purchase price, and American Battlefield Trust would work with Friends of Fort Negley Park to pursue grant funding to reduce Metro's share of the purchase price. When combined, Metro's share of the purchase price and any grant funding would equal the property purchase price plus reasonable and customary closing costs and title insurance. Metro would also agree to convey a conservation easement as may be required by grant funding. This assignment would take effect the day before the purchase contemplated in the Option Agreement would occur.

The third agreement is a lease agreement between the Metropolitan Government and the current property owner Robert F. Green. The lease would allow the current property owner to occupy the land for three years to wrap up any business on the land. The tenant would pay \$1 in annual rent and be responsible for insurance, maintenance, taxes, and utility costs on the property. The tenant would vacate the property at the end of the three-year term.

*Fiscal Note: American Battlefield Trust will assign and Metro will assume responsibility of the acquisition and preservation of a parcel of property adjacent to Fort Negley Park for the purchase agreement price of \$9,250,000. The purchase agreement listed three parcels that will be acquired. The estimated appraised value according to the Assessor of Property website of these three parcels are as follows: Parcel 105-02-0-257.00 appraised value \$480,200 for 0.490 acres; Parcel 105-02-0-433.00 appraised value \$1,802,100 for 1.240 acres; and Parcel 105-02-0-432.00 appraised value \$225,000 for 0.170 acres. The conditions to close the purchase of the property include an approval and receipt of three grants, an American Battlefield Protection Program grant totaling not less than \$3,250,000, a grant from the State of Tennessee totaling not less than \$3,000,000, and a grant from Nashville Board of Parks and Recreation totaling not less than \$3,000,000. In addition to the closing costs, a reimbursement of \$51,970 for a roof replacement will be made to the seller, Robert F. Green. According to the lease agreement, Robert F. Green will lease the property from Metro in amount of \$1.00 per year and will be responsible for leasehold property tax, property insurance, maintenance, and utility charges.*