



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2021-743, **Version:** 1

An ordinance approving a purchase and sale agreement between the Metropolitan Government and Piedmont Natural Gas Company, Inc., for a parcel of property and improvements located at 800 Second Avenue North. (Proposal No. 2021M-007PR-001).

WHEREAS, the Metropolitan Government is the owner of a parcel of property and improvements (collectively, the "Property") located at 800 Second Avenue North, currently used for Metropolitan Government offices; and,

WHEREAS, the Metropolitan Government purchased the Property in 1989 from Piedmont Natural Gas Company, Inc. ("Piedmont"), whose predecessors in interest had used the Property at one time for the production of manufactured gas; and,

WHEREAS, the Metropolitan Government estimates that the remediation of the byproducts of the manufactured gas operation remaining on the Property will cost at least \$23,798,790; and,

WHEREAS, pursuant to the agreement (the "Agreement") attached and incorporated into this ordinance as Exhibit 1, Piedmont proposes to purchase the property for the sum of \$4,239,000; and,

WHEREAS, the sum of the purchase price and the estimated cost of necessary remediation work exceeds the appraised value of the Property; and,

WHEREAS, approval of the Agreement 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 Agreement is approved, and the Director of Public Property or his designee is authorized to execute it and such other documents as may be customary and necessary to carry out the transaction contemplated therein.

Section 2. Amendments to the Agreement 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 ordinance authorizes the sale of a 4.49-acre parcel property located at 800 Second Avenue North back to Piedmont Natural Gas Company for the purchase price of \$4,239,000. Metro purchased this property from Piedmont in 1989 for \$1,946,442, and it has most recently been used by Metro as office space, though the property was used for the production of natural gas prior to Metro acquiring it. Metro's environmental consultant estimates that it would cost approximately \$24,000,000 to remediate the property as a result of the prior gas plant operations in order to develop the property. While the appraised value of the property is \$17,500,000, the appraisal does not take into consideration the environmental issues with the property, and the sum of the remediation cost and purchase price exceeds the appraised value. Copies of both the appraisal

and the remediation cost breakdown are included as attachments with the legislation.

The closing must take place by December 31, 2022.