



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2023-1683, **Version:** 1

An ordinance approving an amendment to a lease agreement between the Metropolitan Government and Meharry Medical College relating to the land and improvements used in the operation of Nashville General Hospital.

WHEREAS, the Metropolitan Government and Meharry Medical College are parties to a lease agreement dated December 1, 1994, as amended, of record in the Register's Office of Davidson County as instrument no. 199412169548631 (the "Lease"); and

WHEREAS, pursuant to the terms of the Third Amendment to Lease Agreement attached as Exhibit 1 to this ordinance, the parties now desire to amend the Lease Term, the rental payments, and such other terms and conditions set forth therein; and

WHEREAS, approval of the Third Amendment to Lease Agreement is in the best interests of the Metropolitan Government.

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

Section 1. The Third Amendment to Lease Agreement is approved, and the Metropolitan Mayor is authorized to execute and deliver it.

Section 2. If it is determined that Nashville General Hospital should remain on the Meharry Medical College campus beyond the end date of the Lease, the Metropolitan Government and Meharry Medical College may agree to an additional extension of the Lease Term to allow Nashville General Hospital to continue to operate at its current location.

Section 3. Further amendments to the Lease may be approved by resolution of the Metropolitan Council.

Section 4. This ordinance 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 the third amendment to a lease agreement between the Metropolitan Government and Meharry Medical College ("Meharry") relating to the land and improvements used in the operation of Nashville General Hospital.

The Metropolitan Government and Meharry entered into a lease agreement on December 1, 1994. This third amendment extends the lease term of the agreement through December 31, 2027. In addition, it sets forth rental payments effective July 1, 2022 that Metro will pay to Meharry. The rental payments are in the following amounts:

- July 1, 2022 - June 30, 2023 -- \$6,300,000
- July 1, 2023 - June 30, 2024 -- \$6,457,500
- July 1, 2024 - June 30, 2025 -- \$6,618,938

- July 1, 2025 - June 30, 2026 -- \$6,784,411
- July 1, 2026 - June 30, 2027 -- \$6,954,021
- July 1, 2027 - December 31, 2027 -- \$3,563,936

The amendment takes effect upon (1) the execution of the amendment by all parties, (2) the execution of the settlement agreement by all parties, and (3) the approval of both the amendment and the settlement agreement by the Metropolitan Government, as required by law. The settlement agreement was approved by the Council pursuant to Resolution No. RS2022-1899 at the December 20, 2022 meeting.