



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2024-687, **Version:** 1

A resolution to approve the First Amendment to the Lease Agreement between The Metropolitan Government of Nashville and Davidson County and Nashville Metropolitan LLC for office space at 1281 Murfreesboro Pike, Nashville Tennessee (Parcel No. 12000015500) (Proposal No. 2023M-043AG-003).

WHEREAS, The Metropolitan Government of Nashville and Davidson County (“Metro”) and Nashville Metropolitan entered into a lease agreement approved by Ordinance BL2023-80 whereby Metro leases office space at 1281 Murfreesboro Pike, Nashville, Tennessee; and,

WHEREAS, Metro and Nashville Metropolitan LLC desire to amend the agreement to expand the premises by approximately 14,869 square feet; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that this First Amendment to the Lease Agreement be approved.

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

Section 1. That the First Amendment to the Lease Agreement between The Metropolitan Government of Nashville and Davidson County and Nashville Metropolitan LLC, a copy of which is attached hereto and incorporated herein, is hereby approved and the Metropolitan Mayor is authorized to execute it on behalf of the Metropolitan Government.

Section 2. 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 resolution approves the first amendment to a lease agreement between the Metropolitan Government and Nashville Metropolitan LLC for office space at 1281 Murfreesboro Pike. The Metropolitan Council first approved this lease agreement through Ordinance No. BL2023-80, which allows future amendments to be approved by a resolution receiving at least 21 affirmative votes.

The amendment under consideration would add an additional floor of space for the Metropolitan Action Commission. The space included in the agreement would increase by approximately 14,869 square feet from 43,820 square feet to 58,689 square feet.

The rent for the additional space will begin at \$19.35 per square foot and increase by three percent annually over the course of the 10-year lease. The rent payments for the entire premises are as follows:

- Oct. 1, 2024 - Mar. 31, 2025: \$94,636.01 per month, \$19.35 per rentable square foot
- Apr. 1, 2025 - Mar. 31, 2026: \$97,472.65 per month; \$19.93 per rentable square foot
- Apr. 1, 2026 - Mar. 31, 2027: \$100,407.10 per month; \$20.53 per rentable square foot
- Apr. 1, 2027 - Mar. 31, 2028: \$103,439.36 per month; \$21.15 per rentable square foot

- Apr. 1, 2028 - Mar. 31, 2029: \$106,569.44 per month; \$21.79 per rentable square foot
- Apr. 1, 2029 - Mar. 31, 2030: \$109,748.43 per month; \$22.44 per rentable square foot
- Apr. 1, 2030 - Mar. 31, 2031: \$113,025.23 per month; \$23.11 per rentable square foot
- Apr. 1, 2031 - Mar. 31, 2032: \$116,399.85 per month; \$23.80 per rentable square foot
- Apr. 1, 2032 - Mar. 31, 2033: \$119,872.28 per month; \$24.51 per rentable square foot
- Apr. 1, 2033 - Mar. 31, 2034: \$123,442.53 per month; \$25.24 per rentable square foot

The lease will remain 10 years in length with two successive options to extend the lease for five years each.

Fiscal Note: The rental rate for the additional 14,869 square feet is an annualized rent of \$94,636.01 which is \$19.35 per rentable square foot beginning October 1, 2024 to March 31, 2025. The rental rate will increase at annual rate of 3% thereafter through the remaining terms of the lease agreement. The Nashville Metropolitan, LLC, also agreed to provide a total of \$209,910, which is \$15.00 per square foot to the office area of 13,994 square feet, as tenant improvement allowance. Metro Action Commission may pick and choose office furniture from Airways Plaza II at no additional cost.

Nashville Metropolitan, LLC will provide \$1,127,600 as tenant improvement allowance for floors 1, 2, and 4 which is 43,820 rentable square feet.