File #: BL2025-772, **Version:** 1

An ordinance approving a lease agreement between the Metropolitan Government of Nashville and Davidson County, by and through the Auditorium Commission, and the Musicians Hall of Fame and Museum, a Tennessee non-profit corporation.

WHEREAS, the Metropolitan Government owns and operates the Nashville Municipal Auditorium and real property located at 417 4th Avenue North ("Municipal Auditorium"); and,

WHEREAS, pursuant to Article VI, Section 3 of chapter 537, Private Acts 1949, as amended by Private Acts 1957, chapter 209, the Metropolitan Auditorium Commission has the authority to negotiate and execute lease agreements for land rights and to have full management and control of the Municipal Auditorium's maintenance and operation; and,

WHEREAS, the Musicians Hall of Fame and Museum, a non-profit music museum, has leased space in the basement of the Municipal Auditorium from the Metropolitan Government since approximately 2010, for the purpose of housing the Museum and its exhibits, and hosting private events; and,

WHEREAS, the current lease between the parties expires on May 31, 2025; and,

WHEREAS, the parties have agreed to the terms and conditions set forth in the Lease Agreement ("the Lease") attached hereto and incorporated by reference herein; and,

WHEREAS, during a meeting held on March 3, 2025, the Metropolitan Auditorium Commission voted to recommend the Lease to Council for approval; and,

WHEREAS, approval of this Lease is in the best interest of the Metropolitan Government and the citizens of Nashville and Davidson County.

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

Section 1. The Lease Agreement between the Metropolitan Government, by and through the Auditorium Commission, and the Musicians Hall of Fame and Museum, attached hereto and incorporated herein, is hereby approved.

Section 2. Amendments to the Lease 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 approves a lease agreement between the Metropolitan Auditorium Commission and the Musicians Hall of Fame and Museum ("MHOF"). The MHOF has leased space at Municipal Auditorium since at least 2010.

The term of the lease would be 60 months, with three options to extend the lease term by five years each. The

total lease term could not exceed 20 years. The lease consists of the entire circular area of approximately 80,000 square feet of the basement level of the Auditorium. In addition, it includes the courtyard area, additional areas, and 12 parking spaces. The MHOF will pay $75,000 per lease year as a base rent, paid in 12 monthly installments. Eight percent of each admission ticket sold and eight percent of the venue fee per private event, up to a total annual cap of $150,000 each year would be provided to Municipal Auditorium. The base rent and the additional cap will each increase by two percent each lease year.

The Auditorium Commission is responsible for the replacement of the Auditorium's roof and structural repairs, including structural and mechanical needs, for the entire Auditorium, including the double set of glass doors at the entrance of the premises, the outside garage doors at the ramp, and the stairs/ramp at the entrance to the premises, ordinary wear and tear excluded. The MHOF must notify the Auditorium Commission of the need for any work. The MHOF would be responsible for any repairs, replacement, or maintenance necessitated by the MHOF's negligent or improper use of the premises, as determined by the Auditorium Commission. Alterations to the building required by applicable law because of the MHOF's use of the premises are the responsibility of the MHOF. The Auditorium Commission would provide all utilities for the premises. The MHOF would be responsible for telephone, internet, and cable services.

Future amendments to this lease may be approved by resolution.

The Auditorium Commission voted to recommend this lease to the Council for approval on March 3, 2025.

Fiscal Note: The base rental rate for the approximately 80,000 square feet of the Auditorium is $75,000/month. In addition, eight percent (8%) of each admission ticket sold that are not refunded minus taxes and credit card commissions, and eight percent (8%) the venue fee per private event paid that are not refunded up to five hundred dollars ($500) maximum per paid event. The annual cap of the combined admission and event fees is $150,000. The base rent and annual cap will increase by two percent (2%) annually after the first lease year.

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