

**BILL NO. BL2018-1101** (RHOTEN, VERCHER, & OTHERS) – This ordinance would authorize the Director of Public Property to enter into a Sublease Agreement and a Consent by Lessor to Sublease Agreement with Strive Collegiate Academy, Inc. (Strive) and Donelson Corporate Centre, L.P. (DCC) for temporary office space at 3055 Lebanon Pike.

The Metro Nashville Police Department (MNP) currently occupies office space at the Donelson Corporate Centre through a separate sublease agreement. That sublease expires on May 22, 2018, but the new MNP headquarters will not be ready for move-in by that date. (Completion of the new MNP headquarters was delayed due to building design changes.) To avoid the higher expenses involved with moving twice, the Finance Department negotiated a sublease with Strive.

The term of this sublease would commence on the later of August 1, 2018 or on the date DCC executes the Master Landlord Consent to the Sublease Agreement (which has been executed and is attached to the ordinance as “Exhibit B”). The term would end on April 15, 2019. There would be no guaranteed right for Metro to renew the sublease. The base rental rate for this sublease would be \$41,300.33 per month. The overage rental rate would be \$58,823.53 per month. Metro would pay both the base rent and overage rent to Strive each month, for a total monthly rent of \$100,123.86.

This ordinance would also authorize the Director of Public Property to execute the Consent by Lessor to Sublease Agreement (also referred to as the “Master Landlord Consent”).

The sublease agreement contained in this ordinance pertains to office space on the third floor. BL2018-1112 is a related ordinance currently on first reading. That ordinance would approve a direct lease between Metro and the DCC for office space on the first floor.

This agreement may be amended by Council resolution receiving at least twenty-one (21) affirmative votes.

*Fiscal Note: The base rental rate for this sublease would be \$41,300.33 per month. The overage rental rate would be \$58,823.53 per month. The total monthly rental rate would be the sum of the two, \$100,123.86.*

*According to the Finance Department, this is a higher than market rental rate, but the purpose was to incentivize Strive to allow MNP to use the space. Finance maintains that, even at this rate, this cost is lower than moving MNP to another temporary location until the new headquarters are ready.*