

RESOLUTION 19-109

**A RESOLUTION TO AUTHORIZE THE MAYOR TO SIGN THE LEASE
AGREEMENT FOR TCAT PULASKI**

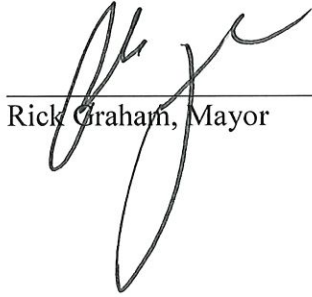
WHEREAS, The Board of Mayor and Aldermen reviews all requests for leasing within Northfield;

WHEREAS, TCAT Pulaski and the Board of Mayor and Aldermen have requested a formal lease agreement for space within Northfield;

WHEREAS, TCAT Pulaski requests the City of Spring Hill execute the one-year lease agreement that will require the signature of the Mayor and City Attorney.

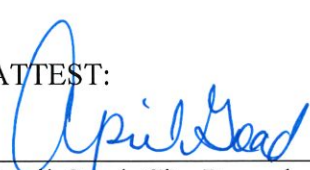
NOW, THEREFORE, BE IT RESOLVED, that the City of Spring Hill authorizes the Mayor and City Attorney of the City of Spring Hill, TN to sign the lease agreement between TCAT Pulaski and the City of Spring Hill, hereto attached.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on this 15th day of July, 2019.



Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

LEASE AGREEMENT FORM

(TBR institution is Lessee)

Administrative use only:

Agency: _____

Allotment Code: _____

No. _____

This Instrument Prepared By:



Tennessee Board of Regents

Suite 350

1415 Murfreesboro Road

Nashville, Tennessee 37217-2833

This Lease, entered into as of this _____ day of _____, 2019, made by and between

City of Spring Hill, TN

hereinafter called the Lessor, and

the Tennessee Board of Regents, on behalf of
Tennessee College of Applied Technology - Pulaski

hereinafter called the State.

WITNESSETH:

- 1. LOCATION:** The Lessor hereby leases unto the State those certain premises with the appurtenances situated in the County of Maury, City of Spring Hill, located at 5000 Northfield Lane
- 2. DESCRIPTION:** The premises above, hereinafter the "Leased Premises", are more particularly described as follows:
Approximately 4,073 square feet of space designed for the CNC Machining Technology classroom and lab located inside of Door 400 at the Northfield Training Center as shown on Exhibit A attached hereto.

Being (part of) the same property further described in last recorded instrument conveyed to the Lessor in Deed Book R2299, Page 589, recorded in the Register's Office, Maury County, Tennessee

- 3. TERM:** The term of this lease shall commence on July 1, 2019 and shall end on June 30, 2020 with such rights of termination as are hereinafter expressly set forth. If the date of occupancy is other than the commencement date, then the rental period shall begin with the date of occupancy, provided that the rental period shall begin no later than the latter of (a) the commencement date or (b) 30 days after the space is made available to the State in accordance with the conditions of this lease. This provision shall not relieve the Lessor of the liability to the State for damages in the event that the space is not made available to the State in accordance with the conditions of this lease on the commencement date specified above.

4. RENTAL:

- a) State shall pay rental in arrears on the last day of the payment period as follows:

Annual rent of \$ 18,328.50 , payable in installments of \$ 9,164.25 per 6 months .
Rent payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified, based on the actual number of days in the month. Rental shall be paid to Lessor at the address specified in Paragraph 6, or to such other address as the Lessor may designate by a notice in writing.

- b) **AUTOMATIC DEPOSITS:** Lessor shall complete and execute an Authorization Agreement for Automatic Deposits (ACH Credits) Form, using the form provided to Lessor by State. Once this executed form has been provided to State by Lessor, all payments to Lessor under this or any other contract the Lessor has with the State of Tennessee, shall be made through the State of Tennessee's Automated Clearing House wire transfer system. Lessor shall not invoice State for services until Lessor has executed this form and submitted it to State. The debit entries to correct errors authorized by the Authorization Agreement for Automatic Deposits Form shall be limited to those errors detected prior to the effective date of the credit entry. The remittance advice shall note that a correcting entry was made. All corrections shall be made within two banking days of the effective date of the original transaction. All other errors detected at a later date shall take the form of a refund or, in some instances, a credit memo if additional payments are to be made.

5. TERMINATION:

- a) **FOR CAUSE:** The State may in its sole discretion terminate this lease at any time for any of the following causes:
- 1) Failure of the Lessor to provide any of the services required under the terms of this lease;
 - 2) Failure by the Lessor to make such modifications, alterations or improvements as may be necessary to ensure that the leased premises are brought up to, and maintained at, codes for building construction, health, fire and life safety, and handicapped accessibility, applicable to the leased premises, except where deficiencies are caused by State;
 - 3) Failure to disclose any conflict or potential conflict of interest existing at the date of this lease or hereafter created;
 - 4) Termination or consolidation of the State operations or programs housed in the leased premises because of loss of funding or otherwise;
 - 5) Lack of funding by the appropriate Legislative Body for obligations required of the State under this lease;

- 6) Misrepresentations contained in the response to the request for proposal or committed during the negotiation, execution, or term of this lease;
 - 7) The availability of space in State-owned property, provided that no cancellation for this reason may take place until the lease has been in effect for one year; and,
 - 8) Any other breach of the terms of this lease by Lessor which is not adequately remedied within twenty (20) days of the mailing of written notices thereof to Lessor.
- 6. NOTICES:** All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:
- | | |
|------------------------------|---|
| To the Lessor at: | To the State at: |
| City of Spring Hill | Tennessee Board of Regents |
| P.O. Box 789 | Office of Facilities Development |
| Spring Hill, TN 37174 | Suite 664 |
| | 1415 Murfreesboro Road |
| | Nashville, Tennessee 37217-2833 |
- 7. ASSIGNMENT AND SUBLETTING:** The State may not assign this lease without the prior written permission of the Lessor not to be unreasonable withheld.
- 8. INSPECTION:** The Lessor reserves the right to enter and inspect the leased premises, at reasonable times, and to render services and make any necessary repairs to the premises.
- 9. ALTERATIONS:** The State, with prior approval from Lessor, shall have the right during the existence of this lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the leased premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the leased premises under this lease or any prior lease of which this lease is an extension or renewal shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this lease or any renewal or extension thereof, or within a reasonable time thereafter.
- 10. SURRENDER OF POSSESSION:** Upon termination or expiration of this lease, the State will peaceably surrender to the Lessor the leased premises in as good order and condition as when received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the State has no control or for which Lessor is responsible pursuant to this lease, excepted. The State shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event the State elects to remove any such improvement or fixture and such removal causes damages or injury to the leased premises and then only to the extent of any such damage or injury.

11. QUIET POSSESSION: Lessor agrees that the State, keeping and performing covenants contained herein on the part of the State to be kept and performed, shall at all times during the existence of this lease peaceably and quietly have, hold and enjoy the leased premises, without suit, trouble or hindrance from the Lessor, or any person claiming under Lessor.

12. REPAIR AND MAINTENANCE:

- a) During the lease term, Lessor shall maintain the leased premises and appurtenances which it provides in good repair and tenantable condition, including, but not limited to, the maintenance and repair of the elevator, if any, plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in good operating condition except in case of damage arising solely from a willful or negligent act of the State's agent, invitee, or employee.
- b) Lessor's obligations shall also include, but are not limited to, furnishing and replacing electrical light bulbs, fluorescent tubes, ballasts and starters, and air conditioning and ventilating equipment filters.
- c) In case Lessor, after notice in writing from the State requiring the Lessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply therewith, or in the event of an emergency constituting a hazard to the health or safety of the State's employees, property, or invitees, the State may perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

13. APPROPRIATIONS: All terms and conditions of this lease are made subject to the continued appropriations by the appropriate Legislative Body.

14. DESTRUCTION:

- a) If the leased premises are totally destroyed by fire or other casualty, this lease shall terminate. If such casualty shall render ten (10) percent or less of the floor space of the leased premises unusable for the purpose intended, Lessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.
- b) In the event such casualty shall render more than ten (10) percent of such floor space unusable but not constitute total destruction, Lessor shall forthwith give notice to State of the specific number of days required to repair the same. If Lessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option, may terminate this lease or, upon notice to Lessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due to become due under this lease and any other lease between Lessor and State.

- c) In the event of any such destruction other than total, where the State has not terminated the lease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Lessor shall diligently prosecute the repair of the leased premises and, in any event, if repairs are not completed within the period of thirty (30) days for destruction aggregating ten (10) percent or less of the floor space, or within the period specified in Lessor's notice in connection with partial destruction aggregating more than ten (10) percent, the State shall have the option to terminate this lease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this lease and any other lease between Lessor and State.
- d) In the event the State remains in possession of the premises though partially destroyed, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the leased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

15. SERVICES AND UTILITIES:

- a) The Lessor shall furnish to the State, during lease term, at Lessor's sole cost, the following services, utilities and supplies: (Enter "X" in each applicable box)

☒	1) All utilities (except telephone)	☐	5) Hot and Cold Water Equipment
☐	2) Janitor Services & Supplies	☒	6) Restroom Supplies
☐	3) Drinking Fountain	☒	7) Heat Equipment
☐	4) Elevator Service	☒	8) Air Conditioning Equipment

- b) In the event of the failure by the Lessor to furnish any such services, utilities or supplies in a satisfactory manner, the State may furnish the same at its own cost, and, in addition to any other remedy the State may have, may deduct the amount thereof from the rent or any other payments that may then be or thereafter become due hereunder.

- 16. SERVICES CREDIT:** Lessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Lessor pursuant to Paragraph 15 hereof and that should the State vacate the premises prior to the end of the term of this lease, or, if after notice in writing from the State, all or any part of such services, utilities or supplies for any reason are not used by the State, then, in such event, the monthly rental rate as to each month or portion thereof as to which such services, utilities or supplies are not used by the State shall be reduced by an amount equal to the average monthly costs of such unused services, utilities or supplies during the six-month period immediately preceding the first month in which such services, utilities or supplies are not used.

- 17. PARKING:** The State shall have access to non exclusive parking in Lot G, H, and I.

- 18. TIME OF THE ESSENCE:** Time is of the essence of this lease, and the terms and provisions of this lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns to the respective parties hereto.

- 19. HOLDING OVER:** In the event the State remains in possession of the premises after the expiration of the lease term, or any extension thereof, this lease shall be automatically

extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable.

20. **FINANCIAL INTEREST:** The Lessor will provide or has provided to the State a list of names and addresses of persons, associations, or corporations who hold any financial interest in the above leased property; such list shall be immediately revised in the event of a transfer of any such interest.
21. **CODES:** The Lessor shall maintain the leased premises in accordance with all fire, building and life safety codes and the Americans with Disabilities Act.
22. **SPACE AUDIT:** The Lessor certifies that the amount of space, as described in Paragraph 2 above, is accurate to the best of its knowledge. The State reserves the right to perform physical measurements of the space and adjust the rental amount based upon the amount of space as measured. If the measured amount is less than the amount of space indicated in Paragraph 2 above, the adjustment in rent shall be a percentage reduction equal to the percentage difference between the space as reported by the Lessor and that actually measured by the State. In all cases, the State shall use the current Building Owner's and Manager's Association (BOMA) standards of measurements for either single or multi-tenant occupancy, whichever is applicable.
23. **PEST CONTROL:** The Lessor shall maintain the premises in a condition that is free of pests, rodents, and other vermin.
24. The Lessor fully understands that this lease is not binding except and until all appropriate State officials' signatures have been fully obtained, approval of this agreement has been given by the State Building Commission, if applicable, and the fully executed document returned to the Lessor.
25. **Payment of Taxes:** Lessor, by virtue of leasing property to the State, does not become a State agency, entity, or employee, and is not entitled to any rights, privileges, or immunities pertaining to the State or its agencies and instrumentalities. Lessor shall pay all applicable taxes by virtue of ownership of the property subject to this lease and is not authorized to pass through the amount of such taxes to the State.
26. Prior to the execution of this lease, the special provisions which are described below and/or attached hereto and incorporated by reference were agreed upon.

IN WITNESS WHEREOF, this lease has been executed by the parties hereto:

LESSOR

STATE

BY:  _____

Name: Rick Graham

Title: Mayer

BY: _____
Mike Witehead
President

BY: _____
Flora W. Tydings
Chancellor



REQUEST: Approval of Resolution 19-109

SUBMITTED BY: Dakota Mercer, Northfield Facility Manager
Kayce Williams, Economic Development Coordinator

DATE: June 21, 2019

RE: TCAT Pulaski lease at Northfield

ATTACHMENTS: Resolution 19-109
Draft Lease Agreement
Lease Rate Analysis

PURPOSE:

To authorize the Mayor to execute the amended lease agreement for 4,073 square feet of space within Northfield

BACKGROUND:

Attached is a draft lease agreement between the City of Spring Hill and TCAT Pulaski that BOMA directed staff to facilitate. TCAT Pulaski is currently in the building and has been for several years. Even though there was no formal lease in place, they have always paid the verbally agreed upon amount. The space is located inside Door 400. The draft lease term is from July 1, 2019 through June 30, 2020 and they will be paying their lease by automatic deposit. Please note the termination clauses in #5 for your information. The City Attorney has reviewed and approved the draft lease.

BOMA directed staff at the June meeting to research current lease rates for this type of space. A Lease Rate Analysis was emailed out to BOMA and is attached to this packet.

I have run 3 separate analyses of industrial/warehouse lease rates for a 14 county region of middle TN and combined them into one pdf for your convenience. I started with the Nashville MSA and then moved out to the first ring of counties outside Davidson County, then out again to the second ring. Maury County is in the 2nd Ring.

Each analysis includes a map of the counties analyzed, a full Search Analytics report, and a spreadsheet of the listings which shows the information on each listing such as the age of the building, location, etc. It also shows the class of the space (A,B, and C). I believe our space at Northfield would be considered a class C space but I ran the report to include all classes available in the market so you would have a better overall picture, regardless of class, in case there are different opinions on the class of our space. A total of 146 properties were identified in the analysis.

The first analysis of the Nashville MSA shows an average lease rate of \$5.61 per square foot.
The second analysis of the 1st Nashville Ring shows an average lease rate of \$5.26 per square foot
The third analysis of the 2nd Nashville Ring shows an average lease rate of \$3.64 per square foot

The combined average of all analyses is \$4.83 per square foot.

FINANCIAL IMPACT:

Based upon the terms contained in the lease agreement, the City can expect lease income in the amount of \$18,328.50 for the year.

STAFF RECOMMENDATION:

Based on the approval of the city attorney, staff recommends approval of Resolution 19-109.