

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT TO THE LEASE AGREEMENT WITH BOGHANI PROPERTIES TO UPDATE THE LEASED UNIT NUMBERS AND EXECUTE THE LEASE EXTENSIONS THROUGH DECEMBER 31, 2050, FOR LEASE OF SPACE WITHIN THE EMPORIUM BUILDING LOCATED AT 100 SOUTH GAY STREET.

RESOLUTION NO: _____

REQUESTED BY: Operations

PREPARED BY: Law Department

APPROVED: _____

APPROVED AS AN EMERGENCY MEASURE: _____

MINUTE BOOK: _____ PAGE _____

WHEREAS, in 2023, the City of Knoxville (“City”) entered into a lease agreement, Document No. C-23-0216, with Boghani Properties, LLC (“Boghani”) for lease of space within the Emporium Building (“Emporium”) located at 100 South Gay Street, which lease allowed the City to exercise an option to include 110 South Gay Street as additional space; and

WHEREAS, the City in turn has leased this space to the Arts & Cultural Alliance (“ACA”) Center, an organization that helps to inform the people of Knoxville about events and news pertaining to arts and culture and houses art galleries showcasing local and regional artists within the space at the Emporium; and

WHEREAS, the ACA Board of Directors (“Alliance Board”) is finalizing a capital campaign to build out the lowest level of the Emporium, Unit B10, into an immersive art space and rentable venue space; and

WHEREAS, ACA representatives, board members, City representatives and Boghani met to discuss the plans and need to extend the lease term to better capitalize the investment of the renovations; and

WHEREAS, Boghani agreed to execute the allowed extensions and amend the base term to reflect a new expiration date of December 31, 2050; and

WHEREAS, Boghani recently had new floorplans established by an architect to verify dimensions and square feet; and the amendment includes the revised unit numbers and square footage of the leased space; and

WHEREAS, the City has benefited from a lease rate well below market rent for many years and has negotiated terms of a First Amendment to the Lease Agreement which are contingent upon City Council approval; and

WHEREAS, the City and Boghani now desire to enter into a First Amendment to Lease Agreement for space of the Emporium Building; and

WHEREAS, Council desires to authorize the execution of such a First Amendment to Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

SECTION 1: The Mayor be, and hereby is, authorized on behalf of the City of Knoxville to execute a First Amendment to Lease Agreement with Boghani Properties, in substantially the form attached hereto, to lease approximately 32,927 square feet of space within the Emporium Building located at 100 South Gay Street through December 31, 2050 as more fully set out in the Lease Agreement.

SECTION 2: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

Presiding Officer of the Council

Recorder