



NEWS RELEASE

Mike Browning

PUBLIC INFORMATION OFFICER

Twitter: @cityofmborotn

Facebook: www.facebook.com/cityofmurfreesborotn

PHONE: 615-848-3245/642-3230 mobile

EMAIL: mbrowning@murfreesborotn.gov

Website: www.murfreesborotn.gov

FOR IMMEDIATE RELEASE: Oct. 18, 2018

City negotiates \$1.8 million sale of historic downtown block for brand hotel

Site of First United Methodist Church to become \$70 million mixed-use development

MURFREESBORO, Tenn. — The Murfreesboro City Council voted Thursday (Oct. 18) to approve a purchase and sale agreement with developer One East College, LLC for redevelopment of the City block known as the former First United Methodist Church location.

The 2.48-acre City block bounded by Church, Lytle, College and Spring streets, previously owned by Franklin Synergy Bank, includes a church sanctuary and iconic bell tower. The property sale agreement provides a 0.62-acre City-owned parking lot on East College to complete the entire block.

Under an approved separate Mixed-Use Development Agreement, the buyer agreed to redevelop the historic church structure into a community venue surrounded by mixed-use commercial office space, a national brand hotel, retail space, residential units, and a parking garage. The agreement provides the developer a 180-day due diligence “evaluation period” to conduct engineering, environmental, economic and marketing studies to determine the feasibility of the property. The buyer provided earnest money totaling \$100,000 to secure the purchase agreement. Closing would occur on or before 30 days following the evaluation period.

“We are excited about these two agreements with One East College, LLC for redevelopment of this historic location in our City,” said Mayor Shane McFarland. “We believe this mixed-use development balances both the need for downtown economic development and preservation of this historic amenity important to Murfreesboro’s character and tourism.”

Redevelopment of the former Franklin Synergy site is expected to revitalize downtown Murfreesboro by adding significant commercial, retail, and residential properties into the downtown area. Over the long-term, the mixed-use development will substantially increase the assessed value of the site, which will enhance City and County property tax revenues.

-(MORE)-

While precise details of the mixed-use development are still subject to the six-month study, the undisclosed brand hotel is expected to include 110 rooms. The residential portion of the development anticipates approximately 55 condominiums with nearby access to office and retail space with a restaurant and public parking garage. The four to six-story structure development will include more than one building with up to 200,000 square feet.

In 2016, the City reached an agreement with Franklin Synergy Bank for the acquisition of 1.87-acres of property on the corner of East College and Church Street for \$ 1.55 million. At that time, promoting and preserving the downtown area, including mixed-use development had been advocated as part of the City's 20-year comprehensive plan, *Murfreesboro 2035*. Main Street: Murfreesboro/Rutherford favored preserving at least some of the historic structure dating back to 1888.

"We believe this project has the opportunity to create jobs, capital and energy into the City's downtown," said City Manager Craig Tindall. "Our purchase of the property in 2016 afforded City administrators and elected officials greater input into how the historic location is developed as Lytle Street becomes the gateway into this visible downtown block."

The former First United Methodist Church building served the congregation until 2003. Although the sanctuary is not listed on the National Register of Historic Places, nor is it located in the City's historic district, City and community leaders sought to keep the bell tower preserved as part of the historic downtown landscape.

The *Murfreesboro 2035* comprehensive plan recommended greater investment in the downtown area to leverage its full potential for mixed use, residential and office space, and entertainment. Preserving historic elements of downtown is seen as a lucrative aspect of future redevelopment and maintaining Murfreesboro's character.

The purchase agreement comes as the City engages in a study of tax-incentive financing or TIF districts to determine ways to provide incentives for developers to invest in downtown development. Tax increment financing allows property tax payments before improvements to remain the same. From there, the financing plan applies the net increase in taxes after redevelopment to be used toward paying for a bond to help finance the project or infrastructure.

It's not known at this time whether tax increment financing will be used for the One East College, LLC development. The developers include Nick Patel of Detroit, Michigan and Suri Ramanna, Nashville chairman and CEO of TRC Worldwide Engineering. Jeff Reed of Murfreesboro firm Hudson Reed and McCreary, PLLC is representing the developers.

For City News online, visit www.Murfreesborotn.gov.

Photos attached

1. *First United Methodist Church building.jpg*