

# FEDERAL BUREAU OF INVESTIGATION

2868 ELM HILL PIKE | NASHVILLE, TN 37214

*OFFERING MEMORANDUM*



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PROPERTY VIDEO



**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



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# EXECUTIVE SUMMARY

## INVESTMENT SUMMARY

- **Superior Nashville Location** – Located on Elm Hill Pike within the Airport's Hospitality District, FBI is less than half a mile from Nashville International Airport, one block from the I-40, and 5 miles from downtown Nashville. The subject property is also adjacent to a new 7.28 Acre development - construction commenced in 2020 and will soon be the new home of a Holiday Inn Airport Hotel and Conference Center featuring 200 rooms.
- **US Government-Backed Lease (AAA Credit)** – Although the Federal Bureau of Investigation (FBI) operates in this building, the United States of America is the lease guarantor and maintains top-tier AAA Credit.
- **Quality Construction** – This two-story office building was built on 3 Acres specifically for the Federal Bureau of Investigation (FBI) in 2005 and features 5-grade level doors, 1 elevator, and 88 parking spaces. Other aspects that are not included in the 30,858 SF of Gross Leasable Area are a large, heated garage and a cooled mechanic shop.
- **Recent Improvements** – Ownership has maintained the building in immaculate condition with an on-site groundkeeper that walks the property for general maintenance once a week. Additionally, the following recent improvements have been made:
  - New TPO Roof (45 Mil) in 2014 with **15 Year Firestone Warranty** (\$115k)
  - New Carpet throughout building in 2016 (\$146k)
  - Re-Painted Entire Building in 2018 (\$8k)
  - New Hysecurity Barrier Entrance Gate installed in 2020 (\$18k)



# FINANCIAL OVERVIEW

## TENANT SUMMARY

|           |  |
|-----------|--|
|           |  |
| Tenant    | Federal Bureau of Investigation (FBI)              |
| Guarantor | United States of America (Government) (AAA Credit) |
| Address   | 2868 Elm Hill Pike, Nashville, TN 37214            |

## PROPERTY SUMMARY

|                     |  |
|---------------------|--|
|                     |  |
| Property Type       | Office                                     |
| Year Built          | 2005                                       |
| Construction Type   | Reinforced Concrete                        |
| GLA                 | ±30,858 SF                                 |
| Not included in GLA | Large heated garage / Cooled mechanic shop |
| Floors              | 2  |
| Acres               | 3  |
| Lot Square Feet     | ±130,680 SF                                |
| Parking Spaces      | 88   |
| Elevators           | 1  |

## FINANCIAL SUMMARY

|            |             |
|------------|-------------|
| » PRICE    | \$9,000,000 |
| » CAP RATE | 7.33%       |
| » PRICE/SF | \$291.66    |

## LEASE SUMMARY

|                              |   |
|------------------------------|---|
| FBI Occupied Since           | 2005  |
| New Lease Commencement       | 2/9/21  |
| Lease Term Remaining         | 5 Years, 3 Years Firm                           |
| Firm Term Remaining          | 3 Years   |
| Lease Expiration             | 6/30/26   |
| Renewal Options              | None  |
| Termination Options          | Any time After Firm Period with 60 Days' Notice |
| Shell Rent                   | \$816,747.39                                    |
| Operating Cost Reimbursement | \$200,577.00                                    |
| COVID Cleaning Reimbursement | \$46,287.00                                     |
| Shell Rent/SF                | \$26.47   |
| Lease Type                   | Modified Gross                                  |



## INCOME

|                                     | \$                    | \$/SF          |
|-------------------------------------|-----------------------|----------------|
| Shell Rent                          | \$816,747.39          | \$26.47        |
| Operating Cost Reimbursement        | \$200,577.00          | \$6.50         |
| COVID Cleaning Reimbursement        | \$46,287.00           | \$1.50         |
| <b>Effective Gross Income (EGI)</b> | <b>\$1,063,611.39</b> | <b>\$34.47</b> |

## EXPENSES

|  |            | \$                  | \$/SF          |
|--|------------|---------------------|----------------|
| Base Taxes (Tenant Responsible for Increases)        |            | \$104,616.64        | \$3.39         |
| Insurance  |            | \$11,581.00         | \$0.38         |
| General Operating Expenses/Maintenance (2 Year Avg.) |            | \$266,001.02        | \$8.62         |
| Management   |            | \$21,272.23         | \$0.69         |
| <b>Total Expenses</b>                                | <b>38%</b> | <b>\$403,470.89</b> | <b>\$13.08</b> |
|  |            |                     |                |
| <b>Net Operating Income (NOI)</b>                    | <b>62%</b> | <b>\$660,140.50</b> | <b>\$21.39</b> |

## ADDITIONAL NOTES

- Tenant Improvement Allowance is up to \$912,322 amortized at 6% interest rate. Upon substantial completion of the Tenant Improvements, the actual amount of TIA spent will be amortized over the then-remaining portion of the Firm Term of the Lease. FBI intends on only using ±\$100k
- Operating Cost Reimbursement Rent Increases Annually at CPI Rate. All other aspects are Flat until expiration
- Landlord Responsible for Base Property Taxes (\$104,616.64). Tenant responsible for any increases in Property Taxes







# DOWNTOWN NASHVILLE

ELM HILL PIKE  
± 18,000 VPD

**FBI**

SUBJECT PROPERTY

**7.28 ACRE DEVELOPMENT**

UNDER CONSTRUCTION

HOLIDAY INN AIRPORT HOTEL AND CONFERENCE CENTER  
200 ROOMS



# DOWNTOWN NASHVILLE

**FBI**  
SUBJECT PROPERTY

**BNA**  
Nashville  
International  
Airport

± 125,000 VPD

± 178,000 VPD

± 90,000 VPD

± 100,000 VPD



## AREA OVERVIEW

### DEMOGRAPHICS

| POPULATION           | 1-MILE   | 3-MILE   | 5-MILE   |
|----------------------|----------|----------|----------|
| 2026 Projection      | 3,275    | 36,670   | 124,421  |
| 2021 Estimate        | 3,285    | 36,368   | 123,308  |
| 2010 Census          | 3,324    | 34,441   | 116,448  |
| HOUSEHOLDS           | 1-MILE   | 3-MILE   | 5-MILE   |
| 2026 Projection      | 1,482    | 16,546   | 51,771   |
| 2021 Estimate        | 1,489    | 16,434   | 51,405   |
| 2010 Census          | 1,523    | 15,708   | 49,055   |
| INCOME               | 1-MILE   | 3-MILE   | 5-MILE   |
| Avg Household Income | \$68,324 | \$73,340 | \$77,325 |

## NASHVILLE, TN

Nashville is a genuine geographic bull's eye, Nashville is perfectly positioned to draw people together. In fact, in 2019, Nashville brought it 16.1 million visitors. This increased from 15.2 million in 2018. Nashville Int'l Airport (BNA) is one of the fastest-growing airports in North America. It served over 18.2 million passengers last year on 14 airlines with 540 total daily flights to 75 nonstop destinations. With more than 33,200 hotel rooms in the city and 47,800 total in the MSA Nashville is accommodating for all travelers. Nashville is the capital and largest city in Tennessee. In the past 5 years, Nashville demand (hotel rooms sold) has grown faster than any other top 30 US city.

A major center for the music industry, especially country music, Nashville is commonly known as "Music City." It is also home to numerous colleges and universities, including Tennessee State University, Vanderbilt University, Belmont University, Fisk University, Trevecca Nazarene University, and Lipscomb University, and is sometimes referred to as "Athens of the South" due to a large number of educational institutions. Nashville is also a major center for healthcare, publishing, private prison, banking, automotive, and transportation industries.



# ECONOMY

In recent times Nashville has been described as a “southern boomtown” by numerous publications, with it having the third fastest growing economy in the United States as of 2019. It has been stated by the US Census Bureau that Nashville “adds an average of 100 people a day to its net population increase”. The Nashville region was also stated to be the “Number One” Metro Area for Professional and Business Service Jobs in America, as well as having the “Hottest Housing market in America” as stated by the company Zillow.

Although Nashville is renowned as a music recording center and tourist destination, its largest industry is health care. Nashville is home to more than 300 healthcare companies, including Hospital Corporation of America (HCA), the world’s largest private operator of hospitals. The Nashville health care industry contributes an overall economic benefit of \$46.7 billion and more than 270,000 jobs to the local economy annually. Globally, Nashville’s health care industry generates more than \$92 billion in revenue and more than 570,000 jobs.







## UNIVERSITIES

- **Vanderbilt University** - 12,686 Student Population
- **Fisk University** – 855 Student Population
- **Belmont University** – 7,350 Student Population
- **Middle Tennessee State University** – 22,511 Student Population

## PROFESSIONAL SPORTS TEAMS

- **Tennessee Titans** - 1,047,496 2019 Attendance
- **Nashville Predators** - 715,276 2019 Attendance



## MUSIC CITY CENTER

- Nashville's downtown convention facility, opened in May 2013. The 2.1 million-square-foot Music City Center features more than 375,000 square feet of exhibit space, 128,000 square feet of meeting space, two ballrooms, a business center, and a 2,500-seat theater.

## GAYLORD OPRYLAND RESORT & CONVENTION CENTER

- The largest non-gaming hotel property in the United States with 2,888 rooms and more than 700,000 square feet of meeting space, including 263,772 of contiguous exhibit space.



## NASHVILLE'S HONKY TONK HIGHWAY

- Broadway is the busiest street in Nashville. The thriving downtown area is home to over 100 restaurants, bars, and music venues. Lower Broadway, also known as Nashville's Honky Tonk Highway, is the center of entertainment in Music City. A honky-tonk is an establishment that contains at least one stage and a bar. Lower Broadway is filled with honky-tonks giving it the popular tourist destination name.



## CONFIDENTIALITY & DISCLAIMER STATEMENT

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2. You will hold it and treat it in the strictest of confidence; and
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This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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