



NEWS RELEASE

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City Council approves Fountains at Gateway Project Contract

Phase I Develops "Class A" Office Space Near Saint Thomas Rutherford Hospital

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MURFREESBORO, Tenn. – The Murfreesboro City Council has approved a new Class A office development in the Gateway Overlay District to be called the Fountains at Gateway. The contract authorizes the sale of 12 acres of City property for \$2.61 million. When finished, the office building could be leased to corporations looking to quickly locate operations in Middle Tennessee.

"We, along with the Rutherford County Chamber of Commerce, think Murfreesboro can attract more white-collar jobs with Class A office space that is ready and available to be leased," said City Manager Rob Lyons. "We want the space available to show the moment a company visits or decides Middle Tennessee is the perfect location."

Chamber executives have previously said the City has lost out on luring prospects because office space wasn't immediately available.

The approved agreement with Hearthstone Property Group developer Scott Graby paves the way for construction of Phase I of the Fountains--the first of three planned Class A office buildings. The first 100,000-square-foot office building (Phase 1-A) would be developed on the initial 12 acres of a 31-acre piece of land, along with possible retail and/or restaurant space (Phase 1-B), just east of Saint Thomas Rutherford Hospital. The area is between Medical Center Parkway and the Greenway.

The contract agreement with the City also calls for a second 100,000 square-foot-office building (Phase 2) and a third 180,000-square-foot office building (Phase 3) on the additional 19 acres east of the hospital.

The contract calls for Graby to purchase the initial 12 acres for \$5 per square foot. It also includes incentives to reduce the land sale price for Phases 2 and 3 based upon the number of jobs and the average salaries of the preceding phase. The Fountains at Gateway would ultimately include four smaller buildings, ranging from 11,000 to 11,700 square feet, for retail

shops and restaurants; however, the contract requires that the first building to be constructed must be the office building.

Graby previously told the five-member Gateway Commission that Phase II would create a “Main Street” atmosphere with decorative fountains and sidewalks for outdoor public events. The Commission voted to authorize City Manager Rob Lyons to draw-up the contract agreement donating the land with job incentives during a commission meeting January 20.

The City also forged a similar contract with Japanese owned M-Tek in exchange for an agreement by the company to build its 63,000-square-foot North American headquarters building in the Gateway off Thompson Lane. M-Tek will bring 250 high-paying jobs to Murfreesboro. That agreement was announced last December.

When Hearthstone Group is able to break ground for construction of Phase I, the building could be ready for occupancy a year later, perhaps early 2016.

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

Photo attached captions:

1. *Fountains at Gateway architect's rendering.jpg*
2. *Fountains at Gateway architect's rendering.jpg*

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