



NEWS RELEASE

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FOR IMMEDIATE RELEASE: Oct. 24, 2019

Council adopts economic development plan for mixed-use redevelopment

Site of former Methodist Church to become 110-room hotel, residential, retail project

MURFREESBORO, Tenn. — The Murfreesboro City Council voted Thursday (Oct. 24) to adopt Resolution 19-R-24, approving an economic development Plan and TIF Incentive for a mixed-use downtown redevelopment by One East College, LCC. The project, on the site of the former First United Methodist Church, is scheduled to begin demolition in January 2020, but preserves both the bell tower and sanctuary of the historic structure.

The development, supported by the City, Rutherford County, and the Industrial Development Board (IDB), will redevelop this vital downtown block, including the construction of a 500-space parking facility. The incentive, which is capped at \$6 million, is instrumental to the mixed-use private redevelopment, the value of which is estimated to be between \$65 to \$70 million when completed.

The plan estimates the City and County will generate approximately \$1.223 million in additional annual tax revenues during the TIF incentive. After the TIF incentive expires, the development will yield an additional estimated \$645,000 in combined annual property tax revenue for the County and City. 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. The development will also generate local sales tax and hotel tax revenue and potentially spur further redevelopment in the downtown area.

“The redevelopment is a vital step in revitalization of downtown Murfreesboro and will preserve and incorporate the sanctuary and bell tower of the historic church,” said Mayor Shane McFarland. “The project planned by One East College will add significant commercial, retail and residential properties to the downtown area with an important hotel amenity for the downtown area and Middle Tennessee State University. The publicly accessible parking garage will increase the availability of downtown parking.”

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The residential portion of the development anticipates approximately 55 residential condo units with nearby access to a five-story office and retail space, including a restaurant or event venue. The development will include more than one building with up to 200,000 square feet.

During construction, the redevelopment is expected to generate 1,680 construction jobs and result in long-term job creation of an estimated 520 full-time equivalent jobs.

The City of Murfreesboro finalized the closing with One East College, LLC on the downtown property June 28, 2019, for \$1.8 million in an agreement to develop the area's first mixed-use development. The development will incorporate a design consistent with the historic character of the site.

The 2.48-acre City block bounded by Church, Lytle, College and Spring Streets, includes a church sanctuary and iconic bell tower. The property sale agreement included a 0.62-acre City-owned parking lot at the corner of Lytle and Spring Streets to complete the block.

One East College, LLC is led by Nick Patel of Detroit, Michigan, Suri Ramanna, Nashville chairman and CEO of TRC Construction Services Inc., and Dhvanit Patel, a Tampa real estate developer. The developers have been studying the engineering and other technical aspects of the proposed development. The group has been working with the City to plan and design a project that will enhance the City's downtown and serve as a catalyst for further redevelopment efforts. Jeff Reed of Murfreesboro firm Hudson Reed and McCreary, PLLC is representing the developers.

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, which dates back to 1888.

Although the church 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 former First United Methodist Church building served the congregation there until 2003.

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 City Council previously adopted Resolution 19-R-19 approving an Economic Development Plan for the Historic Development. The newly adopted Resolution 19-R-24 updates the Plan and TIP Incentive to reflect newly calculated local option tax revenue expected to be generated by the One East College Development. The Rutherford County Commission approved the new Plan Oct. 17 and the Industrial Development Board of Rutherford County adopted the updated Plan Oct. 23.

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

Photos attached:

1. *First United Methodist Church Bell Tower.jpg*
2. *Aerial of City Block.jpg*

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