

Piedmont Natural Gas Engages The Blonder Group to Sell Nashville Gas HQ and Site Select New Facility

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Another large MetroCenter-area property has hit the market. Nashville's Piedmont Natural Gas Mainstream Drive facility is officially for sale with an asking price \$14 million — and the company is looking for a replacement site in or out of Davidson County.

Piedmont Natural Gas has put its MetroCenter-area property up for sale and is looking for a new location in or near Davidson County. *Courtesy of Piedmont Natural Gas*

Piedmont's current Nashville facility, a 128,000-square-foot building originally owned by Brown-Forman, was placed on the market Wednesday, according to facility broker Ira Blonder of the Blonder Group.

Blonder said the building could be purchased for use as a corporate headquarters, or for redevelopment.

"It's really open for any large corporation looking to establish itself here in Nashville," Blonder said.

About 115,000 square feet of the building is currently used for office space, plus 22,000 square feet for warehouse use and a 9,000-square-foot outfit building, Blonder said. Piedmont currently bases its Nashville operations at the site.

The company is evaluating options for relocating within the Middle Tennessee area, considering space in both Davidson and Williamson counties. The company needs 80,000 square feet — including 50,000 suitable for office use — and parking capacity for 345 vehicles. The company has been evaluating sites for 60 days.

"Piedmont prefers to remain in Davidson County," Blonder said. "However, they are open to counties within the metropolitan service area (MSA), where site opportunities exist."

Based in Charlotte, Piedmont is an energy services company primarily engaged in distribution of natural gas to more than 1 million residential, commercial and industrial utility customers in North Carolina, South Carolina and Tennessee, including 61,000 customers served by municipalities who are wholesale customers.

MetroCenter — the area of town in the surrounding vicinity of the former MetroCenter Boulevard, recently christened the Rosa L. Parks Boulevard — has for the last decade been an unusually inexpensive area in which to do business.

Leasing rates bottomed out in 2003, shortly after the Nortel Networks North American headquarters left the area. Shortly after Nortel's move, vacancy in the MetroCenter office market reached 23.6 percent, according to statistics from Nashville Commercial.

Vacancy in the area has significantly improved since, and is now at only 4.5 percent. But leasing costs have stayed about the same, rising by about \$1 per square foot to the current rate of \$16.73. By comparison, leasing rates downtown average at about \$30 per square foot.

Local investors expect property values in the area to increase in coming years. A group of investors including Tennessee Titans owner Kenneth “Bud” Adams Jr. as well as Corner Partnership member Mark Bloom recently purchased a 180,000-square-foot MetroCenter structure. New Honda and Hummer car dealerships have been built, and Lexus will soon follow. A Starbucks has appeared as well.

Carrie Robinson of Nashville Commercial has told *The City Paper* that when real estate statistics change for the area, they’ll change fast. The market is a small one at 2 million square feet — by comparison, the Brentwood commercial real estate market includes 6.5 million square feet, and West End 7 million. With that little space, Robinson said, it doesn’t take much to tip the averages.

“Any time you see something happen over there, the numbers either plummet or skyrocket,” Robinson said. “Small events can have massive effects.”