

LEASE AGREEMENT OVERVIEW

Occupant: Lexington Downtown Development Authority (LDDA)

Location: Phoenix Building

Address: 101 East Vine Street

OVERVIEW	
S/ft of space occupied	516
S/ft of shared space (occupant's pro-rata share)	218
Total S/ft	734
Annual pro-rata share of utilities, O&M and CIP (approx. \$6.55 S/ft)	\$4,804.67
Annual base (approx. \$9.37 S/ft)	\$6,875.22
YEAR 1 – O&M	
Established Annual Fair Market Value (\$/ft)	\$15.91
Annual Fair Market Value (FMV) of Space	\$11,679.89
Recommended Annual Adjustment to FMV	-\$6,875.22
RECOMMENDED ANNUAL RENTAL RATE	\$4,804.67
Current annual rental rate	\$0.00
Difference	\$4,804.67
Year 2 – O&M plus 33% of base	
Recommended Annual Adjustment to FMV	-\$4,606.40
RECOMMENDED ANNUAL RENTAL RATE	\$7,073.49
Current annual rental rate	\$0.00
Difference	\$7,073.49
Year 3 – O&M plus 66% of base	
Recommended Annual Adjustment to FMV	-\$2,337.57
RECOMMENDED ANNUAL RENTAL RATE	\$9,342.32
Current annual rental rate	\$0.00
Difference	\$9,342.32

JUSTIFICATION FOR WAIVER

Commissioner of General Services Sally Hamilton recommends the following rent schedule be used for lease of space to LDDA:

- Year one – pay O&M
- Year two – pay O&M plus 33% of base
- Year three – pay O&M plus 66% of base
- The expectation is that over the course of 4 years that the LDDA would pay Fair Market Value for the space.

LDDA was created by Ordinance (O-312-2001). Their mission is to engage in development, redevelopment, and physical improvement for the benefit of the

downtown environment. LDDA promotes, initiates and assists in the implementation of public & private projects as an extension of the LFUCG.

Historically, the LDDA has been funded entirely by LFUCG and continues to be in FY2013.