



Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Sally Hamilton
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Urban County Council

FROM: Sally Hamilton
Commissioner of General Services

DATE: September 18, 2012

RE: Lease Agreement with Metro Employees Credit Union (MECU) – Phoenix Building

I am requesting Urban County Council approval to enter into a lease agreement with MECU for space located at 101 East Vine Street within the Phoenix Building. The area is located on the first floor of the building and consists of approximately 604 S/ft of space. The MECU is a non-profit entity that provides financial products and services to LFUCG employees, partner agencies, and their families and does not serve the general public. They also provide credit and financial counseling.

Council referred the initial lease proposal to the General Government Committee for further review. General Services presented a revised lease arrangement for a period of five (5) years with an escalating rent. The initial term of the agreement will be for 7 ½ months and begin on November 16, 2012 and end on June 30, 2013 with an option of automatic annual renewal for four (4) additional one (1) year terms. Chief Administrative Officer Richard Moloney recommends that LFUCG receive an annual rental rate of \$5,650.97 during the first, \$7,065.35 during the second, \$7,913.98 during the third, \$8,762.62 during the fourth, and pay Fair Market Value of \$9,611.25 during the final year of the agreement for use of this space.