

LEASE AGREEMENT OVERVIEW

Occupant: Downtown Lexington Corporation

Location: Phoenix Building

Address: 101 East Vine Street

OVERVIEW	
S/ft of space occupied	491
S/ft of shared space (occupant's pro-rata share)	208
Total S/ft	699
Annual pro-rata share of utilities, O&M and CIP (approx. \$6.55 S/ft)	\$4,575.57
Annual base (approx. \$9.37 S/ft)	\$6,547.38
YEAR 1 – O&M plus 50% of Base	
Established Annual Fair Market Value (\$/ft)	\$15.91
Annual Fair Market Value (FMV) of Space	\$11,122.95
Recommended Annual Adjustment to FMV	-\$3,273.69
RECOMMENDED ANNUAL RENTAL RATE	\$7,849.26
Current annual rental rate	\$0.00
Difference	\$3,273.69
YEAR 2 – O&M plus 75% of Base	
Established Annual Fair Market Value (\$/ft)	\$15.91
Annual Fair Market Value (FMV) of Space	\$11,122.95
Recommended Annual Adjustment to FMV	-\$1,636.85
RECOMMENDED ANNUAL RENTAL RATE	\$9,486.10
YEAR 3 – Fair Market Value	
Established Annual Fair Market Value (\$/ft)	\$15.91
Annual Fair Market Value (FMV) of Space	\$11,122.95
Recommended Annual Adjustment to FMV	-\$0.00
RECOMMENDED ANNUAL RENTAL RATE	\$11,122.95

JUSTIFICATION FOR WAIVER

Commissioner of General Services Sally Hamilton recommends that the following rent schedule be used for lease of space to Downtown Lexington Corporation:

- Year one – Pay all of the O&M costs plus 50% of the base rent
- Year two – Pay all of the O&M costs plus 75% of the base rent
- Year three – Pay Fair Market Value for the space

Downtown Lexington Corporation is a community and business advocacy group founded to encourage responsible economic development in the downtown business core and various neighborhoods surrounding the central area.

The group promotes downtown Lexington, advocates for a pedestrian friendly area, promotes the use of alternative transportation, supports the city and other organizations in working on homeless issues, and promotes and supports the arts. They are devoted to promoting downtown as a unique and vibrant place in Lexington for business, residential life & entertainment.

Downtown Lexington Corporation provides events and activities including the 4th of July festival, Vintage KY Wine Festival, Annual tree lighting, Christmas Parade and Christmas Chorus.

Revenues are provided by membership fees, event sponsorships and beverage, vendor fees, and merchandise sales during the events. The rental schedule allows an opportunity for DLC to transition to Full Market Value.