

## LEASE AGREEMENT OVERVIEW

Occupant: Ann Tower Gallery, LTD  
 Location: Downtown Arts Center  
 Address: 141 – 143 East Main Street

<b>OVERVIEW</b>	
S/ft of space occupied	2,355
S/ft of shared space (occupant's pro-rata share)	0
<b>Total S/ft</b>	<b>2,355</b>
Annual pro-rata share of utilities, O&M and CIP (approx. \$7.19 S/ft)	\$16,913.25
Annual base (approx. \$3.96 S/ft)	\$9,318.77
<b>Adjusted Annual Rent</b>	
Established Annual Fair Market Value (\$/ft)	\$11.14
<b>Annual Fair Market Value (FMV) of Space</b>	<b>\$26,232.02</b>
<b>Recommended Annual Adjustment to FMV</b>	<b>-\$19,547.58</b>
<b>RECOMMENDED ANNUAL RENTAL RATE</b>	<b>\$6,684.44</b>
Current annual rental rate	\$4,684.44
<b>Difference</b>	<b>\$2,000.00</b>

## JUSTIFICATION FOR WAIVER

Commissioner of General Services Sally Hamilton recommends that the lease agreement with Ann Tower Gallery, LTD be amended to allow a month-to-month occupancy for use of the space.

- The General Government Committee heard discussion about this lease during the September 11, 2012 meeting
- This is a "for-profit" occupant and LFUCG currently receives an annual rental rate of approximately \$1.99 S/ft (\$4,684.44 per year)
- LFUCG's annual O&M expenditure for the space is approximately \$7.19 S/ft (\$16,913.25) per year
- The recommendation is that the lease be amended to allow a month-to-month occupancy
- LFUCG shall provide the tenant a sixty (60) day written notification whenever the space is to be vacated by the gallery
- An annual rent increase of two thousand dollars (\$2,000.00) shall apply during the occupancy (\$167.67 per month)
- Other terms and conditions of the lease will remain the same