

LEASE AGREEMENT OVERVIEW

Occupant: Metro Employee Credit Union

Location: Versailles Road Campus

Address: 1306 Versailles Road

OVERVIEW	
S/ft of space occupied	3,866
S/ft of shared space (occupant's pro-rata share)	0
Total S/ft	3,866
Annual pro-rata share of utilities, O&M and CIP (approx. \$2.85 S/ft)	\$11,019.62
Annual base (approx. \$6.86 S/ft)	\$26,525.13
YEAR 1 – O&M plus 30% of Base	
Established Annual Fair Market Value (\$/ft)	\$9.71
Annual Fair Market Value (FMV) of Space	\$37,544.75
Recommended Annual Adjustment to FMV	-\$18,567.59
RECOMMENDED ANNUAL RENTAL RATE	\$18,977.16
Current annual rental rate	\$0.00
Difference	\$18,977.16
YEAR 2 – O&M plus 55% of Base	
Established Annual Fair Market Value (\$/ft)	\$9.71
Annual Fair Market Value (FMV) of Space	\$37,544.75
Recommended Annual Adjustment to FMV	-\$11,936.31
RECOMMENDED ANNUAL RENTAL RATE	\$25,608.44
YEAR 3 – O&M plus 70% of Base	
Established Annual Fair Market Value (\$/ft)	\$9.71
Annual Fair Market Value (FMV) of Space	\$37,544.75
Recommended Annual Adjustment to FMV	-\$7,957.54
RECOMMENDED ANNUAL RENTAL RATE	\$29,587.21
YEAR 4 – O&M plus 85% of Base	
Established Annual Fair Market Value (\$/ft)	\$9.71
Annual Fair Market Value (FMV) of Space	\$37,544.75
Recommended Annual Adjustment to FMV	-\$3,978.77
RECOMMENDED ANNUAL RENTAL RATE	\$33,565.98
YEAR 5 – Fair Market Value	
Established Annual Fair Market Value (\$/ft)	\$9.71
Annual Fair Market Value (FMV) of Space	\$37,544.75
Recommended Annual Adjustment to FMV	-\$0.00
RECOMMENDED ANNUAL RENTAL RATE	\$37,544.75

JUSTIFICATION FOR WAIVER

Chief Administrative Officer Richard Moloney recommends that the following rent schedule be used for lease of space to Metro Employee Credit Union:

- Year one – Pay all of the O&M costs plus 30% of the base rent
- Year two – Pay all of the O&M costs plus 55% of the base rent
- Year three – Pay all of the O&M costs plus 70% of the base rent
- Year four – Pay all of the O&M costs plus 85% of the base rent
- Year five – Pay Fair Market Value for the space

Metro Employees Credit Union is a non-profit organization

MECU serves as a benefit to LFUCG employees by providing them a service that can't be received at other financial institutions

MECU spent \$7,319.38 for the Phoenix building renovation and in 2006 they spent \$225,376.48 in renovations for the space at the Versailles Road Campus

MECU provides free checking accounts to low income citizens as part of the LFUCG Representative Payee Program and they also provide free check cashing for the 150 youth in the Summer Youth Employment Program

MECU currently pays no annual rent for use of space and the rental schedule allows an opportunity to budget and transition to Full Market Value.