

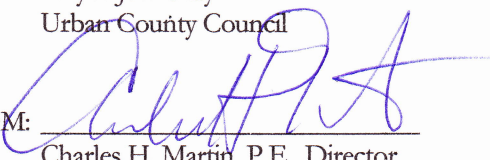


Lexington-Fayette Urban County Government
 DEPARTMENT OF ENVIRONMENTAL QUALITY AND PUBLIC WORKS

Jim Gray
 Mayor

David L. Holmes
 Commissioner

TO: Mayor Jim Gray
 Urban County Council

FROM: 
 Charles H. Martin, P.E., Director
 Division of Water Quality

DATE: September 29, 2015

RE: Extension to Lease Agreement with WINMAR Corporation for Administrative Office Space to Consolidate the Division of Water Quality Staff

The Division of Water Quality requests Urban County Council approval authorizing the Mayor to enter into an extension to the lease with WINMAR Corporation for office space located at 125 Lisle Industrial Road. This extension will allow the division to continue in its current footprint which provides the adequate office, meeting and training space required to meet UCG operational needs including meeting obligations required by the Consent Decree.

The original lease began on February 1, 2011 and was for a term of three years with two, one-year extensions approved at a higher rate. The extension would repeat this time-frame while requesting a minimal increase to \$15.85 per square foot for the first three years, and \$15.95 per square foot for the two, one-year extensions and would continue to include all utilities, parking, maintenance and custodial services.

This extended lease would begin February 1, 2016. Costs associated with the time period between February 1 and June 30, 2016 amount to \$168,069.45. Funding for the total FY16 costs is located in 4002-303401-3401-71302 and was included in the approved FY16 Annual Budget.

Current and future annual impact to the budget for the term of this extended lease is illustrated in the table below.

Time-Frame	Square Footage	Price per Sq. Ft.	Annual Cost	Annual Increase	Monthly Cost
February 1, 2015 – January 31, 2016 (current)	25,449	\$15.75	\$400,821.75		\$33,401.81
February 1, 2016 – January 31, 2019	25,449	\$15.85	\$403,366.65	\$2,544.90	\$33,613.89
February 1, 2019 – January 31, 2021 (2 one-year extensions)	25,449	\$15.95	\$405,911.55	\$2,544.90	\$33,825.96

If additional information is required, or you have questions, please contact me at 425-2455.