

## LEASE AGREEMENT OVERVIEW

Occupant: Lexington & Fayette County Parking Authority

Location: Phoenix Building

Address: 101 East Vine Street

<b>OVERVIEW</b>	
S/ft of space occupied	423
S/ft of shared space (occupant's pro-rata share)	179
<b>Total S/ft</b>	<b>602</b>
Annual pro-rata share of utilities, O&M and CIP (approx. \$6.55 S/ft)	\$3,940.62
Annual base (approx. \$9.37 S/ft)	\$5,638.80
<b>YEAR 1 – O&amp;M plus 50% of Base</b>	
Established Annual Fair Market Value (\$/ft)	\$15.91
<b>Annual Fair Market Value (FMV) of Space</b>	<b>\$9,579.42</b>
<b>Recommended Annual Adjustment to FMV</b>	<b>-\$2,819.40</b>
<b>RECOMMENDED ANNUAL RENTAL RATE</b>	<b>\$6,760.02</b>
Current annual rental rate	\$4,500.00
<b>Difference</b>	<b>\$2,260.02</b>
<b>YEAR 2 – O&amp;M plus 75% of Base</b>	
Established Annual Fair Market Value (\$/ft)	\$15.91
<b>Annual Fair Market Value (FMV) of Space</b>	<b>\$9,579.42</b>
<b>Recommended Annual Adjustment to FMV</b>	<b>-\$1,409.70</b>
<b>RECOMMENDED ANNUAL RENTAL RATE</b>	<b>\$8,169.72</b>
<b>YEAR 3 – Fair Market Value</b>	
Established Annual Fair Market Value (\$/ft)	\$15.91
<b>Annual Fair Market Value (FMV) of Space</b>	<b>\$9,579.42</b>
<b>Recommended Annual Adjustment to FMV</b>	<b>-\$0.00</b>
<b>RECOMMENDED ANNUAL RENTAL RATE</b>	<b>\$9,579.42</b>

## JUSTIFICATION FOR WAIVER

Commissioner Sally Hamilton recommends that Lexington & Fayette County Parking Authority pay annual rent for use of space at this facility. The goal is for the Parking Authority to pay the Full Market Value for the space beginning the third year of the agreement.

The proposed annual rental rate for this agency is as follows:

- 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

The Parking Authority was created as an agency of the Lexington Fayette Urban County Government to oversee the maintenance and operation of adequate parking facilities, structures, and meters along with the enforcement of non-moving traffic violations, including the residential parking permit program.

The Parking Authority protects and promotes safety, comfort, convenience and welfare of the people of Lexington-Fayette County.

Recent acquisition of the parking garages presents new challenges for the Parking Authority regarding maintenance and operation of those facilities and use of this approach provides a small amount of relief during the transition.