



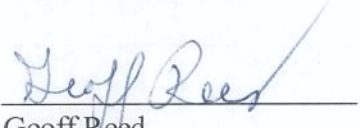
Lexington-Fayette Urban County Government
DEPARTMENT OF GENERAL SERVICES

Jim Gray
Mayor

Geoff Reed
Commissioner

MEMORANDUM

TO: Mayor Jim Gray
Sally Hamilton, CAO
Urban County Council

FROM: 
Geoff Reed
Commissioner of General Services

DATE: May 9, 2013

RE: Lease Agreement with Metro Employees Credit Union (MECU) – Phoenix Building

I am requesting Urban County Council approval to enter into a lease agreement with MECU for space located at 101 East Vine Street within the Phoenix Building. The area is located on the first floor of the building and consists of approximately 604 S/ft of space. The MECU is a non-profit entity that provides financial products and services to LFUCG employees, partner agencies, and their families and does not serve the general public. They also provide credit and financial counseling.

Council referred the initial lease proposal to the General Government Committee for further review where a recommendation was made for LFUCG to create and enter into a Memorandum of Agreement (MOA) with the credit union in order to define the relationship. MOA terms were agreed upon and it was presented to the General Government Committee on May 7, 2013. General Services now presents a revised lease agreement that will be for a period of five (5) years with an escalating rent. The initial term of the agreement will be for one year and begin on July 1, 2013 and end on June 30, 2014 with an option of automatic annual renewal for four (4) additional one (1) year terms. Chief Administrative Officer Sally Hamilton recommends that LFUCG receive an annual rental rate of \$5,650.97 during the first, \$7,065.35 during the second, \$7,913.98 during the third, \$8,762.62 during the fourth, and receive Fair Market Value of \$9,611.25 during the final year of the agreement for use of this space.