KyMEA Board Memo

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| To: | KyMEA Board of Directors |
| From: | Doug BureshKyMEA President and CEO |
| Date: | March 20, 2018 |
| Re: | KyMEA Office Recommendation |

**Background**

At the February 22, 2018 KyMEA Board of Directors meeting, the Board authorized the KyMEA President to conduct a search and enter into a Letter of Intent (LOI) for KyMEA’s office which will be in the greater Louisville area.

Letter of Intent

* Authorize President to negotiate a 5-year term with options to renew
* Negotiated 1st year lease not to exceed budgeted amount of $162,000

Negotiated Lease

* Presented to the KyMEA Board at the March 22, 2018 Board Meeting for review and approval

**Office Criteria**

Building Type

* 5-year term with options to renew
* Class A building
* Easy access for Board members and staff
* Ample parking
* Generator back-up (preferred)

Boardroom

* Table – (25 Directors, Alternates, Staff)
* Additional Seating – 25
* Audio/Visual for remote attendance
* Easy public access

Market Operations Center

* Monitor loads, resources, markets, congestion, weather
* Computer, SCADA, video wall

Offices

* Greeting area
* Conference room
* Breakroom + board/staff lunch area
* Records retention, storage, IT
* Room for growth

**Locations Considered**

The following locations were considered.

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| Name | Location | Sq. Ft. Available | Price ($/Sq. Ft.) |
| Hurstbourne Place | Hurstbourne | 4,517 – 8,685 | $21.00 |
| Springs Office Building | St. Matthews | 3,662 – 10,675 | $21.00 - $22.00 |
| Browenton Place | Northeast | 4,539 | $20.00 |
| Six Corporate Center | Hurstbourne | 1,844 – 5,136 | $19.90 |
| Two Corporate Center | Hurstbourne | 4,500 – 25,000 | $20.00 |
| Three Corporate Center | Hurstbourne | 4,828 – 5,021 | $20.00 |
| Five Corporate Center | Hurstbourne | 5,000 – 5,800 | $20.00 - $21.00 |
| Plaza Green II | Hurstbourne | 3,000 – 9,768 | $22.00 - $24.00 |
| Underwriters | Eastpoint | 4,000 – 8,565 | $19.00 |
| Ormsby Three | Hurstbourne | 4,424 – 5,057 | $24.00 |
| Woodlawn | St. Matthews | 2,000 – 4,500 | $20.00 - $24.50 |
| 500 North | Hurstbourne | 5,664 – 15,882 | $27.00 |
| American Founders | Hurstbourne | 7,500 | $21.50 |
| Old Henry Crossing | Eastpoint | +/- 20,000 | $25.00 - $26.00 |

**Test Fits**

Based on floor plans, price, and location; test fits were created for the following locations.

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| Name | Location | Sq. Ft. | Price ($/Sq. Ft.) |
| Three Corporate Center | Hurstbourne | 4,828 | $19.00 |
| Five Corporate Center (g) | Hurstbourne | 4,918 | $20.00 |
| Underwriters (g) | Eastpoint | 8,565 | $19.00 |
| 500 North | Hurstbourne | 5,664 | $27.00 |
| American Founders | Hurstbourne | 7,500 | $21.50 |
| Old Henry Crossing | Eastpoint | 6,600 | $26.00 |

(g) – Space includes a generator back-up

**Final Selection – Letter of Intent**

Based on location, price, amenities, and future growth; KyMEA’s president negotiated a LOI at the Underwriter’s location (1700 Eastpoint Parkway). The first-year price is $17.75/sq. ft. and the five-year average price is $18.60/sq. ft. with options to renew. The lease begins June 1, 2018 and includes the first two months free rent. The July 2018 – June 2019 budgeted lease expense is $139,376.

**Recommendation**

KyMEA’s President recommends the KyMEA Board of Director’s approve the five-year lease for the Underwriter’s Building location.