



Legislation Text

File #: 44252, Version: 1

Fiscal Note

Funds for the temporary lease locations will be split between the operating and capital budget. During the life of the lease the operating budget will contribute 36% of the annual lease costs while the capital budget will contribute 64%. Operating costs will be factored into future budgets for the impacted agencies; ongoing capital funding for the MMB Renovation project will include the capital portion of lease costs. Due to the timing of the lease there will be no charges incurred during the 2016 operating budget. Due to the parking changes, the the monthly Rent payment as described in Paragraph 5 of the Lease will be reduced by \$3,120 per month to a new amount of \$31,029.62 payable in monthly installments ("Rent"). The Rent during any of the exercised Option Terms shall be reduced to \$32,054.11 per month ("Option Rent").

Title

Authorizing the execution of an amendment to the lease at 30 West Mifflin Street for the temporary relocation of a portion of the City employees currently located in the Madison Municipal Building during the building's renovation.

Body

On February 2, 2016, the Common Council approved via Resolution number RES-16-00095 (File ID 41417) the lease for office space at 30 West Mifflin Street (the "Lease") to house a portion of the City employees needing relocation while MMB is renovated; and

The Lease dated February 24, 2016 was fully executed on March 21, 2016; and

During City Engineering's space planning process, it was determined that City Housing needs an additional 330 square feet ("s.f.") of space to store their Section 8 files. The Lessor located a nearby area totaling 330 s.f. on the 10th floor that the City would like to amend the Lease to include in the Leased Premises; and

The Lessor was going to provide and pay for 30 parking stalls each month, during the Term or any Option Term, at the State Street Capitol Garage to accommodate the City owned-cars used by the City employees in the Building. City Engineering now has determined that the City only needs 17 of the 30th stalls. The Lessor is willing to adjust the Rent lower during the Term and the Option Terms due to this change by \$3120 per month.

Therefore, this resolution will provide for the aforementioned terms to be memorialized in a first amendment to the Lease as described below.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a first amendment to the Lease that was recorded on April 4, 2016 in the Dane County Register of Deed's office as document # 5224626 (the "Lease") with Madison Real Estate Properties, a Wisconsin general partnership and Madison East Shopping Center Partners, LLP, a Wisconsin limited liability company or assigns (collectively, the "Lessor"), and the City. The following terms and conditions will be included in a First Amendment to the Lease:

1. Leased Premises: The "Leased Premises" described in Paragraph 1 of the Lease, shall increase from 22,500 net square feet ("s.f.") to 22,830 s.f. due to the addition of 330 s.f. of storage space on the 10th floor ("Housing Storage") of the Building. A floor plan will be attached to the First Amendment to the Lease as Exhibit A to show the location of this Housing Storage area on the 10th floor.

The Lessor shall provide at its cost a wall to divide the current storage space on the 10th floor such that it creates an area of 330 s.f. for Housing Storage. In addition, the Lessor shall pay for a door to the

Housing Storage area and paint the walls at its cost.

2. Parking: Paragraph 2 of the Lease shall be changed, such that the Lessor shall only provide seventeen (17) total monthly parking stall permits during the Term or any Option Term, at the State Street Capitol Garage located at 214 N. Carroll Street and/or the Dane County Garage located at 113 S. Henry Street.
3. Rent: Since the City is reducing its parking needs as described above, the Lessor is willing to reduce the monthly Rent payment as described in Paragraph 5 of the Lease by \$3120 per month to a new amount of \$31,029.62 payable in monthly installments ("Rent"). The Rent during any of the exercised Option Terms shall be reduced to \$32,054.11 per month ("Option Rent").

In the event the City decides to vacate any portion of the Leased Premises during any of the Option Terms as described in Paragraph 5 of the Lease, then the Option Rent will be pro-rated on an occupied square footage divided by 22,830 s.f. multiplied by the Option Rent to arrive at the Revised Option Rent.

BE IT RESOLVED that all of the other terms and conditions of the Lease shall remain the same; and

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute the First Amendment to the Lease and all additional documents that may be required to complete this transaction on forms approved by the City Attorney.