



Legislation Text

File #: 44915, Version: 1

Fiscal Note

The proposed resolution authorizes amending the lease with the Mendota Rowing Club. The Parks Division will install a heating system for the lessee at a cost of \$17,000, which will be recovered by the City over a 5 year period. After that period the rent will increase by \$700 a year for the next 5 years, and then by \$250 a year for the following 5 year period. The \$17,000 cost recovery and the subsequent rent increases (of \$700 and \$250) will be recognized in the Parks Operating Budget to recover the costs of installing the equipment.

Title

Authorizing the execution of a First Amendment to the Lease to Mendota Rowing Club, Inc. for the Leased Premises, including the Hoover Boat House, located at 622 East Gorham Street.

Body

WHEREAS, the City is the owner of certain property located at 622 E. Gorham Street in the City of Madison, Wisconsin, commonly known as James Madison Park and legally described on attached Exhibit A ("Property"); and

WHEREAS, the Property is improved with a building commonly known as the Hoover Boat House ("Building"); and

WHEREAS, the City and Lessee are parties to that certain Lease, dated April 11, 1997 ("Lease"), whereby the Lessee leases the Building; and

WHEREAS, the initial term of the Lease was for the period of April 1, 1996 through March 31, 2011; and pursuant to First Notice of Lease Renewal, dated March 15, 2011, the Lease was renewed for the period commencing on April 1, 2011 and expiring on March 31, 2016; and pursuant to Second Notice of Lease Renewal, the Lease was renewed for the period commencing on April 1, 2016 and scheduled to expire on March 31, 2021 ("Second Renewal Term"); and

WHEREAS, the City has agreed to install heat in the Building and the Lessee will pay for the cost of said work, which cost will be recovered by the City over a five (5)-year time period; and

WHEREAS, the City and Lessee have agree to extend the Second Renewal Term for an additional one (1)-year period to allow for the aforementioned five (5)-year repayment period and to amend the Lease to include two (2) renewal options of five (5) years each.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a First Amendment to the Lease with Mendota Rowing Club, Inc., the key terms of which are as follows:

1. The Second Renewal Term shall be extended for one (1) year such that said term shall now run for the period commencing on April 1, 2016 and expiring on March 31, 2011 (hereinafter, the "Extended Second Renewal Term").
2. The "Renewal" provision of the Lease shall be amended to provide that, upon the mutual agreement of the parties, the Lease may be renewed for two (2) additional five (5)-year terms (the "Third Renewal Term" and the "Fourth Renewal Term," respectively) following the expiration of the Extended Second Renewal Term, with annual rent payable at the rates set forth in the rent schedule attached as Exhibit B.

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.

EXHIBIT A

Legal Description of the Property

A portion of Lots 4 and 5, Block 260, Original Plat, located in the SW 1/4 and the NW 1/4 of Section 13, T7N, R9E, City of Madison, Dane County, Wisconsin, described as follows:

All of Lot 4, except the Southeast 94.0 feet of the Northeast 7.0 feet thereof and except the Southwest 59.0 feet of the Southeast 91.6 feet thereof; and, the Southwest 23.0 feet of the Southwest 1/2 of Lot 5, except the Southeast 94.0 feet thereof.