

APPROVING LEASE AT 2300 S. PARK STREET AND 2230 S. PARK STREET
FOR PUBLIC HEALTH-MADISON & DANE COUNTY

Access Community Health Center and Public Health have been collaborating at the Villager Mall for almost 20 years. There has been a synergy between the two organizations. Both organizations have grown and both need additional clinical space. The current lease for space at the Villager Mall expires October 31, 2010.

The current space cannot accommodate the growth needs of both organizations. Public Health has run out of clinical space for the WIC program, and would like to be able to expand the immunization program and TB services. Access has hoped to build in the parking lot of the Villager Mall so that it could expand medical services and add a 5,000 square foot dental suite. Unfortunately, they were not able to secure funding.

The architect has determined that the space that the South Madison Library will be vacating in October will provide sufficient room to expand from seven to 11 exam rooms. WIC clinic space and Access medical services will continue to be next door to each other, although they will no longer share a front door. The architects have also worked on moving the WIC staff offices into the space adjoining Dane County Human Services on the 2nd floor of the Atrium at the Villager, where we had already planned to move our TB team. That space will provide office space for about 52 staff and allow for clinic space for the TB and HIV/STI programs.

The lease is for approximately 11,317 square feet – 3,500 square feet that will be used for the WIC clinic space and 7,817 for offices with three clinic rooms. The base rent is \$17.25 per square foot and includes a payment in lieu of taxes, common area maintenance and all common area expenses. Rent will be escalated annually at 3 percent. Custodial services are an additional \$1.30 per square foot. The base rent includes a build out of \$40 per square foot. Any additional tenant improvements will be amortized in the initial 10-year lease.

Including janitorial services, the annual lease will be \$209,930 or \$4,900 more than was in the 2010 Public Health budget for space at the Villager. The new space will be about 40 percent larger than the current space.

NOW, THEREFORE, BE IT RESOLVED that the Board of Health for Madison and Dane County on behalf of Public Health-Madison and Dane County is authorized to enter into a lease with the Community Development Authority of the City of Madison, subject to the following terms:

- 1) The leased premises shall be 3,500 of clinic space located at 2230 South Park Street and 7,817 square feet at 2300 South Park Street, Suites #2002, 2006, 2010, 2011, and 2015 in Madison, together consisting of 11,317 square feet with the nonexclusive use in common with others entitled to the use of certain common areas.
- 2) The lease shall be for a term of ten (10) years commencing at occupancy, but no later than one hundred and twenty (120) days after a fully executed lease. The lease expires on December 31, 2020. The lease shall have two (2) five (5)-year renewal options. Rent will increase by three (3) percent every year.
- 3) The annual rent in the first year, including janitorial service, is \$209,930. The base rate is \$17.25 per square foot with an additional \$1.30 per square foot for janitorial services. This will be paid in monthly payments of \$17,494. The base rate includes a build-out allowance of \$40 per square foot. Any additional tenant improvements will be amortized in the initial 10-year lease.
- 4) At the end of the original term of the lease, Public Health may exercise a five year renewal option. The lease includes a provision for a second five-year renewal option. The base rate for the renewal options will be reduced so that it no longer includes the amortized cost of tenant improvements.

- 5) Public Health-Madison and Dane County will occupy and use the premises for clinic and office space.
- 6) The base rent includes all property taxes, assessments, and special assessments that may accrue to the premises.

BE IT FURTHER RESOLVED that the Director of Public Health-Madison and Dane County is authorized to execute any and all additional documents that may be required to complete this transaction, subject to review of those documents by Corporation Counsel and the City Attorney.

Submitted by Supervisor Duranczyk, October 7, 2010.

Referred to HEALTH & HUMAN NEEDS, PERSONNEL/FINANCE, PUBLIC WORKS & TRANSPORTATION and BOARD OF HEALTH.