

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4340

Authorizing the execution of a lease agreement with the Center for Railroad Photography and Art, Inc. for space at the Village on Park.

Presented August 8, 2019
Referred _____
Reported Back _____
Adopted August 8, 2019
Placed on File _____
Moved By Sheri Carter
Seconded By Sariah Daine
Yeas 7 Nays 0 Absent _____
Rules Suspended _____
Legistar File Number 56816

RESOLUTION

WHEREAS, the Community Development Authority of the City of Madison (the "Landlord") is the owner of certain real property located at 2300 South Park Street, Madison, Wisconsin (the "Property"), more particularly described in the attached Exhibit A; and

WHEREAS, the Property is improved with a commercial building known as The Village on Park (the "Building"); and

WHEREAS, the Landlord and the Center for Railroad Photography and Art, Inc., a Wisconsin non-stock corporation (the "Tenant"), have negotiated the below terms and conditions to a lease agreement (the "Lease") which provides for office and storage space located in the Building; and

NOW THEREFORE BE IT RESOLVED that the Community Development Authority of the City of Madison hereby authorizes the execution of a lease with the Tenant on substantially the following terms and conditions:

1. Leased Premises: Lower level suites 105, 107, and 109 consisting of approximately 1,447 rentable square feet (each a "Suite" and collectively the three separate Suites is defined as the "Premises") as shown on Exhibit B.

Tenant may also use the Building's common area amenities, and have 8 hours per month of free use of the Building's community room, subject to availability. Tenant shall make a reservation to use the community room with the property manager.
2. Landlord: Community Development Authority of the City of Madison (the "CDA")
3. Tenant: The Center for Railroad Photography and Art, Inc. (A Wisconsin Nonprofit Organization)
4. Use: Tenant shall be allowed to use Premises primarily for storage of art and collectible items and staging thereof. Tenant's artwork and photos shall not be stored on the floor at any time, and needs to be on pallets or shelving with a minimum height of 4.0".

5. Initial Term: Ninety (90) month Initial Lease Term commencing on September 1, 2019 (the "Lease Commencement Date").

6. Options to Extend: Three options to renew for three years each (each an "Option").

Tenant shall have to inform Landlord of Tenant's intent to exercise any Option by giving Landlord written notice no later than 120 days prior to the end of any Lease term (initial or otherwise). The Initial Lease Term plus any renewal options exercised collectively is defined as ("Lease Term").

7. Base Rent: The Base Rent as described below is due on the beginning of each calendar month during the Lease Term. If the Base Rent is not received by the property manager by the fifth day of a calendar month a late charge of five percent will be added to balance due to the Landlord.

Initial Lease Term			
Annual Increases (initial term)		2.50%	
Period	\$ PSF	Yearly Rent	Monthly Rent
Months 1-6	\$0.00	\$0.00	\$0.00
Months 7-18	\$10.29	\$14,889.63	\$1,240.80
Months 19-30	\$10.55	\$15,261.87	\$1,271.82
Months 31-42	\$10.81	\$15,643.42	\$1,303.62
Months 43-54	\$11.08	\$16,034.50	\$1,336.21
Months 55-66	\$11.36	\$16,435.37	\$1,369.61
Months 67-78	\$11.64	\$16,846.25	\$1,403.85
Months 79-90	\$11.93	\$17,267.41	\$1,438.95

Three (3) Options to Extend:

1 st Option	3.00% annual increase
2 nd Option	3.50% annual increase
3 rd Option	3.50% annual increase

8. Security Deposit: One month's Base Rent upon Lease execution.

9. Operating Expenses: Lease shall be a modified gross lease, where Landlord shall be responsible for Real Estate Taxes, Common Area Maintenance, and Building Insurance.

10. Utilities & Additional Costs: Tenant shall be solely responsible for telephone, internet and data, and any other services needed to conduct its business. However, for use of Tenant's in-Suite monitoring devices Tenant is allowed access to any Wi-Fi that is offered free to the public in the Building— so long as it is available. Tenant may also extend (at Tenant's expense, and with the

written approval of source WiFi provider/holder) WiFi coverage at Tenant's expense.

Tenant at its cost shall be responsible for in-Suite janitorial and in-Suite garbage removal. Landlord shall be responsible for janitorial for common areas, and shall supply Tenant access and free use of common trash dumpsters.

Tenant shall be responsible for separately metered gas and electric utilities that service the Premises, and shall pay the utility company directly for said services as of the Lease Commencement Date.

11. Tenant's Work:

Tenant will complete the following work at Tenant's sole expense to the Premises. The below work is collectively defined as "Tenant's Work":

(1) Install and/or place in each Suite of the Premises a dehumidifier unit with all of the following features:

- (i) An automatic shut off valve; and
- (ii) ENERGY STAR certified rating.

Tenant proposes using: "FRIGIDAIRE 70 Pint Dehumidifier with Wi-Fi Controls" (Amazon); <https://www.amazon.com/Frigidaire-Pint-Dehumidifier-Wi-Fi-Controls/dp/B07BZK14TT>

If Tenant wants to acquire another dehumidifier that requires additional work that will impact Premises, then Tenant must seek Landlord's written approval.

Tenant is responsible for emptying the water catch basins in the dehumidifiers, and will hold Landlord harmless and indemnify Landlord for any water damage to the Premises and surrounding leased space or common area related to the Tenant's failure to empty water catch basins.

The dehumidifier units shall be placed away from the walls, furniture and shelving.

(2) Install a moisture/WaterBug sensor in each Suite of the Premises.

Tenant, at Tenant's discretion, may install or place any of the above aforementioned items and work into each Suite, and shall not be in violation of the Lease should Tenant elect to postpone or elect to not complete the items listed above. However, once Tenant uses any given Suite for storage of Tenant's artwork and collectables, Tenant shall be required

to place dehumidifier and WaterBug (moisture sensor) into said given Suite.

12. Landlord's Work:

- (1) Landlord will replace any nonfunctioning light fixtures, light bulbs, and doorknobs.
- (2) Landlord will re-key each Suites once as per Tenant's request.

13. Tenant Improvements:

Tenant may install (subject to Landlord's written approval) tenant improvements, furniture, fixtures and equipment into the Premises as Tenant determines necessary for Tenant's use of the Premises after Tenant's Work above is completed. Tenant will remove all of Tenant's improvements, furniture, fixtures, and equipment at the end of the Lease, and restore the Premises back to its original condition.

Tenant shall have the option, at Tenant's costs, to install high-density moveable shelving units in Premises, and will remove such shelving at the end of the Lease and repair any damage caused by the installation, removal or use of such units. Said shelving units may require some bolting/anchoring to the carpet, and Tenant will patch the carpeting in said areas as needed after removal of the high density moveable shelving. The shelving units must be at least 24" below the sprinkler heads.

14. Repairs & Maintenance:

Landlord shall be responsible for the maintenance and repair of the roof, exterior building walls and foundation during the Lease Term. Landlord shall be responsible for repair and replacement of any HVAC, plumbing, and electrical units during the Lease Term. Landlord shall be responsible for replacing any damaged ceiling tiles, and any non-functioning light fixtures and bulbs, during the Lease Term.

During the Lease Term, Tenant is responsible for emptying the water from the dehumidifier units, and will hold Landlord harmless and indemnify Landlord for any water damage to the Premises and surrounding leased space or common area relating to the failure of Tenant not emptying the water catch basins. During the Lease Term, once the Tenant begins using each Suite for storage of artwork, the Tenant shall have a dehumidifier unit with a moisture sensor adjacent in each Suite at all times. The dehumidifiers and moisture sensors shall be installed and maintained at Tenant's cost.

15. Water Concerns &
Lease Termination:

Tenant may issue a 30-day written notice to Landlord to terminate the Lease if standing water is discovered in the

Premises due to any water-related events not caused by Tenant's dehumidifier units (flooding, broken pipe, etc), and the cause of standing water is not remedied (with standing water itself removed and vented via professional remediation methods and/or companies – at Landlord's expense should issue be caused by the Building or by natural causes/acts of God) within 5 days after standing water is discovered and is brought to Landlord's attention in writing or acceptable form of notice in the case of an emergency.

16. Insurance:

The Tenant shall carry commercial general liability insurance covering as insured the Tenant and naming the CDA and the City of Madison, their officers, officials, agents and employees as additional insureds, with a minimum limit of \$1,000,000 per occurrence as may be adjusted, from time to time, by the City of Madison's Risk Manager. This policy shall also be endorsed for contractual liability in the same amount, apply on a primary and noncontributory basis.

Tenant shall be solely responsible for carrying property insurance sufficient to cover the loss of Tenant's personal property/belongings/art at the Property. The Landlord shall not be liable for any damage to or loss of property/belongings/art of Tenant. Tenant will also provide a waiver of subrogation in favor of Landlord on its property policy. However, it should be noted that Tenant does not assign a declaration of value for insurance purposes for Tenant's art and photography collections. In 2015, Tenant's board voted to carry no book value for Tenant's collections. For reference, below is the relevant text from Tennant's audited financial statements for 2015.

Note G – Change in accounting principle

During 2015, the Center changed its method of accounting for its Collection from capitalization of collection items to no capitalization. The Center believes that not capitalizing its Collection is the preferable accounting principle as the new method conforms with prevalent practice in similar organizations. The change in accounting principle is not the result of deaccessioning or loss of value of the Collection.

The above policies shall provide the Landlord thirty (30) days advance written notice of cancellation, non-renewal or material changes to the policy during the term of this Lease. As evidence of the above coverages, the Tenant shall furnish the Landlord with a certificate of insurance on a form approved by the City of Madison. This certificate of insurance must be presented in order for the Landlord to execute the Lease. If requested by the City of Madison Risk Manager, Tenant shall also provide copies of additional

insured endorsements or policy. If the coverage required above expires while the Lease is in effect, Tenant shall provide a renewal certificate to the Landlord for approval ten (10) business days before the expiration of the policy

17. Broker Disclosures:

Plato Commercial Real Estate, LLC (Broker) has disclosed to Tenant that Broker is the listing agent of the Landlord.

BE IT RESOLVED that the Chair and Deputy Director of the CDA are hereby authorized to execute, deliver and record the Lease agreement, and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution in a lease form approved by the City Attorney.

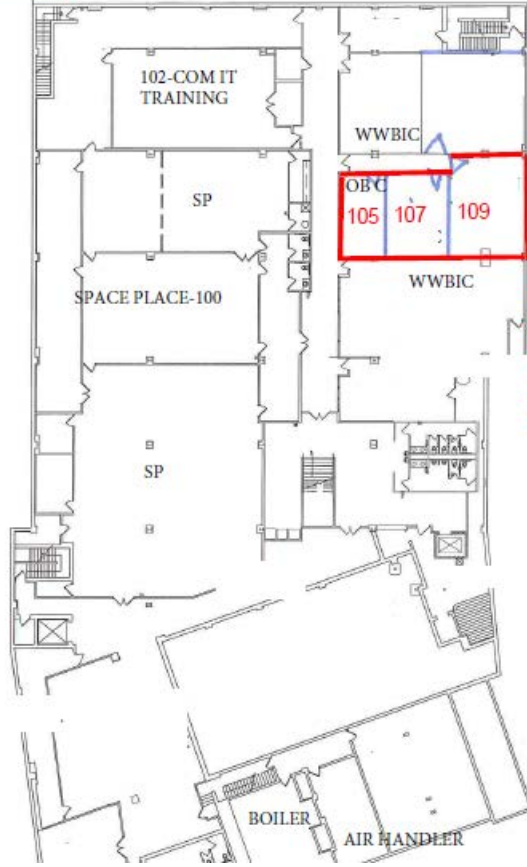
EXHIBIT A
Legal Description of the Property

Lot 2, Certified Survey Map No. 13468, City of Madison, Dane County, Wisconsin.

Tax Parcel No.: 251-0709-352-0406-9

EXHIBIT B
Leased Premises (Highlighted Red)

VILLAGE ON
PARK-ATRIUM
LOWER LEVEL



Suites 105, 107
and 109
collectively are
defined as the
Premises