

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Substitute Resolution No. 2979

Authorizing the execution of a lease with Public Health-Madison and Dane County for space within The Villager

Presented August 26, 2010
Referred _____
Reported Back _____
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Placed on File _____
Moved By Alice Fike
Seconded By Kevin O'Driscoll
Yeas 5 Nays 0 Absent 2
Rules Suspended _____

WHEREAS, the Community Development Authority of the City of Madison (the "CDA") executed a master lease with the City of Madison (the "City") for space at The Villager for the South Madison Health and Family Center (the "SMHFC"); and

WHEREAS, the City is a user under the master lease of space within the SMHFC and also subleases space within the SMHFC to Dane County for its WIC program; and

WHEREAS, the City and Dane County have combined their public health departments (including its WIC program) into Public Health-Madison and Dane County (the "Tenant"); and

WHEREAS, the CDA and the Tenant have negotiated terms and conditions for a new lease that will relocate the Tenant from its current locations in the SMHFC into approximately 11,317 square feet of space (the "Leased Premises") in the soon to be vacated space occupied by the Madison South Branch Library and on the second floor of the Atrium at The Villager; and

WHEREAS, the execution of the lease is contingent upon funding for the tenant improvements allowance being approved by the Common Council in the City of Madison's 2011 Capital Budget; and

WHEREAS, the current master lease and sublease between the CDA and the Tenant that are due to expire on December 31, 2010 and October 31, 2010, respectively, will need to be extended by the CDA until the Leased Premises are ready for occupancy.

NOW, THEREFORE, BE IT RESOLVED that the Community Development Authority of the City of Madison (the "CDA") hereby authorizes the execution of a lease (the "Lease") between the CDA and Public Health-Madison and Dane County (the "Tenant"), on the following terms and conditions:

- Leased Premises:** 2nd floor consisting of approximately 7,817 square feet, and 1st floor consisting of approximately 3,500 square feet, for a total of 11,317 square feet, as shown on the attached exhibit.
- Term:** Initial term of ten (10) years, with two (2) five (5)-year renewal options.
- Lease Commencement Date:** Lease shall commence at occupancy but no later than one hundred and twenty (120) days after a fully executed lease. CDA will allow Tenant early occupancy up to two week prior for the installation of furniture and tele-data equipment.

Rent: Rent shall be \$17.25 per square foot gross.

Rent shall include taxes or PILOT (Payment In Lieu of Taxes), and the following operating expenses: Common Area Maintenance (CAM) (includes insurance, repairs and maintenance, snow removal, waste and recycling costs and management and administration), and common area utility expenses (electric, gas, HVAC costs, water, sewer and storm water).

Tenant Expenses: Tenant shall be responsible for in-suite electrical usage (lights and outlets), which will be separately metered and paid directly by the Tenant to MG&E, and for tele-data usage. Tenant shall also be responsible for its janitorial. Tenant, at Tenant's option, may elect to utilize CDA's janitorial service at its actual cost (estimated at \$1.30 per square foot).

Escalation: Rent shall be escalated annually at three percent (3%) on the anniversary of the Lease Commencement Date.

Space Delivery: CDA will deliver standard Leased Premises ready for tenant occupancy. The Leased Premises shall be based upon a mutually agreed upon space plan in the location outlined in the attached floor plan. Finishes are generally described as "Class B" medical office finishes, detail will be outlined in the lease document.

CDA will provide the following services as part of its build-out and construction of the Leased Premises.

- CDA shall provide programming, space plans and construction documents, for which Tenant shall have final approval.
- CDA shall construct the space based on these mutually approved plans and deliver the space in turnkey condition ready for Tenant tele-data wiring and furniture. The Rent quoted above includes a tenant improvement allowance to cover CDA build-out costs of up to forty dollars (\$40.00) per square foot. Any costs greater than \$40.00 per square foot shall be amortized at 4.50% over a ten (10) year lease. (Currently, CDA estimates the build-out work at \$75.00 per square foot. Based on the quoted amortization, the extra \$35.00 per square foot in build-out costs will add \$4.35 per square foot to the Rent quoted above.)
- CDA shall separately meter the Leased Premises with electrical service to the Tenant's panel.
- CDA shall deliver the common areas, including shared restroom facilities, and parking areas, compliant with all applicable building codes, fire and life safety codes and with the Americans with Disabilities Act (such compliance work shall be completed prior to the Commencement Date, rather than the Leased Premises Delivery Date as set forth in the Lease).

Parking ratio: Tenant shall have non-exclusive access to parking as reasonably determined by CDA.

Signage: Tenant shall have signage consistent with The Villager sign standards.

Use: Tenant will occupy and use the Leased Premises solely for general office/medical clinic purposes and for no other purposes whatsoever without the CDA's prior written consent, which consent the CDA may withhold in its sole discretion. Tenant is responsible for following all applicable ordinances, codes, statutes, and laws, and obtaining all permits required for any such activities.

Assignment and Subletting:

Tenant shall have the right to sublet or assign all or part of the Leased Premises at any time with CDA's consent, which shall not be unreasonably withheld, conditioned or delayed. Subtenant's use must be similar to the underlying lease. Any change of use must be approved in writing by CDA prior to approval of a sublease. CDA shall also have the right of recapture.

Tenant shall not profit from any assignment or sublet. CDA shall have the reasonable right to consider the financial capability and creditworthiness of a sublessee of Tenant.

Security:

CDA shall charge Tenant for additional security resulting from Tenant's use of common areas outside of normal business hours, which hours may be adjusted from time to time. Below is an outline of the current building security hours.

Monday – Saturday	7:30am - 10:30pm
Sunday	5:00pm – 7:00pm

BE IT FURTHER RESOLVED that the execution of the lease is contingent upon funding for the Tenant Improvement Allowance being approved by the Common Council in the City of Madison's 2011 Capital Budget.

BE IT STILL FURTHER RESOLVED that the terms of the current master lease and sublease between the CDA and the Tenant shall be extended to that date immediately preceding the Lease Commencement Date for the Leased Premises.

BE IT STILL FURTHER RESOLVED that the Chair and Executive Director and the Secretary of the CDA are hereby authorized to execute, deliver and record the Lease and to take such other actions as shall be necessary or desirable to accomplish the purposes of this resolution.