

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4275

Authorizing the CDA to execute a lease with Wisconsin Science Museum, Inc. for office space at The Village on Park.

Presented May 10, 2018
Referred _____
Reported Back _____
Adopted May 10, 2018
Placed on File _____
Moved By Daniel G. Guerra, Jr.
Seconded By Sara Eskrich
Yeas 5 Nays 0 Absent 1
Legistar File # 51529

WHEREAS, the Community Development Authority of the City of Madison (“CDA”) is the owner of The Village on Park, located at 2300 South Park Street (the “Property”) as described in Exhibit A; and

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

WHEREAS, the CDA and Wisconsin Science Museum Inc. have negotiated the below terms and conditions to the lease (the “Lease”) which provides for office space located at the Building.

NOW, THEREFORE, BE IT RESOLVED that the CDA hereby authorizes the execution of a lease agreement with Wisconsin Science Museum Inc. for office space at The Village on Park substantially per the following general terms and conditions:

1. Leased Premises: Lower level space in the Building, consisting of approximately 2000 square feet of rentable area as shown as the Leased Premises in the attached Exhibit B (the “Leased Premises”).

The area of the Leased Premises may change during the Term in the event Lessee, defined below does not elect to lease the Right of First Refusal space as defined below in Paragraph 16.

2. Building: The Village on Park mall in its entirety (the “Building”).

3. Landlord: Community Development Authority of the City of Madison (“CDA”)

4. Tenant: Wisconsin Science Museum Inc. (“Lessee”)

5. Use: Lessee shall be permitted to use the Leased Premises for general office and storage purposes.

Upon approval of the CDA’s property management team, Lessee may be permitted to use the Building’s community room, for up to eight (8) hours per calendar month. Lessee shall provide a minimum of three (3) days’ notice to the CDA’s property management team of its desire to use the community room, which is subject to availability.

6. Initial Term: Five (5) years and two months commencing on the date of the Move Notice as defined below (the "Initial Lease Term").

If the current tenant cannot vacate the Leased Premises before June 1, 2018, then Lessee agrees to move into the adjacent space depicted in Exhibit B as the Right of First Refusal Space until the current tenant vacates.

In consideration, the Lessee shall not have to pay Rent as defined below until current occupant vacates the Leased Premises. The CDA will notify Lessee in writing when it can move into the Leased Premises (the "Move Notice"). The date of the Move Notice will be the commencement of Month 1 of the below Rent schedule.

7. Rent: Base Rent shall be payable according to the following schedule:

<u>Months</u>	<u>Monthly Rent</u>
1-2	\$0.00
3 – 14	\$950.00
15 – 26	\$978.50
27 – 38	\$1007.86
39-50	\$1038.09
51-62	\$1069.23

8. Renewal Option: Upon agreement of the parties, the Lease may be renewed for two (2) subsequent three (3)-year terms (individually referred to as "Renewal Term 1," "Renewal Term 2," and together referred to as the "Renewal Terms"). Lessee shall provide the CDA written notice of its desire to renew the Lease no later than one hundred eighty (180) days prior to the expiration of the Initial Lease Term or current Renewal Term. Base Rent during Renewal Terms shall increase by three percent (3%) per year compounded annually.

9. Operating Expenses: The Lease shall be a gross lease. The CDA shall be responsible for paying prorated real estate taxes, common area maintenance charges, Building insurance premiums and all utilities for the Leased Premises.

The Lessee shall be responsible for paying all telephone, internet and data charges, in-suite janitorial (garbage removal) and any other services associated with the Leased Premises and the Hallway as depicted in Exhibit B.

10. Assignment and Subletting: Lessee shall neither sublease the Leased Premises, or any portion thereof, nor assign its interest in the Lease without the CDA's prior written consent, which consent the CDA may withhold in its sole discretion.

11. Repairs & Maintenance: The CDA shall be responsible for the maintenance and repair of the roof, exterior building walls and foundation of the Building during the Initial Lease Term and any subsequent Renewal Term. The CDA shall also be responsible for the repairs, maintenance and replacement of the Leased Premise's HVAC unit, ceiling tile, light fixtures and light bulbs.

Notwithstanding the foregoing, the Lessee shall be responsible for the cost and expenses of any repairs/replacements to the Leased Premises required by reason of acts or omissions of the Lessee, their employees,

agents, invitees, vendors, licensees or contractors.

Lessee shall, at its own expense, keep/maintain the Leased Premises in a clean/presentable condition, and keep a walkway accessible at all times (see the "Access Path" area in Exhibit B) during the term of the Lease so the CDA's property management team can access the Management Office as depicted in Exhibit B. In addition, the CDA's property management team may need to access the Electrical Room through the office in the Leased Premises.

12. Tenant Improvements:

Lessee may install tenant improvements, fixtures, and equipment in the Leased Premises with the CDA's written approval. Lessee shall also remove the approved tenant improvements and personal property upon expiration or termination of the Lease.

The CDA hereby provides permission for Lessee to install a 70ft. linear mural in Hallway outside the Leased Premises, with an understanding that CDA will not be responsible for said mural. Prior to the installation of this mural, the CDA needs to review/approve the content of the mural. At the expiration of the Lease, the Lessee remove the mural and restore any damage to the wall caused by the mural.

13. Landlord Improvements:

The CDA shall complete the following work (the "CDA Improvements"), at its own expense, prior to the Delivery Date.

- a. Install LED lighting in the Leased Premises. If the Lessee wants to make any changes to the light fixtures or add track lighting, then Lessee needs to notify the CDA beforehand for its approval.
- b. Install glass into one of the existing doors (roughly $\frac{3}{4}$ thereof) into Leased Premises.
- c. Install glass into the two existing doors (roughly $\frac{1}{2}$ thereof) that are the primary entry point by the lower level restrooms. The Lessee is allowed to install vinyl lettering (subject to the CDA's approval of content) on the glass at its cost.

14. Security Deposit:

Lessee shall pay to the CDA a security deposit of \$950.00 upon execution of the Lease.

15. Leasing Commission:

The CDA will pay Plato Commercial Real Estate, LLC ("Plato") a leasing commission for the Initial Term, and Plato will also be paid an additional leasing commission if Lessee extends any of the Renewal Terms or expands into the Right of Refusal space.

16. Right of First Refusal:

Lessee shall have a Right of First Refusal on the adjacent space depicted in Exhibit B as the Right of First Refusal Space. Tenant accepts the Right of First Refusal Space as is, including, but not limited to, prior water leaks, and the CDA accepts no responsibility for Lessee's personal property therein. In the event, the CDA has a commercially reasonable and acceptable offer from a prospective tenant (the "Offer"), then the CDA will submit the written Offer to the Lessee. The Lessee will have 10 days after receipt of the Offer to notify the CDA in writing that it will accept all of the terms therein, and demonstrate to the CDA that it can financially meet the

terms of the Offer by sharing its financial statements. If the Lessee does not accept the terms of the Offer then the Right of First Refusal shall terminate and the CDA can lease the space to the prospective tenant. The Right of First Refusal shall not be revived.

If the CDA rents out the Right of First Refusal Space to a tenant other than the Lessee, then the CDA will install a corridor and walls at its cost from the Hallway to the Right of First Refusal Space so the tenant can access the Right of First Refusal Space. See Exhibit C for a general depiction of this revision to the Leased Premises.

17. Right to Lease:

During the first two years of the Initial Lease Term (the "Right to Lease Term"), Lessee shall have a right to lease any available lower level space noted on Exhibit B as the Right to Lease Space, at market and subject to the CDA's review of Lessee's financial statements (the "Right to Lease").

The CDA will notify Lessee in writing of any vacant suites or existing leases that terminate in the Right to Lease Space area, and the terms upon which the CDA plans on marketing said space (the "Right to Lease Offer"). The Lessee will have 10 days after receipt of the Right to Lease Offer to notify the CDA in writing that it will accept all of the terms in the Right to Lease Offer, and demonstrate to the CDA that it can financially meet the terms of the Offer by sharing its financial statements. If the Lessee does not accept the terms of the Right to Lease Offer then the Right to Lease shall terminate for that specific suite and the CDA can commence leasing the space to the public.

18. Signage:

Lessee may place a sign on the exterior of the Atrium and on the main floor lobby directory at its cost.

19. Cubicles:

Lessee can have any of the cubicles that are being currently stored in Suite 109 at no cost. The cubicles will be moved at Lessee's cost.

BE IT RESOLVED that the Secretary of the CDA is 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 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 TO THE
WISCONSIN SCIENCE
MUSEUM LEASE

Lower Level at
The Village on
Park

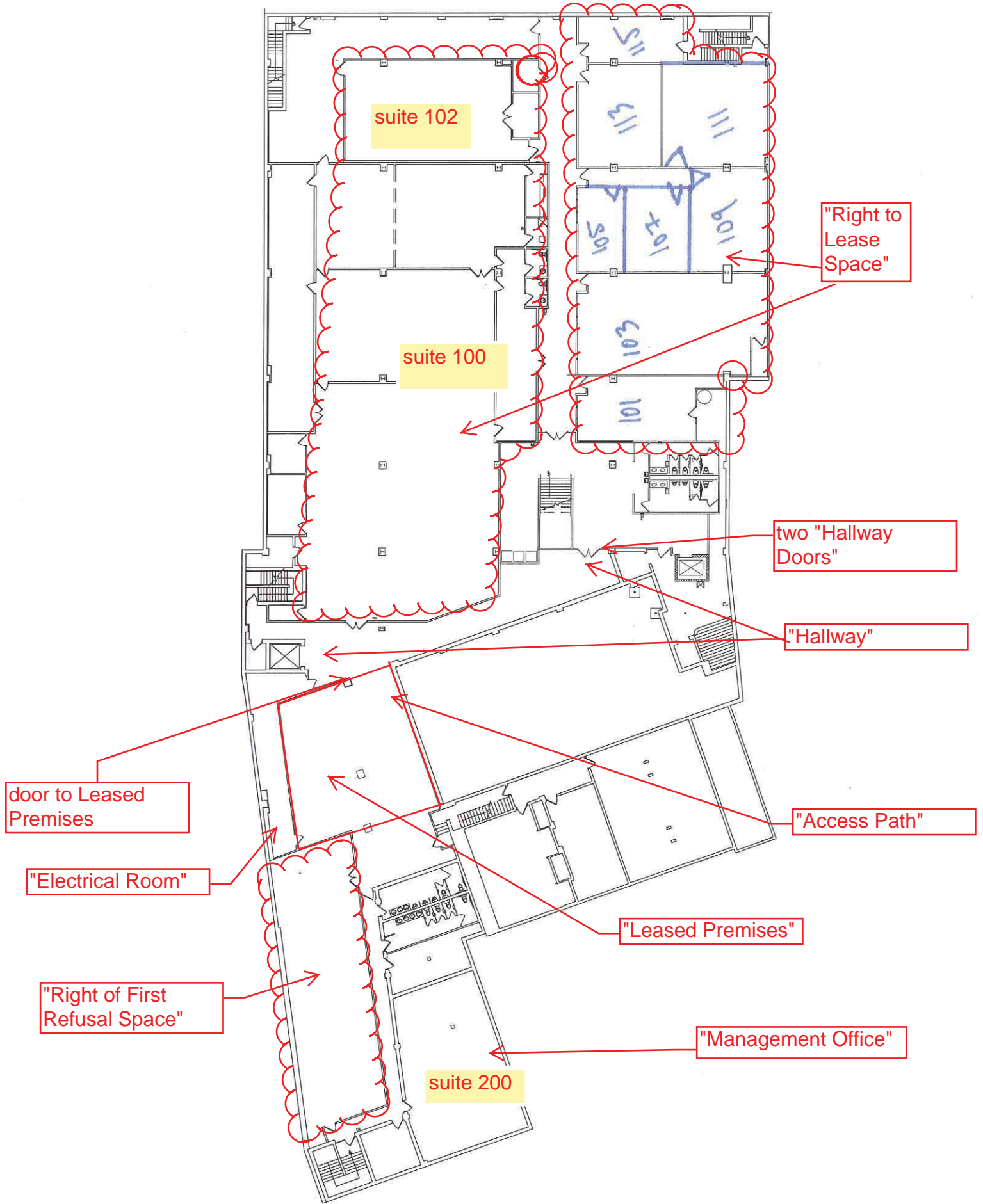


EXHIBIT C

Revision to Leased Premises if Lessee Rejects Right of First Refusal Offer and Another Tenant Occupies the Right of First Refusal Space

