

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4660

Authorizing the execution of an amended and restated Property Management Agreement between the CDA and Founders 3 Real Estate Services, LLC for services at the Village on Park

Presented May 8, 2025
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____
Legistar File Number _____

RESOLUTION

WHEREAS, the Community Development Authority of the City of Madison ("CDA") and Founders 3 Real Estate Services, LLC ("Manager") are parties to a Property Management Agreement for the Village on Park ("Property") dated November 22, 2019, which was amended by three amendments dated March 22, 2022, April 27, 2022 and May 14, 2024 (collectively the "Agreement"); and

WHEREAS, the Term of the Agreement expired on April 30, 2025, and then extends on a month-to-month basis thereafter, subject to a thirty (30) day written cancellation notice by either party; and

WHEREAS, Manager has been actively involved in meetings pertaining to the construction of the new parking garage at the Property (the "Parking Garage"), which is scheduled to open in June 2025, and the construction of the new central green area and site work on the Property scheduled to commence in July 2025; and

WHEREAS, given the management intensity of these two aforementioned redevelopment phases of the Property both the Manager and City staff agree to amend the Current Agreement to include the incremental services needed for the Parking Garage and update the terms therein with a clean version per the terms in this resolution.

NOW, THEREFORE, BE IT RESOLVED that the CDA and the Manager agree to execute an amended and restated Agreement including, but not limited to, the following amendments listed below on a form approved by the City Attorney's office:

1. The definition of the Property in the Witnesseth section of the Agreement shall be modified to include the new 295 stall parking garage with an address of 808 S. Hughes Place, Madison, Wisconsin (the "Parking Garage").
2. Section 2-Term of Agreement shall be deleted and revised to read as follows:

Subject to the termination rights set forth in Section 6 herein, the term of this Agreement shall commence on the Effective Date and expire three (3) fiscal years thereafter (the "Term").

3. Section 3-Renewal, which was previously deleted shall be added to the Agreement to read as follows:

This Agreement may be renewed upon the same terms for two (2) subsequent one (1) year renewal periods upon the written agreement by the parties within 120 days prior to the expiration of the current Term. If the parties renew this Agreement, then said time period will become part of the definition of Term.

4. Section 4-Duties of Manager shall be revised by the parties to include updated terms therein and add the following paragraphs:

Section 4.a Operation. The following new paragraph shall be added at the end:

Manager shall become familiar and comply with the legal documents attached to the Property, including but not limited to any utility easements, the amended and restated operation and easement agreement recorded on August 10, 2022 as document number 5854351 with Dane County Register of Deeds (the "Operating Easement") and the easements listed therein, and the parking agreement with Urban League of Greater Madison dated August 5, 2022 and amended on August 6, 2024.

Adding Section 4.v. Notification of Material Events to the CDA.

Manager shall promptly notify the CDA by phone or email of any material events, occurrences, damage, or destruction to or of the Property; the service upon Manager of any summons subpoena or similar document including, without limitation, any notices, letters or other communications setting forth or claiming any actual or alleged potential liability of CDA, Manager or the Property (including any document received by Manager); or of the receipt by Manager of any material notice, demand, request, or other communication from any tenant, any party to a contract or agreement related to the Property, any insurer, or notice of any code violation.

Adding Section 4. w. Parking Garage Services.

The detailed "Parking Garage Services" by the Manager will be outlined in this section of the Agreement.

5. Section 5.c Management Fee.

A new paragraph will be added to this section to add an additional \$800 per month flat fee with an annual 3% increase for Parking Garage Services.

6. Section 5.d. Construction Management Fee is amended and restated as follows:

5.d Capital and Tenant Improvement Project Fees.

- i. Oversight and Management. Manager will oversee and manage construction

activities pertaining to the maintenance, repairs and replacement of any equipment, systems, part of a building structure or site, or tenant improvement work required in a lease without additional charge. This work includes but is not limited to obtaining proposals; construction plans and specifications from the tenants or vendors; obtaining certificates of insurance from the tenants or contractors; providing access to the space(s) where the work will be performed; providing updates to the CDA and reviewing and paying approved vendor invoices.

- ii. General Contractor Management Services. If the CDA requests in writing for the Manager to perform general construction management work for a capital project or a tenant improvement project not required in a lease, then Manager shall receive a "Construction Management Fee". General construction management work will include preconstruction services assisting the CDA with project planning, budgeting and scope definitions; soliciting and evaluating bids or proposals from qualified contractors, architects, engineers and consultants; recommending vendors and negotiating contracts; reviewing construction plans and specifications for consistency with contract obligations; construction oversight; serve as the primary liaison between the CDA's contractors, consultants and tenants; schedule and attend regular construction meetings and provide progress updates to the CDA; coordinate access deliveries and site logistics; review contractor invoices and change order requests; facilitate walkthroughs; identify punch list items; coordinate final acceptance and delivery of improvements required under the contract; oversee final inspections; ensure delivery of warranties, as built drawings, and operation manuals; and maintain file of all construction records.

The Construction Management Fee is based on the total construction costs of the project (excluding any permit fees, Maintenance Technician wages, or CDA legal expense) as follows:

0% for projects under \$50,000
6% for \$50,001-\$75,000
4% for \$75,001-\$100,000
3% for \$100,001-\$500,000
2% for \$500,001-\$750,000.

The Construction Management Fee will be paid as the invoice(s) is (are) paid based on completion of the work.

BE IT FINALLY RESOLVED THAT the Chair and Executive Director of the CDA are hereby authorized to execute and deliver an amended and restated Agreement on substantially, though not exclusively, the terms reflected in the Agreement attached as Exhibit A, and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution in a form that is acceptable to the City Attorney's Office.