

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4517

Authorizing the CDA to execute a lease with Board of Regents of the University of Wisconsin System for office space at The Village on Park.

Presented October 20, 2022

Referred _____

Reported Back _____

Adopted _____

Placed on File _____

Moved By _____

Seconded By _____

Yeas _____ Nays _____ Absent _____

Rules Suspended _____

Legistar File Number: 74022

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") ; and

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

WHEREAS, the University of Wisconsin-Madison Odyssey Project (the "Odyssey") is one of the occupants located in the UW South Madison Partnership space (the "UW SMP Space") at the Property, and needs more space to support its' programs; and

WHEREAS, the City of Madison IT has a lease for training space at the Property located in the lower level of the Atrium in the Building that it would like to terminate given it does not utilize the space frequently (the "City IT Space"). The City IT Space lease expires on May 31, 2024; and

WHEREAS, Odyssey would like to lease the City IT Space given it is closely located to the UW SMP Space that abuts the Atrium; and

WHEREAS, separate resolutions to terminate the City IT Space lease will be presented to the CDA Board and the City of Madison (the "City IT Termination Agreement") subject to the approval of a new lease with Odyssey; and

WHEREAS, Odyssey would like to lease WWBIC's space (the "WWBIC Space") after they leave the Property given it is proximate to the City IT Space; and

WHEREAS, WWBIC has signed a lease at the Hub Building and will vacate the Property after the Hub Building is completed in the spring/summer of 2023; and

WHEREAS, the WWBIC lease expires on October 31, 2023 and a separate resolution for an early termination will need to be negotiated to release them from its lease (the "WWBIC Termination Agreement"); and

WHEREAS, the CDA and the Board of Regents of the University of Wisconsin System have negotiated the below terms and conditions to a lease (the "Lease") which provides for office space located in the Building.

NOW, THEREFORE, BE IT RESOLVED that the CDA hereby authorizes the execution of a lease agreement with the Board of Regents of the University of Wisconsin System to lease the City IT Space and WWBIC Space at The Village on Park substantially per the following general terms and conditions:

1. Leased Premises: There are four separate spaces that will comprise the Lease Premises. One of the spaces is the current "City IT Space"-Suite 102, and the other three are currently leased by WWBIC as shown in the attached Exhibit A-Suites 101, 103 and 113 (collectively "WWBIC Space"). The WWBIC Space and the City IT Space is collectively the "Leased Premises".
2. Building: The Village on Park mall in its entirety (the "Building").
3. Landlord: Community Development Authority of the City of Madison (the "CDA")
4. Tenant: The Board of Regents of the University of Wisconsin System (the "Lessee")
5. Use: Lessee shall be permitted to use the Leased Premises for general office, classroom, training and activities related to its programs.

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 at no charge. Any unused hours in a calendar month will be forfeited. 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: The Initial Term for the City IT Space will commence after the Lease is executed and the space is delivered to the Lessee. This "Suite 102 Commencement Date" will be documented in writing by the CDA and sent to the Lessee.

The Initial Term for the WWBIC Space will commence after the Lease is executed, the WWBIC Termination Agreement is signed by the CDA and WWBIC and the WWBIC Space is delivered to the Lessee. This "WWBIC Space Commencement Date" will be documented in writing by the CDA and sent to the Lessee.

The Initial Term for the Leased Premises will end on July 31, 2025 (the "Initial Lease Term").

7. Renewal Option: The Lease may be renewed for two (2) subsequent five (5) year terms (individually referred to as "Renewal Term 1," "Renewal Term 2" and collectively referred to as the "Renewal Terms") as further described below in the Base Rent section and Exhibit B.

The Initial Lease Term and Renewal Terms (if applicable) collectively is defined as the "Lease Term".

The Lessee shall provide the CDA written notice of its request to renew the Lease no later than one hundred eighty days (180) days prior to the expiration of the Initial Lease Term or current Renewal Term.

8. Base Rent: The monthly Base Rent for the City IT Space and WWBIC Space will be prorated for any days in a calendar month from the respective Suite 102 Commencement Date and WWBIC Space Commencement Date to the end of the calendar month.

Base Rent shall be payable on or before the first day of each calendar month according to the following schedule Exhibit B during the Initial Term, and any exercised Renewal Term.

The Base Rent rate shall include taxes or Payment In Lieu of Taxes (PILOT), special assessments, and the following operating expenses related to the below areas. "Common Areas" is defined as the exterior parking area, sidewalks, alley, driveway and all other areas or improvements, which may be provided by Lessor for the common use or benefit of occupants of the Property.

a. Common Area Maintenance (CAM): includes insurance; repairs and maintenance of base building systems (fire alarm, electrical, sprinkler systems); landscaping; security; repairs and maintenance of paving; snow removal; parking lot; parking garage; waste and recycling costs; management and administration; and utility expenses (electric, water, storm water, sewer and urban forestry); and

b. Leased Premises: exterior door; foundation; roof; sub-flooring; structural portions of the walls; water; storm water and urban forestry; maintenance expenses related to the HVAC units; gas expenses; electric expenses, and trash removal (however, Lessee or its janitorial service shall remove any trash to the CDA's bins located in the alley).

9. Lessee's Expenses:

Lessee shall be responsible for following in-suite expenses for the Leased Premises: personal property and liability insurance; janitorial; internet installation and monthly charges; telephone lines; interior doors, door locks, and door operating devices. The CDA shall provide, at Lessee's expense, in-suite janitorial services for the Leased Premises per the scope of work approved by Lessee (the "Janitorial Scope"), and bill back Lessee on a monthly basis. The CDA will provide Lessee in writing with various scope options and related costs, and Lessee will inform the CDA in writing prior to the Lease Commencement Date which Janitorial Scope it would like to proceed with during the Initial Term. The Lessee has the right to change the Janitorial Scope at any time in writing or cease this in-suite service during the Lease Term.

In addition, Lessee shall keep every part thereof and any fixtures, facilities or equipment contained within the Leased Premises in good condition and repair, including but not limited to electrical, lighting and plumbing systems. The CDA shall provide, at Lessee's expense, in-suite electrical, lighting or plumbing services for the Leased Premises if Lessee needs said services during the Lease Term from the Property's management company at the current hourly tenant rate plus materials.

10. Condition of
Leased Premises:

The CDA will deliver the Leased Premises on the Suite 102 Commencement Date and WWBIC Space Commencement Date as follows: all carpeting will be professionally cleaned, and the walls painted in rooms that need it.

11. Approvals:

The CDA and Lessee will incorporate the terms of this resolution into Lessee's standard lease form (the "SLF"). The SLF needs to be reviewed by the City of Madison's Attorney, Real Estate and Finance offices.

12. 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.

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
LEASED PREMISES

VILLAGE ON
PARK-ATRIUM
LOWER LEVEL

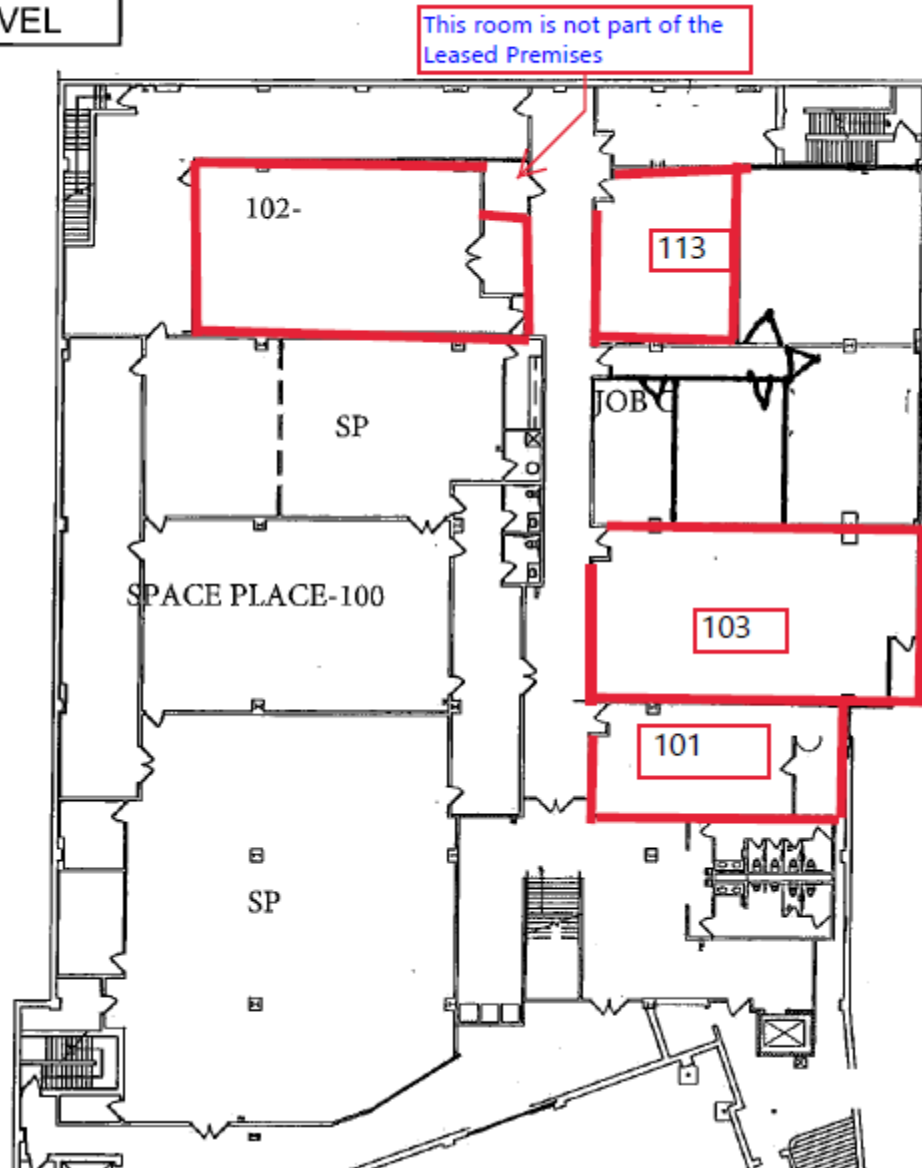


EXHIBIT B

BASE RENT SCHEDULE

	City IT Base Rent	WWBIC Space Base Rent	Total Monthly	Total Base Rent
INITIAL TERM	Monthly Payment	Monthly Payment	Base Rent	Annual Payment
Suite 102 Commencement Date and WWBIC Space Commencement Date to 12/31/23	\$1,280	\$2,857	depends on Commencement Dates	depends on Commencement Dates
1/01/24 to 12/31/24	\$1,344	\$3,000	\$4,344	\$52,128
1/01/25 to 7/31/25	\$1,411	\$3,150	\$4,561	\$54,732
Renewal Term 1				
8/01/25 to 7/31/26	\$1,446	\$3,229	\$4,675	\$56,100
8/01/26 to 7/31/27	\$1,519	\$3,390	\$4,909	\$58,905
8/01/27 to 7/31/28	\$1,595	\$3,560	\$5,154	\$61,851
8/01/28 to 7/31/29	\$1,674	\$3,738	\$5,412	\$64,943
8/01/29 to 7/31/30	\$1,758	\$3,925	\$5,683	\$68,190
Renewal Term 2				
8/01/30 to 7/31/31	\$1,846	\$4,121	\$5,967	\$71,600
8/01/31 to 7/31/32	\$1,938	\$4,327	\$6,265	\$75,180
8/01/32 to 7/31/33	\$2,035	\$4,543	\$6,578	\$78,939
8/01/33 to 7/31/34	\$2,137	\$4,770	\$6,907	\$82,886
8/01/34 to 7/31/35	\$2,244	\$5,009	\$7,252	\$87,030