

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 2825

Authorizing the execution of a lease with Madison Area Technical College for space within The Villager.

Presented October 16, 2008
Referred
Reported Back
Adopted
Placed on File
Moved By
Seconded By
Yeas Nays Absent
Rules Suspended

WHEREAS, the Community Development Authority of the City of Madison (the "CDA") is the owner of The Villager, located at 2200 South Park Street; and

WHEREAS, the CDA and Madison Area Technical College have negotiated terms and conditions of the lease of approximately 8,614 square feet of space within The Villager.

NOW THEREFORE BE IT RESOLVED that the Community Development Authority of the City of Madison (the "CDA") hereby authorizes the execution of a lease between the CDA and Madison Area Technical College (the "Tenant") for space within The Villager on the following terms and conditions:

Leased Premises: The CDA proposes to lease approximately 8,614 rentable square feet (subject to final measurement) (the "Leased Premises"). The Leased Premises shall be located on the first floor of The Villager, 2202 Park Street, Madison, Wisconsin.

Initial Lease Term: Four (4) years.

Commencement Date: August 1, 2009 (the "Commencement Date")

Leased Premises Delivery Date: The CDA shall provide the Tenant a delivery date of the Leased Premises (the "Leased Premises Delivery Date") ready for the Tenant finishes, a minimum of one hundred and twenty (120) days prior to the Commencement Date or approximately April 1, 2009.

Base Rental Rate: \$12.75 per rentable square foot.

Initial Base Rental Rate shall include taxes, and the following operating expenses: CAM (common area maintenance includes common area janitorial, insurance, common area repairs and maintenance including base building systems (fire alarm, sprinkler systems, electrical), and management and administration), HVAC expenses (including all utility costs and maintenance expenses related to HVAC).

Abated Rent: The CDA shall abate \$5,000 per month for the first three (3) months of the lease term.

Tenant Expenses: The Tenant shall also be responsible for its in-suite janitorial expense. The Tenant shall also be responsible for its in-suite maintenance of systems the Tenant has installed.

The Tenant shall also be responsible for incidental electrical usage (lights and outlets), which will be separately metered and paid directly from the Tenant to MG&E.

Escalation: The Base Rental Rate will increase at four percent (4%) on each anniversary of the Commencement Date.

Space Delivery:

The CDA will deliver the Leased Premises in the following condition ready for the Tenant build out on or before April 1, 2009. The Tenant build out costs shall start from these conditions.

- The CDA shall deliver CAD drawings with detailed core and shell specifications for the Leased Premises. All detailed construction drawings and specifications will be delivered to the Tenant by January 15, 2009.
- Demised and demolished Leased Premises in broom clean condition.
- Provide the Tenant a building standard entry at the front of the Leased Premises as well as building standard exit doors, as required by code.
- Provide the Tenant a new façade as part of the base building improvements.
- Provide three (3) or four (4) pad locations on the roof for the Tenant's HVAC units.
- Provide three (3) or four (4) new HVAC units, subject to loads.
- The CDA shall provide HVAC chases of size sufficient to handle supply and return air from Tenant's rooftop units to a central location in the Leased Premises ready for Tenant distribution.
- The CDA shall provide all Tenant gas and electric connections to HVAC unit locations.
- The CDA shall provide the Tenant main loop sprinkler system within the demised premises. The Tenant shall be responsible for distribution.
- The CDA shall separately meter the Leased Premises with electrical service to the Tenant's panel (panel to be provided by the CDA) required by code based on the use defined in the Use provision below.
- The CDA shall deliver the common areas, including shared restroom facilities sufficient to accommodate the Tenant's use under the Use provision described below, 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).

Tenant Improvements:

The Tenant will provide all tenant improvements.

The Tenant shall submit its tenant improvement specifications for the CDA's review and approval, which shall not be unreasonably withheld. The Tenant shall be required to install the following systems and features as part of its tenant improvements.

- The Tenant shall be required to use building standard systems that work in harmony with building systems (HVAC distribution, security system, etc.)
- The Tenant shall be required to satisfy all code provisions for its proposed use within the Leased Premises.

Option(s) to Renew:

The Tenant shall have two (2), four (4) year Options to Renew at the then escalated Base Rental Rate by providing at least nine (9) months prior written notice to the CDA before the end of the Initial Lease Term and any subsequent Renewal Term.

Existing/Temporary Space:

The Tenant currently leases approximately 4,850 RSF as outlined in "Spaces A, B and C" at The Villager (the "Existing Premises"). The CDA will provide the Tenant its Existing Premises or temporary space defined below under same terms and conditions under the existing Space Use Agreement dated September 3, 2007 until August 1, 2009.

Between March 16, 2009 through March 20, 2009, the CDA shall move the Tenant from Spaces B and C to temporary space in the lower level of the 'Atrium' section of The Villager. The Tenant shall pay rent for the temporary space and space A at the same rent in effect under the Space Use Agreement at the time of the relocation. If the temporary space is greater than the Tenant's current space the rent will remain the same. If the temporary space is smaller than current space, the Tenant's rent will be prorated to reflect the reduced space. The Tenant shall remain in the temporary space until the Tenant's permanent space is complete on or about August 1, 2009.

The CDA shall construct the temporary space, to meet ADA standards and all other state and local codes. In addition, the CDA shall provide the Tenant reasonable review and approval of temporary space design in order to accommodate the Tenant's use. The CDA shall pay for all costs associated with the design, construction and operational occupancy of the temporary space, including all data and voice connections.

The CDA will pay for all of the tenant's move related expenses into all temporary spaces and into the new permanent space.

Security Deposit: Not applicable

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

Termination rights: The Tenant shall have a right to terminate the lease with a minimum of nine (9) months advanced written notice, subject to the Tenant building a new educational facility located on the Southside of Madison within the City's corporate boundaries.

Signage: The Tenant shall have retail and suite entrance signage consistent with The Villager sign standards. Any additional building signage shall be mutually agreed to by the CDA and the Tenant.

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

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

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

The Tenant will also use the area adjacent to the front exterior entrance for an entryway, reception areas and other active uses and shall not use this area for classrooms or meeting rooms.

Assignment & Subletting:

The Tenant shall have the right to sublet or assign all or part of the Leased Premises at any time with the CDA's consent, which shall not be unreasonably withheld, conditioned or delayed. Any Subtenant's use must be similar to the use of 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.

The CDA acknowledges that the Tenant is currently discussing a possible sublease with the Transitional School.

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

Approvals and Timelines:

The CDA and the Tenant shall work in harmony in order for the Tenant to provide the CDA with an executed lease document by December 31, 2008. The lease shall include all approvals from the Tenant's internal Board (MATC Board) and The Wisconsin Technical System Board.

If the Tenant is unable to receive approval from the MATC Board and the Wisconsin Technical System Board, and provide the CDA with an executed lease by December 31, 2008, the CDA will terminate all of its Space Use Agreement(s) with the Tenant on December 31, 2008.

BE IT FURTHER RESOLVED that the CDA Chair and Executive Director are authorized to execute any and all documents necessary for the completion of this transaction.