

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4351

Amending Resolution 4332 authorizing the execution of a lease with Board of Regents of the University of Wisconsin System for office space at The Village on Park.

Presented	November 21, 2019
Referred	
Reported Back	
Adopted	November 21, 2019
Placed on File	
Moved By	Kelda Roys
Seconded By	Sariah Daine
Yeas	5
Nays	0
Absent	2
Rules Suspended	

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 CDA and the Board of Regents of the University of Wisconsin System (the "Lessee") negotiated terms and conditions to a lease (the "Lease") outlined in CDA Resolution #4332 (the "Resolution"), which passed on June 13, 2019; and

WHEREAS, since the aforementioned Resolution passed the Lessee decided it would like the CDA to make tenant improvements to the Leased Premises. The Lessee is willing to pay the CDA for the cost of the tenant improvements that are in excess of the Landlord Allowance, which caused the below changes to the Lease.

NOW, THEREFORE, BE IT RESOLVED that the CDA hereby authorizes the below incremental revisions to CDA Resolution 4332 for the execution of a lease agreement with the Board of Regents of the University of Wisconsin System for office space at The Village on Park on substantially the following general terms and conditions. The below numbers correspond to the provisions outlined in the Resolution:

1. Use: Lessee shall be also permitted to use the Premises for classroom space or for assembly purposes.
2. Tenant Improvements: Lessee would like the CDA to alter the Premises, which will be defined as the "Scope of Work", at its cost above the Landlord's Allowance. As such, the Lessee will provide the CDA its specifications for the various components it wants to include in the Scope of Work that will be attached to the Lease.

The CDA will receive bids from architectural firms to develop the plans and specifications (the "Plans Specs") of the Scope of Work, and to assist with the City approvals, permitting, inspections etc. The CDA will engage an architectural bidder and enter into a contract (the "Architect's Contract") after the Lease has been signed by both parties. The CDA will provide the Lessee a copy of the Architect's Contract that will outline the cost of said services and any incremental costs borne by Lessee in the event the

Lessee wants to revise the Plans Specs after the Architect's Contract is executed.

There are a number of items in the Scope of Work that do not need to be in the Architect's Contract such as painting, carpeting, conversion of all light bulbs to LED that will be bid separately. In addition, Lessee has requested to install a Hufcor retractable door that the CDA may directly purchase from Hufcor, subject to sole source approvals, given the long lead-time (the "Hufcor contract") of 12 weeks to deliver this product. The installation of the Hufcor door may be included in the general contractor's contract (the "GC Contract") for the remaining scope of work that will be bid out by the CDA.

The Lessee will pay the CDA for the difference of the cost of the Scope of Work, Architectural Plans and permits (the "Total TI Cost") relating thereto less the Landlord Allowance. The CDA will bid out the Scope of Work, and engage contractors to perform the Scope of Work.

The Lessee will be billed by the CDA as the Scope of Work is completed and/or if materials need to be purchased upfront by the general contractor and the Hufcor door. The CDA will send invoices to the Lessee for the Scope of Work, and the Lessee shall process and pay the CDA within 30 days of the submittal of the Scope of Work invoices (the "TI Invoices").

3. Initial Term:

The Lease term hereunder shall begin on the Substantial Completion date as defined in this section (the "Commencement Date") and end sixty (60) months thereafter (the "Termination Date") (collectively the "Initial Term"). Substantial Completion is hereby defined as date on which the Scope of Work is complete, except as provided herein, in material conformance with the Architect's Plans Specs, except with respect to the installation of the Hufcor retractable door that has a long lead-time, and notice of substantial completion is sent to Lessee.

Upon receipt of the Substantial Completion notice from CDA, Lessee shall be entitled to inspect the Scope of Work in order to determine whether the same are so completed. Such inspection shall take place on or before ten (10) business days after receipt of CDA's notice. Lessee shall notify CDA if Lessee reasonably believes that the Scope of Work is not substantially complete, which notice shall specify any deficiencies (the "Punch List") and the actions required to correct any such deficiencies. It is agreed by Lessee that minor punch list items are not the type of deficiencies that would prevent the certification of Substantial Completion, and therefore the Commencement Date. The CDA and Lessee will execute a letter of addendum, which shall designate the Commencement Date and Termination Date.

4. Base Rent:

The payment of Base Rent shall begin on the Commencement Date.

Base Rent also includes plumbing work (excluding clogged drains and toilets) for the Premises.

5. Lessee's Expenses:

The first sentence of the second paragraph is deleted and replaced with the following: Lessee at its cost shall maintain, repair and replace any fixtures, facilities or equipment contained within the Premises in good condition and repair, including but not limited to , electrical systems,

cabling, wireless access, security systems, lighting, light bulbs, ballasts, transformers, plumbing issues related to unclogging toilets or drains, signage, interior doors- locks, openers and closers, hardware and access systems.

6. Condition of Premises:

The following provision is added to the Lease: Lessee has requested that Madison College, the current tenant of the Premises, keep certain of its' improvements in the Premises (the "MC Improvements") after Madison College's lease expires. A list of these MC Improvements will be summarized in the Lease. Lessee shall accept these MC Improvements at its risk, and CDA is not providing any warranty relating thereto nor will it maintain or replace these items in the future.

7. Current Lease:

The provision in the Resolution is deleted and replaced with the following:

Lessee will terminate its space use agreement (UW lease number 285-742) for the leased premises at 2312 South Park Street ("Current Lease"), seven (7) days after Lessor presents Lessee the Substantial Completion notice per Section 3 for the Premises (the "Current Lease Termination Date"). The Lessor and Lessee will memorialize the Current Lease Termination Date after the Substantial Completion notice is provided by the Lessor. There shall be no Hold Over of the Current Lease after the Substantial Completion notice is provided to Lessee by the Lessor.

On or before the Current Lease Termination Date, and as a condition precedent to the Commencement Date, the Lessee shall remove all of its personal property and surrender the premises as defined in the Current Lease in the same condition as it existed on November 1, 2014- broom clean, reasonable wear and tear excepted. All trade fixtures, furniture, furnishings and signs installed in the premises of the Current Lease by Lessee and paid for by Lessee shall remain the property of Lessee and shall be removed upon the Current Lease Termination Date (unless Lessor agrees in writing to keeping any attached fixtures); provided that any of such items that are affixed to the said premises and require severance may be removed only if Lessee repairs any damage caused by such removal (including plastering and painting the wall it was removed from). Lessee shall surrender all keys to Lessor on the Current Lease Termination Date.

8. Landlord Allowance:

The provision in the Resolution is deleted and replaced with the following: The CDA will provide Lessee with a tenant improvement allowance in the amount of Twenty Thousand Dollars (\$20,000) (the "Landlord Allowance") that will be applied first towards the Architect's Contract and any remaining balance applied to the Scope of Work.

9. Approvals:

The provision in the Resolution is deleted and replaced with the following: The Lessee shall submit the final lease terms to the Board of Regents of the University of Wisconsin System's (the "BOR") at the December 6, 2019 BOR meeting.

BE IT RESOLVED that the Chair and Director or Deputy Director of the CDA are hereby authorized to execute the Architect's Contract procured under the CDA's Financial Policies and reviewed by the City Attorney's office necessary to complete the items outlined in this Resolution.

BE IT FINALLY RESOLVED that the Chair and Director or Deputy Director of the CDA in the absence of a Director 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.