



## Legislation Details (With Text)

|                        |                                                                                                                                                                                                                                          |                      |   |                      |                                   |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---|----------------------|-----------------------------------|
| <b>File #:</b>         | 38425                                                                                                                                                                                                                                    | <b>Version:</b>      | 1 | <b>Name:</b>         | 2739 Gateway Associates New Lease |
| <b>Type:</b>           | Resolution                                                                                                                                                                                                                               | <b>Status:</b>       |   | <b>Status:</b>       | Filed                             |
| <b>File created:</b>   | 5/11/2015                                                                                                                                                                                                                                | <b>In control:</b>   |   | <b>In control:</b>   | COMMON COUNCIL                    |
| <b>On agenda:</b>      | 5/19/2015                                                                                                                                                                                                                                | <b>Final action:</b> |   | <b>Final action:</b> | 5/20/2015                         |
| <b>Enactment date:</b> |                                                                                                                                                                                                                                          | <b>Enactment #:</b>  |   |                      |                                   |
| <b>Title:</b>          | Authorizing the Mayor and City Clerk to terminate the existing lease and execute a new lease with Gateway Associates, for a portion of East Wilson Street right-of-way adjacent to the Gateway Shopping Center at 600 Williamson Street. |                      |   |                      |                                   |
| <b>Sponsors:</b>       | Marsha A. Rummel                                                                                                                                                                                                                         |                      |   |                      |                                   |
| <b>Indexes:</b>        |                                                                                                                                                                                                                                          |                      |   |                      |                                   |
| <b>Code sections:</b>  |                                                                                                                                                                                                                                          |                      |   |                      |                                   |
| <b>Attachments:</b>    | 1. 2739 Leased Area Exhibit A .pdf, 2. 2739 Parking Lot Plan Exhibit B.pdf                                                                                                                                                               |                      |   |                      |                                   |

| Date      | Ver. | Action By                     | Action                                                  | Result |
|-----------|------|-------------------------------|---------------------------------------------------------|--------|
| 5/20/2015 | 1    | BOARD OF PUBLIC WORKS         | Return to Lead with the Recommendation to Place on File | Pass   |
| 5/11/2015 | 1    | Economic Development Division | Referred for Introduction                               |        |

### Fiscal Note

Annual rent payable for the first lease year shall be in the amount of \$29,782.50 and shall be deposited into the General Fund (Munis charge code 63026). Rent shall be subject to a 3% annual increase beginning on the first anniversary date of the lease.

### Title

Authorizing the Mayor and City Clerk to terminate the existing lease and execute a new lease with Gateway Associates, for a portion of East Wilson Street right-of-way adjacent to the Gateway Shopping Center at 600 Williamson Street.

### Body

WHEREAS, Gateway Associates, a Wisconsin general partnership (the "Owner"), is the owner of property located at 600 Williamson Street (the "Abutting Property"); and

WHEREAS, the Owner has an existing ground lease for a portion of East Wilson Street right-of-way for surface parking for his Abutting Property, and said lease terminates in September of 2016; and

WHEREAS, the Owner desires terminate the existing ground lease recorded on September 10, 1996 in the Dane County Register of Deeds Office as Document No. 2794900, and enter into a new lease with the City for surface parking and a dumpster enclosure, for the same leased area within East Wilson Street right-of-way; and

WHEREAS, the terms of a new Lease have been negotiated between the Office of Real Estate Services and Gateway Associates.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a Lease with Gateway Associates ("Lessee") on the following terms and conditions:

1. The City shall terminate the existing lease as recorded on September 10, 1996 in the Dane County Register of Deeds Office as Document No. 2794900, and enter into a new lease with the Lessee for a

portion of the East Wilson Street right-of-way, as legal described on attached Exhibit A and depicted on attached Exhibit B as the "Leased Premises", which area is contiguous to the Lessee's Property located at 600 Williamson Street (the "Abutting Property").

2. The Leased Premises consists of approximately 19,855 sq. ft. and shall be used by the Lessee for the maintenance and operation of a parking lot ("Parking Lot") and a dumpster enclosure, which use shall be ancillary to the Abutting Property.
3. No encroachments, other than the parking lot improvements and dumpster enclosure shown on Exhibit B, shall be permitted without the prior written consent of the City, which consent the City may withhold in its sole discretion.
4. The Leased Premises shall be used exclusively by the Lessee and the employees, tenants and invitees of the Abutting Property. The Leased Premises shall not be used for parking by the general public, with general public defined as all persons other than the Lessee and the employees, tenants and invitees of the Abutting Property.
5. The primary term of the lease shall be ten (10) years, subject to earlier termination by the parties. The lease will automatically renew for one (1) five (5) year term, unless terminated by either party.
6. The Lessee shall pay to the City an annual rent equal to ten percent (10%) of the square foot value of the Abutting Property, as last fixed by the City Assessor, multiplied by the square footage of the Leased Premises, and adjusted for the public access through the site at (50%) calculated as follows: 19,855 sq. ft. x \$30.00/sq. ft. x 10% x 50% = \$29,782.50. Beginning on the first anniversary of the effective date of the lease and on each anniversary thereafter throughout the term of the lease, the rent shall increase by three percent (3%) per year. This rent adjustment shall continue throughout any renewal period(s) following the initial ten (10) year term of the lease.
7. The Lessee may assign its interest in the lease and the improvements located on the Leased Premises only if such assignment is made simultaneously with the transfer of ownership of the Abutting Property to the same assignee of the lease. Any assignment shall be subject to all of the conditions of the lease.
8. The Lessee shall be liable to and shall agree to indemnify, defend and hold harmless the City, and its officers, officials, agents, and employees, against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officers, officials, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Lessee or its officers, officials, officers, agents, employees, assigns, guests, invitees, sublessees or subcontractors, in the performance of the lease, whether caused by or contributed to by the negligence of the City, its officers, officials, agents, or employees.
9. The Lessee shall furnish a Certificate of Insurance, on a form provided by the City, providing evidence of commercial general liability insurance with the City of Madison, its officers, officials, agents and employees named as additional insureds. The insurance shall include contractual liability coverage and minimum limits of one million dollars (\$1,000,000) per occurrence. The City of Madison Risk Manager reserves the right to require higher limits and other coverage terms and conditions at his/her discretion. Lessee shall keep required insurance in full force and effect throughout the term of the Permit.
10. The Lessee shall represent and warrant that its use of the Leased Premises will not generate any hazardous substance, and it will not store or dispose on the Leased Premises nor transport to or over the Leased Premises any hazardous substance in violation of any applicable federal, state or local law, regulation or rule. The Lessee shall further agree to hold the City harmless from and indemnify the City against any release of such hazardous substance and any damage, loss, or expense or liability resulting from such release including all attorneys' fees, costs and penalties incurred as a result thereof except

any release caused by the sole negligence or intentional acts of the City, its employees or agents. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease or damage to or loss of use of real or personal property.

11. Either party shall have the right, at its sole option, to terminate the lease by giving the other party a minimum of one hundred eighty (180) days written notice.
12. The Lessee shall supervise, regulate and maintain the Leased Premises to permit parking only in parking stalls that have been approved by the City. The Lessee shall prohibit and prevent parking by anyone on any unimproved area of the Leased Premises.
13. The Lessee shall observe and promptly and effectively comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the City, the County of Dane, the State of Wisconsin, the federal government and any other governmental authority having jurisdiction over the Leased Premises.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute, deliver and record such documents and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution.