



Legislation Details (With Text)

File #: 65078 **Version:** 1 **Name:** 11015 Metro Transit Lease Amendment
 Pennsylvania Ave

Type: Resolution **Status:** Passed

File created: 4/13/2021 **In control:** Economic Development Division

On agenda: 5/4/2021 **Final action:** 5/4/2021

Enactment date: 5/10/2021 **Enactment #:** RES-21-00334

Title: Amending the renewal term in Resolution RES-21-00081, and authorizing the execution of a lease amendment for Metro Transit’s warehouse space located at 2422 Pennsylvania Avenue (12th A.D.)

Sponsors: Syed Abbas

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-------------------------------|--|--------|
| 5/4/2021 | 1 | COMMON COUNCIL | Adopt Unanimously | Pass |
| 4/26/2021 | 1 | FINANCE COMMITTEE | RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER | Pass |
| 4/20/2021 | 1 | COMMON COUNCIL | Refer | Pass |
| 4/13/2021 | 1 | Economic Development Division | Referred for Introduction | |

Fiscal Note

The proposed resolution will extend Metro Transit’s lease with CAG Development, LLC, or assigns, until December 31, 2021. Monthly rent is \$7,145 and is included in Metro Transit’s 2021 adopted operating budget. No additional City appropriation is required.

Title

Amending the renewal term in Resolution RES-21-00081, and authorizing the execution of a lease amendment for Metro Transit’s warehouse space located at 2422 Pennsylvania Avenue (12th A.D.)

Body

WHEREAS, the City is leasing space at 2422 Pennsylvania Avenue (“Property”) for warehouse space for Metro Transit’s building and grounds division; and

WHEREAS, Metro Transit is currently under contract to purchase the Hanson Road Metro Satellite Facility in July 2021; and

WHEREAS, the equipment and vehicles stored at the Property will relocate to Hanson Road Metro Satellite Facility after renovations thereto are complete; and

WHEREAS, the lease for said space at the Property is dated May 17, 2016 and recorded as Document # 5235635 with the Dane County Register of Deeds on May 19, 2016 (the “Lease”); and

WHEREAS, the Initial Lease Term of the Lease will expire on May 31, 2021; and

WHEREAS, Resolution RES-21-00081, which passed on January 19, 2021, approved the extension of the Lease term until May 31, 2022; and

WHEREAS, the City and Landlord have negotiated new terms to extend the Lease for seven months until December 31, 2021 (the "Extended Term").

NOW, THEREFORE, BE IT RESOLVED that a First Amendment to the Lease with CAG Development, LLC or assigns ("Lessor") is approved subject to the following general terms and conditions:

1. Paragraph 2 of Lease-Term, is hereby deleted in its entirety and replaced with the following:

The initial term of this Lease (the "Initial Lease Term") shall be for a period of five (5) years, commencing on May 16, 2016 (the "Lease Commencement Date") and ending on May 31, 2021. The City and Lessor agreed to extend the term of the Lease for seven months after the Initial Lease Term from June 1, 2021 until December 31, 2021 (the "Extended Term"), unless terminated by the Lessor as hereinafter described (the "Termination Option").

The terms of the Lessor's Termination Option are defined as follows:

The Lessor may commence marketing the Leased Premises, and can terminate the Extended Term by providing sixty (60) days written notice (the "Termination Notice") to the City. However, the Termination Notice cannot be delivered to the City before July 1, 2021. The City shall vacate the Leased Premises sixty (60) days after the Termination Notice is received by the City (the "Lease Expiration Date"), and the Extended Term shall expire on the Lease Expiration Date.

2. Paragraph 3 of Lease-Option to Renew, is hereby deleted in its entirety.
3. Paragraph 4 of Lease-Rent, is modified to delete any reference to the Option Term(s) therein, and the following is added to said paragraph:

The City shall pay to the Lessor a monthly rent of \$7,145 (the "Extended Term Rent") during the Extended Term. If the Lessor exercises the Termination Option, then the Extended Term Rent payment will cease on the Lease Expiration Date. The Extended Term Rent shall be prorated during the last calendar month in which the Lease Expiration Date falls within.

4. Paragraph 8 of Lease-Lessor's Work, is hereby deleted in its entirety.
5. Paragraph 24-Notices, is updated to the include electronic mail.
6. Paragraph 34 is added to the Lease as follows:

If the Lessor exercises the Termination Option, then all City obligations in the Lease will cease on the Lease Expiration Date, except for any payment of Extended Term Rent due up until said date.

7. All other terms and conditions of the Lease which are not inconsistent with the amended terms set forth above shall remain in full force and effect.

BE IT FINALLY RESOLVED that the Mayor and City Clerk are hereby authorized to execute the First Amendment to the Lease on a form approved by the City Attorney's office and all additional documents that may be required to complete this transaction.