



Legislation Text

File #: 61550, **Version:** 1

Fiscal Note

The management fees paid to Madison Property Management, Inc., as proposed in the resolution, will be paid from rents collected at the property or from funds authorized by Adopted Resolution RES-20-00371 (File ID 60226), which included \$20,000 for property holding costs. No additional City appropriation is required.

Title

Authorizing the Mayor and the City Clerk to execute a Property Management Agreement with Madison Property Management, Inc. for the property located at 1810 South Park Street. (14th AD)

Body

WHEREAS, the City of Madison ("City") plans to acquire the commercial property addressed as 1810 South Park Street ("Property") at a closing on or before September 18, 2020; and

WHEREAS, Common Council authorized the planned acquisition of the Property under the terms detailed in Resolution No. RES-20-00371, File ID No. 60226, approved May 5, 2020; and

WHEREAS, the City is in need of property management services to commence on the date the City acquires the Property; and

WHEREAS, Madison Property Management, Inc. ("Manager") has a thorough knowledge of the Property, and therefore the City desires to contract with the Manager to provide property management services at the Property.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and the City Clerk are hereby authorized to execute a Property Management Agreement ("Agreement") with the Manager to provide property management services at the Property under, substantially, but not exclusively, the following terms and conditions:

1. The City shall pay to the Manager a monthly management fee equal to six percent (6%) of gross receipts per month. Maintenance services provided by the Manager will be billed at \$66.00 per hour for general maintenance (e.g., carpentry, painting, etc.) and \$44.00 per hour for general labor (e.g., cleaning, lawn care, snow removal, etc.).
2. Management services will begin on the date the City acquires the Property, anticipated to be on or before September 18, 2020, and end one (1) year after the Agreement's start date. The Agreement shall be renewed for up to three (3) successive one (1) year extension terms upon agreement of the Manager and the City. In the event the City does not take ownership of the Property, the Agreement shall not be executed by the City.
3. The Manager shall, on behalf of the City, perform all services required in connection with the operation of the Property, subject at all times to the City's general supervision and control.
4. The duties of the Manager shall include securing leases, lease enforcement, collections, payment of bills, maintain records, tenant relations, contract for services, and repair and maintenance of the Property.

5. Both the City and Manager shall have the right to terminate the Management Agreement without cause with 120 days' written notice. With cause, the City may terminate the Agreement with 30 days' written notice to the Manager.

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are hereby authorized to execute any and all additional documents that may be required to complete this transaction in a form approved by the City Attorney.