



Legislation Text

File #: 80664, **Version:** 1

Fiscal Note

No additional City appropriation required.

Title

Authorizing the Mayor and City Clerk to execute an amendment to lease with Postal Partners, LLC, the owner of property located at 441 North Lake Street, to accommodate the existing encroachment of the owner's building into the City's adjacent Lake Street Parking Ramp property. (District 8)

Body

WHEREAS, the City of Madison owns the property located at 415 North Lake Street, commonly referred to as the State Street Campus Garage; and

WHEREAS, in 1968, the City granted a Land Use Agreement to the owner of the adjacent property located at 441 North Lake Street, allowing for the encroachment of a one-story commercial building across the property line onto the City-owned property at 415 North Lake Street; and

WHEREAS, in 2007 when the 441 North Lake Street property was sold to Postal Partners, LLC, the City executed a lease, leasing the encroachment area to the new owner for a term of 30 years (the "Lease"), which was authorized by the Common Council in File No. 05804, RES-07-00385, adopted on March 20, 2007; and

WHEREAS, the City is in the process of redeveloping the State Street Campus Garage; and

WHEREAS, and a new certified survey map revealed the encroachment area described in the Lease is incorrect (the encroachment area is approximately a half foot wider than described in the Lease's definition of the "Leased Premises"); and

WHEREAS, to obtain land-use approvals for the City's redevelopment project, the City must correct the definition of the Leased Premises in the Lease; and

WHEREAS, to redevelop the State Street Campus Garage, the City has entered into a development agreement with Mortenson Development, Inc., authorized by File Nos. 74679 and 78329, which provides that the City will sell the State Street Campus Garage, immediately lease it back for base rent of \$1.00 to complete the City's work, and then eventually subject the property to a condominium form of ownership in which the City will own two condo units for a purchase price of \$1.00; and

WHEREAS, the City negotiated a Purchase and Sale Agreement with Mortenson Development, Inc. that states if the Lease is assigned to Mortenson or the condominium association, the rent paid under the Lease must be distributed to the City.

NOW THEREFORE BE IT RESOLVED that the Mayor and Clerk are authorized to execute an amendment to the City's Lease with Postal Partners, LLC in a form approved by the City Attorney, on substantially the

following terms and conditions:

1. Exhibit B to the Lease defining the Lease Premises is deleted and replaced with the attached revised Exhibit B containing a corrected description and a depiction of the Leased Premises.
2. The City may assign its rights and obligations under the Lease.