



Legislation Text

File #: 39501, Version: 1

Fiscal Note

The resolution will authorize a five-year lease to house 15 busses serving the west side of Madison. The annual lease cost will be \$80,000, with a 2% increase each year during the span of the agreement. Additionally, the resolution authorizes \$53,100 to perform necessary upgrades to the exterior of the facility. The source of funds for this amendment are reserves within the Metro enterprise fund. The total fiscal impact of the proposed resolution is \$237,962.

Title

Authorizing the execution of a Lease between the City of Madison and Madison Golf & Development Group, LLC for space within two buildings located at 7613 Century Avenue, Middleton for the storage of Madison Metro Transit's buses serving the west side of the City. In connection with this Lease, the authorization to amend Madison Metro Transit's 2015 adopted operating budget by \$73,130.

Body

Madison Metro Transit is looking for a satellite facility to serve the west side of Madison. The project located at 7613 Century Avenue in Middleton is a good fit since it can house roughly 15 buses in the 15,125 square foot cold storage building, and has a small office to support this use. The term is for five years; however, the Landlord can terminate the lease effective the third year of the term with a nine month notice to the City. In the event the Landlord exercises its termination rights it will credit the City for the unamortized tenant improvement balance against the monthly rent.

The two driveway entrances need improvements such that the buses can ingress/egress properly without damage thereto. In addition there are two pot holes that need to be repaired. Collectively, these improvements equal (the "Exterior Work") \$53,130 per the lowest bid. Madison Metro is requesting that its adopted 2015 operating budget be amended by \$71,130 for the Exterior Work and the three months of Rent. The Landlord will make the improvements and the City will reimburse the Landlord upon completion.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Madison hereby authorizes the execution of a Lease between the City of Madison (the "City") and Madison Golf & Development Group, LLC (the "Landlord"), or assigns, for the lease of space within two buildings located at 7613 Century Avenue, Middleton (the "Property"), as legally described below, for the storage of its buses on the following terms and conditions:

1. Leased Premises: The "Leased Premises" consists of two (2) buildings on the Property: Building A-the front office area (352 square feet), and all of Building B (15,125 square feet) for a total of approximately 15,477 square feet, as shown on the attached Exhibit A.
2. Lease Term: The "Lease Term" shall be five (5) years commencing on October 1, 2015 (the "Lease Commencement Date") and ending on September 30, 2020 (the "Lease Expiration Date"), unless sooner terminated by the Landlord as provided herein.

The City will have access to and use of the Leased Premises upon substantial completion of the Landlord's Improvements (as provided for herein) through the Lease Commencement Date (the "Early Access Period"). All terms and conditions of the Lease shall be in full force and effect over such Early Access Period, except Tenant shall have no obligation to pay Rent during such Early Access Period.

3. Rent: The initial annual Rent (the "Rent") for the Leased Premises will be Eighty Thousand Dollars (\$80,000), payable in equal monthly installments. The Rent will be increased two percent (2.0%) on October 1, 2016 and each October 1 thereafter throughout the Lease Term.

4. Landlord Operating Expenses: The Rent will include, and the Landlord will be responsible for the following costs associated with the Property and Leased Premises:

- A. Real estate taxes and assessments.
- B. Fire and extended and liability insurance coverage.
- C. Lawn maintenance.
- D. Water and sewer costs.
- E. Landlord's ownership costs (debt service, accounting, reserves, etc.).
- F. Landlord's management and administration fees.
- G. Utility costs (gas & electric) for that portion of the Leased Premises in Building A.
- H. Janitorial service, cleaning supplies and paper products for the restrooms located in Building A.

5. City Operating Expenses: The City will be responsible for the following costs associated with the Leased Premises:

- A. Utility costs (electric) for Building B. Cost to be separately metered or sub-metered.
- B. Cleaning and janitorial service for Building B.
- C. Refuse and recycled material removal.
- D. Fifty percent (50%) of the costs for Property snow removal. Snow to be removed by 5:00 a.m. if over one inch.
- E. Repair and maintenance costs of the improvements located within the Leased Premises including those related to the building systems.

6. Use and Access: The Leased Premises will be used by Madison Metro Transit System operations with specific uses to include, but not limited to, office use, and bus and vehicle storage, in conformance with applicable zoning.

The City will have access and use of the Leased Premises twenty-four (24) hours per day, seven (7) days per week. The Landlord acknowledges access through the lot must be maintained at all times. The City's employees will be allowed to park their vehicles in the north-side parking lot in front of Building A.

7. Signage: The City will be permitted to install signage on the site and exterior of the leased building, at the City's sole cost, subject to:

- A. The Landlord's prior consent, which consent will not be unreasonably withheld, conditioned or delayed; and
- B. The City securing all applicable governmental approvals; and
- C. The City removing all such signage upon expiration of the Lease and restoring the signage area to its condition prior to such installation (reasonable wear and tear excepted).

8. Early Termination Right: The Landlord shall have the right to terminate the Lease at any time on or after September 30, 2018 (effective as of the last day of any calendar month) by giving the City at least nine (9) months advance written notice. In the event the Landlord exercises such early termination right, the City will receive a Rent credit equal to the then unamortized balance of the cost of the driveway entrance work and

asphalt patching work (the "Exterior Work") paid for by the City herein, in the amount specified on the table attached hereto as Exhibit D (amount dependent on the number of months remaining on the Lease Term following such termination date).

9. Landlord Improvements: The City will lease the Leased Premises in "as-is", "where-is" condition, except within thirty (30) days following execution of the Lease, the Landlord, at the Landlord's sole cost, will complete the following:

Building B:

- A. Remove all personal property located in the building.
- B. Power wash the floor of the building and deliver in broom clean condition.
- C. Deliver with all existing electrical systems (including interior and exterior lights and outlets), ventilating systems, doors and garage door openers in good working order.
- D. Install electric meter or sub-meter.
- E. Remove and patch asphalt around the of cut-off pipe bollards on south side of Building B.

Building A:

- A. Remove all personal property located in the leased space.
- B. Clean and wax VCT floor.
- C. Paint walls and repair vinyl base.
- D. Replace ceiling tile.
- E. Deliver with all existing electrical systems (including lights and outlets), HVAC and doors in good working order.

In addition to the above work, the Landlord will complete the exterior work specified in Exhibit C attached hereto (the "Exterior Work") at the City's cost. On or prior to the Lease Commencement Date, the City will reimburse Landlord the full cost of such Exterior Work within thirty days of its approval.

10. Losses, Claims and Responsibilities. Each party shall be responsible for its own acts, errors or omissions and for the acts, errors or omissions of its employees, officers, officials, agents, boards, committees and commissions, and shall be responsible for any losses, claims, and liabilities that are attributable to such acts, errors, or omissions including providing its own defense, arising out of this Lease. In situations involving joint liability, each party shall only be responsible for such losses, claims, and liabilities that are attributable to such acts, errors, or omissions and the acts, errors or omissions of its employees, officers, officials, agents, boards, committees and commissions. It is not the intent of either party to waive, limit or otherwise modify the protections and limitations of liability found in Wis. Stat. 893.80 or any other protections available to the parties by law. This paragraph shall survive the termination or expiration of the Lease.

BE IT FINALLY RESOLVED, that the 2015 adopted operating budget for Metro Transit be amended to appropriate \$73,130 from the reserves of the Transit Utility for various costs associated with this building lease.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are 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.

Legal Description

The Property

LOT 1, ROBERTSON COMMERCIAL PLAT, IN THE CITY OF MIDDLETON, DANE COUNTY, WISCONSIN.