



Legislation Text

File #: 03195, **Version:** 1

Fiscal Note

This Second Amendment to Sublease will result in an increase in Head Start's share of Operating Expenses and Real Estate Taxes payable under the Sublease from 13% to 20.98%, effective July 1, 2006. This equates to an increase in the 2006 annual rent from \$63,953.40 to \$103,210.94. This rent is paid directly to Siegel-Gallagher Management Company, which manages the South Madison Health & Family Center for the City and manages the Villager Mall for the CDA.

Title

Authorizing the Mayor and City Clerk to execute a Second Amendment to Sublease pertaining to the City's sublease of space to Dane County Parent Council, Inc. (a/k/a Head Start) within the South Madison Health & Family Center located within the Villager Mall.

Body

WHEREAS, On December 23, 2004, the Community Development Authority ("CDA") acquired the Villager Mall located at 2202-2328 South Park Street (the "Villager"), and assumed all interest as lessor in and to all of the Villager leases; and

WHEREAS, the City of Madison ("City") is the lessee of approximately 36,500 square feet of space within the Villager for the South Madison Health & Family Center (the "Premises"), pursuant to that certain lease with the CDA dated February 1, 1995; and

WHEREAS, pursuant to a Sublease dated November 3, 1995, as amended October 27, 2005, the City is subleasing approximately 8,160.24 rentable square feet of space (the "Subleased Premises") located within the Premises to Dane County Parent Council, Inc. ("Head Start"); and

WHEREAS, the original term of the Sublease was for the ten (10)-year period running from October 16, 1995 through December 31, 2005; and

WHEREAS, by notice dated June 29, 2005, Head Start exercised its first option to renew for the five (5)-year term commencing on January 1, 2006 and expiring on December 31, 2010; and

WHEREAS, Head Start desires to vacate some of its existing space in the Subleased Premises and to add to the Subleased Premises additional space located within the Premises; and

WHEREAS, the City's Real Estate Section has reviewed such request and the terms of an amendment to the Sublease have been negotiated between the Real Estate Section and Head Start.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are hereby authorized to execute on behalf of the City, as the sublessor, a Second Amendment to Sublease with Dane County Parent Council, Inc. ("Head Start") on the following terms and conditions:

1. Effective as of July 1, 2006, Head Start shall vacate Space 106 of the Subleased Premises, as shown on attached Exhibit A. The Subleased Premises shall now consist of Spaces 23, 24, 25, 26, 27, 34, 35, 74, 75, 76 and 77.
2. Effective as of July 1, 2006, Spaces 17, 18, 19, 20 and 22 (collectively, the "Expansion Space") shall be added to the Subleased Premises. The Expansion Space shall consist of 4,197.20 rentable square feet.
3. As a result of the vacation of Space 106 and the addition of the Expansion Space to the Subleased Premises, for purposes of calculating annual rent, Head Start's share of the "Real Estate Taxes" and "Operating Expenses," as defined in the Sublease, shall increase from 13% to 20.98% effective as of July 1, 2006.
4. The City shall deliver the Expansion Space to Head Start on May 1, 2006 so that Head Start may commence the work described in Paragraph 7 below. In accordance with Paragraph 3 hereof, Head Start's obligation to pay rent

for the Expansion Space shall not become effective until July 1, 2006. Head Start shall, however, be required to insure the Expansion Space effective as of May 1, 2006, consistent with the coverage requirements set forth in the Sublease.

5. Head Start shall, at its sole cost and expense, be permitted to make the following improvements to the Expansion Space:
 - a. Expand the single toilet restroom located between Spaces 17 and 19 to allow for 4 toilets and 4 sinks and make necessary changes to the walls and counters and sinks in the existing spaces.
 - b. Move the demising wall between Spaces 19 and 20 as desired.
 - c. Install tile and carpet in the Expansion Space as desired.
 - d. Construct an additional exterior exit from the Expansion Space with necessary landing and steps.
 - e. Move the washer and dryer from Space 106 to Space 20. Head Start shall connect the washer to the water supply in the Mechanical Room (Space 21) and shall vent the dryer at a location to be approved by the City.
 - f. Move fire alarms/lights as necessary to comply with building and fire codes.
6. Effective as of July 1, 2006, Head Start shall vacate the playground area located along the exterior of Space 106, as depicted on attached Exhibit B, and shall, at its sole cost and expense, remove all fencing and other improvements from such area.
7. Head Start shall, at its sole cost and expense, be permitted to expand the remaining playground area as depicted on attached Exhibit B. Head Start shall be required to erect fencing around the expanded playground and to place a parking bollard in front of each parking stall adjacent to the expanded playground. Head Start shall be allowed to erect a second storage shed on the expanded playground.
8. All other provisions of the Sublease which are not inconsistent with the amended terms set forth herein shall remain unchanged and in full force and effect.