



Legislation Text

File #: 62146, **Version:** 1

Fiscal Note

The total rent for the Extended Lease Term is approximately \$33,981. The annual rent increases by approximately \$200 from 2020 to 2021. Annual rent payments are included in the Employee Assistance Program's operating budget. No additional City appropriation is required with the adoption of the proposed resolution.

Title

Authorizing the Mayor and the City Clerk to execute a First Amendment to Lease with the Community Development Authority of the City of Madison for the property located at The Village on Park used by the City's Employee Assistance Program group. (14th AD)

Body

WHEREAS, the Community Development Authority of the City of Madison (the "CDA") is the owner of The Village on Park, located at 2300 South Park Street (the "Village on Park"); and

WHEREAS, the CDA and the City of Madison ("Lessee") entered into and approved a lease dated February 5, 2016 for office space located at Suite 111 at The Village on Park (the "Lease"). The CDA Board approved the Lease on November 19, 2015 via CDA Resolution No. 4155, Legistar File ID No. 40654. The City of Madison authorized the Lease by Resolution Enactment No. 16-00051, File No. 40969, adopted by the Common Council of the City of Madison on January 19, 2016; and

WHEREAS, the Lease expires on February 28, 2021 and has no extension or renewal options. The CDA and the City of Madison have negotiated the below renewal and extension terms and conditions to the Lease.

NOW THEREFORE BE IT RESOLVED that the Mayor and City Clerk are hereby authorized to execute on behalf of the City ("Lessee") a first lease amendment (the "First Amendment") with the Community Development Authority of the City of Madison ("CDA") as the lessor at the Village on Park on the following terms and conditions:

1. Amending Paragraph 2, Lease Term, adding a new provision 2.a to state:

2.a. The term of the Lease is by five (5) new Lease Years, and the new expiration date is February 28, 2026 (the "Extended Lease Term").

2. Amending Paragraph 2, Lease Term, adding a new provision 2.b to state:

2.b. At the end of the Extended Lease Term (or any exercised Renewal Term or Renewal Terms as defined below), the Lessee shall have five (5) options to renew the Lease for a consecutive period of one (1) year each (in the singular, "Renewal Term"; collectively "Renewal Terms"), under the same terms and conditions provided in the Lease, except that Rent during any exercised Renewal Term shall increase per the below schedule listed in Paragraph 3.b. provided that CDA receives written notice from Lessee no later than 120 days prior to the expiration of the Extended Lease Term or any exercised Renewal Term(s).

3. Amending Paragraph 3.b, Rent, adding the following Rent schedules at the end of the section:

The Rent payments for the Extended Lease Term are as follows:

Extended Lease Term				
Lease Year	Dates	Rent	Annual	Monthly Payment
6	3/1/2021 to 2/28/2022	\$	6,400.41	\$ 533.37
7	3/1/2022 to 2/28/2023	\$	6,592.42	\$ 549.37
8	3/1/2023 to 2/28/2024	\$	6,790.20	\$ 565.85
9	3/1/2024 to 2/28/2025	\$	6,993.90	\$ 582.83
10	3/1/2025 to 2/28/2026	\$	7,203.72	\$ 600.31

The Rent payments for the Renewal Term(s) if exercised are as follows:

Five (5) Renewal Terms of One (1)				
Lease Year	Date	Rent	Annual	Monthly Payment
11	3/1/2027 2/28/2027	\$	7,419.83	\$ 618.32
12	3/1/2028 2/28/2028	\$	7,642.42	\$ 636.87
13	3/1/2029 2/28/2029	\$	7,871.70	\$ 655.97
14	3/1/2030 2/28/2030	\$	8,107.85	\$ 675.65
15	3/1/2031 2/28/2031	\$	8,351.08	\$ 695.92

4. Amending Paragraph 10, Termination, adding a new provision 10.b to state:

10.b. In the event a more desirable, larger, above ground space ("Above Ground Space") becomes available in the City of Madison, and the Lessee would like to terminate this Lease, then it should provide the CDA with 90 days written notice and then this Lease will terminate upon the execution of a new lease for the Above Ground Space.

5. All other provisions of the Lease remain unchanged and in full force and effect.

BE IT RESOLVED that the Mayor and City Clerk are hereby authorized to execute and deliver a First Amendment to Lease and any and all additional documents that may be required to carry out the intent of this Resolution in a form to be approved by the City Attorney.

