



## Legislation Text

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**File #:** 10892, **Version:** 1

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### Fiscal Note

This lease requires the City to pay a gross annual rent of \$15.53 per square foot, which includes all utility and maintenance costs. Annual costs for 2009 will be \$149,041.00. Base annual rent is subject to a 3.5% increase every year. During October, November and December of 2008 the rent will be discounted and based on \$10.00 per square foot per annum. Funding is included in Metro's operating budgets.

### Title

Authorizing the Mayor and the City Clerk to execute a lease for Metro Transit administrative office space at 1245 E. Washington Avenue.

### Body

PREAMBLE

Metro Transit's main facility is located at 1101 East Washington Avenue. This location houses Metro's Maintenance, Operations, General Administration, Finance, and Information Technology units. In addition, for the past 18 years Metro has leased office space at 1049 East Washington Avenue. Staff in the Planning, Paratransit, Marketing and Customer Service units work at that facility.

To address overcrowding in the Operations and Maintenance office spaces, staff has been exploring options that will replace the leased space at 1049 East Washington Avenue with leased space large enough to house all of Metro administrative functions. This brings all of the administrative functions together under one roof, and allows the Maintenance and Operations units to function more effectively until the remodel/expansion occurs.

WHEREAS, Metro Transit has outgrown its current space; and

WHEREAS, the City has looked at a number of alternatives, and the 1245 E. Washington Avenue location will best meet Metro Transit's needs;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a lease (the "Lease") with Yahara Square Associates, LLP or assigns (Lessor) subject to the following terms and conditions:

1. The term of the lease shall be eight years (8) years and three months beginning on October 1, 2008 (the "Commencement Date") and ending on December 31, 2016. The Leased Premises shall consist primarily of the west wing of the second level building located at 1245 E. Washington Avenue including approximately 9,597 square feet of office space, adjacent parking and common areas ("leased premises") The office area is depicted on the attached Exhibit A.
2. The City of Madison (City) shall have two (2) one (1) year renewal options.
3. The gross rent ("Rent") payable during the first three months commencing on October 1, 2008 (the "commencement date") shall be at a rate of \$ 10.00 per square foot per annum, calculated and based on 9,597 square feet. Beginning January 1, 2009 (the "effective date") the rent shall be \$ 15.53 per square foot per annum. The base rent shall increase by 3.5% upon the anniversary of the Effective Date.
4. The Lease shall be a " gross lease". For purposes of the Lease, the term "gross lease" means the

Lessor shall pay all real estate taxes, special assessments, fire and extended coverage insurance costs and utility costs including electricity and heat. The Lessor shall also be solely responsible for all janitorial and common area maintenance expenses.

5. The term "Common Areas" shall mean the parking lot area, sidewalks, driveways, reception area, elevator and other areas or improvements provided by the Lessor for the common use of the tenants of the Building and their invitees. Maintenance and management services provided by the Lessor for the Common Areas shall include repairs, maintenance, lighting, insurance, parking lot striping, landscaping, snow removal, payment of real estate taxes and special assessments, and the provision of water, sewer and other applicable utility services.
6. The Lessor shall, at its sole cost and expense, make tenant improvements to the Leased Premises in the amount of \$ 132,000. The Lessor agrees to make such improvements provided the City continues its occupancy for the full term of the Lease. If the City terminates the Lease prior to the expiration of the full term of the Lease for any reason other than a default by the Lessor, the City agrees to reimburse the Lessor for the unamortized portion of the tenant improvements based on an interest rate of 8% per annum over 8.25 years.
7. Parking shall be in common with the other tenants of the Building and their invitees. The Lessor shall maintain a parking ratio for the Building that will provide the City with twenty-eight (28) non-exclusive parking stalls. The Lessor shall provide four (4) handicapped accessible stalls along the south side of 1245 E. Washington Avenue building on either side of the entrance from the parking area.
8. The Lessor shall allow the City to install independent and dedicated telephone and data/computer communication services in the Leased Premises at locations to be agreed upon by the parties. The City shall be responsible for all costs associated with telephone and data/computer installations and services within the Leased Premises.
9. The City shall be responsible for maintenance and repair of any personal property installed in the Leased Premises.

BE IT STILL 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.