



Legislation Text

File #: 39910, **Version:** 1

Fiscal Note

Under the current rental agreement the United States Postal Services pays a monthly rent of \$9,028 as well as their portion of utilities (in 2015 \$10k was billed). The termination of this lease on January 31st, 2016 will result in \$99,308 of lost revenue in 2016.

Title

Authorizing the termination of two leases between the City and the United States Postal Service for the Capital Station Post Office space and adjacent parking at the Madison Municipal Building.

Body

The City of Madison executed two leases with United States Postal Service (USPS) (the "Lessee") on January 1, 1989 and November 1, 1995 for its parking and retail space, respectively (individually the "Parking Lease" and "Retail Lease"-collectively the "Leases") at the Madison Municipal Building (the "MMB") located at 215 Martin Luther King, Jr. Boulevard. The Parking Lease is on a month-to-month term; the Retail Lease expired on October 31, 2005 and USPS's occupancy has been on a month to month basis thereafter. The Leases can be terminated by the City by giving the Lessee 30 days written notice.

The Premises described in the Leases needs to be demolished in order to accommodate the Judge Doyle Square project and the rehab of the MMB. The loading dock area and parking stalls adjacent to the annex need to be surrendered on October 30, 2015 in order to meet the current demolition schedule. The retail space (excluding the dock) described in the Retail Lease will be allowed to operate within MMB until an expiration date of January 31, 2016, in order to accommodate USPS with the upcoming holiday season/build-out of its new space. We are asking the City to approve the use of the ramp by USPS in front of MMB subsequent to the dock demolition of the annex, to transport the mail into/out of MMB. This resolution will authorize the written notice of termination of the Leases per the terms described herein below.

NOW, THEREFORE, BE IT RESOLVED that the Common Council hereby approves the termination of the Leases with the United States Postal Service (USPS) for the Capital Station Post Office's space located at the Madison Municipal Building and authorizes the Mayor and City Clerk to provide written termination to the Leases that shall include the following changes to the Leases:

The Parking Lease term relating to the eight parking stalls, loading dock and platform areas will expire on October 30, 2015;

The termination date of the Retail Lease shall be January 31, 2016. USPS shall have two (2) thirty (30) day extensions that can only be exercised if it executed a lease elsewhere, and is delayed to the build-out of its space. However, the loading dock door which is part of the defined Premises, shall cease operation as of October 30, 2015.

During the term of the Retail Lease, the Lessee shall be allowed to use the ramp in front of MMB on a non-exclusive basis subsequent to the loading dock/platform demolition of the annex to transport the mail into/out of MMB.

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.