



## Legislation Details (With Text)

<b>File #:</b>	29292	<b>Version:</b>	1	<b>Name:</b>	3156 & 8955 Leases MLG Capital Meadowood
<b>Type:</b>	Resolution	<b>Status:</b>	Passed		
<b>File created:</b>	2/27/2013	<b>In control:</b>	BOARD OF ESTIMATES (ended 4/2017)		
<b>On agenda:</b>	4/16/2013	<b>Final action:</b>	4/16/2013		
<b>Enactment date:</b>	4/17/2013	<b>Enactment #:</b>	RES-13-00248		
<b>Title:</b>	Authorizing the execution of two leases with MLG Capital Meadowood LLC for the relocation and expansion of the Meadowridge Branch Library and the Meadowood Neighborhood Center, which are both located at the Meadowood Shopping Center on Raymond Road.				
<b>Sponsors:</b>	Matthew J. Phair, Larry Palm				
<b>Indexes:</b>					
<b>Code sections:</b>					

**Attachments:** 1. 3156 & 8955 Meadowood Lib& Com Ctr.pdf, 2. meadowridge shopping center plan.pdf

Date	Ver.	Action By	Action	Result
4/16/2013	1	COMMON COUNCIL	Adopt	Pass
4/8/2013	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
4/4/2013	1	COMMUNITY DEVELOPMENT BLOCK GRANT COMMITTEE	Return to Lead with the Recommendation for Approval	Pass
3/27/2013	1	COMMUNITY SERVICES COMMITTEE (ended 3/2025)	Return to Lead with the Recommendation for Approval	
3/7/2013	1	MADISON PUBLIC LIBRARY BOARD	Return to Lead with the Recommendation for Approval	Pass
3/5/2013	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
3/5/2013	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
3/5/2013	1	BOARD OF ESTIMATES (ended 4/2017)	Refer	
3/5/2013	1	COMMON COUNCIL	Referred	
2/27/2013	1	Economic Development Division	Referred for Introduction	

**Fiscal Note**

**Neighborhood Center:** The costs related to the Meadowood Neighborhood Center expansion into the former Meadowood Library space of 5,940 square feet are estimated to total \$66,825 in 2014. These costs include \$7.35 per square foot for the base rent, plus \$3.90 per square foot for maintenance expenses, insurance and taxes. The further expansion to occupy an additional 40% to 50% of 3,138 square feet of proposed shared, "common" space with the Library, is estimated to cost between \$14,000 (@ 40% occupancy) and \$18,000 (@ 50% occupancy). Therefore, in total, the estimated cost for leasing and maintenance expenses for the Meadowood Neighborhood Center in 2014 ranges from \$80,825 to \$84,825. Thereafter, annual rent payments will increase by 2% yearly. The 2013 adopted budget of CDD provides current funding of \$71,850 in support of the Meadowood Neighborhood Center, so an additional annual appropriation of \$9,000 to \$13,000 over and above the base budget will be required to cover the leasing costs. This funding will need to be allocated among the variety of other programs that compete for City financial support. In addition to the leasing costs, the CDD contracts with a private company for interior janitorial services. Current annualized costs for the

janitorial services are estimated at \$4,040.

**Library:** The costs related to the Meadowridge Branch Library expansion into the former hardware store space of 8,487 square feet are estimated to total \$95,480 in 2014. These costs include \$7.35 per square foot for the base rent, plus \$3.90 per square foot for maintenance expenses, insurance and taxes. The further expansion to occupy an additional 50% to 60% of 3,138 square feet of proposed shared, “common” space with the Neighborhood Center is estimated to cost between \$18,000 (@ 50% occupancy) and \$22,000 (@ 60% occupancy). Therefore, in total, the estimated cost for leasing and maintenance expenses for the Meadowridge Branch Library in 2014 ranges from about \$113,500 to \$117,500. Thereafter, annual rent payments will increase by 2% yearly. The 2013 Library adopted budget provides funding of \$142,857 (\$84,200 for current space plus \$58,657 added by BOE amendment for expanded space) in support of the Meadowridge Branch Library. The budget exceeds the anticipated 2014 cost by \$25,300 to \$29,300.

**Long Term:** The terms of the lease are for ten years. The total, aggregate costs for the Meadowood Center and Meadowridge Branch Library over the full term of the ten-year lease will be more than \$800,000 and \$1.13 million, respectively. While the City might consider whether a space purchase rather than a space lease might prove more economical in the long run, Community Development and Library staff suggest that the shared-space and leasing arrangement is the most effective manner to serve the neighborhood for the next several years, after which some much longer-term City ownership structure might be more feasible.

#### Title

Authorizing the execution of two leases with MLG Capital Meadowood LLC for the relocation and expansion of the Meadowridge Branch Library and the Meadowood Neighborhood Center, which are both located at the Meadowood Shopping Center on Raymond Road.

#### Body

WHEREAS, the City of Madison (“City”) currently leases approximately 5,940 square feet of space within the Meadowood Shopping Center (the “Center”) for the Meadowridge branch library (the “MBL”), and such lease is scheduled to expire on June 30, 2014; and

WHEREAS, the MBL requires larger space and desires to relocate to an approximately 8,487 sq. ft. space located within the Center, which was previously occupied by a hardware store; and

WHEREAS, the City currently leases approximately 3,138 square feet of space within the Center for the Meadowridge Neighborhood Center (the “MNC”), and such lease is scheduled to expire on December 31, 2013; and

WHEREAS, the MNC requires larger space and desires to relocate into the MBL’s current 5,940 sq. ft. space; and

WHEREAS, in conjunction with relocating to the 8,487 sq. ft. space mentioned above, the MBL also desires to expand into the MNC’s current 3,138 sq. ft. space; and

WHEREAS, the MBL and the MNC desire to use such 3,138 sq. ft. space in common and to share in the payment of rent and other occupancy costs related thereto.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute a lease (the “MBL Lease”) with MLG Capital Meadowood LLC (the “Landlord”) for space within the Meadowood Shopping Center (the “Center”) consisting of a total of 11,625 sq. ft. (the “MBL Premises”), for use as the Meadowridge Branch Library (the “MBL”), on the following terms and conditions:

1. Leased Premises. The MBL Premises shall consist of approximately 8,487 sq. ft. of space located at 5726 Raymond Road (the “Relocated MBL Space”) and 3,138 square feet of space located at 5734 Raymond Road (the “Shared Space”). The Shared Space shall be used jointly by the MBL and the

Meadowood Neighborhood Center (the "MNC"). The MBL and the MNC shall share in the payment of rent and other occupancy costs relating to the Shared Space.

2. Use. The City's use of the MBL Premises shall be limited to the operation of a public library and all activities related thereto (which may include the sale of books, videos, tapes and compact discs) and for no other purposes without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
3. Term. The initial term of the MBL Lease shall be ten (10) years, commencing on January 1, 2014 (the "Commencement Date"). The City shall have the right to renew the MBL Lease for three (3) additional one (1) year terms, upon ninety (90) days prior written notice to the Landlord, subject to the terms and conditions of the MBL Lease.
4. Rent. Rent payable during the first year of the MBL Lease shall be at the rate of \$7.35 per square foot per annum, calculated based on 11,625 square feet. The City shall pay its proportionate share of real estate taxes, special assessments, maintenance costs, and utility costs, including electricity and heat. Rent shall be payable in equal monthly installments commencing on the Effective Date and shall increase annually by 2% effective as of January 1, 2015 and continuing each year thereafter, including any renewal period(s) following the initial ten (10) year term.
5. Early Occupancy. The Landlord shall allow the City to occupy and use the Relocated MBL Space upon execution of the MBL Lease. The City shall be responsible for all utility costs during such early occupancy period.
6. Landlord's Responsibilities. The Landlord shall at all times keep and maintain the MBL Premises in good order and condition, including the heating, ventilating and air conditioning system; the electrical, plumbing and sewer systems; water softener; water heater; window frames; windows and structural portions of the walls; all doors, door locks and door operating devices; floor coverings; fixtures; and shall make any repairs/replacements required thereto. Notwithstanding the foregoing, the City shall be responsible for the cost and expense of repairs and replacements required by reason of acts or omissions of the City, the City's employees, agents, invitees, vendors, licensees or contractors.
7. City's Responsibilities. The City shall be responsible for the cleaning of the MBL Premises and maintenance and repair of any personal property installed within the MBL Premises.
8. Insurance and Indemnification by Landlord.
  - a. Fire and Extended Coverage. The Landlord shall maintain through the expiration or termination of the MBL Lease the following insurance coverages: A policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by the Landlord insuring the Center, including the MBL Premises and all appurtenances thereto (excluding the City's inventory, trade fixtures, furniture, furnishings, equipment and personal property) for the full insurable replacement value thereof, with such a deductible not to exceed \$25,000.00. The Landlord will secure a waiver of subrogation clause in its property insurance policy to waive all rights against the City for loss or damage to the extent covered by such insurance.
  - b. Liability. The Landlord shall carry commercial general liability insurance including contractual liability with no less than the following limits of liability as may be amended, from time to time, by the City's Risk Manager: bodily injury, death and property damage of \$1,000,000 combined single limits per occurrence. The policy or policies shall name the City as an additional insured.
  - c. Indemnification. The Landlord shall be liable to and shall agree to indemnify, defend and

hold harmless the City, and its officers, officials, agents, and employees against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officials, officers, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Landlord and/or its officials, officers, agents, employees, assigns, guests, invitees, lessees or subcontractors, in the performance of the MBL Lease.

9. Insurance by City.

- a. Personal Property. The City shall be solely responsible for carrying personal property insurance sufficient to cover the loss or damage to the City's personal property.
- b. Liability. The City shall maintain throughout the term of the MBL Lease commercial general liability insurance, including contractual liability with no less than the following limits of liability: bodily injury, death and property damage of \$1,000,000 combined single limits per occurrence.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to execute a lease (the "MNC Lease") with the Landlord for space within the Center consisting of 5,940 sq. ft. (the "MNC Premises"), for use as the Meadowood Neighborhood Center ("MNC"), on the following terms and conditions:

1. Leased Premises. The MNC Premises shall consist of approximately 5,940 square feet, located at 5740 Raymond Road (the "MNC Premises"). The MNC shall have the right to share the use of the adjacent Shared Space with the MBL. The MBL and the MNC shall share in the payment of rent and other occupancy costs relating to the Shared Space.
2. Use. The City's use of the MNC Premises shall be limited to the operation of a neighborhood center and all activities related thereto (which may include senior activities, after-school activities for youths, dance and exercise classes, educational workshops and classes, and neighborhood meetings) and for no other purposes without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
3. Term. The initial term of the MNC Lease shall be ten (10) years, commencing on January 1, 2014 (the "Commencement Date"). The City shall have the right to renew the MNC Lease for three (3) additional one (1) year terms, upon ninety (90) days prior written notice to the Landlord, subject to the terms and conditions of the MNC Lease.
4. Rent. Rent payable during the first year of the MNC Lease shall be at the rate of \$7.35 per square foot per annum, calculated based on 5,940 square feet. The City shall pay its proportionate share of real estate taxes, special assessments, maintenance costs, and utility costs, including electricity and heat. Rent shall be payable in equal monthly installments commencing on the Effective Date and shall increase annually by 2% effective as of January 1, 2015 and continuing each year thereafter, including any renewal period(s) following the initial ten (10) year term of the MNC Lease.
5. Landlord's Responsibilities. The Landlord shall at all times keep and maintain the MNC Premises in good order and condition, including the heating, ventilating and air conditioning system; the electrical, plumbing and sewer systems; water softener; water heater; window frames; windows and structural portions of the walls; all doors, door locks and door operating devices; floor coverings; fixtures; and shall make any repairs/replacements required thereto. Notwithstanding the foregoing, the City shall be responsible for the cost and expenses of repairs/replacements required by reason of acts or omissions of the City, the City's employees, agents, invitees, vendors, licensees or contractors.

6. City's Responsibilities. The City shall be responsible for the cleaning of the MNC Premises and maintenance and repair of any personal property installed within the MNC Premises.

7. Insurance and Indemnification by Landlord.

- a. Fire and Extended Coverage. The Landlord shall maintain through the expiration or termination of the MNC Lease the following insurance coverages: A policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by the Landlord insuring the Center, including the MNC Premises and all appurtenances thereto (excluding the City's inventory, trade fixtures, furniture, furnishings, equipment and personal property) for the full insurable replacement value thereof, with such a deductible not to exceed \$25,000.00. The Landlord will secure a waiver of subrogation clause in its property insurance policy to waive all rights against the City for loss or damage to the extent covered by such insurance.
- b. Liability. The Landlord shall carry commercial general liability insurance including contractual liability with no less than the following limits of liability as may be amended, from time to time, by the City's Risk Manager: bodily injury, death and property damage of \$1,000,000 combined single limits per occurrence. The policy or policies shall name the City as an additional insured.
- c. Indemnification. The Landlord shall be liable to and shall agree to indemnify, defend and hold harmless the City, and its officers, officials, agents, and employees against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officials, officers, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the acts or omissions of the Landlord and/or its officials, officers, agents, employees, assigns, guests, invitees, lessees or subcontractors, in the performance of the MNC Lease.

8. Insurance by City.

- a. Personal Property. The City shall be solely responsible for carrying personal property insurance sufficient to cover the loss or damage to the City's personal property.
- b. Liability. The City shall maintain throughout the term of the MNC Lease commercial general liability insurance, including contractual liability with no less than the following limits of liability: bodily injury, death and property damage of \$1,000,000 combined single limits per occurrence.

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 these transactions.