



Legislation Details (With Text)

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On agenda:	11/22/2016	Final action:	11/22/2016		
Enactment date:	11/28/2016	Enactment #:	RES-16-00860		
Title:	Authorizing the execution of a lease with MESC, LLC for space at 2713 East Washington Avenue for the storage of City Clerk voting and election equipment.				
Sponsors:	Michael E. Verveer				
Indexes:					
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Attachments: 1. 11199 Reso Exhibit A - revised.pdf, 2. 11199 - EMI lease - Reso Exhibit B.pdf

Date	Ver.	Action By	Action	Result
11/22/2016	1	COMMON COUNCIL	Adopt	Pass
11/7/2016	1	BOARD OF ESTIMATES (ended 4/2017)		
11/1/2016	1	COMMON COUNCIL	Refer	Pass
11/1/2016	1	Economic Development Division	Referred for Introduction	

Fiscal Note

The proposed resolution authorizes a rental agreement for the storage of election equipment. Under the proposed agreement the 10 year lease (with 2 5-year extensions) will increase 2.5% annually. The base budget includes \$17,200 for rental expenses, under the proposed lease the 2017 rental cost will be \$23,088. The difference will be monitored throughout 2017 and adjusted via supplemental appropriation if needed. Future increases will be factored into the Clerk's base budget.

Title

Authorizing the execution of a lease with MESC, LLC for space at 2713 East Washington Avenue for the storage of City Clerk voting and election equipment.

Body

WHEREAS, the City previously leased basement space within The Village on Park for the storage of voting and election equipment; and

WHEREAS, flooding this past summer caused equipment damage, and pursuant to Resolution Enactment No. RE-16-00557, adopted August 2, 2016, the Common Council directed that such equipment no longer be stored at The Village on Park; and

WHEREAS, the Office of Real Estate Services and City Clerk have identified a suitable alternate storage location at 2713 E. Washington Avenue, Suite 103 which is secure, climate controlled and reasonably sealed from external environmental effects; and

WHEREAS, the terms of a lease have been negotiated between the Office of Real Estate Services and the landlord, MESC, LLC.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a lease ("Lease") with MESC, LLC ("Lessor"), on substantially the following terms and conditions:

1. Leased Premises. The “Leased Premises” shall consist of approximately 3,200 square feet of first floor space within the building located at 2713 East Washington Avenue (“Building”), more commonly known as Suite 103; together with the use of common areas. The Leased Premises is depicted on the attached Exhibit B.
2. Term and Renewal Options. The “Initial Term” of the Lease shall be ten (10) years, commencing on December 1, 2016 and ending on November 30, 2026. The City shall have two (2) options to extend the Lease for additional terms of five (5) years each, under the same terms and conditions provided in the Initial Term, except that rent shall be as set forth in attached Exhibit A.
3. Rent. The City shall pay to the Lessor rent as set forth in attached Exhibit A. Rent shall be payable in monthly installments. The Lease shall be a gross lease; rent shall include all operating and maintenance expenses, as further described in Paragraph 6 below.
4. Use. The City will occupy and use the Leased Premises for the storage of voting and election equipment and activities related thereto, and for no other purposes whatsoever without the Lessor’s prior written consent, which consent the Lessor may withhold in its sole discretion. The City shall accept the Leased Premises in “as is” condition, subject to the improvements required to be completed by Lessor in Subparagraph 5.c. below. The City shall have the right to access the Leased Premises 24 hours per day, 7 days per week.
5. Common Areas. Lessor grants to City and City’s employees, agents, customers, invitees, vendors, licensees, and contractors the right to use, in common with all others to whom Lessor has or may hereafter grant rights to use the same, the “Common Areas” located on the Property. Lessor reserves the right to control and manage the Common Areas in its sole discretion and to establish rules and regulations for the use thereof. Lessor shall be responsible for cleaning, maintaining and repairing the Common Areas. Notwithstanding the foregoing, City shall be responsible for cleaning the “Shared Common Areas,” as depicted on Exhibit B, while the adjacent Suite 101 is unoccupied. Upon a tenant’s occupancy of Suite 101, Lessor shall resume cleaning responsibilities for the Shared Common Areas.
6. Maintenance by the Lessor.
 - a. The Lessor shall pay all operating and maintenance expenses relating to the Leased Premises including, but not limited to, taxes, lighting, electricity, heating, air conditioning, water and sewer service, storm water utility charges, garbage removal, insurance and administration.
 - b. The Lessor shall at all times, and at Lessor’s sole cost, keep and maintain the Leased 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; foundations; roof; sewer system; concrete floors; elevators; 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, City shall be responsible for the cost and expenses of repairs/replacements required by reason of acts or omissions of City, City’s employees, agents, invitees, vendors, licensees or contractors.

The City shall give Lessor written notice of the necessity for repairs/replacements coming to the attention of City, following which Lessor shall have a reasonable time to undertake and complete such repairs. For the purposes of so maintaining the Leased Premises, Lessor reserves the right, upon a minimum of twenty-four (24) hours notice and at times reasonable for City, to enter and inspect the Leased Premises and to make any necessary repairs thereto, or at any time in the event of an emergency, provided that in all instances Lessor must be accompanied by an employee or agent of City or a City of Madison Police Officer.

a. The Lessor shall, at Lessor's sole cost and expense, shall complete the work described below and depicted on Exhibit B prior to the Effective Date:

- (1) Remove the stage from the Leased Premises;
- (2) Remove the half-wall near the stage to be removed;
- (3) Remove the interior door near half-wall to be removed;
- (4) Remove all existing carpeting from the Leased Premises and clean the concrete, including removing all glue residue;
- (5) Remove the three (3) doors along the west wall that connect the Leased Premises to the adjacent suite and wall off;
- (6) Have the roof and HVAC system of the Leased Premises professionally inspected to ensure each are in good working condition and there are no leaks and provide a copy of the inspection reports to City prior to the Effective Date;
- (7) Widen the door connecting the Leased Premises to the common bathroom area to a width of thirty-six inches (36") and install a secure lock;
- (8) Install mini-blinds in front windows of the Leased Premises and on the glass door along the east wall of the Leased Premises;
- (9) Ensure all electrical outlets within the Leased Premises are properly working on the Effective Date;
- (10) Ensure each key provided to City operates all three (3) doors to the Leased Premises;
- (11) Ensure lock on all exterior doors to Leased Premises are secure; and
- (12) Clean the Leased Premises and Shared Common Areas prior to the Effective Date.

7. City's Responsibilities.

- a. City shall pay for the installation, use and maintenance of all data, computer and telephone services and any other specialized equipment in the Leased Premises.
- b. City shall be responsible for the cleaning maintaining and repairing of any personal property installed within the Leased Premises.
- c. City will maintain janitorial services for the Leased Premises at its cost. Additionally, the City will be responsible for cleaning the Shared Common Areas during such time while the adjacent Suite 101 is unoccupied. Upon a tenant's occupancy of Suite 101, Lessor shall resume cleaning responsibilities for the Shared Common Areas.

8. Insurance and Indemnification by Lessor. Beginning on the Effective Date and continuing throughout the Initial Term and Renewal Terms, if exercised, of the Lease, Lessor shall maintain at its costs the following insurance coverages: a policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by Lessor insuring the Leased Premises and all appurtenances thereto (excluding 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 \$10,000. Additionally, Lessor shall carry commercial general liability insurance covering as insured Lessor and naming City, its officers, officials, agents and employees as additional insureds, with a minimum limit of \$1,000,000 per occurrence. This policy shall also be endorsed for contractual liability in the same amount, apply on a primary and noncontributory basis, and provide City thirty (30) days advance written notice of cancellation, non-renewal or material changes to the policy during the term of this Lease. As evidence of this coverage, Lessor shall furnish City with a certificate of insurance on a form approved by City, and, if requested by the City Risk Manager, Lessor shall also provide copies of additional insured endorsements or policy. If the coverage required above expires while this Lease is in effect, Lessor shall provide a renewal certificate to City for approval.

9. Insurance by City. The City shall maintain, at its sole cost, throughout the Initial Term and any extension

thereof personal property insurance in an amount to cover any and all loss or damage to the City's personal property located within the Leased Premises.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute the Lease and all additional documents that may be required to complete this transaction on forms approved by the City Attorney.