



Legislation Text

File #: 20923, **Version:** 1

Fiscal Note

Management service payments and related management expenses including repairs and ground maintenance will be paid from monthly rental income.

Title

Authorizing the Mayor and City Clerk to execute a property management agreement with Broihahn Management Consulting, LLC for properties located at 640 & 646 East Gorham Street and for 1917 Lake Point Drive.

Body

The City of Madison acquired two residential properties in 1992 located at 640 and 646 East Gorham Street. Although originally recommended for demolition for City of Madison park purposes, the houses were designated as landmarks and the park master plan was amended to include preservation of the houses with full public use of the lakeshore area. 640 East Gorham Street, a single family residence and 646 East Gorham Street a five unit apartment building are both leased to residential tenants.

The City of Madison in 1999 acquired 1917 Lake Point Drive to provide a location for the Bridge Lake Point Waunona Neighborhood Center. Located above the center are four apartments that are leased to residential tenants.

WHEREAS, Landmark Realty the current management company for 640 & 646 East Gorham Street and 1917 Lake Point is retiring;

WHEREAS in response to a request for proposals, Broihahn Management Consulting, LLC has submitted a thorough and competitively priced proposal that staff finds acceptable;

NOW, THEREFORE, BE IT RESOLVED that the Common Council hereby authorizes the Mayor and City Clerk to execute a "Management Agreement" with Broihahn Management Consulting, LLC (Manager) to manage 640 & 646 East Gorham Street and 1917 Lake Point Drive (collectively the "Properties") on the following terms and conditions:

1. Management fees shall be based on 7% of the gross monthly rents collected. Maintenance services required at the Properties from the home office will be billed at a rate of \$ 42.50 per hour during normal hours and at a rate of \$ 65.00/hour for after hour calls. Reasonable adjustments to hourly rates may be made upon contact extensions.
2. Management services will begin on February 1, 2011 and end January 30, 2012. The Management Agreement shall be renewed for 5 successive one year extensions upon agreement of the Manager and the City of Madison (City).
3. The Manager shall on behalf of the City perform all services required in connection with the operation of the Properties subject at all times to the City's general supervision and control.
4. The duties of the Manager shall include securing leases, lease enforcement, collections, payment of bills, maintain records, tenant relations, contract for services and repair and maintenance of the Properties.

5. Both the City and Manager shall have the right to terminate the Management Agreement with 60 days written notice.

The City may add and remove properties to the Management Agreement.