



Legislation Text

File #: 23909, **Version:** 1

Fiscal Note

Rent payable during the first two years shall be \$69,216 per year (\$16.00 per square foot) and will increase by 3% annually starting on December 1, 2013. The City shall be responsible for all data, computer and telephone services. Funds are available in a segregated fund which is used to account for revenues and expenditures associated with the Police Department activities conducted at this location.

Title

Authorizing the execution of a lease with 2801 Crossroads Drive LLC for office space located at 2801 Crossroads Drive for Police Department administration use.

Body

WHEREAS, the City of Madison currently leases approximately 3,070 square feet of office space at 2701 International Lane for Police Department administration use, and such lease is scheduled to expire on November 30, 2011; and

WHEREAS, the Police Department requires approximately 1,200 square feet of additional space to conduct its activities, but is unable to expand at its current location; and

WHEREAS, the Police Department desires to lease replacement office space at 2801 Crossroads Drive, consisting of approximately 4,326 square feet; and

WHEREAS, the terms of a lease have been negotiated between the landlord, 2801 Crossroads Drive LLC, and the City's Office of Real Estate Services.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute a lease ("Lease") for office space with 2801 Crossroads Drive LLC ("Landlord"), on the following terms and conditions:

1. Leased Premises. The "Leased Premises" shall consist of approximately 4,326 square feet, located at 2801 Crossroads Drive, Madison.
2. Use. The City's use of the Leased Premises shall be limited to police administrative offices and activities related thereto, and for no other purposes without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, delayed or conditioned.
3. Term. The initial Lease term shall be five (5) years, commencing on December 1, 2011 (the "Commencement Date"). The City shall have the right to renew the Lease for five (5) additional one (1) year terms, upon ninety (90) days prior written notice to the Landlord, subject to the terms and conditions of the Lease. Notwithstanding the foregoing, if funds anticipated for the continued fulfillment of the Lease are at any time not forthcoming or insufficient, either through the failure of the City of Madison Common Council or other funding sources, then the City shall have the right to terminate the Lease without penalty, effective anytime after November 30, 2014, by giving not less than one hundred eighty (180) days written notice documenting the lack of funding.
4. Rent. Rent payable during the first two (2) Lease years shall be at the rate of \$16.00 per square foot per annum, calculated based on 4,326 square feet. The Landlord shall pay real estate taxes, special assessments, fire and extended coverage insurance, maintenance costs, and utility costs, including electricity and heat but excluding data/computer and telephone services. Rent shall be payable in equal monthly installments and shall increase annually by 3% effective as of December 1, 2013 and continuing each year thereafter, including any renewal period (s) following the initial five (5) year term of the Lease.
5. Landlord's Responsibilities.
 - a. The Landlord shall at all times 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; 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.

b. The Landlord shall complete the following improvements to the Leased Premises prior to the Commencement Date:

- (1) Removal of all trade fixtures and personal items of previous tenants.
- (2) Patching, repairing and painting of all walls utilizing building standard paint color.
- (3) Removal of all existing floor coverings. Any carpeting removed shall be recycled.
- (4) Installation of new carpet to be approved by the City.

6. City's Responsibilities.

- a. The 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. The City shall also be responsible for the cleaning of the Leased Premises and maintenance and repair of any personal property installed within the Leased Premises.

7. Insurance and Indemnification by Landlord.

- a. Fire and Extended Coverage. The Landlord shall maintain through the expiration or termination of the 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 Property, including the Leased 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 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 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 hereby authorized to execute any and all additional

documents that may be required to complete this transaction.