



Legislation Text

File #: 38036, **Version:** 1

Fiscal Note

This lease requires the City to pay initial annual rent of \$42,804. Rent is subject to a 2.5% increase every year. Funding for 2016 shall be included in the Planning Division 2016 Executive Operating Budget. Funding beyond 2016 will be included in future operating budgets, subject to Council approval. Approximately 85% of the MPO's budget is covered by federal/state funding. The lease cost in 2015 is \$51,512.

Title

Authorizing the execution of a new lease with Spring Properties LLC for office space located at 121 South Pinckney Street for the Madison Area Transportation Planning Board - A Metropolitan Planning Organization, staff of which are part of the City's Planning Division.

Body

WHEREAS, since January 2000, the Madison Area Transportation Planning Board - A Metropolitan Planning Organization ("MPO"), staff of which are part of the City's Planning Division, have been operating from leased office space located at 121 South Pinckney Street; and

WHEREAS, the MPO's current lease is scheduled to expire on December 31, 2015, and the City's Office of Real Estate Services has negotiated the terms of a new lease for the same premises with the landlord, Spring Properties LLC; and

WHEREAS, MPO staff have reviewed and approve of the lease terms.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a new lease (the "Lease") with Spring Properties LLC (the "Landlord"), subject to the following terms and conditions:

1. The "Leased Premises" shall be Suite 400 on the fourth floor at 121 South Pinckney Street (the "Building") consisting of approximately 2,378 leasable square feet. The Building is located upon real estate (the "Property") more specifically described on attached Exhibit A.
2. The City shall have the right to use the "Common Areas" located in the Building, including the elevators, stairwells, restrooms, hallways, basement storage area, and all other areas or improvements which may be provided by the Landlord for the common use or benefit of occupants of the Building.
3. The initial term of the Lease shall be three (3) years, commencing on January 1, 2016 and expiring on December 31, 2018. The City shall have the right to renew the Lease for three (3) successive one (1) year terms, subject to the terms and conditions of the Lease.
4. Annual rent payable during the first Lease year shall be \$42,804 (\$18.00 per square foot per annum). Rent shall be payable in equal monthly installments and shall increase annually by 2.5% throughout the initial term and any renewal terms of the Lease. No security deposit shall be payable by the City.
5. The Landlord shall pay all operating and maintenance expenses relating to the Leased Premises and the Common Areas, including, but not limited to, taxes, special assessments, electricity, water, sewer, heating, air conditioning, janitorial service, maintenance, repairs, building insurance, and administration. Janitorial service shall include the emptying of all trash receptacles, limited common area dusting, cleaning of counters, and vacuuming of the Leased Premises on a daily basis during non-business hours Monday through Friday, holidays excepted.
6. The City shall be responsible for any cleaning of the Leased Premises not specifically described in

Paragraph 5 and maintenance and repair of any personal property installed within the Leased Premises.

7. The City shall be responsible for all costs associated with telephone and data/computer installations and services.

8. The Lease shall not include any parking.

9. The Landlord shall, at its sole cost and expense, complete the following improvements to the Leased Premises prior to January 1, 2016:

- a. Carpet cleaning of entire Leased Premises.
- b. Touch-up drywall repair and painting as needed.
- c. Installation of three (3) new thermostats to improve temperature control.
- d. Removal of a 5' partition wall and any necessary associated partition wall and carpet repair.

10. The Landlord shall obtain and 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 \$5,000. The City shall be solely responsible for carrying personal property insurance sufficient to cover the loss or damage to the City's personal property. Additionally, the Landlord shall carry commercial general liability insurance covering as insured the Landlord and naming the 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 the City thirty (30) days advance written notice of cancellation, non-renewal or material changes to the policy during the term of the Lease. As evidence of this coverage, the Landlord shall furnish the City with a certificate of insurance on a form approved by the City, and, if requested by the City Risk Manager, The Landlord shall also provide copies of additional insured endorsements or policy. If the coverage required above expires while the Lease is in effect, the Landlord shall provide a renewal certificate to the City for approval.

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.