



Legislation Text

File #: 40970, **Version:** 1

Fiscal Note

The lease requires the City to pay a monthly rent of \$1,608 plus any cost associated with telephone and tele-data services. Funding for the lease is available in Metro's 2016 budget.

Title

Authorizing the execution of a lease between the City and Washington Gilman, L.P. to provide office space for Metro Transit.

Body

WHEREAS, Washington Gilman, L.P., successor in interest to Yahara Square Associates, L.L.P., is the current owner of the building located at 1245 East Washington Avenue (the "Building"); and

WHEREAS, Metro Transit ("Metro") requires two (2) office spaces for its in-house advertising program and its paratransit program and there is currently no space available within the 9,600 square foot administrative office space that Metro leases in the Building; and

WHEREAS, the City, on behalf of Metro, currently subleases additional office space for the programs within the Building from University Research Park, Inc., and said sublease will expire on January 31, 2016; and

WHEREAS, the City desires to enter into a new lease with the Lessor for two (2) office spaces located within the Building, more commonly known as Suites 212 and Suite 214; and

WHEREAS, the City and the Lessor have negotiated terms and conditions for a new lease, as set forth below.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a lease (the "Lease") with Washington Gilman, L.P. ("Lessor"), successor in interest to Yahara Square Associates, L.L.P., for office space within a building located at 1245 East Washington Avenue (the "Building") to house the Metro Transit ("Metro") in-house advertising program and paratransit program, subject to the following terms and conditions:

1. **Leased Premises.** The "Leased Premises" shall consist of two 603 square foot suites, totaling 1,206 square feet, located in the east half of the second floor of the Building, see the floor plan in Exhibit A.
2. **Term.** The Lease shall be for a term of eleven (11) months (the "Lease Term"), subject to early termination pursuant to the terms of the Lease. The Lease shall commence on February 1, 2016 (the "Commencement Date") and expire on December 31, 2016.
3. **Use.** The City shall occupy and use the Leased Premises for office operations associated with Metro Transit's in-house advertising program and paratransit program.
4. **Gross Lease.** The Lease shall be a gross lease. For purposes of the Lease, the term "Gross Lease" means that the Lessor shall pay real estate taxes, special assessments, fire and extended coverage insurance, maintenance costs, janitorial expenses, and utility costs including electricity and heat.
5. **Rent.** Rent shall be "Gross Rent" payable at the rate of \$16.00 per square foot per year. Gross Rent shall be payable in equal monthly installments of One Thousand Six Hundred Eight and no/100 Dollars

(\$1,608.00), and shall include all expenses related to the Leased Premises with the exception of telephone and tele-data costs.

6. Common Areas. The Lessor grants to the City and the City's employees, agents, customers, invitees, vendors, licensees, and contractors the right to use, in common with all others to whom the Lessor has or may hereinafter grant rights to use the same, the "Common Areas" located on the Property. The term "Common Areas" shall mean the parking lot area, sidewalks, driveways, reception area, elevator and other areas or improvements provided by the Lessor for the common use or benefit of the tenants of the Building and their invitees. The 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. The Lessor, at its expense, shall also keep and maintain the Common Areas in good condition and repair. Maintenance and management services provided by the Lessor for the Common Areas shall include cleaning, repairs and replacements, maintenance, lighting, insurance, parking lot striping, landscaping, snow and ice removal, payment of all real estate taxes, assessments and special assessments relating to the Property, and the provision of water, sewer, and other applicable utility services to the Property.

7. Parking. The City shall be entitled to the use of two (2) parking stalls located on the Property on a non-exclusive basis.

8. Utilities, Maintenance and Repairs.

a. Lessor's Responsibilities.

(1) 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, and administration.

(2) The Lessor shall keep the foundations; roof; sewer system; concrete floors; structural portions of the walls; and all other structural members, both interior and exterior, of the Leased Premises, in good order, condition and repair, and shall make any repairs/replacements and do such painting of the exterior as may be required, shall keep and maintain the interior of the Leased Premises in good order and condition, including all partitions, doors, door locks, door closers, door operating devices, glass, floor coverings, fixtures (including bulbs and ballasts), heating, air conditioning, plumbing and electrical equipment and appurtenances owned by the Lessor, and shall do such periodic maintenance of the Leased Premises, including such periodic cleaning of the interior of the Leased Premises as may be required.

(3) The term "repairs" shall include replacements or renewals when necessary and all such "repairs" shall be equal in quality and class to the original work. 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. The City shall give the Lessor written notice of the necessity for repairs/replacements coming to the attention of the City, following which the Lessor shall have a reasonable time to undertake and complete such repairs. For the purposes of so maintaining the Leased Premises, the Lessor reserves the right, upon a minimum of 24 hours notice and at times reasonable for the 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.

(4) The Lessor shall provide, at its expense, janitorial services for the Leased Premises.

b. City's Responsibilities.

- (1) The City shall furnish carpet guard chair mats beneath each desk in all carpeted areas of the Leased Premises. In the event the City does not use such chair mats, the City shall pay a monthly charge of \$25.00 per missing chair mat to compensate the Lessor for the extra wear and tear of the carpeting over the life of the Lease. Such additional charge shall be included with the City's monthly rent payment.
- (2) The City shall be responsible for maintenance and repair of any personal property installed in the Leased Premises.

9. Assignment and Subletting. The City shall not assign, mortgage, pledge, sell, or in any manner transfer the Lease or any estate or interest hereunder and shall not sublet the Leased Premises or any part thereof, without the Lessor's prior written approval. Notwithstanding the foregoing, the City may assign the Lease or sublet the Leased Premises without the Lessor's consent to another governmental agency or entity or to another similar service agency. Any profit, monetary or in kind, from a sublet or assignment shall be shared evenly between the City and the Lessor.

10. Taxes and Assessments. The Lessor shall be responsible for all property taxes, assessments and special assessments that accrue to the Leased Premises. The City shall be responsible for any personal property taxes levied against its personal property located in the Leased Premises.

11. Insurance by the Lessor.

- a. The Lessor shall obtain, prior to the occupancy of the Leased Premises by the City, and 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 Lessor 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.
- b. The Lessor 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.

12. Insurance by the City.

- a. 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. 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.

13. Termination.

- a. The Lessor may terminate the Lease with a minimum of thirty (30) days written notice if the City is in default of any of the terms or conditions of the Lease, including but not limited to the timely payment of rent, and does not correct the default within thirty (30) days of receiving written notice. In the event of a default under the Lease which requires more than the payment of money to cure and which cannot, because of the nature of such default, be cured within said thirty (30) days, then

the City shall be deemed to be complying with such notice if promptly upon receipt of such notice the City immediately takes steps to cure the default as soon as reasonably possible and proceeds thereafter continuously with due diligence to cure the default within a period of time which, under all prevailing circumstances, shall be reasonable.

- b. The City may terminate the Lease with a minimum of thirty (30) days written notice to the Lessor if the Lessor is in default of any term or condition of the Lease and has not corrected said default prior to the expiration of said thirty (30) day period. In the event of a default which cannot, because of the nature of such default, be cured within said thirty (30) days, the Lessor shall be deemed to be complying with such notice if promptly upon receipt of such notice the Lessor immediately takes steps to cure the default as soon as reasonably possible and proceeds thereafter continuously with due diligence to cure the default within a period of time which, under all prevailing circumstances, shall be reasonable.
 - c. In the event of any default under the terms of the Lease by either party, and in lieu of terminating the Lease as herein provided, the Lessor or the City may immediately or at any time thereafter, after having given the other party the requisite notice to correct the same and the time for such correction having elapsed (or without notice in case of an emergency or a hazardous condition or in case any fine, penalty, interest or cost may otherwise be imposed or incurred), cure such breach for the account and at the expense of the other party. If the Lessor or the City at any time, by reason of such default, is compelled to or elects to correct such default, the reasonable sum paid or incurred by such party to correct such default shall, if paid or incurred by the Lessor, be deemed to be additional Rent hereunder and shall be due to the Lessor on the first day of the month following payment of such respective sum, and, if paid or incurred by the City, shall be deducted from the City's next payment(s) of rent. The option herein given to the parties is intended for their protection and its existence shall not release the parties from the obligation to perform the terms and covenants herein provided to be performed by the respective parties or deprive either party of any legal rights which may arise by reason of any default.
14. Damage and Destruction. In the event the Leased Premises is damaged by any peril covered by standard policies of fire and extended coverage insurance to an extent which is less than twenty-five percent (25%) of the cost of replacement of the Leased Premises, the damage shall, except as hereinafter provided, promptly be repaired by the Lessor, at the Lessor's expense, but in no event shall the Lessor be required to repair or replace the City's inventory, trade fixtures, furniture, furnishings, equipment or personal property. In the event: (a) the Leased Premises is damaged to the extent of twenty-five percent (25%) or more of the cost of replacement of the Leased Premises; or (b) the Building is damaged to the extent of fifty percent (50%) or more of the cost of replacement, the Lessor may elect either to repair or rebuild the Leased Premises, as the case may be, or to terminate the Lease upon giving notice of such election in writing to the City within ninety (90) days after the event causing the damage. If the casualty, repairing or rebuilding shall render the Leased Premises untenable, in whole or in part, a proportionate abatement of rent shall be allowed until the date the Lessor completes the repairs or rebuilding, and the Lease term shall be extended for a period equal to the period of repair.

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.

EXHIBIT B

Legal Description of the Property

Lots Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13) and parts of Lots Five (5) and Fourteen (14), Block 197 of the Original Plat of Madison and part of vacated East Main Street all located in the Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 13, Township 7 North, Range 9 East, City of Madison, Dane County, Wisconsin, to-wit: Beginning at a found spike at the most Northerly corner of said Block 197; thence South $45^{\circ} 02'10''$ East, along the Southwesterly line of South Baldwin Street, 351.04 feet; thence South $45^{\circ} 20'54''$ West, 330.16 feet; thence North $45^{\circ} 01'50''$ West, 348.26 feet to a found iron state; thence North $44^{\circ} 51'57''$ East, along the Southeasterly line of East Washington Avenue, 330.12 feet to the point of beginning.

Tax Parcel No.: 251-0709-131-0107-1