



Legislation Text

File #: 44266, Version: 1

**Fiscal Note**

Rent payable during the first year shall be \$73,542 per year and will increase finally increase by 1.5% annually starting on December 1, 2017. 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 First Amendment to the Lease for office space located at 2801 Crossroads Drive for Police Department administration use.

**Body**

WHEREAS, 2801 Crossroads Drive LLC and the City entered into a Lease dated October 21, 2011 (“Lease”) for office space located at 2801 Crossroads Drive and consisting of approximately 4,326 square feet; and

WHEREAS, pursuant to the Assignment of Leases dated March 18, 2016, the Lease was assigned from 2801 Crossroads Drive LLC to the IA High Crossing, LLC (“Lessor”); and

WHEREAS, the initial term of the Lease was for the period commencing on December 1, 2011 and expiring on November 30, 2016; and

WHEREAS, the Lessor and the City desire to extend the term and modify certain other provisions of the Lease.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a First Amendment to Lease (“First Amendment”) with the Lessor for space within the building located at 2801 Crossroads Drive for Police Department administration use, subject to the following terms and conditions:

1. The Lease term shall be extended for a period of three (3) years, commencing on December 1, 2016 and, unless terminated early or renewed in accordance with the Lease (as amended), ending on November 30, 2019 (“Extended Term”).
2. The City’s existing right to terminate the Lease due to budgetary constraints shall be deleted.
3. Subject to the rent adjustment provision set forth below, the City shall pay to the Lessor rent (“Rent”) for the Leased Premises during the Extended Term in the amount of \$73,542.00 per annum, payable in equal monthly installments of \$6,128.50.
  - a. Beginning on the first anniversary of the commencement date of the Extended Term (i.e., December 1, 2017) and continuing on the second anniversary of the Extended Term (i.e., December 1, 2018), the annual Rent shall increase by one and one-half percent (1.50%) per year compounded annually. The Rent schedule is as follows:

<u>Period or Months of Extended Term</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
12/01/2016 - 11/30/2017	\$73,542.00	\$6,128.50
12/01/2017 - 11/30/2018	\$74,645.13	\$6,220.43
12/01/2018 - 11/30/2019	\$75,764.81	\$6,313.73

4. If, at the end of the Extended Term, the City is not then in default under the terms and conditions of the Lease, then the City shall have five (5) successive options to renew the Lease for an additional term of one (1) year each (in the singular, "Renewal Term"; collectively, "Renewal Terms"), under the same terms and conditions provided in the Extended Term, except that (i) Rent during the Renewal Terms shall increase by three percent (3%) per year compounded annually, as set forth below, (ii) Lessor shall not be required to provide any allowance, reimbursement or other payment to the City, or perform any alterations, improvements or other work whatsoever related to such renewals, and (iii) the City shall not have any right to extend or renew the Lease except as set forth in this Paragraph and in no event beyond November 30, 2024.

At least 120 days prior to expiration of the then-current term, the Lessor shall advise the City in writing of the impending expiration of the Lease and of the City's right to renew the Lease in accordance with the terms of this Paragraph. If the City desires to renew the Lease pursuant to this Paragraph, the City must give notice in writing to the Lessor a minimum of ninety (90) days prior to expiration. All notices under this Paragraph shall be given as specified by the Lease (as amended).

<u>Period or Months of Renewal Terms</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
12/01/2019 - 11/30/2020	\$78,037.75	\$6,503.15
12/01/2020 - 11/30/2021	\$80,378.88	\$6,698.24
12/01/2021 - 11/30/2022	\$82,790.25	\$6,899.19
12/01/2022 - 11/30/2023	\$85,273.96	\$7,106.16
12/01/2023 - 11/30/2024	\$87,832.18	\$7,319.35

5. The Lessor shall, at its sole cost, perform the below work ("Lessor's Work") within ninety (90) days after the commencement date of the Extended Term, unless otherwise agreed to by the parties. The Lessor shall coordinate with the City to ensure timing of the Lessor's Work and the Lessor's access to the Leased Premises are acceptable to the City. The Lessor's Work shall consist of the following:

- (1) Patching, repairing, and painting of all walls utilizing Building standard paint color.
- (2) Professional cleaning of all carpets in the Leased Premises.
- (3) Installation of a garbage disposal in the Leased Premises.
- (4) Replace all water-damaged ceiling tiles in the Leased Premises.

6. The "Notices" provision of the Lease shall be updated with the Lessor's current mailing address as follows:

IA High Crossing LLC  
c/o Vanta Commercial Properties  
P.O. Box 7700  
708 Heartland Trail  
Suite 1600  
Madison, WI 53717

7. The "Non-Discrimination in Employment" clause of the Lease shall be updated to read as follows: "Non-Discrimination. In the performance of its obligations under this Lease, the Lessor agrees not to discriminate because of race, religion, marital status, age, color, sex, disability, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, gender identity, political beliefs or student status. The Lessor further agrees not to discriminate against any contractor, subcontractor or person who offers

to contract or subcontract for services under this Lease because of race, religion, color, age, disability, sex, sexual orientation, gender identity or national origin.”

8. The “Accessibility” clause of the Lease shall be updated to read as follows: “Accessibility. The Leased Premises and Common Areas shall conform where applicable to Chapter SPS 361.05 of the Wisconsin Administrative Code, Madison General Ordinances Section 39.05, and the Americans with Disabilities Act, regarding accessibility. The Lessor shall be responsible for all costs of compliance for the Leased Premises and the Common Areas.”
9. The First Amendment shall be effective as of the date of last signature, and any and all other extensions or renewals of the Lease shall terminate as of such date.
10. The First Amendment will not be recorded at the office of the Dane County Register of Deeds.
11. Notwithstanding anything in the Lease to the contrary, the City shall not have any early termination rights except as set forth in Paragraph 18 (Termination) and Paragraph 24 (Leased Premises Acquired by Eminent Domain) of the Lease, and any and all contrary provisions in the Lease shall be deleted and removed without further force or effect.
12. All capitalized terms not defined in the First Amendment shall have the same effect as in the Lease.

BE IT FURTHER RESOLVED that all other terms and conditions of the Lease shall remain unchanged and in full force and effect.

BE IT STILL 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.