



Legislation Text

File #: 53835, Version: 1

Fiscal Note

The proposed resolution authorizes leasing a 400 square foot suite at 119 Martin Luther King, Jr. Blvd. for the Human Resources Department's performance of accommodation testing for employees requesting accommodations in the workplace. The 2019 gross rent for the space will be \$6,600 and there will be a one-time fee of \$5,000 for City IT to connect the property to the City's network and additional monthly internet subscription fees of approximately \$100. The estimated \$12,800 is not included in HR's 2019 Adopted Operating Budget and will likely require a budget transfer during 2019 in the event HR is not able to absorb the costs.

Title

Authorizing the execution of a lease at 119 Martin Luther King, Jr. Blvd. for the Human Resources Department's performance of accommodation testing. (4th A.D.)

Body

Human Resources conducts testing for some employees that request accommodations in the workplace. The nature of such meetings and testing is private. Accordingly, Human Resources believes that a separate location is the best way to realize its goal of confidentiality for its employees. However, neither the Madison Municipal Building ("MMB") nor the City County Building ("CCB") has space available to accommodate Human Resources in this regard. Therefore, staff identified space located at 119 Martin Luther King, Jr. Blvd., (the "Building") to serve this need of Human Resources. The space is available for lease for an initial term of twenty-four (24) months. Three (3) additional renewal options are available for terms of one (1) year each.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a lease (the "Lease") with Insurance Building Associates, a Wisconsin limited partnership (the "Lessor"), subject to the following terms and conditions:

- 1. Leased Premises:** Suite 10 within the Building (the "Leased Premises") as depicted in Exhibit A consists of approximately 400 rentable square feet ("s.f."), consisting of 333 s.f. of usable space and other nonexclusive space ("Common Areas") on the lower level floor of the Building.
- 2. Term:** The initial term of the Lease shall be twenty-four (24) months commencing on December 15, 2018 (the "Effective Date") and ending on December 31, 2020 (the "Term"). There are options to renew the Lease as described in provision 4 below.
- 3. Rent:** The City shall pay to the Lessor rent for the Leased Premises in monthly installments on the 1st day of each month throughout the Term of the Lease in the amounts described below ("Rent"). Rent for the first partial month is due by December 28, 2018:

<u>Term</u>	<u>Monthly Gross Rent</u>	<u>Annual Gross Rent</u>
December 15, 2018- December 31, 2018	\$266.13	N/A
January 1, 2019- December 31, 2019	\$550.00	\$6,600.00
January 1, 2020-		

December 31, 2020	\$566.50	\$6,798.00
-------------------	----------	------------

The Lease is a gross lease; see the Lessor's Responsibilities paragraph below for details.

4. Options to Renew: If, at the end of the Term of the Lease, the City is not in default under the terms and conditions of the Lease, then the City shall have three (3) options to extend the Lease for an additional term of one (1) year each (individually "Option Term 1", "Option Term 2" and "Option Term 3"; collectively the "Option Terms"), under the same terms and conditions provided in the Term of this Lease, except that Rent during any exercised Option Term shall be as follows:

<u>Option Term</u>	<u>Monthly Gross Rent</u>	<u>Annual Gross Rent</u>
Option Term 1		
January 1, 2021-December 31, 2021	\$583.50	\$7,001.94
Option Term 2		
January 1, 2022-December 31, 2022	\$601.00	\$7,212.00
Option Term 3		
January 1, 2023-December 31, 2023	\$619.03	\$7,428.36

The Option Terms will automatically renew unless the City provides written notification to Lessor, at least 90 days prior to the end of the Term or preceding Option Term, that City is not exercising its otherwise-automatic option.

5. Access: The City shall have the right to access the Leased Premises twenty-four (24) hours a day, seven (7) days per week. The Lessor shall provide a HID Corporation card access system to the Building.
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 hereafter grant rights to use the same, the Common Areas located in the Building. The term "Common Areas" is defined as the hallways, restrooms, kitchen, conference room, elevators, stairwells, and all other areas or improvements which may be provided by the Lessor for the common use or benefit of occupants of the Building. 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 shall be responsible for cleaning, maintaining, lighting, heating, cooling, insuring and repairing the Common Areas and the costs relating thereto.
7. Lessor's Responsibilities:
- The Lessor shall pay all operating and maintenance expenses relating to the Leased Premises and Building including, but not limited to, taxes, lighting, electricity, heating, air conditioning, water and sewer service, storm water/urban forestry utility charges, insurance, garbage removal, snow removal and administration.
 - The Lessor shall at all times, and at Lessor's sole cost, 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.

City shall give Lessor written notice of the necessity for repairs/replacements coming to the attention of City, following which Lessor shall have a reasonable time to undertake and complete such repairs. For the purposes of so maintaining the Leased Premises, Lessor reserves the right, upon a minimum of twenty-four (24) hours' notice and at times reasonable for 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.

- c. The Lessor shall, at the Lessor's sole cost, be responsible for any damage resulting from the negligence of the Lessor or its officers, officials, members, agents, employees, assigns, guests, invitees, sublessees or subcontractors. Notwithstanding the foregoing, the City shall be responsible for the cost of insuring its contents and for the cost of damage to the City's contents in the Leased Premises which would be covered by properly maintained insurance, and for the cost of repairs/replacements to the Building or Leased Premises or Common Areas caused by the sole negligence of the City or its employees.
- d. The Lessor shall, at the Lessor's sole cost, deliver the Leased Premises in broom clean condition at the beginning of the Term. The Lessor shall also pay for signage in the Building directory, and for signage outside the Leased Premises.
- e. The Lessor will provide at its' costs janitorial services for the Leased Premises.

8. 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.

The City shall have the right to maintain and operate, at its sole cost, telecommunications cables, antennas and related equipment (collectively, the "Facilities") to serve the City's wired and/or wireless intranet, internet, communications and security networks. In connection therewith, the City may run through the Building and to the roof thereof, lines, conduits, cables, risers and any other lines and/or equipment necessary or desirable in connection with installing and operating the Facilities. Plans and specifications for the Facilities shall be subject to the Lessor's prior written approval, which approval shall not be unreasonably withheld or delayed.

- b. The City shall be responsible for the cleaning, maintaining and repairing of any personal property installed within the Leased Premises.

9. Insurance by Lessor.

Beginning on the Effective Date and continuing throughout the Term and Option Terms, if exercised, of the Lease, the Lessor shall maintain at its costs the following insurance coverages: A policy of comprehensive fire, extended coverage, vandalism, malicious mischief and other endorsements deemed advisable by the Lessor insuring 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 \$10,000. Additionally, the Lessor shall carry commercial general liability insurance covering as insured the Lessor 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 or Option Terms of this Lease. As evidence of this coverage, the Lessor shall furnish the City with a certificate of insurance on a form approved by the City, and, if requested by the City Risk Manager, Lessor shall also provide copies of additional insured endorsements or policy. If the coverage required above expires while this Lease is in effect, Lessor shall provide a renewal certificate to the City for approval.

10. Insurance by City.

The City shall maintain, at its sole cost, throughout the Term and any extensions thereof personal property insurance in an amount to cover any and all loss or damage to the City's personal property located within the Leased Premises.

11. Indemnification by Lessor. The Lessor shall be liable to and hereby agrees 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 there from, 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 Lessor and/or its officials, officers, agents, employees, assigns, guests, invitees, or subcontractors, in the performance of the Lease, whether caused by or contributed to by the negligent acts of the City, its officers, officials, agents, and employees. This paragraph shall survive termination of this Lease.

12. Compliance. The Lessor shall observe and promptly and effectively comply with all applicable statutes, rules, orders, ordinances, requirements and regulations of the City, the County of Dane, the State of Wisconsin, the federal government and any other governmental authority having jurisdiction over the Leased Premises. The Lessor may, if in good faith and on reasonable grounds, dispute the validity of any charge, complaint or action taken pursuant to or under color of any statute, rule, order, ordinance, requirement or regulation, defend against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid any adverse consequence of the same. The Lessor agrees that any such contest shall be prosecuted to a final conclusion as soon as possible and that it will hold the City harmless with respect to any actions taken by any lawful governmental authority with respect thereto.

13. Accessibility. The Leased Premises and Common Areas shall conform where applicable to Chapter Section SPS 361.05 of the Wisconsin Administrative Code, Madison General Ordinance 39.05, and the Americans with Disabilities Act, regarding accessibility. Lessor shall be responsible for all costs of compliance for the Leased Premises and the Common Areas.

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 on forms approved by the City Attorney.