



Legislation Text

File #: 55077, **Version:** 1

Fiscal Note

The proposed resolution authorizes the City IT Department to enter into a lease amendment for a five-year option with the Community Development Authority to lease space at The Village on Park for classroom space. The City shall pay an annual gross rent of \$19,544 in the first year of the five-year option. Annual rent shall increase thereafter by 2.75% annually. Funding for monthly lease payments in 2019 is included in the 2019 Information Technology Adopted Operating Budget. No additional City appropriation is required.

Title

Authorizing the City to enter into a lease amendment with the Community Development Authority of the City of Madison pertaining to the lease of space at The Village on Park used by the City's Information Technology Department. (14th AD)

Body

WHEREAS, the Community Development Authority of the City of Madison (the "CDA") is the owner of The Village on Park, located at 2300 South Park Street; and

WHEREAS, the City of Madison ("Lessee") leases approximately 1,396 square feet of lower level space within The Village on Park for use as classroom space by the City's Information Technology (IT) Department; and

WHEREAS, the CDA and the Lessee are parties to that certain Lease dated February 3, 2009 and recorded February 4, 2009 with the Dane County Register of Deeds as Document No. 4501502, (the "Lease"), as well as that certain First Amendment to Lease dated September 16, 2013 and recorded September 17, 2013 with the Dane County Register of Deeds as Document No. 5025287, (the "First Amendment"); and

WHEREAS, the original term of the Lease was for the period from May 26, 2009 through May 31, 2014, and pursuant to the First Amendment, the Lessee was granted five (5) successive options to extend the term of the Lease for additional terms of one (1) year each; and

WHEREAS, the Lessee has exercised all five renewal options, such that the term of the Lease is currently scheduled to expire on May 31, 2019; and

WHEREAS, the CDA and the Lessee desire to modify the renewal provision of the Lease to allow for one (1) additional option to extend the Lease for an additional term of five (5) years; and

WHEREAS, the terms of an amendment to the Lease have been negotiated between the CDA and the City's

Office of Real Estate Services; and

WHEREAS, the CDA Board shall consider this amendment to the Lease on March 14, 2019.

NOW, THEREFORE, BE IT RESOLVED, in consideration of the foregoing recitals, that the Mayor and City Clerk are hereby authorized to execute on behalf of the City ("Lessee") a lease amendment (the "Second Lease Amendment") to the Lease with the CDA for the purpose of modifying the Lessee's renewal option under the Lease as follows:

1. Paragraph 4 of the Lease, as modified by the First Amendment, is supplemented to include the following:

If, at the end of the fifth (5th) renewal term (i.e., 5/31/2019) the Lessee is not in default under the terms and conditions of this Lease, then the Lessee shall have one (1) option to extend this Lease for an additional term of five (5) years, under the same terms and conditions provided in the original term of this Lease, except that rent shall be subject to adjustment as provided below. The Lessee has provided notice of its desire to renew this Lease per the below terms.

Lease Year of Five Year Option	Annual Rent	Monthly Rent
6/1/2019 - 5/31/2020	\$19,544.00	\$1,628.67
6/1/2020 - 5/31/2021	\$20,081.46	\$1,673.46
6/1/2021 - 5/31/2022	\$20,633.70	\$1,719.48
6/1/2022 - 5/31/2023	\$21,201.13	\$1,766.76
6/1/2023 - 5/31/2024	\$21,784.16	\$1,815.35

2. All other provisions of the Lease remain unchanged and in full force and effect.
3. The Second Amendment to the Lease will be recorded at the office of the Dane County Register of Deeds after it is executed by the parties.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are authorized to execute, deliver and record the Second Amendment to the Lease and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution.