



Legislation Text

File #: 55766, Version: 1

The proposed resolution will result in a 75.2 percent reduction in lease revenue due to the reduction in size of the leased area. Rental income in the year 2019 will be reduced from \$832.85 to \$206.33. Rent will continue to escalate at three (3) percent per year. Rent will be deposited as General Fund revenue (Charge code 63026).

Authorizing the Mayor and City Clerk to execute a First Amendment to the Lease with Deacon Housing LLC for a portion of the City's East Rail Corridor adjacent to 2304-2308 Atwood Avenue. (6th A.D.)

WHEREAS, the City of Madison (the "City") and Deacon Housing, LLC (the "Lessee") are parties to that certain lease recorded with the Dane County Register of Deeds on April 22, 2013 as Document No. 4980686 (the "Lease"); and

WHEREAS, in late 2018 the Lessee made modifications to its parking lot improvement resulting in a reduction of the leased area needed as "Area 2" of the "Leased Premises," as described in the Lease; and

WHEREAS, the City and Lessee desire to amend the Lease to reflect the reduced square footage of Area 2 of the Leased Premises and the corresponding adjustment to rent.

NOW THEREFORE BE IT RESOLVED that the Mayor and City Clerk are authorized to execute a First Amendment to the Lease (the "First Amendment"), subject to the following terms and conditions:

1. Effective as of January 1, 2019, Exhibit C to the Lease shall be deleted in its entirety and replaced with Exhibit C (Revised 2019).
2. Effective as of January 1, 2019, Paragraph 1 of the Lease shall be amended to delete the reference to "625 sq. ft." on line 4 and to insert in its place "42 sq. ft."
3. The rent schedule for Lease Years seven (7) through ten (10) set forth in Paragraph 3.c. of the Lease shall be deleted and replaced with the following:

Lease Year	Period	Annual Rent
7	1/1/19 - 12/31/19	206.33
8	1/1/20 - 12/31/20	212.52
9	1/1/21 - 12/31/21	218.90
10	1/1/22 - 12/31/22	225.46

4. The First Amendment will be recorded at the office of the Dane County Register of Deeds after it is executed by the parties.

5. All other provisions of the Lease shall remain in full force and effect.

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.