



Legislation Text

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Fiscal Note

The proposed resolution extends a lease for storage space at 2713 East Washington Avenue utilized by the Clerk's office. The current term of the agreement ends December 31, 2022. This resolution extends the term until December 31, 2023 and provides additional renewal options through 2026. Costs associated with this space in 2023 are \$13,621 and are included in Clerk's 2023 operating budget request.

Title

Authorizing the City to enter into a Second Amendment to a Lease with MESC, LLC for the property located at 2713 East Washington Avenue for storage space. (15th AD)

Body

WHEREAS, MESC, LLC ("Lessor"), is the owner of the commercial building located at 2713 East Washington Avenue ("Building"); and

WHEREAS, the Lessor and the City are parties to that certain Lease dated December 1, 2016 and recorded December 21, 2016 with the Dane County Register of Deeds as Document No. 5293840; as well as the First Amendment to the Lease dated September 30, 2020 and recorded October 5, 2020 with the Dane County Register of Deeds as Document No. 5644553 (collectively the "Lease"); and

WHEREAS, per the First Amendment to the Lease the City of Madison ("City") leased an additional 1,664 net square feet of the Building as the "Expanded Leased Premises", which is adjacent to space used as storage by the City Clerk. The Expanded Leased Premises is used to store plexiglass screens used at the polls and other items; and

WHEREAS, the term for the Expanded Leased Premises expires on December 31, 2022, and there are no remaining options to renew; and

WHEREAS, the City Clerk would like to continue its use of the Expanded Leased Premises and requested to extend the Expansion Term until December 31, 2023, and to provide for additional renewal options for said space; and

WHEREAS, the terms of a second amendment to the Lease regarding the continued use of the Expanded Leased Premises have been negotiated between the Lessor and the City's Office of Real Estate Services.

NOW, THEREFORE, BE IT RESOLVED, in consideration of the foregoing recitals, that the Mayor and City Clerk are hereby authorized to execute a second amendment ("Second Amendment") to the Lease under substantially, but not exclusively, the following terms:

1. Amend and restate Paragraph 36 of the Lease as follows:

36. Expansion. The City would like to expand into the adjacent suite to the Leased Premises which is approximately 1,664 net square feet as detailed in attached Exhibit C ("Expanded Leased Premises"), for the period from October 1, 2020, through December 31, 2023 ("Expansion Term"), and during any exercised "Expansion Renewal Terms" as defined below. The City shall pay an additional \$1,102.05 per month during calendar year 2022, and an additional \$1,135.11 per month during calendar year

2023 ("Expansion Term Rent") during the Expansion Term for the Expanded Leased Premises.

If, at the end of the Expansion Term, the City is not in default under the terms and conditions of the Lease, then the City shall have: (i) two (2) options of one (1) year each; and (ii) an option for eleven (11) calendar months in 2026 (until the adjacent Leased Premises' Initial Term expires on November 30, 2026) to renew the City's rental of the Expanded Leased Premises (in the singular, "Expansion Renewal Term"; collectively "Expansion Renewal Terms").

If the City exercises any of the Expansion Renewal Term options, then the Expansion Term Rent shall increase to monthly installments for the below time periods as follows ("Expansion Renewal Rent"):

<u>Expansion Renewal Term Time Period</u>	<u>Expansion Renewal Monthly Rent</u>
Calendar Year 2024	\$1,169.16
Calendar Year 2025	\$1,204.23
1.1.2026 to 11.30.2026	\$1,240.36

If the City desires to exercise any of the Expansion Renewal Term options, the City must give notice in writing to the Lessor a minimum of thirty (30) days prior to the expiration of the Expansion Term or of any then exercised Expansion Renewal Term.

At the expiration or termination of the Expansion Term or the last of any exercised Expansion Renewal Terms, the Leased Premises shall revert to the original 3,200 net square feet as defined in Paragraph 1 of the Lease, and no further Expansion Term Rent shall be due.

2. All other provisions of the Lease remain unchanged and in full force and effect, and shall apply to the Expanded Leased Premises during the Expansion Term, and any Expansion Renewal Terms except for Paragraphs 4, 5, and 6 since there are specific terms described above that solely relate to the Expanded Lease Premises.
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 hereby authorized to execute, deliver and record the Second Amendment and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution on a form approved by the City Attorney's office.