

# State of Wisconsin

SENATE CHAIR  
**Howard Marklein**

316 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-0703



ASSEMBLY CHAIR  
**Mark Born**

308 East, State Capitol  
P.O. Box 8592  
Madison, WI 53708-8953  
Phone: (608) 266-2540

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: February 11, 2022

Re: 14-Day Passive Review Approval – DOA

Pursuant to s. 16.84(5)(a), Stats., attached is a 14-day passive review request from the Department of Administration, received on February 11, 2022.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Wednesday, March 2, 2022**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Kathy Blumenfeld, Secretary-designee  
Paula Veltum, Division Administrator

**By E-Mail**

February 10, 2022

FEB 11 2022  
*St. Finance*

Wisconsin State Legislature  
Joint Committee on Finance  
State Capitol Building, Office 305E  
2 East Main Street  
Madison, Wisconsin 53703

Attn: Joe Malkasian (joe.malkasian@legis.wisconsin.gov), Committee Clerk

RE: Notification under Wis. Stat. Section 16.84(5)(a) of Intent to enter into a 7-Year Lease with an annual rent in excess of \$500,000 for use by the Department of Health Services in Milwaukee.

Dear Clerk Malkasian:

This letter, together with the accompanying copy of the above captioned lease (the "Proposed Lease") and a copy of the Department of Administration's (DOA) Real Estate Property Analysis, serves as the official submission by the DOA of the Proposed Lease to the Wisconsin State Legislature Joint Committee on Finance (JCF), as required by the above captioned statute.

Please note that, pursuant to the provisions of Wis. Stat. Section 16.84(5)(a), the JCF has a period of 14 working days from the date this notice is received to notify the Secretary of the DOA that the JCF has scheduled a meeting to review the Proposed Lease. If JCF does not so notify the Secretary within such 14-day period, the DOA may enter into the Proposed Lease.

The State Building Commission (SBC) approved this Lease on February 9, 2022. The DOA Secretary's Office has approved the required submittal to the JCF.

**SUMMARY OF LEASE PROVISIONS**

<b>Tenant</b>	Department of Health Services (DHS) Division of Medicaid Services (DMS)
<b>Location</b>	6101 North 64th Street in Milwaukee, WI
<b>Term</b>	<u>Initial Term</u> : Seven (7) years (with the right to terminate after five years) <u>Renewal Terms</u> : Two 5-year Renewal Options
<b>Early Lease Termination Provision</b>	Lease can be terminated early, at Lessee's discretion, no sooner than October 31, 2027 with a termination fee (full amount of unamortized tenant improvements as of the effective date of the early Lease termination), and with no less than 180 days written notice. In no case shall the lease term be less than five (5) years.

**Rental Rate** \$7.34/sq. ft. (includes all operating expenses, such as services, utilities, taxes, maintenance, and repairs; does not include Amortization)

**Buildout Amortization** \$18.35/sq. ft during initial term

**Rentable Square Feet** 56,166 rentable sq. ft.

**Annual Rent** \$1,442,895.84 (including Buildout Amortization)

**Annual Rent Escalator** 1.75 percent (1.75%) over initial and renewal terms

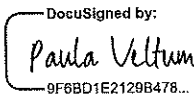
**Funding** FED/GPR, Appropriation 401

**Negotiated By** Gary Mohoney, 608-266-8183

**Building Commission** The lease was approved by the SBC on February 9, 2022.

Please direct any questions in connection with the Proposed Lease to Paula Veltum, Division Administrator, Department of Administration, Division of Facilities & Transportation Services at [paula.veltum@wisconsin.gov](mailto:paula.veltum@wisconsin.gov) or 608-266-3086.

Sincerely,

DocuSigned by:  
  
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Paula Veltum  
Division Administrator  
Department of Administration  
Division of Facilities & Transportation Services

cc: DOA Secretary's Office

**GROSS LEASE**

**THIS LEASE**, made and entered into on \_\_\_\_\_, by and between, CMK 64<sup>th</sup> Street LLC and CMK W2 64<sup>th</sup> Street LLC, as tenants in common, (the "Lessor"), whose address is 2151 North King Drive, Milwaukee, Wisconsin 53212 and the STATE OF WISCONSIN, DEPARTMENT OF ADMINISTRATION (the "Lessee" or "Tenant");

**WITNESSETH**, the parties hereto for the considerations hereinafter mentioned covenant and agree as follows:

1. **PREMISES.** Lessor hereby leases to Lessee and Lessee leases from Lessor the following (the "Premises"):

Approximately 56,166 square feet of office space in Lessor's building, together with access to a loading dock, and all appurtenances and access to Common Areas (as defined herein), located at 6101 North 64th Street in the City of Milwaukee, Wisconsin (the "Building"), which Premises are further described in Exhibits A (aerial photo/site plan), B (floor plan) & C1 (scope of work) attached. The land, Building, and improvements located at 6101 North 64th Street in the City of Milwaukee, Wisconsin shall be referred to as the "Property".

The Common Areas shall be the areas of the Property not regularly and customarily leased for exclusive use of tenants, including but not limited to, any entranceway and vestibules, common hallways and stairs, parking areas, driveways, walks and landscaped areas.

2. **USE OF PREMISES.** Except as otherwise authorized in writing by Lessor, Lessee shall use the Premises as office space for the Department of Health Services or such other state agency that may be designated by Lessee (the Department of Health Services, together with any other state agency, provided that Lessee provides Lessor with prior written notice, shall be referred to herein as the "Lessee" or "Tenant").
3. **TERM.** The lease term hereunder shall be for a period of seven (7) years commencing on November 1, 2022 (the "Commencement Date") and end on October 31, 2029 (the "Termination Date"), subject to extension pursuant to Section 6. In addition, the Lease includes two 5-year renewal options. Note: Lessee shall have the right to terminate the Lease at any time during the 7-year initial term but, no sooner than the end of the fifth (5<sup>th</sup>) lease year (October 31, 2027) by providing Lessor with one hundred eighty (180) days advance written notice.

- a) If the actual Commencement Date differs from the date Lessor actually delivers possession of the Premises to Lessee, the Lessor and Lessee shall execute a 'letter of addendum' which shall designate the exact Commencement Date and the Termination Date of this Lease, such that it shall be a full 7-year term, subject to the right to terminate the Lease as stated above. Notwithstanding anything to the contrary contained herein, Lessor shall not be liable for any delays in the Commencement Date.
- b) State of Wisconsin, Department of Health Services ("Tenant") or Tenant's vendors shall have access to Premises prior to Commencement Date at no charge solely in order to:
- i. Install Tenant provided furniture during Lessor's construction period. Exact timing to be determined by Lessor and Tenant, once Lessor's construction schedule is finalized. Tenant will be responsible for any repairs necessitated by Tenant's access to the Premises prior to the Commencement Date. Further, Tenant and/or Tenant's vendors shall not interfere with Lessor's contractor or agents performing work in the Premises to prepare the Premises for delivery on the Commencement Date or cause an unreasonable delay to the Lessor's construction schedule. Should Tenant and/or Tenant's vendors cause an unreasonable delay to Lessor's construction schedule (through damage to the Premises or otherwise), Lessor's obligations to deliver the Premises will be extended, and notwithstanding the foregoing, Tenant will still be obligated to begin rent payments on the Commencement Date; and
  - ii. Set up the workspace in the Premises so Tenant's operations can begin on the Commencement Date. Tenant shall have access at least four (4) weeks prior to the beginning of the Commencement Date for this purpose.

Tenant shall not make any alterations to the Premises other than those set forth in Sections (b)(i) and (ii).

During Lessor's construction period, Lessor's contractor shall be deemed in charge of the work commencing at the Premises. Should a dispute arise between Lessor's contractor and Tenant and/or Tenant's vendors, the decisions of Lessor's contractor will be controlling.

4. **INITIAL TERM RENTAL.** Commencing on the Commencement Date, the Lessee shall pay the Lessor rent for the Premises during the first year of the initial 7-year Lease term at the following rate: The sum of One

Million Four Hundred Forty-two Thousand Eight Hundred Ninety-five And 84/100 Dollars (\$1,442,895.84) per annum, in equal monthly installments of One Hundred Twenty Thousand Two Hundred Forty-one And 32/100 Dollars (\$120,241.32). The annual rental rate for the first and each subsequent year of the initial term shall be in accordance with the following schedule. Annual increases of 1.75% shall apply to Base Rent, except in lease year 6 (November 1, 2027 – October 31, 2028) when the Base Rent will increase to \$10.50 per square foot.

**Initial Lease Term Rental Rate Schedule**

<b>Begin Date</b>	<b>End Date</b>	<b>Base Rent</b>	<b>Amortization</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>
November 1, 2022	October 31, 2023	\$412,258.44	\$1,030,637.40	\$1,442,895.84	\$120,241.32
November 1, 2023	October 31, 2024	\$419,472.96	\$1,030,637.40	\$1,450,110.36	\$120,842.53
November 1, 2024	October 31, 2025	\$426,813.74	\$1,030,637.40	\$1,457,451.14	\$121,454.26
November 1, 2025	October 31, 2026	\$434,282.98	\$1,030,637.40	\$1,464,920.38	\$122,076.70
November 1, 2026	October 31, 2027	\$441,882.93	\$1,030,637.40	\$1,472,520.33	\$122,710.03
November 1, 2027	October 31, 2028	\$589,743.00	\$1,030,637.40	\$1,620,380.40	\$135,031.70
November 1, 2028	October 31, 2029	\$600,063.50	\$1,030,637.40	\$1,630,700.90	\$135,891.74

The annual rent throughout the entire lease term, including optional extensions, shall be payable in advance in monthly installments as shown above on the first day of each month, except for the month of July during which the monthly installment is not due until the 15<sup>th</sup> day. Said rental payments shall be made to Lessor at the address for notices hereinafter set forth.

- RENEWAL RENTALS.** Provided that the Lessee has not assigned or sublet the Premises and has not defaulted during the Lease term, this Lease may, at the option of the Lessee, be renewed for two successive 5-year periods from and after November 1, 2029 subject to the availability of funds for the payment of rentals, upon the same terms and conditions herein specified, provided written notice be given to Lessor at least 180 days before the Lease would otherwise expire. Note: Lessee shall have the right to terminate the Lease at any time during the renewal terms by providing Lessor with 180 days advance written notice. The annual rental rate for the first and then each subsequent year of the renewal terms, if exercised, shall be in accordance with the following schedule. Annual increases of 1.75% shall apply to each year of the renewal term if exercised.

**If Exercised, First Renewal Term Rental Rate Schedule**

<b>Begin Date</b>	<b>End Date</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>
November 1, 2029	October 31, 2030	\$610,564.61	\$50,880.38
November 1, 2030	October 31, 2031	\$621,249.49	\$51,770.79
November 1, 2031	October 31, 2032	\$632,121.36	\$52,676.78
November 1, 2032	October 31, 2033	\$643,183.48	\$53,598.62
November 1, 2033	October 31, 2034	\$654,439.19	\$54,536.60

**If Exercised, Second Renewal Term Rental Rate Schedule**

<b>Begin Date</b>	<b>End Date</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>
November 1, 2034	October 31, 2035	\$665,891.88	\$55,490.99
November 1, 2035	October 31, 2036	\$677,544.99	\$56,462.08
November 1, 2036	October 31, 2037	\$689,402.02	\$57,450.17
November 1, 2037	October 31, 2038	\$701,466.56	\$58,455.55
November 1, 2038	October 31, 2039	\$713,742.22	\$59,478.52

6. **ASSIGNMENTS, SUBLETTING.** Lessee shall not assign this Lease in any event, and shall not sublet the demised Premises, and will not permit the use of said Premises by anyone other than the Lessee, and the agents, contractors, grantors and grantees, and servants of the Lessee, without prior written approval of the Lessor, which shall not be unreasonably withheld. Notwithstanding any transfer or subletting of the Premises, with or without Lessor's consent, Lessee shall at all times and under all circumstances remain liable to Lessor for the payment of rent due and the performance of all other obligations of Lessee hereunder for the term of this Lease, as extended.

7. **COVENANTS OF LESSOR.** Lessor hereby covenants and agrees with Lessee as follows:

a) Provided Lessee is not in default under this Lease, Lessor warrants that Lessee shall have quiet use and enjoyment of the Premises; that Lessor has complete interest, right in and title to the Premises so as to enable Lessor to enter into this Lease; and that the Premises is not encumbered in any way so as to hinder or obstruct Lessee's proposed use thereof, including no encumbrance or obstruction due to existing easements, zoning ordinances or building restrictions. Lessor shall obtain a certificate of

occupancy or any other authorizations required by local ordinance to regulations, if necessary, prior to Lessee's occupancy.

- b) Lessor shall duly carry out the various obligations and duties imposed upon it at the time and in the manner called for by this Lease.
- c) Lessor shall furnish during the term of this Lease the goods, services and other items listed on Schedule I attached hereto and incorporated by reference.
- d) Lessor shall be responsible for the costs of all improvements necessary to meet and maintain the standards and specifications set forth in Schedules I and II and Exhibits A, B and C1. Lessor shall maintain, at Lessor's expense, the Premises so as to comply with all federal, state and local codes applicable to the Premises, provided that (i) if there is a breach of federal, state and local codes caused by an act of Lessee and/or Tenant, then Lessee and/or Tenant is responsible, in its/ their sole cost and expense, for the repair or alteration required, and (ii) should the applicable code change during the term of this Lease, Landlord is not required to make changes of a capital nature unless such code requires the change be made immediately.

Lessor agrees to complete, at Lessee's sole cost and expense, any reasonable improvements to the Premises which the Lessee requests to improve the health, safety and security of the Premises, which are in excess of code requirements and not required by Schedule I and/or II. Lessee and Lessor shall confirm plans and specifications for such improvements in writing before Lessor is required to commence the construction of such improvements. Upon the forementioned confirmation, Lessee will provide the necessary funds to Lessor for the completion of the requested improvements, with such funds subject to non-refundability should Lessee later request the improvements be altered or removed.

- e) In connection, with the performance of work under this Lease, the Lessor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s. 51.01(5), sexual orientation, or national origin. This provision shall include, but not be limited to, the following; employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of



compensation and selection for training, including apprenticeship. Except with respect to sexual orientation, the Lessor further agrees to take affirmative action to ensure equal employment opportunities. The Lessor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the Lessee, setting forth the provisions of the non-discrimination clause.

- f) Pursuant to 2019 Wisconsin Executive Order 1, Lessor agrees it will hire only on the basis of merit and will not discriminate against any persons performing under a contract, subcontract or grant because of military or veteran status, gender identity or expression, marital or familial status, genetic information or political affiliation.
- g) Lessor is required to provide a written Affirmative Action Plan acceptable under Wisconsin Statutes and Administrative Code if the rent is fifty thousand dollars (\$50,000) or more per year and the Lessor employs fifty (50) or more employees. The Lessor must have a plan on file or submit a plan for approval, within fifteen (15) working days after the execution of this Lease, to the Department of Administration, Division of Enterprise Operations, whose address and phone number are listed at the bottom of the enclosed Form DOA-3269. Instructions and technical assistance in preparing the plan are available from the Department of Administration, Division of Enterprise Operations and will be forwarded to the Lessor upon presentation of State of Wisconsin Form DOA-3269 attached hereto. Failure to comply with the conditions of this Item may result in the Lease being declared "Null and Void," the Lessor being declared "ineligible," or the withholding of rental payment until such time, as the above cited plan is accepted.
- h) Lessor as part of this Lease certifies that to its knowledge both the Premises and the Building of which the Premises are a part do not contain any asbestos bearing material which is unsafe or which is not encapsulated. If during Lessee's occupancy of the Premises such asbestos bearing material is found, and Lessor has been notified by the Lessee that such asbestos bearing material exists, the Lessor shall within fourteen (14) days after receipt of such notice, be required to take such action as may be necessary to encapsulate or remove the asbestos bearing material. Upon determination that unsafe or un-encapsulated asbestos bearing material exists, Lessee may at its option vacate the Premises until such time as the material has been encapsulated or removed to the satisfaction of the Lessee. If Lessee

vacates the Premises during the encapsulation or removal process, the Lessor shall reimburse Lessee for all move related costs. No rent shall accrue to the Lessor during the period of time Lessee is not in occupancy of the Premises. In the event Lessor fails to encapsulate or remove the asbestos bearing material within the time specified, this Lease may be cancelled by the Lessee and Lessor shall thereafter not have any claim against Lessee on account, of the cancellation of this lease.

- i) Lessor attests that space covered by this Lease is not owned by a state public official or state employee as defined in section 19.45, Wisconsin Statutes and Chapter ER-MRS 24 of the Wisconsin Administration Code, nor is the Lessor a business in which a state public official or state employee has any ownership, monetary or fiduciary interest.
- j) For the purposes of this Lease, "Hazardous Materials, Substances, or Air Pollutants" shall include any and all substances, materials, waste, or air pollutants determined currently as hazardous or capable of posing a risk of injury to health, safety, or property by any Federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree. Lessor attests, to its knowledge, that the Premises are free of any hazardous materials, substances, or air pollutants as defined above, other than those supplies utilized in the ordinary course of business or materials incorporated into the Building, and Lessor will now and forever after the termination of this Lease, hold Lessee harmless and indemnify the Lessee from and against any, and all claims, liability, damages or costs arising from or due to the presence of hazardous materials, substances, or air pollutants as defined above, directly caused by Lessor to the Premises, except liability resulting from Lessee's use and occupancy of the Premises.

If during Lessee's occupancy of the Premises such hazardous materials, substances, or air pollutants are found, Lessor shall as soon as possible after receipt of notice take such action as may be necessary to render the Premises safe.

Upon determination by Lessee that unsafe hazardous materials, substances, or air pollutants as defined above affecting Lessee's quiet enjoyment of the Premises exists, the Lessee may vacate the Premises until such time, as the hazardous materials, substances, or air pollutants have been repaired or remediated to the satisfaction of Lessee. If Lessee vacates the Premises during the repair or remediation

process, the Lessor shall reimburse the Lessee for all related or relocation costs and rent shall abate during the period of time the Lessee is not in occupancy of the Premises. In the event the Lessor fails to repair or remediate the hazardous materials, substances, or air pollutants as soon as practicable as determined by the Lessee, the Lease may by written notice to Lessor be cancelled by the Lessee and the Lessor shall thereafter not have any claim against the Lessee due to the cancellation of this Lease.

Lessor will promptly advise Lessee in writing of any actions or claims relating to any hazardous materials, substances, or air pollutants on the Premises. If Lessor has conducted or conducts any testing for hazardous materials, substances, or air pollutants on the Premises before or during the term of the Lease, then Lessor shall provide a copy of any test results to Lessee. Lessee, at its own expense, may also conduct such testing as it deems appropriate on the Premises.

Lessee shall comply with all applicable federal, state and local environmental laws, ordinances and all amendments thereto and rules and regulations implementing the same, together with all common law requirements, which relate to discharge, emissions, waste, nuisance, pollution control, hazardous substances and other environmental matters as the same shall be in existence during the term with respect to Lessee's use of the Premises. Lessee shall not cause or permit any Hazardous Materials, Substances, or Air Pollutants to be brought upon, kept or used in or about the Premises.

- k) In the event of any water damage to the Premises and/or common areas, Lessor agrees to begin the process of addressing the damage within a reasonable time period after discovery or notification, and shall endeavor to cause any water damaged (saturated, water spotted and/or dirty) materials to be dry within forty-eight (48) hours of the time of discovery of such damage.
- l) Lessor agrees to provide prior notification and provision of Safety Data Sheets (SDS) if applicable to the Tenant on-site staff when any construction, renovation, maintenance, repairs, remodeling or cleaning work will be done within the Building of which the Premises are a part of by the Lessor, contractors or other representative of the Lessor.
- m) In the event that Lessor defaults under any covenant or agreement contained in any paragraph or provision of this Lease, such default shall constitute a material default of the Lease, and shall entitle the

Lessee to terminate this lease, PROVIDED, that prior to such termination, the Lessee shall notify the Lessor in writing of the nature of the default and shall grant the Lessor a period of thirty (30) days from the date of service of such notice to remedy or cease such act of default, and upon such remedy or cessation by the Lessor within said thirty (30) days, the Lessee shall waive the right to terminate for such default. In the event the act of default is such that it cannot be remedied within said thirty (30) day period, Lessor may have such additional time as necessary to correct the default, provided that Lessor diligently commences remedying the default within the aforementioned thirty (30) days, and Lessee shall waive the right to terminate for such default if corrective actions are commenced within such period and diligently pursued to completion by the Lessor. Notwithstanding the foregoing, in the event such default is not cured by Lessor, or commenced to be cured, as applicable, within such thirty (30) day period, then Lessee shall have the right (but not the obligation) to cure Lessor's default and Lessor, within thirty (30) days after receipt of Lessee's bill therefor, shall reimburse Lessee the reasonable costs incurred by Lessee in curing Lessor's default.

- n) Lessor shall be responsible for paying to taxing authority the real estate taxes and any assessments on the Premises.

8. **COVENANTS OF LESSEE.** Lessee hereby covenants and agrees with Lessor as follows:

- a) Lessee does hereby covenant, promise, and agree to pay the rent in the manner hereinbefore specified, and to duly comply with all other provisions of this Lease at the time and in the manner herein provided.
- b) At the expiration of this Lease or any renewal thereof, the Lessee will return the Premises to the Lessor in as good condition as they were at the time the Lessee went into possession, ordinary wear, damage by the elements and fire excepted and Lessee shall make repairs to the Premises consistent with the obligations outlined herein. All alterations, improvements, or additions made to the Premises by Lessee, including but not limited to the installation of cabling for data and phone lines, shall remain and be the property of Lessor unless Lessor requires that Lessee, at Lessee's expense, remove any or all alterations, improvements, or additions and repair the damage caused by such removal no later than the date of termination of this Lease. All furniture, equipment and unattached movable personal property

owned by Lessee may (and upon Lessor's request shall) be removed from the Premises by Lessee no later than the date of termination of this Lease, and Lessee shall repair any and all damage caused by such removal. Lessee shall also surrender all keys to the Premises and shall inform Lessor of combinations in any locks, safes and vaults, if any, in the Premises. It is mutually agreed, in consideration of the rent to be paid and other conditions of this Lease, that the Lessee shall not be responsible for damage to the Premises by fire (unless such damage by fire is due to Lessee's negligence or willful misconduct).

- c) Tenant will not make or permit anyone to make any alterations, improvements or additions in or to the Premises, without the prior written consent of the Department of Administration, as Lessee, and the Lessor. Lessor may refuse to grant such consent for any reason, or may grant such consent subject to such conditions as Lessor may deem appropriate.
- d) Lessee shall be in default under this Lease if any of the following occur: (a) if Lessee shall be late in the payment of any rent or any other sum of money payable by Lessee to Lessor and if Lessee shall fail to cure said late payment within (30) days after receipt of notice of said late payment from Lessor, provided that Lessor shall only be required to send written notice to Lessee for a late payment or rent or any other sum of money payable under this Lease once every calendar year, or (b) if Lessee shall be late in the performance or observance of any other agreement or condition in the Lease to be performed or observed, or if Lessee shall act in a way prohibited by this Lease, and if Lessee shall fail to cure said late performance, observance, or prohibited action within thirty (30) days after receipt of notice from Lessor of said late performance, observance, or prohibited action (unless Lessee commences to cure said late performance, observance, or prohibited action within (30) days after receipt of notice thereof and expedite the curing of the same to completion with due diligence, providing that such cure period shall not exceed a period of sixty (60) days regardless of whether Lessee commenced curing within such initial thirty (30) day period). If Lessee is in default under the Lease, then Lessor may, upon notice to Lessee, recover possession of and reenter the Premises without affecting Lessee's liability for past rent and other charges due or future rent and other charges to accrue hereunder. In the event of any such default, Lessor shall be entitled to recover from Lessee, in addition to rent, additional rent, if any, and other charges equivalent

to rent, all other damages sustained by Lessor on account of the breach of this Lease, including, but not limited to, the costs, expenses and reasonable attorney fees incurred by Lessor in enforcing the terms and provisions hereof and in reentering and recovering possession of the Premises and for the cost of repairs, alterations, and brokerage and reasonable attorney fees connected with the reletting of the Premises. As an alternative, at the election of Lessor, Lessor shall have the right to declare this Lease terminated and canceled, without any further rights or obligations on the part of Lessor or Lessee (other than Lessee's obligation for rent, additional rent and other charges due and owing through the date of termination), so that Lessor may relet the Premises without any right on the part of Lessee to any credit or payment resulting from any reletting of the Premises. In case of a default under this Lease, Lessor may, in addition to terminating this Lease, or in lieu thereof, pursue such other remedy or combination of remedies and recover such other damages for breach of tenancy and/or contract as available at law or otherwise. Lessor may, but shall not be obligated to, cure any default by Lessee.

e) Subject to Section 8(b), Lessee agrees that any Improvements to the Premises made by Lessor for the benefit of Lessee shall be the property of Lessor. Such improvements exclude any of Lessee's system furniture, conventional furniture and all other Lessee personal property to be removed by Lessee at the termination of this Lease.

9. **INSURANCE.** Lessor agrees to procure and maintain, during the term of this Lease, property and casualty insurance for the building containing the Premises. Lessor also agrees to procure and maintain, during the term of this Lease, commercial general liability insurance in the amount of not less than **\$1.0 million each occurrence and \$2.0 million general aggregate**. Under all conditions noted above, general aggregate limits are to apply on a per location basis. In addition, Lessor shall provide upon signing of the lease and thereafter annually, a Certificate of Insurance to Lessee evidencing such coverage by date of occupancy. When coverage requirements are \$2.0 million or greater, Lessee shall also be named as additional insured. The State of Wisconsin Self-Funded Liability and Property Programs protect the Lessee. Wisconsin Statutes provide funds to pay property and liability claims.

10. **HOLD HARMLESS.** Lessor agrees to protect, indemnify and save the State of Wisconsin harmless from and against any, and all claims, and against any and all loss, cost, damage or expense, including without limitation

reasonable attorneys' fees, arising out of any negligent acts of Lessor its invitees or agents, or any failure of Lessor in any respect to comply with and perform all the requirements and provisions of this Lease.

Lessee shall provide liability protection for its officers, employees and agents while acting within the scope of their employment. Lessee further agrees to indemnify and hold harmless the Lessor for any, and all liability, including claims, demands, losses, costs, or damages to persons or property arising out of, or in connection with, or connection with the Lease, where such liability is founded upon or grows out of acts or omissions of any of Lessee's officers, employees or agents while acting within the scope of their employment, where protection is afforded by ss. 893.82 and 895.46(1), Wis. Stats.

11. **MAINTENANCE.** Lessor shall maintain the Premises in good repair and tenantable condition, and as required by s. 704.07, Wis. Stats., throughout the term of the Lease, except in case of damage arising from a willful act or the negligence of the Lessee's agents or employees. For the purpose, of so maintaining the Premises, Lessor reserves the right at reasonable times to enter and inspect the Premises and to make any necessary repairs thereto.
12. **DAMAGE OR DESTRUCTION.** In the event the Premises are partially damaged or destroyed by fire or other casualty or happening such that Lessee may continue to use a part of the Premises, Lessor shall repair such damage and restore the Premises to its condition immediately prior to said damage or destruction, except for any improvements made by Lessee within the Premises, and only in the event Lessor receives sufficient insurance proceeds to perform the same. In such event, the rental and any other obligations of Lessee payable hereunder shall abate proportionally by the ratio that the damaged area bears to the total area of the Premises. In no event shall Lessor be obligated to expend an amount in excess of the insurance proceeds available to Lessor for such repair or restoration.

In the event the Premises are damaged or destroyed such that Lessee is unable to occupy the Premises (untenantable) without undue hardship and/or disruption of its business, Lessee may elect to terminate this Lease by providing Lessor written notice of such termination within 14 days after such damage or destruction, and, in that event, all rent and other obligations of the Lessee hereunder shall terminate as of the date of such damage or destruction. In the event the Premises are untenable and Lessee does not elect to terminate

this Lease, Lessor shall proceed to rebuild and restore the Premises to its condition immediately prior to said damage or destruction. In the case of Lessee's election not to terminate, all rent and other obligations of the Lessee hereunder shall abate from the date of untenability until the date Lessee retakes possession of the Premises. In the event Lessor fails to diligently commence the restoration within 180 days from the date of the damage, Lessee may terminate this Agreement by written notice to Lessor within fifteen 15 days after receipt of Lessor's notice estimating the time period for restoration, and this Lease shall terminate on the 30<sup>th</sup> day following Lessee's notice of termination. The provisions of this section are subject to the rights of any mortgagee on the Property.

**13. NOTICES.** Notice in writing referred to herein shall not be construed to mean personal notice, but such notice shall be given in writing, by certified mail, return receipt requested, post prepaid or by Federal Express or other nationally recognized overnight delivery service, to the parties last known address indicated below. Such notice shall be deemed to be given at the time when the same shall be thus mailed. Such notices provided hereunder shall be addressed as follows:

If to Lessor:     CMK 64<sup>th</sup> Street LLC and CMK W2 64<sup>th</sup> Street LLC  
                          c/o A. C.H. Coakley, Inc.  
                          1400 N. 113<sup>th</sup> Street  
                          Wauwatosa, WI 53226

Rent sent to:     Same as above

If to Lessee:     State Leasing Officer  
                          Wisconsin Department of Administration  
                          101 E. Wilson Street, 7<sup>th</sup> Floor  
                          P.O. Box 7866  
                          Madison, WI 53707-7866

**14. FUNDING.** The payment of rents under this Lease is subject to the availability of funds that may lawfully be used for such payment. As a result, the Lease does not constitute the contracting of public debt under Article VIII, Section 4 of the Wisconsin Constitution. The continuation of this Lease beyond the limits of the funds already available is contingent upon the future availability of funds to support the payment of rent for the programs housed in the facility covered by this Lease. In the event, such funding is not made available to the program or programs involved, the Lessee may at its option and upon sixty (60) days prior written notice to the Lessor, terminate this Lease ("Early Termination Date"). If Lessee exercises its right under this section,



then (i) this Lease shall terminate on the Early Termination Date; and (ii) Lessee shall remove and vacate from the Premises and surrender possession of the Premises to Lessor in the condition specified in the Lease on the Early Termination Date, and the performance of all other provisions of the Lease through and including the Early Termination Date (including but not limited to payment of the full amount of unamortized tenant improvements as of the effective date of the Early Termination Date further described in Section 28 of this Lease).

**15. Intentionally left blank.**

**16. BROKERS.** Lessor and Lessee represent and warrant to each other that they have had no dealings with any broker or agent, except Andrew Schmidt with The Alexander Company (“Lessor’s Broker”), in connection with this Lease. Lessor’s Broker shall be paid by Lessor pursuant to a separate agreement. Except for Lessor’s Broker, Lessor and Lessee agree to hold the other harmless from any claims made by anyone for any compensation, commissions and charges claimed with respect to this Lease or the negotiations thereof.

**17. HOLDING OVER.** If Lessee holds over after the term hereof, with or without the express written consent of Lessor, such tenancy shall be from month to month only, with no renewal hereof or an extension for any further term, and in such case basic monthly rent, excluding amortization. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein, except for rent which shall be paid as follows, in addition to additional rent, if any:

First month of holdover	105% of the last monthly rent during the term
Second month of holdover	110% of the last monthly rent during the term
Third month of holdover	115% of the last monthly rent during the term
Fourth month of holdover	120% of the last monthly rent during the term
Fifth month of holdover	200% of the last monthly rent during the term

Notwithstanding the foregoing, if Lessee holds over after the Termination Date and if the parties are in good faith negotiations to extend the Lease term, then monthly rent shall be payable at the rate during the last month of the term hereof, in addition to any additional rent. If after the fourth month of holdover the parties have not executed an amendment extending the term of the Lease, then rent for the fifth month of holdover,

of any subsequent month after good faith negotiations cease, as applicable, shall be equal to two hundred percent times the last monthly rent during the term, in addition to additional rent, if any. Further notwithstanding anything to the contrary contained herein, after the fourth month of holdover, Lessor shall retain the right to seek immediate eviction of Lessee and/or be entitled to consequential damages for holdover if Lessee's holdover continues for a period in excess of four (4) months after the Termination Date.

**18. SUBORDINATION.** This Lease shall be subordinate to any and all mortgages now or hereafter placed against the Property, Building and/or Premises by Lessor, without the necessity of the execution of any further instruments on the part of Lessee, provided that any subordination shall be conditioned upon such mortgagee recognizing the rights of Lessee under this Lease so long as Lessee is not in default beyond any applicable cure period. Lessee agrees to execute and deliver such further instruments evidencing such subordination of this Lease to the lien of any such mortgages as may be required by Lessor, provided the foregoing nondisturbance provisions are included.

**19. FORCE MAJEURE.** In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, riots, insurrection, war, acts of God, inclement weather, restrictive governmental laws, regulations, orders or decrees, or other reason beyond that party's reasonable control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, providing that nothing contained herein shall be deemed to excuse or delay Lessee's obligation to pay rent, additional rent, or any other monetary obligations of Lessee hereunder.

**20. EMINENT DOMAIN.** In the event the entire Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Lessee shall then be released from any liability thereafter accruing under this Lease, except those obligations that survive the termination of this Lease.

In the event a portion of the Premises shall be so appropriated or taken and the remainder of the Property shall not be suitable for the use then being made of the Property by the Lessee, or if the remainder of the

Property is not one undivided parcel of property, Lessee shall have the right to terminate this Lease as of the date of the taking on giving to Lessor written notice of termination within thirty (30) days after Lessor has notified Lessee in writing that the property has been so appropriated or taken.

In the event of the termination of this Lease by reason, of the total or partial taking of the Premises by eminent domain, then in any such condemnation proceedings, Lessor and Lessee shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result of the condemning or taking.

**21. CONSTRUCTION OF IMPROVEMENTS.** On or before the Commencement Date, unless such date is extended by mutual written consent, Lessor shall complete or cause to be completed certain improvements within the Premises, all as more specifically set forth in Exhibit B (floor plan), Exhibit C1 (scope of work), and Exhibit C2 (work letter) attached hereto and incorporated by reference. Lessee, through its authorized agents only, may, at its option, revise said building improvements prior to commencement of construction and request changes during construction, provided, however, that such changes must first be approved by Lessor. The method and amount of payment by Lessee for any increase or decrease in costs, if applicable, resulting from said changes in construction shall be negotiated between parties and documented in writing at the time of said requested changes.

**22. LESSEE COSTS.** Lessee shall be responsible for the monthly phone and data costs for the Premises.

**23. CAPTIONS.** The item captions contained herein are for convenience only and do not define, limit, or construe the contents of such items, paragraphs, or sections.

**24. AUTHORIZATION, BINDING EFFECT.** This Lease, together with all amending instructions subsequent thereto (collectively, the "Lease"), is not valid or effective for any purpose until approved by the Governor or his delegate, the Secretary of the Department of Administration, and no work is authorized until the Lease is fully executed.

**25. WAIVER.** The rights and remedies of either party under this Lease, as well as those provided or accorded by law, shall be cumulative, and none shall be exclusive of any other rights or remedies hereunder or allowed by law. A waiver by either party of any breach or breaches, default or defaults, of the other party hereunder shall

not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default.

- 26. CHOICE OF LAW.** This Lease shall be governed by and construed and interpreted in accordance with the laws of the State of Wisconsin.
- 27. EXECUTED LEASE.** This Lease when fully executed shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the parties hereto.
- 28. MISCELLANEOUS PROVISIONS.** Lessor shall deliver the Premises in "turnkey" condition. Lessee shall reimburse Lessor for the cost of Lessor's work up to \$6,500,000.00 (see Exhibits C1 and D attached hereto and incorporated by reference), payable in equal monthly payments of \$85,886.45 over the initial 7-year term. In the event Lessee elects to terminate the Lease prior to the end of the initial Lease term, or should this Lease be terminated due to Lessee default, Lessee shall pay Lessor the full amount of unamortized tenant improvements as of the effective date of the early Lease termination. Lessor agrees to fully disclose all tenant improvement costs and work with Lessee and Lessor's vendors (contractor, sub-contractors) in good faith in order to "value engineer" the tenant improvement costs. Lessor and Lessee agree that any and all cost reductions of the tenant improvements will be documented in a letter of addendum and the monthly payments referenced above will be reduced, accordingly. Lessee shall provide and install all furniture and Lessor shall assist with the furniture installation to include the installation of the furniture's electrical components (whips), wiring of phone/data to the furniture and final terminations of phone/data connections. Upon Termination of the Lease, Lessee shall be responsible for removal of Lessee's furniture.
- 29. ESTOPPEL CERTIFICATES.** Lessee agrees that at any time and from time to time upon not less than 15 days prior request of Lessor, Lessee shall execute, acknowledge and deliver to Lessor a statement in writing certifying (a) that, if true, this Lease is unmodified and in full force and effect (or if there have been modifications, specifying the same), and (b) the dates to which the rent, additional rent, and other charges have been paid, and (c) that, so far as the Lessee knows, Lessor is not in default under any provisions of this Lease (of if Lessee knows of any such defaults, specifying the same) and (d) such other matters as Lessor or any mortgagee of the Property may reasonably require.

30. **COSTS AND ATTORNEY FEES.** Lessee shall pay all costs, expenses and reasonable attorney fees that may be incurred or paid by Lessor in enforcing the covenants and agreements of this Lease, whether or not litigation is commenced. Lessor shall pay all costs, expenses and reasonable attorney fees that may be incurred or paid by Lessee in enforcing the covenants and agreements of this Lease, whether or not litigation is commenced.

31. **ENTIRE AGREEMENT.** This Lease constitutes the entire agreement between the parties with respect to its subject matter and constitutes and supersedes all prior agreements, representations and understandings of the parties, written or oral.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names as of the date of the last signature below.

LESSOR:

CMK 64<sup>th</sup> Street LLC

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

Dated: \_\_\_\_\_

CMK W2 64<sup>th</sup> Street LLC

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

Dated: \_\_\_\_\_

LESSEE:

State of Wisconsin, Department of Administration

By: \_\_\_\_\_

CHRIS PATTON  
DEPUTY SECRETARY  
DEPARTMENT OF ADMINISTRATION

Dated: \_\_\_\_\_

File No. 435-004

### Schedule I

The Lessor, **at Lessor's cost**, shall furnish to the Lessee during the term of this Lease, as part of the rental consideration, the following:

1. The environmental control system shall maintain a comfortable humidity level and temperatures for an estimated use of 60 hours per week as follows:

Summer	Winter
76 Degrees (+/- 2 <sup>o</sup> )	70 Degrees (+/- 2 <sup>o</sup> )
50% Humidity Level (+/- 10%)	25% Humidity Level (+/- 5%)

The temperature range during unoccupied times (generally 6 p.m. to 6 a.m.) may be varied by up to +/- 10<sup>o</sup> of the above temperatures.

2. Provide, maintain and service heating, air conditioning, plumbing and ventilating equipment as per manufacturers and/or installers recommendations.

Must be compliant with State of Wisconsin Administrative Codes SPS 363 and 364, and ASHRAE 62.1-2016, in addition to all other applicable Federal, State, and local codes. Relative to ventilation codes, where SPS 364 and ASHRAE 62.1-2016 conflict, apply SPS 364 to existing HVAC and ASHRAE 62.1-2016 to new HVAC equipment selections ensuring in all circumstances, that HVAC ventilation requirements will always meet or exceed State of Wisconsin Administrative Code SPS 364 minimum guidelines.

Lessor shall meet the following requirements:

- a) All new HVAC units and equipment installed shall be high-efficiency type; gas-fired heating is required in all new construction.
- b) All rooms shall have sufficient air movement to meet the Wisconsin code for air exchanges and CFM for office space and have adequate zoning in order to maintain the humidity and temperatures as listed above.
- c) Provide a fully ducted supply and plenum return HVAC system with adequate zoning.
- d) All new exterior walls and ceilings must meet minimum insulation code requirements.
- e) Provide perimeter heating for exterior walls if required to meet seasonal set-points.
- f) Provide space heating for airlocks and lobbies, if necessary.
- g) Change air-handling equipment filters quarterly.
- h) Provide automatic temperature adjustment capability for unoccupied modes.
- i) Provide separate venting/fans for restrooms.
- j) Provide an approved "Test and Balance" report, for newly constructed and/or remodeled space, which is taken and completed after the space is fully occupied and the construction and/or remodeling projects are completed.
- k) Placement of thermostats throughout the Premises must be coordinated with the installation of furniture to avoid having the thermostats blocked.
- l) Thermostat locations in all enclosed rooms to be above light switch unless zoning does not allow.
- m) The use of non-tenant adjustable thermostats or locking thermostat covers.

3. Install and maintain fire extinguishers according to any governmental building code and Underwriters Laboratories (UL) recommendations.

4. Provide safe drinking water with hot and cold running water for restrooms, counter sinks, and janitorial facilities. Such drinking water shall meet minimum State of Wisconsin Drinking Water Quality Standards.

5. All areas to have designed lighting levels based on the Illuminating Engineering Society of North America (IES) lighting handbook (latest version). Also, refer to the Lighting section in Schedule II.

6. Provide keys for all of Tenant's staff and supervisors, as requested by Tenant.
7. Provide Water and Sewer & Heat and Air conditioning.
8. Provide electricity for lights and other electrical equipment necessary for operation of the Premises.
9. Furnish, install, and replace during the term of this Lease and any extension thereof, light bulbs, LED tubes, starters, ballasts, or transformers throughout the Premises, including furniture task lighting.
10. All demised and common areas of the facility and exterior areas, including parking, utilized under this lease, including restrooms and any elevator(s) **must meet all requirements of new construction** for accessibility, health, and safety standards in compliance with and in accordance with Wisconsin Administrative Code, Chapters SPS 332, 361-365, and the ANSI A117.1. ANSI Regulations will take precedence over Wisconsin Administrative Codes, except when such codes shall be equal to or exceed the ANSI Regulations. All elevators shall meet the Wisconsin Administrative Codes, SPS 318 and SPS 362 and ANSI A117.1.
11. Furnish building occupancy or use permit(s) if required.
12. Provide walk-off mats at each entrance. Replace as needed when worn.
13. Furnish all necessary janitorial and maintenance equipment and supplies for restrooms including soap, towels, and toilet tissue.
14. Lessor is to provide all services, supplies and equipment required to clean and keep clean all areas of the building, sidewalks, parking areas, and grounds. This includes, but is not limited to, the plowing and removal of snow, ice removal and salting, removal of trash, pest control and the proper disposal of recyclable materials separated by Lessee. Proper disposal of materials shall comply with sections 16.15(3) and 287 Wis. Stats., which require recycling the following items: aluminum containers, corrugated paper or other container board, foam polystyrene packaging, glass containers, magazines, newspaper, office paper, plastic containers, steel containers, and waste tires. Lessor shall provide a central collection area and separate collection containers as require for the deposit of all such recyclable and non-recyclable waste generated at the leased premises. Lessor and Lessee further agree to comply with all applicable municipal recycling requirements adopted under section 287.13, Wis. Stats.
15. Lessee shall retain the right to do background checks at any time and reserves the right to approve or disapprove permission to enter the Premises of any vendor, contractor, or others.
16. Janitorial Services: The following is a list of required activities to be performed at least as often as indicated. While this list may omit some minor activities, it is the intent of this list to promote a building with a High Standard of Cleanliness.

AREA AND FREQUENCY INDICATION:

DAILY

- a) All Common Areas (Entrances/ Hallways/ Stairways/Snack or Break Area/Janitor Closet/Storeroom/etc.) - Clean glass in doors and metal framework; Empty/clean exterior ashtrays, waste containers and replace can liners; Sweep, mop floor, steps, landings, etc.; Vacuum carpet and walk-off mats and remove spots/stains; Clean, de-scale and polish water fountains; and spot clean walls and doors.
- b) Restrooms - Clean and disinfect dispensers, sinks, toilets, urinals and polish bright work.
- c) Office Areas - Empty waste containers and replace can liners, if used; Dust and/or damp wipe accessible furnishings, fixtures, vents and sills; Spot clean doors, walls and sidelights; Sweep/mop floors; and vacuum carpet and remove spots/stains.

ONCE-WEEKLY

- a) Restrooms - Clean inside toilet bowls and urinals; and damp wipe walls.
- b) Offices - Common Areas - Dust and/or damp wipe furnishings, moldings, handrails, fixtures, etc. Clean/disinfect and polish brightwork.



c) Offices - Vacuum upholstered furniture; and edge-vacuum carpet

SEMI-ANNUAL

- a) Resilient/Hard floor Areas - Strip, seal and refinish floors in spring and fall.
- b) Carpet Areas - Wet extract carpet and apply soil retardant in spring and fall.
- c) Restrooms - Wash walls, ceilings, doors and partitions in winter and summer.
- d) Windows - Wash windows and storms both inside and outside and vacuum screens in spring and fall.
- e) Light Fixtures - Clean fixtures and diffusers.
- f) Air Vents - Clean supply air diffusers and return air grilles.

PUBLIC HEALTH EMERGENCY CLEANING

In addition to the forgoing cleaning requirements, in the event that the federal, state, or applicable local government issues an order or declares a public health emergency in the geographic region encompassing the Premises to prevent the spread of a communicable disease, Lessor shall perform any applicable additional cleaning measures recommended by such authority(ies) to prevent the spread of a communicable disease, including, without limitation, changes to the frequency or scope of cleaning and the use of cleaning chemicals meeting particular standards. In addition, Lessor shall, in the event of such an order or declaration of a public health emergency, direct all of its staff and contractors (including, but not limited to, janitorial staff and contractors) to comply with any reasonable precautions recommended by such authority(ies) in order to prevent the spread of a communicable disease. The foregoing additional cleaning measures and precautions shall be required for the duration of the declared public health emergency or for the period specified in such order, and for such reasonable time thereafter as Lessee may request.

Lessee will reimburse Lessor for the reasonable out-of-pocket cost to Lessor of the additional cleaning above the base cleaning required under this Lease after receipt by Lessee of paid written invoices that detail the additional charges. Such invoices shall be submitted regularly by Lessor, but in no event more frequently than monthly, nor less frequently than every three months.

17. Provide;

- a) Approximately 250 parking stalls for staff and clientele, located at and/or within five (5) blocks of the facility, code-compliant ADA parking including one van-accessible stall near the entrance to the facility and three onsite, secure 24/7 stalls for fleet vehicles monitored by CCTV camera system.
- b) Signage for Handicapped designed parking stalls,
- c) Loading dock with sufficient loading and unloading, including use by semi-trailers. Loading dock must have a pneumatic dock levelers. Dock entrance to have an intercom with video screen, connected to a security desk and mail room.
- d) Space for short-term parking for loading/unloading of passenger and delivery vehicles at both the main entrance and the loading dock.

18. Provide snow and ice control and removal. Snow and ice will be removed from designated walking surfaces on Lessor controlled parking lots and sidewalks on building grounds by 6:30 AM each working day and 9:00 AM on non-working days. These walk areas shall be maintained in a reasonably slip resistant condition and passable for people with disabilities (i.e., individuals who use walkers, canes, crutches, wheelchairs, etc.). Walking surfaces will be maintained snow and ice free during working hours. Particular attention shall be paid during on-going snowfalls, ice storms or when melting snow and ice re-freezes on walking surfaces.

In the event that the Lessor fails to remove the snow and ice from the leased facility in accordance with the terms of the paragraph above, the Lessee may cause the same to be done and deduct the cost of such snow and ice removal from the rent due the Lessor.

Lessee's removal of snow and ice shall not release Lessor of liability or obligation under the provisions of this lease or any law or regulation.

19. Lessor agrees to construct and/or remodel and equip the building in accordance with State and local building codes, in accordance with mutually agreed upon plans attached hereto.

20. Upon Lessee's execution of the second renewal option under paragraph 5 of the Lease, Lessor will at Lessor's cost, repaint and re-carpet the Premises. Lessor shall complete the repainting and re-carpeting by a mutually agreed upon date, but not later than twelve (12) months from the date of Lessee's execution of the first renewal option. Lessor at Lessor's sole cost is responsible for moving Tenant's furniture and equipment to accommodate the repainting and re-carpeting of the Premises. Carpet and paint color selections must be mutually agreed to by Lessor and Lessee, in writing.

If for any reason the Premises is not re-carpeted and/or repainted as provided herein, the Lessor shall provide the Lessee with a rent credit for these avoided costs. The credit shall be equal to the sum of \$6.50 per square foot for re-carpeting and \$1.75 per square foot for repainting, subject to annual increases of 1.75% beginning with the second year of the initial lease term. In the event, that Lessor partially re-carpets or repaints the Premises, as provided herein, the credit shall be reduced by any actual costs incurred. This credit shall be applied against Lessee's monthly rent beginning in the thirteenth month following Lessee's execution of the renewal option under paragraph 5 of the Lease. Lessor may not choose on its own to not perform the above work in order to avoid Lessor's obligation. The credit calculation above does not limit Lessor's cost of this work.

21. Provide the Premises with a fire alarm and detection system that complies with all State building codes, International building code (IBC) and Local building codes and integrated into the CCure 9000 building security system. In the event the Premises are not required to have a fire alarm and detection system by any code, Lessor shall install and maintain a fire detection system consisting of automatic detection (heat and smoke detectors), audio/visual notification devices and pull stations in accordance with the National Fire Protection Association (NFPA) under NFPA 72 and National Electric Code NEC 760. The fire alarm and detection system shall be inspected, maintained, and tested in accordance with NFPA 72, by licensed contractors and fully documented. Documentation shall be made available to Lessee, within ten (10) days of Lessee's written request.

22. In the event the Lessor does not furnish the aforementioned services and items in this Schedule or the demised Premises are un-tenantable for any other reason which is not due to the negligence of the Lessee, the Lessee may provide such services and items at its own expense and deduct these expenses from rental payments, provided Lessee notifies Lessor thirty (30) days in advance of any deduction, and provides an itemized statement listing the services and items not being furnished.

## Schedule II

### CONSTRUCTION REQUIREMENTS

GENERAL CONDITIONS: All workmanship shall be done in compliance with standard and accepted trade practice. All regulations of the Federal Government, State of Wisconsin, and the local municipality will be complied with fully. After completion of work, the leased premises will be left in a clean and orderly condition, ready for occupancy. Wherever practical, construction and remodeling will conform to the Division of Facilities Development (DFD) Master Specifications/Design Guidelines available at:

<https://doa.wi.gov/Pages/DoingBusiness/MasterSpecsDesignGuide.aspx>

The following general construction requirements/specifications supplement those contained in the RFP. Minor modifications may be required during the design process.

1. Ceilings:
  - a. Offices, open office, conference, data/phone closet, reception/waiting areas: acoustical drop ceiling, with 2 x 2 or 2 x 4 x 3/4" grid, drop-in tile, color white, STC 35-39, minimum; NRC 50-60, minimum, light reflectance 75% minimum. Some rooms may require insulation above the dropped ceiling for noise abatement.
  - b. All other areas such as restrooms, entrances, service closets, storage rooms, file rooms: may be finished, painted drywall.
  - c. Finished Ceiling Height: Dependent upon room size and open area size. Ideal 8'6" to 9' (min. 8', max 12').
  - d. Attic stock: Provide approximately 4% of ceiling tile.
2. Floors: All floors will be level
  - a. Office, clerical areas, conference room, work/mail area (unless otherwise specified below): Carpet tile: 24 oz./sq. yd., level loop, manufacture standard composition materials for primary back with water resistant, mildew resistant adhesive as recommended by carpet tile manufacturer. Pile must be ADA compliant.
  - b. Restrooms: Ceramic floor tile.
  - c. Storage room, data/phone closet, waiting areas, entries, etc.: ceramic tile, vinyl tile or sheet goods.
  - d. Vestibule/lobby: provide recessed mats similar to DecoGard "Pedi mat"
  - e. Cove Base: Provide 4" vinyl cove base wherever vinyl flooring and carpeting is used.
3. Walls:
  - a. All new walls to be drywall: one layer 1/2" or 5/8" type X gypsum wallboard applied to each side of 3-5/8" metal or wood studs; with 1" type S drywall screws 8" on center, to vertical edges and 12" on center to intermediate studs. Stagger joints on each side.
  - b. All interior walls to be insulated for sound abatement.
  - c. Walls to extend to finished ceiling except for restrooms which should be finished to the floor deck.
  - d. Provide expansion joints, as necessary.
  - e. All walls to receive painted finish of one primer coat and two finish coats of semi-gloss or eggshell with an orange peel finish.
  - f. Corner guards: provide 44" guards on all outside corners and columns, color clear or match wall color.
  - g. Restrooms: Provide 48" wainscoting of ceramic wall tile or other hard washable surface.
  - h. Provide touch-up painting thirty (30) days after move-in.
  - i. The Lessor will hang/install bulletin boards, pictures, tack strips, whiteboards, screens, etc., as provided by the Tenant.
4. Doors, door frames, hardware:

- a. The primary accessible entry doors may require ADA compliant power door openers.
  - b. All interior doors: solid core construction, 3'-0" x 6'-8" x 1-3/4", SLC-5 construction (glue-blocked, 5 ply), stained and varnished.
  - c. Exterior metal doors, all door frames, window frames: 16-gauge, 2" width, shall be factory painted or 1 coat primer, 2 coats satin enamel.
  - d. All doors to have appropriate ADA compliant hardware including but not limited to: ADA compliant levers, pulls, panic hardware, compatible latches; kick-plates for restroom and service room doors; wall/floor stops, door silencers; ADA compliant closures for all exterior entrance/exit, suite, and restroom doors; passage and/or keyed latch sets as specified, minimum 1 key per lockset per onsite staff.
  - e. All solid core doors to be warranted from warpage and defect for 1 year from occupancy.
  - f. The doors in the offices, clerical area, from the hall into the waiting room and into the conference room and the main entry door shall have a window or sidelight window.
  - g. In addition to others listed, the door from the waiting area into the office area and all entrances shall have a card reader system.
5. Windows: It is desirable that at least 10% of the entire area have direct natural lighting. This may be accomplished by using skylights.
- a. All new exterior windows shall be insulated Low-E glass
  - b. All exterior windows shall have mini-blinds or shades.
  - c. Windows may be either fixed or operable.
6. Heating, Air conditioning, plumbing and ventilation - Lessor shall meet the following requirements:
- 1. Provide perimeter heating for exterior walls if required to meet seasonal set-points.
  - 2. Provide space heating for airlocks and lobbies, if necessary.
  - 3. Provide separate venting/fans for restrooms.
  - 4. Provide an approved "Test and Balance" report, for newly constructed and /or remodeled space, which is taken and completed after the space is fully occupied and the construction and/or remodeling projects are completed.
7. Electrical: All work and materials are to conform in every detail to applicable rules and requirements of the Wisconsin Administrative Code chapter SPS 316, the National Electrical Code (ANSI/NFPA 70), other applicable National Fire Protection Association codes, the National Electrical Safety Code, present manufacturing standards (including NEMA).
- a. Each enclosed room shall have a minimum one duplex electrical outlet every 12 lineal feet and a minimum of two data outlets.
  - b. Standard office requirements shall include provisions for copiers, faxes, computers and related equipment, and other standard office equipment.
  - c. Electrical installation shall be everything for an end-to-end installation including all wiring, junction boxes, conduit, grounding, switches, panels, boxes, circuits, switch-plates, faceplates, receptacles, card readers, etc.
  - d. Break room shall have sufficient outlets for a refrigerator, microwave, and coffee maker.
  - e. Lessor to provide electric base feed connections for systems furniture power. Base feeds or "whips" to be provided by the furniture vendor.
8. Lighting
- a. General Design
    - 1. The lighting design shall be practical, energy-efficient, easy to maintain, and appropriate for the intended function of the space.

2. In general, the designed lighting levels shall be based on the Illuminating Engineering Society of North America (IES) lighting handbook (latest version). The lighting designer shall use the IES recommended vertical and horizontal illumination levels for a given space. The lighting design for new and renovated buildings with windows and significant daytime occupancies shall comply with the DFD Daylighting Standards manual. The manual is available on the DFD website under Master Specifications/Design Guidelines, Daylighting, and entitled Daylighting Standards for State Facilities. These daylighting standards require careful coordination between the lighting designer and the architect.
  3. The lighting design shall, as a minimum, meet the energy conservation requirements of the Wisconsin Department of Safety and Professional Services (SPS) Wisconsin Commercial Building Code SPS 360-366, including the Energy Conservation Code SPS 363. Note: some requirements in the code will be surpassed by DFD guidelines, such as lighting power densities required in the DFD Daylighting Standards for State Facilities.
  4. Refer to the Architectural Life Safety Plans for Means of Egress illumination locations and routings.
  5. It is the Lessor's responsibility to verify specific program or agency lighting requirements prior to design.
  6. Provide detailed schedule on the drawings including light source, lamp color temperature mounting, poles, ballast/ driver, lamps, reflectors, housings, and colors.
- b. Interior Lighting
1. Lighting of interior areas shall utilize LED light sources. Fluorescent luminaires may be used with the Lessee's consent to match existing installations. Incandescent or HID sources shall be used only for specific isolated applications, justified by program or usage, and approved by Lessee.
  2. For ambient lighting design, utilize LED luminaires as much as possible (see DFD master specification section 26 51 13 for LED requirements). For ease of maintenance and lamp storage requirements, the lighting design should utilize a minimum number of different luminaire types.
  3. Per the DFD Daylighting Standards for State Facilities guidelines, low-wattage task lighting shall be an essential component of the lighting design. The lighting designer, architect, user agency, and Lessee shall discuss and reach a common understanding as to the task lighting that will be provided. Lessee recommends task lighting be fixed where possible and utilize LED low-wattage lighting.
  4. Consultants shall not specify a luminaire that may be proprietary. If there are not at least three manufacturers that can meet the luminaire requirement, then another luminaire shall be selected. Refer to guidelines on proprietary specifications in the DFD Policy and Procedures Manual for A/E's available on the DFD website.
  5. Proper design provisions shall be made to ensure that adequate support for mounting of luminaires is present. Add luminaire mounting details to drawings, as appropriate.
- c. Exterior Lighting
1. Outdoor lighting shall use Light Emitting Diodes (LED). A different lighting type may be used if needed to match existing lamps.
  2. Circuits serving exterior LED luminaires shall be limited to 50% of the circuit capacity. Consultant shall take into account the factory inrush ratings and THD of each luminaire.
  3. Exterior lighting shall typically be fed from panels in an adjacent building, and shall be controlled by a photocell, time clock, or campus-wide lighting signal system. Consult the User Agency for preference on exterior lighting control.
  4. Outdoor lighting system design shall utilize full cutoff type luminaires which minimize the amount of source lumens which are emitted above the horizontal plane of the luminaire and which minimize light spill onto adjacent facilities. When specifying exterior luminaires, include the required distribution type of the luminaire and/or a 12-candle footprint description. Note: consultant should refer to the International Dark-Sky Association webpage at [www.darksky.org](http://www.darksky.org) for outdoor luminaire recommendations and outdoor lighting design recommendations.

5. The conductor size for outdoor lighting circuitry shall be a minimum of #8 AWG. For instances where the distance is less than 100 feet, #10 AWG shall be allowed.

d. Lighting Controls

1. Lighting controls and switching shall be kept simple, inexpensive, and easy-to-maintain.
2. Architectural lighting control systems (scene lighting controls), or whole-building programmable control systems utilizing multiple control panels, shall be used only when necessary. These systems may be considered only for lighting control in lecture halls, auditoriums, and theaters, for switching of large areas, or for specific energy-saving requirements. Distributed Digital Lighting Control Systems may be considered for most dimming and scene lighting control applications for LED luminaires. Coordinate use with Lessee.
3. Coordinate local dimming controls for LED luminaires and requirements for 0-100% dimming with compatible 0-10V current sink dimmers. Distributed Digital Lighting Control Systems may be considered for most dimming and scene lighting control applications for LED luminaires.
4. Vacancy sensors shall be used as much as practical. Vacancy sensors require the occupant to turn the lights ON manually. Vacancy sensors shall typically be used for required automatic light shut-off control instead of central time-clock control or central energy-management system control. Consider their use in all classrooms, conference rooms, open office spaces, individual offices, and corridors. (Occupancy sensors shall still be used in spaces where vacancy sensors would create unsafe environments such as restrooms and stairwells). Use dual technology vacancy or occupancy sensors (passive infrared and passive acoustic sensing or passive infrared and ultrasonic sensing) to prevent nuisance tripping.
5. Daylighting/photo sensors shall be used to provide continuous dimming of lighting in day lit areas. Refer to DFD Daylighting Standards for State Facilities guidelines. Single offices enclosed by four walls with two or fewer luminaires and/or under 250 square feet, and spaces with a Lighting Power Density (LPD) less than 0.6 W/ sq ft are not required to have automatic daylighting controls. Single offices shall typically be provided with LED luminaires, continuous dimming, and vacancy sensor controls.
6. Consider digital timer switches for storage areas, closets, and rooms too small for occupancy sensors. Electrical and mechanical rooms shall utilize switches with no automatic shut-off for the safety of maintenance personnel. Selective luminaires in electrical/mechanical rooms shall be fed by emergency generator circuits or shall be provided with battery backup power when generators are not applicable to project.
7. For lecture halls and auditoriums, coordinate lighting design with the audio/visual technology requirements. Speaker/instructor area lighting, projection screen lighting, and note-taking lighting shall be considered.
8. Avoid using the BAS system to control interior lighting. Consult with the User Agency to determine if a BAS signal may be used to turn ON exterior lighting. Time controls shall be used in conjunction with contactors to turn OFF exterior façade and landscape lighting at times as required by the energy code.
9. Parking lot luminaires shall be provided with motion sensors for bi-level switching. Luminaires shall normally operate at a low level during nighttime hours but shall increase to 100% output when they sense motion. Motion sensor shall be selected based on pole/mounting height, coverage area and shall be suitable for operation in the ambient temperatures typically found for the intended installation. Luminaire shall be compatible with bi-level switching operation. Parking lot luminaires shall be provided with photo sensors for dusk-to-dawn ON/OFF control.

e. Egress / Emergency / Night Lighting and Maintained Safety Lighting

1. Emergency lighting shall be powered by circuits from a building's emergency (generator) system. Battery powered emergency lighting units shall be provided for egress illumination if an emergency generator system is not provided.

2. In addition to the path of egress, emergency lighting shall be provided in Fire Command. Centers, Fire Pump Rooms, Electrical Rooms, Generator Rooms, generator exterior enclosures, and Public Rest Rooms greater than 300 square feet.
  3. In addition, provide battery powered emergency lighting units in electrical rooms (both normal and emergency power distribution rooms), mechanical rooms, generator rooms and generator enclosures (or adjacent to generator enclosures if installation in the enclosure is not possible). This is a requirement in addition to a generator sourced emergency lighting circuit serving these spaces.
  4. It is the intention of Lessee that egress or emergency lighting be illuminated for those portions of a building that are in fact occupied. To prevent the illumination of egress or emergency lighting during times that an area is not occupied, Lessee recommends the use of occupancy sensors to provide automatic shut-off of this lighting. This may only be utilized if a UL924 emergency lighting control unit is utilized (see below).
  5. The preferred method of controlling emergency lighting is to use a UL924 emergency lighting control unit to bypass switching and turn emergency lighting ON automatically in a power outage situation. Unit shall be supplied from both normal and emergency power sources.
  6. Lighting shall be installed in an un-switched night-lighting mode only when necessary (such as security applications/ high rise).
  7. Exterior emergency illumination utilizing LED luminaires is recommended. Luminaires shall not be required to utilize multiple drivers. Single driver luminaires are acceptable to meet NEC 700.16.
  8. Refer to the Architectural Life Safety Plans for Means of Egress routing path and needed illumination locations.
  9. Means of Egress emergency illumination testing requirements shall be per IBC 1006.4 Submit Point by point photometric calculations meeting performance requirements of IBC 1006.4 at 100% final review.
  10. Incorporate Point by Point calculations on separate lighting sheets to Electrical Drawings in Final Review, Bid and Construction Documents. Additionally, calculations shall be recalculated utilizing project specific lighting fixtures once final shop drawings are approved. Calculations shall be available to inspectors.
  11. Night Lighting and Maintained Safety Lighting shall be defined as additional lighting not identified as part of the Architectural Life Safety egress path but deemed by design team as critical for illumination. These circuits shall be served from the legally required standby branch of the generator system.
9. Data Wiring:
- a. All outlets to be installed according to approved plan. Each room, as identified will have at least two Communication Equipment Outlets consisting of 3/4" - 1" conduit in all new walls from above the suspended ceiling and terminating in a 4-11/16" square, deep Outlet Box. Smaller 3/4" conduit is acceptable for locations intended for a Wall-mounted Telephone, Wireless Access Point or Security Device.
  - b. Conduit, raceways, or clear paths will be provided from the data/telephone room to the ceiling area of each enclosed room and clerical area to accommodate the data/telephone lines.
  - c. Data wiring shall be furnished and installed by the Lessor.
10. Sound Masking System:
- a. The building is to include a sound masking system configured to reduce sound transmission and noise reduction coefficient. The intent of the system is to provide privacy for the staff working in the open office spaces and to cover the speech from one area affecting another. In order to achieve this, the Proposer shall properly design and specify a sound masking system for the office spaces of the building.

- b. The sound masking systems shall produce a digital broadband sound spectrum, complementary to the speech spectrum that effectively covers speech levels. The Proposer shall investigate system types utilizing "white" or "pink" noise and coordinate with DFM.
  - c. The system shall be UL listed and meet the ASTM E-1130 standards for speech privacy and sound uniformity.
  - d. The sound masking system shall be zoned and provide individual control for each of the Agency groups within the building via a software interface. Sound masking will not be required in building mechanical rooms, storage rooms, and any rooms with recording equipment. Central equipment for this system will be located in the Communications Equipment Room(s).
11. **Cabinetry/Carpentry:** All areas provided must meet minimum standards of ADA compliance.
- a. The break area shall have a 6'-8' counter of standard depth and height with splashguard with a single bay sink. Must also have upper and lower cabinetry with two adjustable shelves in each section with laminated fronts.
  - b. Work/Mail rooms shall both have a countertop and upper and lower cabinetry, laminated fronts. Also provide mailboxes sufficient for existing staff in the Work/Mail room.
12. **Plumbing:**
- a. The kitchenette/break area counter(s) shall meet the minimum ADA requirements and must include a sink or sinks with hot/cold running water.
  - b. All rest room fixtures and furnishings will be ADA compliant.
  - c. Insulate all under sink lavatory piping in restrooms.
  - d. One janitorial sink shall be provided in the janitor's closet.
  - e. Water lines will be provided for connection to coffee maker and refrigerator in kitchenette/break room(s).
13. **Accessibility and Security:**
- All demised and common areas of the facility and exterior areas, including parking, utilized under this lease, including restrooms and any elevator(s) must meet all requirements of new construction for accessibility, health and safety standards in compliance with and in accordance with Wisconsin Administrative Code, Chapters SPS 332, 360 - 365, and the ANSI A117.1. ANSI A117.1 will take precedence over Wisconsin Administrative Codes, except when such codes shall be equal to or exceed the ANSI Regulations. All elevators shall meet the Wisconsin Administrative Codes, SPS 318 and SPS 362 and the ANSI A117.1
14. **On-Line Electronic Access Control System:** Lessor shall furnish and install at the indicated locations the specified electrified and integrated door hardware and access control firmware for a completely operational access control and security site management system. System includes, but is not necessarily limited, to the following:
- a. System functionality to include ability to identify hours/shifts approved for employee entry by employee, restrict access to those not approved for entry during hours/shifts not specified, ability to receive reports concerning staff arrival and departure times.
  - b. Hardware to include network control processors, reader controller panels, door position switches, remote card readers, keypads, special tools, operating manuals, and required cabling and accessories.
  - c. Provide the appropriate number of reader controller panels and I/O monitoring/control expansion interfaces as needed to handle the number of card readers, locking devices, door status devices, as shown on the approved floor plan/security drawing.



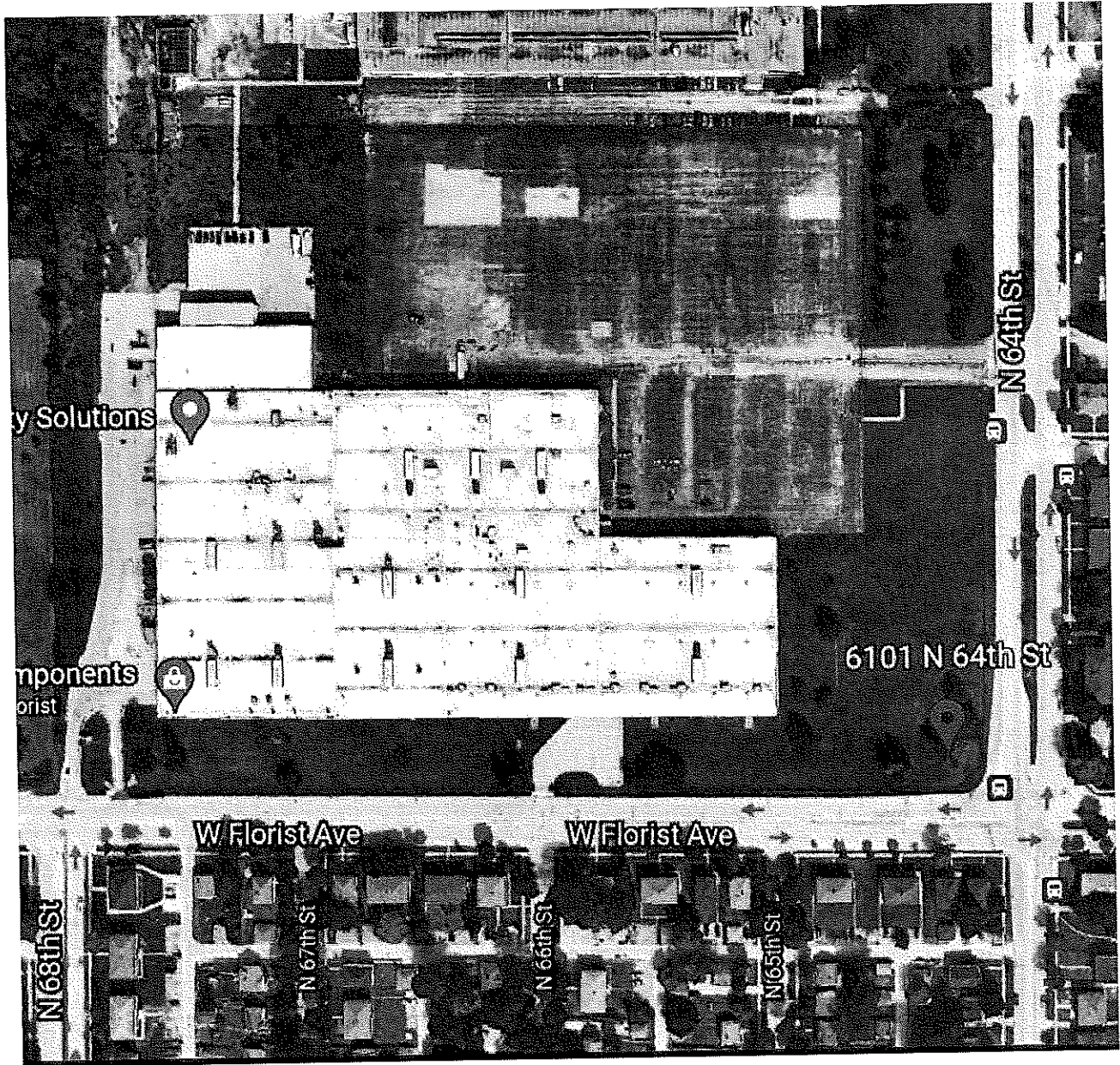
- d. Provide manufacturer approved exit hardware, and remote [mullion, jamb, wall] mounted card readers, keypads, and display terminals that are functionally compatible with the specified access control equipment interfaces.
  - e. Access control system equipment to be installed and furnished by Lessor in an enclosure/station compatible with the manufacturer's requirements. This enclosure/station may include, but is not necessarily limited to, the network control processor, power supplies, terminal strips, wire ducts, keyed lock cylinder, integrated outlet for A/C power. NOTE: Lessee will provide standalone, desktop computer to access the system.
  - f. Enclosure to be located in the designated IT/Telecom room(s) with connection to the local area network for communication back to the central server host.
15. Exterior of Building and Landscaping:
- a. Provide landscape as necessary or required by city ordinance.
  - b. Parking areas to be paved and striped and complying with all Wisconsin Administrative Codes and ANSI A117.1. Include all signage required for accessible parking stalls.
  - c. All entrances and exterior doors to be accessible with grade complying with ANSI A117.1 and Wisconsin Admin Code.
  - d. Ensure all exterior walls, windows, roof, walkways are in good repair.
16. Signage: Provide and install a comprehensive signage package including site, life, safety, accessibility, entrance, and way-finding signage for both building and the parking lot, which includes but is not limited to:
- a. A single, internally illuminated, monument-type building address identification sign by all public main entrance drives, in addition to directional signage. Proper signage is also required to clearly identify the use, proper traffic flow, and wayfinding of the parking lots. Signage shall include ADA signs, permit only signs, visitor only signs, etc.
  - b. Signage on the exterior of the building and/or parking lot (if allowed by local ordinance) identifying tenants and address which is visible from the main street.
  - c. ADA compliant directional signage in main entrance and in hallways as necessary to direct clientele to offices, which are not located at the main entrance. Signage to be visible and legible from a 15'-0" distance and well lit.
  - d. ADA compliant restroom signage utilizing Grade 2 Braille and pictographs
  - e. Backlit, recessed general building directory or electronic directory centrally located in the visitor entrance building lobby.
  - f. Miscellaneous signage such as Emergency Exit Only, Employees Only, No Admittance, etc.
17. Fire Protection: Provide the Premises with a fire alarm and detection system that complies with all State building codes, International Building Code (IBC) and Local building codes. In the event the Premises are not required to have a fire alarm and detection system by any code, Lessor shall install and maintain a fire detection system consisting of automatic detection (heat and smoke detectors), audio/visual notification devices and pull stations in accordance with the National Fire Protection Association (NFPA) under NFPA 72 and National Electric Code NEC 760. The fire alarm and detection system shall be inspected, maintained, and tested in accordance with NFPA 72, by licensed contractors and fully documented. Documentation shall be made available to Lessee, within ten (10) days of Lessee's written request.

The fire alarm system shall be a stand-alone, fully addressable system comprised of smoke detectors, heat detectors, duct detectors, manual pull stations, and audio/visual signaling devices with voice communication capabilities. The main fire alarm equipment shall be located near the main electrical room. An annunciator panel shall be provided at the main fire department entrance to the facility. The system shall be interlocked to

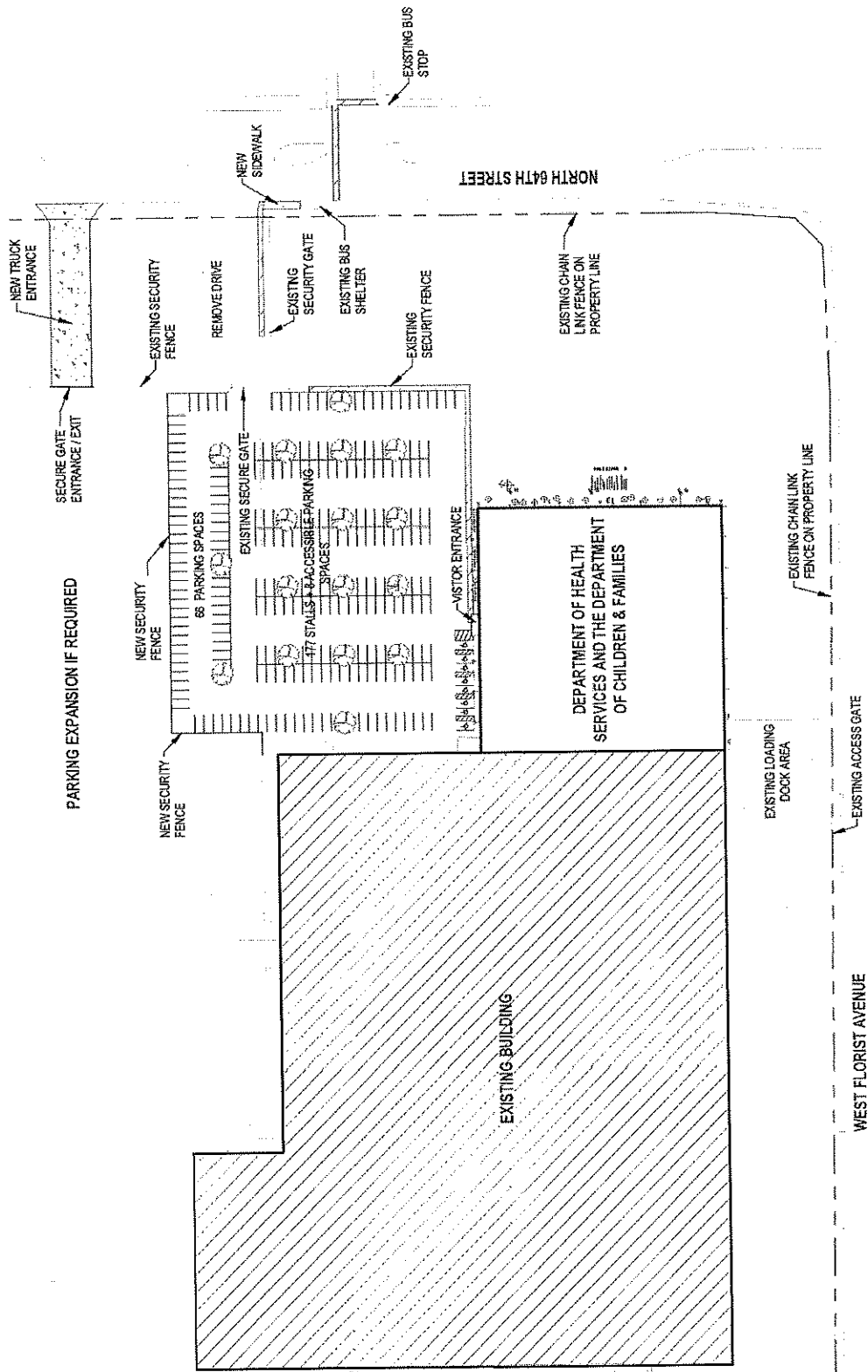
the Capitol Police System and the Emergency Address System so that operators at each facility are aware of any fire conditions.

18. Plans/Submittals: Prior to commencement of any work, Lessor shall submit to the Department of Administration preliminary plans for review and signature and provide a copy of the final signed/sealed copy of plans (if required by code). The plan package shall consist of, but not limited to the construction and demolition plans including the following:
  - a. Mechanical/HVAC plans
  - b. Electrical, data/telephone, and lighting cut sheets
  - c. Door and finish schedules
  - d. Plumbing plans
  - e. Site plans with parking indications
  - f. General construction drawings with dimensions.
  - g. Cabinetry drawings
  - h. Furniture Plans and selection options
  
19. Materials list and samples including:
  - a. Paint and finishes
  - b. Ceiling
  - c. Flooring

**EXHIBIT A1 – AERIAL PHOTO / SITE PLAN**

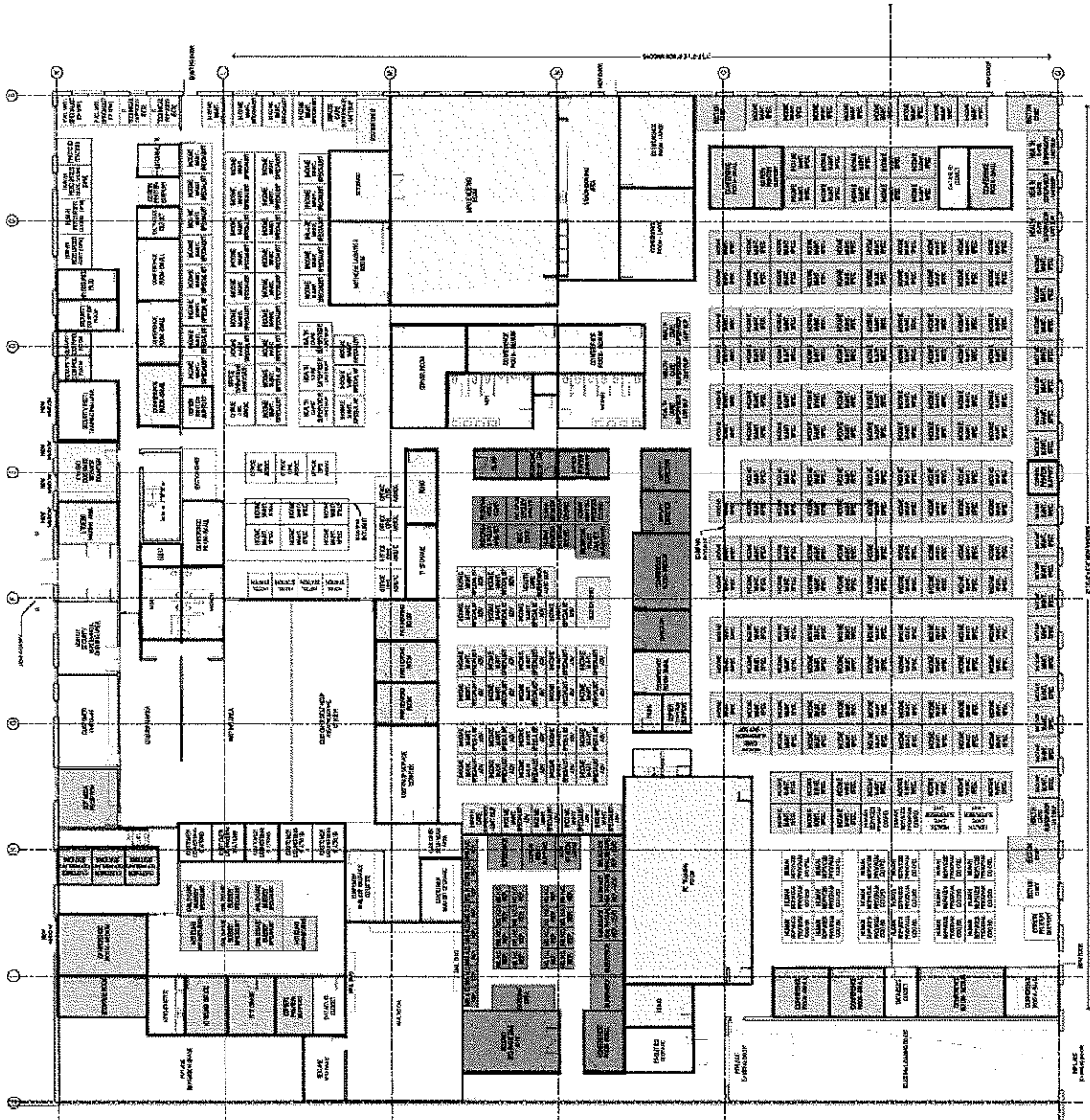


**EXHIBIT A2 – AERIAL PHOTO / SITE PLAN**



# EXHIBIT B – FLOOR PLAN

- DEPARTMENT OF HEALTH SERVICES (DHS) [Pattern]
- DIRECTOR'S OFFICE [Pattern]
- QUALITY & TRAINING SECTION [Pattern]
- PROJECT MANAGEMENT SECTION [Pattern]
- LTC & ELDERLY, BLIND & DISABLED SECTION [Pattern]
- CUSTOMER CARE SECTION [Pattern]
- SPECIAL OPERATIONS SECTION [Pattern]
- DOCUMENT PROCESSING UNIT [Pattern]
- BITS OFSRM, DPH [Pattern]
- DHS DEPARTMENT-WIDE SPACE [Pattern]



Note: Lessor to re-design former DCF area to meet DHS space requirements.

## EXHIBIT C1 – SCOPE OF WORK

### **Safety and Accessibility Requirements:**

1. There must be adequate building and parking lot lighting and security for safe occupancy by staff and visitors 24/7. Lighting must provide optimal viewing capability at night or low light for camera systems.
2. The facility must have a Lessor-provided security system. The system shall utilize Software House iStar Ultra SE controllers and add-on boards as appropriate for the specific installation. Controllers shall be fully integrated with the existing Software House CCure 9000 system with the compatibility to be upgradeable to Software House CCure 9000 and shall be of the latest design with the current version of firmware. Access cards shall be 35-bit proximity cards compatible with existing HID brand Corporate 1000 cards currently used by the Capitol Police; numbering shall be coordinated by the factory with the existing Capitol Police card database. Wisconsin State Capitol Police shall retain control of the access management and CCTV/security camera systems covering the entirety of the leased space, with DHS and DCF managing local access. Card readers shall be compatible with existing 125 KHz proximity access cards. Each reader shall be HID multiclass SE readers for each individual door application. System must be compatible with the Lessor-supplied PA system. PA system speakers to be installed in open office areas, private offices, and conference rooms (enclosed rooms to include volume controls). Refer to Summarized Room Requirements for specific door lock/card reader locations.
3. All exterior doors must have a card reader. All exterior entrances, loading dock and secured parking will be monitored with a CCTV camera system. Additionally, select interior areas will require CCTV coverage and/or card readers on doors, including (but not limited to) interior entry areas, security screening area, customer service areas, customer waiting areas and MDF/IDF rooms as determined by the tenant.
4. Openings such as skylights and roof hatches must be secured. Skylights or roof hatches that are operable must be tied into the alarm system with contact sensors.
5. The security system will also include duress button locations as noted in Summarized Room requirements.
6. All areas of the Premises, the applicable common areas, entrances, exits, and parking lots serving the Premises shall meet all requirements of handicapped accessibility, health, and safety standards in compliance with and in accordance with Wisconsin Administrative Code, Chapters SPS 332, 351 through 365 and Americans with Disabilities Act guidelines (ADAAG). The ADAAG guidelines will take precedence over state building codes Chapter 52.04, except when such state codes shall be equal to or exceed specifications in ADAAG.

### **Connectivity:**

1. The office must be wired minimally with CAT6E wiring for computer networking connections. The Lessor is responsible to work with the tenant's telephone service provider to ensure proper entrance cable can be brought into the building. This may include building penetrations, access points, and cable pathways, to bring service into the designated main communications room (DMARC) in the building. Fiber from a tenant specified Internet Service Provider (ISP) and Cable Provider are to be installed into the DMARC by the Lessor. Tenant shall be responsible for the monthly service charges. The DMARC must be a separate room from any LAN/Data closet and must be keyed separately from all other doors and with an access card reader. Redundant service to the building is required. Lessor will be responsible for all communication (data cabling) conduit, paths, and raceway for cabling. In the event that new cabling is utilized, CAT6E is required. Cabling shall include fiber to the building and both fiber and CAT6E between communications closets, and CAT6E to all desktops, printers, multi-function devices and conference rooms.
2. Cellular and Wi-Fi: A multi-carrier cellular repeater may be installed with antennas spaced throughout the building with carriers and specific antenna locations to be specified by the tenant upon review of the building

map. Wi-Fi access points are to be used throughout the building, so CAT6E connection shall be required in the ceiling at locations to be specified by the tenant upon review of the building map. Tenant shall retain ability to mount rooftop equipment, with Lessor coordination.

**Parking:**

1. Approximately 250 parking stalls for staff and clientele, located at and/or within five (5) blocks of the facility, code-compliant ADA parking including one van-accessible stall near the entrance to the facility and three onsite, secure 24/7 stalls for fleet vehicles monitored by CCTV camera system.
2. Signage for Handicapped designated parking stalls to be provided and installed by proposer.
3. Must have a loading dock with sufficient loading and unloading, including use by semi-trailers. Loading dock must have pneumatic dock levelers. Dock entrance to have an intercom with video screen, connected to security desk and mail room.
4. The facility should have short-term parking for loading/unloading of passenger and delivery vehicles at both the main entrance and at the loading dock.

The general specifications for each area are listed below to assist in the space design process.

**List of Areas and Suggested Sizes:**

Ref #	Description	Current Qty	Unit SF	Total SF	Comments
<b>DEPARTMENT OF HEALTH SERVICES (DHS)</b>					
<i>Division of Medicaid Services (DMS)</i>					
<i>Milwaukee Enrollment Services (MIIES)</i>					
<b>1.00</b>	<b>Director's Office</b>				
1.01	Director	1	144	144	Private Office
1.02	Deputy Director	2	120	240	Private Office
1.03	Program & Policy Analyst Supervisor	1	64	64	Workstation
1.04	Human Services Program Coordinator	3	49	147	Workstation
1.05	Program & Policy Analyst	2	49	98	Workstation
1.06	Program Assistant – Confidential	1	49	49	Workstation
1.07	Secretary – Confidential	1	49	49	Workstation
1.08	Filing	1	30	30	
1.09	Copier/Printer/Support	1	64	64	
1.10	Ergonomic Equipment lab	1	64	64	
1.11	Conference Room – Medium	1	250	250	10 – 15 people
	<i>staff count</i>	<b>11</b>		<b>1,199</b>	

<b>2.00</b>	<b>Quality &amp; Training Section</b>				
2.01	Section Chief	1	96	96	Workstation
2.02	Health Care Supervisor -Unit	2	64	128	Workstation
2.03	Human Services Program Coordinator	20	49	980	Workstation
2.04	Filing	1	195	195	

Ref #	Description	Current Qty	Unit SF	Total SF	Comments
2.05	Copier/Printer/Support	2	64	128	
2.06	Conference Room – Small	1	150	150	4-6 people
2.07	PC Training Room	1	1,600	1600	50 computers
	<i>staff count</i>	23		3,277	

					This group can be split if needed
<b>3.00</b>	<b>Project Management Section</b>				
3.01	Section Chief	1	96	96	Mgrs. adjacent to Director's Office (1.00), Workstation
3.02	Health Care Supervisor – Unit Sup	2	64	128	Mgrs. adjacent to Director's Office (1.00), Workstation
3.03	Income Maintenance Specialist – Adv	30	49	1,470	Workstation
3.04	Fair Hearing Room	3	150	450	adjacent to Waiting Area (6.08)
3.05	Filing	1	60	60	must be secured
3.06	Copier/Printer/Support	1	64	64	
3.07	Conference Room – Small	1	150	150	4-6 people
	<i>staff count</i>	33		2,418	

<b>4.00</b>	<b>Long Term Care &amp; Elderly, Blind &amp; Disabled Section</b>				
4.01	Section Chief	1	96	96	Workstation
4.02	Office Operations Associate	1	49	49	Workstation
4.03	Health Care Supervisor - Unit Sup	2	64	128	Workstation
4.04	Income Maintenance Specialist	36	49	1,764	Workstation
4.05	Filing	1	150	150	cabinets must be locking or stored in a secure room
4.06	Copier/Printer/Support	2	64	128	
4.07	LTC/EBD Waiting Area	1	100	100	separate from central Waiting Area (6.08)
4.08	LTC/EBD Customer service counter	1	200	200	
4.09	Conference Room - Small	1	150	150	
	<i>staff count</i>	40		2,765	

<b>5.00</b>	<b>Customer Care Section</b>				
5.01	Section Chief	3	96	288	Workstation
5.02	Health Care Supervisor - Unit Sup	8	64	512	Workstation
5.03	Income Maintenance Specialist	182	49	8,918	Workstation
5.04	Copier/Printer/Support	4	64	256	
5.05	Conference Room - Small	4	150	600	
5.06	Conference Room - Medium	1	250	250	10 - 15 people
	<i>staff count</i>	193		10,824	

					Adjacent to public
<b>6.00</b>	<b>Special Operations Section</b>				
6.01	Section Chief	1	96	96	Workstation



Ref #	Description	Current Qty	Unit SF	Total SF	Comments
6.02	Health Care Supervisor - Unit Sup	2	64	128	Workstation
6.03	Income Maintenance Specialist	7	49	343	Workstation
6.04	Office Operations Associate	7	49	343	Workstation
6.05	Hotel stations	4	36	144	Workstation
6.06	Copier/Printer/Support	2	64	128	(1) behind Counter (6.09)
6.07	Customer Check-In	1	200	200	must allow for 4 staff
6.08	Waiting Area	1	2,000	2,000	adjacent to Check-In (6.07)
6.09	Customer Service Counter	1	400	400	adjacent to Waiting Area (6.08), seats 4
6.10	Customer Self-Help Area/Welcome Center	1	1,000	1,000	adjacent to Waiting Area (6.08), 10 tablet carts, 15 carrels, 25 phone stations
6.11	Customer Counseling stations	5	72	360	adjacent to Customer Service Counter (6.09), to be separate from staff space
6.12	Customer Mail/EBT Issuance Counter	1	150	150	adjacent to Mail/EBT storage (6.13) and Waiting Area (6.08), public entrance and to the mail room (6.15)
6.13	Customer Mail/EBT Storage	1	150	150	adjacent to the Mail/EBT counter (6.12), public entrance and to the Mail Room (6.15)
6.14	Customer Self-Scan area	1	100	100	adjacent to Waiting Area (6.08) and Document Processing (7.00)
6.15	Mail Room	1	1,200	1,200	adjacent to EBT Issuance (6.12), Document Processing (7.00) and loading dock
6.16	Conference Room - Small	1	150	150	one room adjacent to Self-Help/Welcome Center (6.10)
6.17	Secure Storage	1	100	100	
	<i>staff count</i>	21		6,992	

					Adjacent to Special Operations (6.00) and Mail Room (6.15), create a secured suite
<b>7.00</b>	<b>Document Processing Unit – DXC/Gainwell Contract</b>				
7.01	Supervisor	3	64	192	Workstation
7.02	Insurance Health Care Representative - Lead	3	64	192	Workstation
7.03	Insurance Health Care Representative	24	20	480	each staff station has small scanner
7.04	Scan Station - large	1	48	48	Workstation
7.06	Sorting Area	1	100	100	
7.07	Secure Storage/Mail Sort	1	350	350	must be adjacent to Mail Room (6.15)
7.08	Copier/Print/Support	1	64	64	

Ref #	Description	Current Qty	Unit SF	Total SF	Comments
7.09	Conference Room - Small	1	150	150	
	<i>staff count</i>	30		1,576	

**DHS Division of Enterprise Services (DES) / DOA Division of Personnel Management (DPM)**

8.00	<b>BITS, OFSRM, DPM</b>				
8.01	Human Resources Coordinator (DPM)	1	64	64	create a secure HR suite, Workstation
8.02	Human Resources Assistant (DPM)	1	64	64	create a secure HR suite, Workstation
8.03	Human Resources Leave Coordinator (DPM)	1	64	64	create a secure HR suite, Workstation
8.04	IT Technical Services (BITS)	2	49	98	Workstation - should be adjacent to HR
8.05	Facilities Management Specialist (OFSRM)	2	49	98	Workstation - should be adjacent to HR
8.06	HR Secured files	1	100	100	create a secure HR suite
8.07	Visitor Security screening and queuing area	1	250	250	located at front entrance
8.08	Security Control room	2	48	96	located within SCS suite, secured
8.09	Security Rest/training room/area	1	200	200	located within SCS suite, secured
8.10	Security Equipment IDF room	1	100	100	located within SCS suite, secured
8.11	Copier/Printer/Support	1	64	64	
8.12	Conference Room - Small	2	150	300	seats 4 - 6, one to be part of HR suite, the other adjacent to HR
8.13	IT Storage	1	160	160	must be secure
8.14	Server Room	1	300	300	must be secure
8.15	Data/LAN Closet	6	100	600	must be secure
8.16	Photo ID station	1	48	48	Workstation
8.17	Facilities storage	1	200	200	key lock
	<i>staff count</i>	8		2,806	

9.00	<b>DHS Department-Wide Space</b>				
9.01	Large Meeting Room	1	2,000	2,000	up to 100 people, should be dividable
9.02	Conference Room - Medium	2	250	500	10-15 people
9.03	Conference Room - Large	2	400	800	20-25
9.04	Vending/Dining Area	1	600	600	
9.05	Kitchenette	3	200	600	
9.06	Storage	1	600	600	
9.07	Mother's/ Lactation Room	1	300	300	3 stations within
	<i>DHS total staff count</i>		359	5,400	

Ref #	Description	Current Qty	Unit SF	Total SF	Comments
		<i>DHS Sub-total SF</i>		37,257	
		Approximately 25% Circulation		9,343	
		<i>Estimated Usable SF (a)</i>		46,600	

**Summarized Room Requirements:**

Following is a list, by room, highlighting specialized and/or unique features, fixtures or construction required, and is not necessarily all-inclusive. All millwork, and appliances to be provided by the Lessor. All furniture, AV equipment, TV's, whiteboards, projection screens and electronic queuing system to be provided by the Lessee. See Schedule II CONSTRUCTION REQUIREMENTS for additional details and specifications.

1. Physical Security Control Suite (8.07-8.10): The SCS must be adjacent to the Self-Help/Welcome Center (6.10), MiES waiting area (6.10) and the main public entrance. The SCS suite shall be secured with a card reader. The SCS consists of the following areas:
  - a. Visitor Screening and Queuing area – this area should accommodate 2 queuing lines complete with an 8' discombobulation table, x-ray screening machine, walk-through magnetometer and 8' recombobulation table. Additional wand magnetometer space may be considered. This area will also accommodate (1) staff with counter and stool to monitor entrance and to sort employees from visitors. This area shall be outside of the SCS suite, but adjacent to the SCS functions.
  - b. Control Room – this room should accommodate (2) staff with 1 PC and 1 phone (VOIP) each, 1 MFD printer (2 data and electrical), radio chargers (electrical) to monitor the following systems: CCVE system, duress button system, access controls, emergency communications (911/Capitol Police), intercom communication with the loading dock. Door/door frame to be locking with a card reader and must withstand forcible attack. The SCS control room load should be on back-up redundant power.
  - c. Security Equipment IDF room – this room will house the iStar access control system, CCVE (Closed Circuit Video Equipment) network switch and recorder, intrusion detection system equipment and security camera. This room will be locking with a card reader. Environmental controls to be the same as Network data closets.
  - d. Rest/Training Room or Area – this room/area will accommodate up to (8) security staff for start/end of shift briefings, training and equipment checks. Staff lockers will also be located within this space. This room/area shall be adjacent to the control room and within the SCS suite.
  
2. DHS/MiES Long Term Care/Elderly, Blind, Disabled Customer Service Counter (4.07/4.08): This area shall have a separate entry/access and waiting area from the primary customer check-in and waiting areas. Waiting area shall accommodate up to (5) five customers. The service counter shall have two transaction windows to accommodate (1) one staff, and (1) ADA counter, with PC and phone (VOIP) (2 data and electrical) each, along with a duress button with connectivity to the Security Control Suite and paging system. Customers shall be able to exit directly from this area.

The LTC/EBD counter should be behind a barrier to prevent entry into the secured staff space. The barrier/wall shall be equipped with ¼" tempered, shatter-proof safety glass, commercial grade transaction window(s) with pass-thru sliding window(s) or pass-thru tray(s) which will allow staff to view both the sub-waiting area and have access to the visitor's paperwork.

Each transaction window shall be 48" w x 33" h with sliding pass-thru window below, OR 48" w x 42" h with pass-thru transaction tray below. The window(s) shall have a natural voice/secure air passage for voice transmission. There shall be a door next to the counter window with a card reader. All layout and window specifications shall be submitted to the tenant for approval.

3. DHS/MiIES Customer Check-In (6.07): The Check-In desk should accommodate (4) staff, including (1) ADA station, with 1 PC and 1 phone (VOIP) each (2 data) and a duress button with connectivity to the Security Control Suite. Visitors are to be checked in at this location and then directed to the DHS waiting area for service. Ensure that the location of the check-in desk allows for up to 50 visitors prior to being checked in. An electronic queuing system shall be used for visitors who are directed to the DHS waiting area. Behind the desk, include 10' of counter and locking cabinets below for storage. Hard surface flooring required.
4. DHS Waiting Area (6.08): The waiting area should accommodate up to 100 visitors with seating. A children's play area, with room for a small table and chairs, on soft surface flooring must be included. There will be (2) wall-mounted TV's that require (1) data each and electrical at each location. Additionally, there will be wall-mounted Monitors for an electronic queuing system that would require electrical and (1) data jack at each location.

This Waiting area should be adjacent to the MiIES Customer Service Counter, MiIES Self-Help/Welcome Center and MiIES Fair Hearing Rooms.

5. DHS/MiIES Customer Service Counter (6.09): This area should accommodate (4) staff, including (1) ADA station, each with a PC and phone (VOIP) (2 data, and electrical per station) along with an MFD (1 data and 20 amp electrical). Above each station will be a monitor connected to the electronic queuing system, which requires one (1) data connection and electrical at each monitor and paging system. Service counter must be secured from, but visible to the DHS Waiting area. Each station should have visual and acoustic privacy. This area must be adjacent to the MiIES Self-Help Area.

The Customer Service counter should be behind a barrier to prevent entry into the secured staff space. The barrier/wall shall be equipped with ¼" tempered, shatter-proof safety glass, commercial grade transaction window(s) with pass-thru sliding window(s) or pass-thru tray(s) which will allow staff to view both the sub-waiting area and have access to the visitor's paperwork. Each transaction window shall be 48" w x 33" h with sliding pass-thru window below, OR 48" w x 42" h with pass-thru transaction tray below. The window(s) shall have a natural voice/secure air passage for voice transmission. There shall be a door next to the counter window with a card reader. All layout and window specifications shall be submitted to the tenant for approval.

6. DHS/MiIES Customer Self-Help Area (6.10): This area should accommodate up to 10 tablet carts each with tablet, 15 carrel stations with PC (electrical/data), 25 phone stations (VOIP) and 2 workstation each with PC and phone (VOIP) for staff monitoring/assistance (total of 52 spaces). Electrical required for tablet charging.
7. DHS/MiIES Customer Self-Scan Area (6.14): This area should accommodate up to (3) scanning stations (1 ADA accessible) with PC and scanners (2 data and electrical each). This area should be adjacent to the waiting area (6.08) and the Document Processing Unit (7.00).
8. DHS/MiIES Fair Hearing Rooms (3.04): These rooms shall be adjacent to the DHS Waiting Area (6.08). Each room shall accommodate a PC and phone (VOIP) (2 data, and electrical per PC) and a duress button with connectivity to the Security Control Suite (8.08). Each room must have two separate entrance/exit points on opposite sides of the room. Sidelights and keyed locking door hardware are required.
9. DHS/MiIES Customer Mail/EBT Issuance Counter (6.12): This area must be secured from the public but adjacent to the Customer Check-In (6.07). This area must accommodate (4) staff, including (1) ADA accessible stations, each with a PC (2 data, and electrical) and (2) central analog phone lines for the area. Above each station will be a monitor connected to the electronic queuing system, which requires one (1) data connection and electrical at each monitor and paging system. There must be a sub-waiting area to accommodate up to 20 visitors with seating. Staff area must be secured from the waiting area.

The Mail/EBT Issuance counter should be behind a barrier to prevent entry into the secured staff space. The barrier/wall shall be equipped with ¼" tempered, shatter-proof safety glass, commercial grade transaction window(s) with pass-thru sliding window(s) or pass-thru tray(s) which will allow staff to view both the sub-waiting area and have access to the visitor's paperwork.

Each transaction window shall be 48" w x 33"h with sliding pass-thru window below, OR 48" w x 42"h with pass-thru transaction tray below. The window(s) shall have a natural voice/secure air passage for voice transmission. There shall be a door next to the counter window with a card reader. All layout and window specifications shall be submitted to the tenant for approval.

10. DHS/MiIES Customer Mail/EBT Storage (6.13): The EBT storage room must have one full wall (approximately 15') of counter with cabinets below and open shelving above and must accommodate a small under-counter safe. Provide electrical and data at intervals above the counter. The room must be secured with a card reader and must be adjacent to the Mail/EBT Issuance Counter.
11. DHS/MiIES PC Training Room (2.07): This room must accommodate (50) PC workstations and (1) instructor workstation. There will be two (2) ceiling mounted projectors and monitors/screens connected to the instructor PC. Additionally, there will be a podium with HDMI/VGA/RCA connection, electrical and microphone. In ceiling speakers, wireless microphones, amplifier, Assistive Listening RF emitter system and remote audio input at the podium will be provided by the tenant. Each PC workstation will need (1) data and electrical. The instructor PC will need (2) data, and electrical. Tenant-provided whiteboards will be installed on perimeter walls. Include a secured room for storage of equipment, with keyed door locking hardware. Sidelights or window in doors are required. Location of room should be interior but if placed on an exterior wall with windows, room darkening shades are required. Room to be secured with a card reader on all entry doors.
12. DHS/MiIES Document Processing (7.00-7.09): This room/area must accommodate room for 3 staff workstations, 16 scanning stations, a multi-function device (MFD), document sorting, secure storage/staging room and shred bins. Each scan station requires (1) data and electrical for a PC and scanner. The MFD requires (2) data and dedicated 20 amp electrical. This area must be adjacent to the DHS mail room (6.15).
13. IT Server Room (8.14 DHS): (see Exhibit P for equipment loads):  
This room houses the central network control equipment and contains equipment racks with the servers, routers, switches, and other miscellaneous Information Technologies equipment, supplied by the Tenant. Basic room requirements include:
  - Server data room enclosure must have floor to deck wall construction.
  - No windows
  - Nine-foot ceiling height above floor
  - No heat-generating support equipment in the space
  - Electrical system with an isolated ground, dedicated neutral, and a grounding grid
  - a. HVAC  
An Independent and redundant HVAC system is required to maintain temperature and humidity 24 hours a day, 7 days a week, including the following considerations.
    - The size of the cooling load of all equipment to 70°F (+/- 2°F) as measured at the return air of the AC unit.
    - The size of the cooling load of the building (lighting, power equipment, personnel, building envelope).
    - Humidification should be maintained at 30% RH (+/- 5%) as measured at the return air of the AC unit.
    - Appropriate plan for removal of water from AC condensation, either by gravity or pump
    - Units should be designed and installed to eliminate single point of failure.

Air filtration media should be installed at air intake points. Media should be replaced on a regular maintenance schedule based on the manufacturer recommended filter lifespan.

Cold air delivery must be managed such that the required amount of air can be delivered to any necessary equipment location.

Hot air return must be managed to extract air directly to HVAC units without mixing with cold air delivery.

All infrastructure systems supporting machine space services must support continual monitoring.

b. Fire alarm and suppression systems:

- Must be designed specifically for use in server rooms. Must comply with all state and local building codes.
- Pre-action Fire Suppression systems must use chemicals that do not damage sensitive equipment.
- Suppression systems must not pose harm to building occupants.
- Firestopping at all raceways and electrical equipment, which penetrate the server room barrier surfaces, in a manner which maintains the surface rating or barrier intent (1-hour fire rating for all walls, doors and door frames).

c. Raised Floor

- All components must be clean and corrosion free.
- Minimum raised floor height of 16 inches or higher.
- Must allow for weight of server racks and lifting and moving equipment to support 1250 lbs. per square foot, in designated areas, coordinate location of equipment with occupant, approximately 55% of the floor area.
- Constant air pressure must always be maintained.
- Must remain obstruction free for proper air flow.
- Must be electrically grounded separate from building ground.

d. Doors:

- Server room door card access control must be maintained 24/7.
- All server room doors shall have an electronic card access system.
- Server room doors need to be 42 to 48 inches wide and at least 7 feet 6 inches high.
- Hinges on server room doors should have welded hinge pins, to prevent the removal of the door from its frame.
- Doors, walls, and door frames to be fire rated for one (1) hour.
- Any server room doors with physical key locks must be keyed separately from any other locks at the facility, including master keys.

### **Power Distribution Requirements – IT Server Room:**

All power distribution shall be installed in compliance with the latest version of the National Electric Code as published by the NFPA, and this document.

1. UPS systems:

- a. UPS systems in the server room must be sized to meet current and anticipated future needs, with sufficient battery backup to allow for a controlled shutdown of equipment therein. See Exhibit P for equipment loads.
- b. UPS systems must have bypass capability to allow for periodic maintenance.
- c. Must be approved for use with computer equipment UPS systems.

2. Sub-panels.

- a. Panels must be sized to meet current and anticipated future needs. See Exhibit P for equipment loads.

- b. Panels serving equipment in the Server room must be located within the Server room to minimize power runs to desired equipment and to prevent tampering.
  - c. Only sub-panels serving equipment in the Server room should be in the Server room.
  - d. Minimum short-circuit rating of 10,000 RMS amperes.
  - e. Main circuit breaker, minimum capacity equal to 125 percent of the total connected load as called for in this package and shown on the approved floor plans plus 25 percent space capacity based on equipment loads. See Exhibit P for equipment loads.
  - f. Bolt-on type, 20 ampere, molded-case branch circuit breakers.
  - g. Provide 20 percent spare breakers.
  - h. Typed circuit directory card matching the installed circuit layout.
3. Power cable layout:
- a. The power pathways must maintain a minimum separation from all data cable pathway in accordance with current ANSI/TIA-469-B Standards
  - b. Equipment power cables should be the minimum required length and slack/strain management must be employed.
  - c. Cables must be arranged to minimize air flow disruptions.
  - d. Provide one isolated ground (IG) duplex receptacles, orange colored, NEMA 5-20R or equal on each perimeter wall.
  - e. Provide general-purpose duplex receptacles, ivory colored, NEMA 5-20R or equal, at approximately every 5' intervals along the perimeter of the room, as allowed by code.
  - f. Provide building wire, THHN/THWN insulation, solid or stranded copper wire for No. 10 AWG and smaller; stranded copper wire for sizes No. 8 AWG and larger. Provide minimum size of No. 12 AWG.
  - g. Metal Clad Cable, 4 wire is permitted for IG circuits and 3 wire is permitted for general purpose.
  - h. Provide compression type or set screw type fittings for all conduit unions.
  - i. Type MC cable is allowed only if the cable contains **ALL** the conductors mentioned above including both the equipment grounding (EG) and isolated grounding (IG) conductors.
4. Grounding systems:
- a. All Server room equipment must be grounded in compliance with installation instructions and state and local codes.
  - b. Server room equipment grounds must be independent of all other building grounds (such as lightning protection systems).
  - c. All metal objects must be bonded to ground including cabinets, racks, PDUs, HVACs, cable pathway, and any raised floor systems.
  - d. Ground resistance should be < 1 Ohm.

#### **Data Distribution Requirements – IT Server Room:**

Data distribution requirements are determined by the Federal Telecommunications Recommendations (FTR) as set forth by the National Communications System (NCR). Note that FTR 1090-1997, Commercial Building Telecommunications Cabling Standard, incorporates TIA/EIA 568, Revision B, 2003 in its entirety.

1. General
- a. All data cable is to be a continuous run with no splices or butts and without kinks or sharp turns.
  - b. Provide cable suitable for indoor installations, in a plenum environment.
  - c. Distribution Racks should be modular steel units designed for telecommunications terminal support and coordinated with dimensions of units to be supported.
    - Wall-Mounting: Aluminum, hinged wall bracket with provisions for power strip mounting.

- Floor-Mounting: Steel, freestanding, modular, with vertical and horizontal cable management channels, top and bottom cable troughs, and grounding lug.
- d. The server room must have a system to support overhead delivery of data connections to all equipment and cabinets/racks.
  - e. The cable pathways must maintain a minimum separation from high voltage power and lighting in accordance with TIA/EIA 568 Standards (American National Standards Institute/Telecommunications Industry Association)
  - f. All cable delivery pathways must be grounded.
  - g. Data cable will be installed in neat symmetrical lines parallel to the centerlines of the building construction.
  - h. Data cable must not be laid immediately adjacent to fluorescent light, A/C power lines of motorized devices in accordance with TIA/EIA 568 Standards (American National Standards Institute/Telecommunications Industry Association)
  - i. Data cable must be installed to maintain the maximum separation from A/C power lines, six inches minimum in accordance with TIA/EIA 568 Standards (American National Standards Institute/Telecommunications Industry Association)
  - j. Category 6E compliant data cabling will be used from the patch panel (typically located in network closet) to the furniture or wall faceplate.
  - k. Comply with TIA/EIA-568-B performance requirements for Category 6E UTP cabling.
2. Fiber:
- a. Remote switches (network closets) must use fiber optic cable to interconnect the closets or home runs to the server room.
  - b. All fiber installations must be labeled.
  - c. Fiber optic cable shall have the following rated tensile load: 150-lb. maximum rated load.
  - d. Comply with TIA/EIA-568, Latest Revision performance requirements.
  - e. Install cables without kinks, sharp bends or loops, twists, or impact damage to the sheath.
  - f. Install cables continuous and with sheath continuity.
  - g. Use only a UL approved cable pulling compound. DO NOT use oil, grease, or similar substances to facilitate the pulling of cable.
  - h. Route cable on overhead cable tray to the fiber optic patch panel. Route cables inside the cable tray wherever possible, unless otherwise approved by the Engineer or Contracting Officer in writing prior to installation.
  - i. Provide strain relief at the patch panels for cables, per the manufacturer's instructions.
  - j. Terminate fiber strands at both ends with LC connectors.
  - k. Replace fibers and terminations damaged during installation.
  - l. Terminate multimode strands with multimode connectors.
  - m. Provide the accessories and consumables required for the complete termination of fibers.
  - n. Do not use materials in fiber optic cable that contain hydrogen in quantities that will increase light attenuation.
  - o. All fiber runs will be tested to conform to specifications, with testing report(s) provided.
3. Fiber Innerduct
- a. Suitable for installation in plenum areas, with a 40-mm (1-1/2-inch) nominal inner diameter.
  - b. Provide corrugated innerduct with a polyethylene pull rope (minimum pull tension rating of 1,200 lbs., pre-installed for the installation of cable.
  - c. Provide each innerduct continuous and uniquely colored for identification.
4. UTP
- Provide horizontal Category 6E unshielded twisted pair (UTP) cable meeting the following requirements:
- a. Provide cable suitable for indoor plenum installation.



- b. Provide cable with 4 twisted pairs of insulated copper conductors per cable, 24 AWG solid copper, fully insulated with retardant low-smoke thermoplastic material, plenum NEC CMP rated, and UL listed as such.
  - c. Comply with TIA/EIA-568-B performance requirements for Category 6E UTP cabling.
  - d. Copper jumpers must be CAT6E with Booted RJ45 connectors
  - e. All cable runs will be tested to conform to Category 6E specifications, with testing report(s) provided.
5. LAN/Data Closet (8.15) -Each LAN closet shall have CAT6E (24 ports) and both Fiber and CAT6E connectivity to the DMARC. Each LAN closet shall not exceed 200 feet from any tenant programmed space. Each closet shall have independently controlled cooling and not to exceed 70 degrees when fully equipped. Each closet shall contain a minimum of three (3) network racks. Each rack shall have two (2) dedicated 20-amp circuits and one (1) dedicated 30-amp circuit with receptacle types as specified by tenant. Racks shall have a minimum of 4 feet of clearance on front and back sides. Each closet shall have 8 square feet of space for a cabinet with 4 feet clearance in front. Each closet is to be secured with a card reader. Coordinate final quantity and location of LAN closets with tenant.
  6. IT Storage Room (DHS 8.13): These rooms shall be secured with a card reader, with a building key override, and must be keyed separately from any other locks. Provide room for 24" deep, floor to ceiling shelving, shelves every 24" in height, at least 8' in length. Provide duplex electrical outlets and two (2) data ports (4 total for the room) on two opposite walls. Data ports and electrical outlets shall be spaced no more than 16in apart.
  7. Private Office: Each room will have a PC and phone (VOIP) (4 data (2 jacks/2 ports), and fourplex electrical outlets). Data and electrical locations must be on two opposite walls. All private offices are to be constructed on the interior of the space. Exceptions may also be made for existing offices. Executive hoteling office 15.01 may be constructed on exterior windows. Sidelights or window in doors and keyed locking door hardware are required.
  8. Open Office Area: This area should allow for the installation of systems furniture along the exterior of the space to allow for maximum natural light. There must be sufficient electrical circuits and data/phone outlets to accommodate staff computers (1 PC and 1 phone (VOIP) per station). Standard electrical requirements for open office areas are four 20-amp circuits per every six (6) stations. Dedicated electrical circuits will be required for printers and copiers (or multi-function devices, MFD). Standard data/phone requirements are 2 data per station plus additional data/voice for printers, MFDs, etc., as required. Additional data cable must be installed in the ceiling plenum to optimize full building coverage of wireless access points as specified by the tenant. The workstations will be grouped by function and supervisory locations throughout the entire office. Final approval of workstation furniture is required by tenant. Reference GENERAL ROOM REQUIREMENTS for quantities, sizes, and adjacencies.
  9. Conference Room – Small) These rooms should each contain 2 data and two duplex electrical on two opposite walls. At least one wall shall have additional blocking for a tenant – provided whiteboard and/or A/V equipment (including data and electrical) installed to tenant specifications. Sidelights or window in doors are required.
  10. Conference Room – Medium/Large/Extra-Large-All conference rooms should each contain 2 data and 1 phone (VOIP) on two opposite walls. Additionally, in large and extra-large conference rooms, provide at least two floor mounted boxes below the primary table with duplex electrical and (2) data. A ceiling mounted wide-format projector and monitor/screen are required in each conference room with a capacity of 15 or more persons, to include floor mounted VG, HDMI, and Audio inputs below the primary table or podium and Assistive Hearing RF Emitter System. Walls shall have additional blocking for a tenant – provided whiteboard and display monitors. Sidelights or window in doors are required. See sample layout in Section V, Appendix 4, Exhibit M. Each room should have blocking up to 67 inches from the floor, a fourplex electrical outlet, and 4 data ports mounted at 70 inches from the floor on the front open wall (with no

obstructions) greater than 96 inches in length for installation of a LED display. There must also be a low voltage ring installed beside the data ports at 70 inches from the floor with access and/or tubing to another low voltage ring directly below it at 15 inches from the floor and another at 40 inches from the floor within 24 inches of the main entrance to the room. A data port must be installed a minimum of 12 inches and a maximum of 36 inches from the main door at a height of 60 inches from the floor for use with conference room calendaring displays.

11. Kitchenettes: These areas will contain sufficient countertop with cabinets above and below, and a stainless-steel single compartment sink with hot and cold water. These areas shall have sufficient outlets and circuits to allow for two (2) each: refrigerator, microwave, and coffee maker (appliances to be provided by Lessor). Provide a water connection to the refrigerator(s) and coffee maker(s). Provide adequate ventilation. Sidelights or windows in doors are required, if enclosed.
12. Mail Room: (DHS 6.15) This room must be adjacent to the loading dock and the DHS/MiES Document Processing area (7.00). The room must have approximately 56' of counter with cabinets below, some cabinets above and mail sorters, along with two work islands. Floor space for bins, carts, packages and one (1) multi-function device (MFD – 2 data and dedicated 20 amp electrical) is required. (2) data and electrical, at counter height, at various intervals, for a PC, phone (VOIP) and a postage meter. There will be two workstations for staff, each to contain a PC and phone (VOIP) (2 data, and electrical per PC). There should be a 6' double door and a 3' single door, both with card readers.
13. Mother's/Lactation Room (9.07): This room needs to be large enough for three (3) stations, consisting of a lounge chair and a small counter or table (or lounge chair with tablet arm) and up to (15) half or quarter height lockers for storage of staff supplies. The three stations shall be divided by a partition or curtain. Each station requires a duplex electrical outlet for a pump. The room shall contain approximately 7' of counter with cabinets above and below and a stainless-steel single compartment sink with hot and cold water. There should also be an electrical outlet and circuit for a full-size refrigerator (appliances to be provided by Lessor). Lighting shall be dimmable. This room is to be secured with a card reader and an "occupied" or "in use" signal (light).
14. Employee Dining/Vending Area (DHS 9.04): The Dining area shall be sized to adequately seat 50 staff at any one time. This room will contain 16 feet of counter with cabinets above and below and two stainless steel double compartment sinks with hot and cold water. The room should also have adequate outlets and circuits to allow for up to four (4) microwaves and two (2) refrigerators (appliances to be provided by Lessor). Provide adjacent space with enough electrical and circuits for up to 4 vending machines. There will be one (1) wall-mounted TV that requires an RJ-6 connection, 1 CAT6E data connection, and electrical. This room shall be in the secured employee space, not accessible to the public or waiting areas. Sidelights or windows in doors are required.

IT Server Equipment Loads:

make	model	qty	RU	Total RU	volts	btu	Total BTU	amps	Total amps	watts	Total Watts	other
PowerWare	9155 UPS 15kva UPS	1.00	0.00	0.00	220.00	5582.00	5582.00	71.00	71.00	15620.00	15620.00	
APC	Smart UPS 3000	2.00	2	4.00	110	348.00	696.00	22.50	45.00	2700.00	5400.00	DCF 2200
APC	Smart UPS 2200	1	2	2.00	120.00	275.00	275.00	13.33	13.33	1600.00	1600.00	VA
APC	Smart UPS 3000	1	2	2.00	120	348.00	348.00	22.50	22.50	2700.00	2700.00	
APC	NET9RM SurgeArrest Network	1	1	1.00	120		0.00		0.00		0.00	
dell	poweredge R710	1.00	2	2.00	220	5937.20	5937.20	3.95	3.95	870	870.00	Maximum Inrush Current 55 Amps per supply for 10 ms or less
cisco	2504 wireless controller	1.00	1.00	1.00	110	72	72.00	5	5.00	550.00	550.00	
Cisco	3900	1.00	4	4.00	220	495.00	495.00	7.10	7.10	540.00	540.00	
Cisco	Catalyst 4500	1.00	4	4.00	220	2720	2720.00	16	16.00	3520.00	3520.00	
Cisco	Catalyst 3550	1.00	1	1.00	110	375	375.00	1.6	1.60	110	110.00	
Cisco	ASA 5505 Adaptive Security Appliance	1.00	1	1.00	110	648	648.00	1.8	1.80	150	150.00	
NetGear	ProSafe GSM7212F	5.00	1	5.00	110	28.24	141.20	0.33	1.64	36	180.00	
ibm	Thinkcenter 8115-MUA	1.00	0.00	0.00	110	768	768.00	2.05	2.05	225	225.00	
ibm	Thinkcenter 8189-46u	1.00	0.00	0.00	110.00	683	683.00	1.82	1.82	200	200.00	
HP	HP Compaq 8200 Elite SFF PC	2.00	0.00	0.00	110	1916	3832.00	6.00	12.00	365	730.00	
HP	Compaq D530 CMT	2.00	0.00	0.00	110	971	1942.00	6	12.00	240	480.00	
HP	Proliant d1380	1.00	4	4.00	110	2812	2812.00	30	30.00	750.00	750.00	
Dell	Poweredge R805	7.00	2.00	14.00	110/220 Volts	2697.00	18879.00	55.00	385.00	700.00	4900.00	
Cisco	2800 Voice Gateway	5.00	2.00	10.00	110/220 Volts	612.00	3060.00		0.00	180.00	900.00	Eight (8) T1 VWIC interfaces each

make	model	qty	RU	Total RU	volts	btu	Total BTU	amps	Total amps	watts	Total Watts	other
Adtran	2800 series Multiple	1.00	2.00	2.00	110/220 Volts		0.00	2.45	2.45	117.50	117.50	
Cisco	Catalyst 3750	1	1	1.00	100-240VAC	690.00	690.00	8.00	8.00	590.00	590.00	
Cisco	RPS 675	1	1	1.00	12 DC	1790	1790.00		0.00	525	525.00	
Cisco	Catalyst 4507R	1	4	4.00		2709.05	2709.05	49.58	49.58	475.97	475.97	
Cisco	2900	1	4	4.00	100 to 127/200	580.00	580.00		0.00	170.00	170.00	
HP	Proliant ML370	1	2	2.00	120.00	3530.00	3530.00	7.50	7.50	1035.00	1035.00	DCF
HP	Proliant DL360	1	1	1.00	120	2916.00	2916.00	7.12	7.12	854.00	854.00	
HP	Proliant DL380	1	2	2.00	120	3530.00	3530.00	7.08	7.08	850.00	850.00	
dell	poweredge R710	1.00	2.00	2.00	220	5937.20	5937.20	3.95	3.95	870	870.00	Maximum Inrush Current 55 Amps per supply for 10 ms or less
Raritan	Dominion KX416	1	1	1.00	110		0.00	15	15.00	1650.00	1650.00	
NetGear	Netgear ProSafe (GS748TNA)	1	1	1.00	110.00	375.54	375.54	1.00	1.00	110	110.00	
<b>TOTALS</b>				<b>Total RU: 76.00</b>		<b>Total BTU 71323.19</b>		<b>Total amps: 581.64</b>		<b>Total watts: 21352.47</b>		

## EXHIBIT C2 – WORK LETTER

1. The plans and specifications for the desired interior finish work described on Exhibit C1 within the Premises, including a construction budget to complete the same, shall be prepared by Lessor and delivered to Lessee and approved by Lessor and Lessee as set forth herein, and once so approved together with the construction budget, shall be referred to herein as the "Plans and Specifications". As used herein, the "Lessee Improvements" shall be the alterations or improvements to the Premises as depicted in the Plans and Specifications. Lessor shall retain a licensed architect of its choice to prepare the Plans and Specifications for the Lessee Improvements. The plans and specifications shall be subject to Lessee's approval, which approval shall not be unreasonably delayed, conditioned, or withheld, provided that such Plans and Specifications comply with the requirements of this Work Letter. If Lessee does not approve the Plans and Specifications within ten (10) days following the date Lessor provides the same, such Plans and Specifications shall be deemed approved. If Lessee shall disapprove of any portion of the Plans and Specifications within such ten (10) day period, Lessee shall advise Lessor of the reasons therefor and shall notify Lessor of the revisions to the Plans and Specifications that are reasonably required by Lessee for the purpose of obtaining approval. Lessor shall within seven (7) days submit to Lessee, for Lessee's approval, a redesign of the Plans and Specifications, incorporating the revisions required by Lessee. If the redesign of the Plans and Specifications is not approved by Lessee within ten (10) days following Lessee's receipt of same, then the period from the date of Lessee's receipt of such redesign until the date Lessee approves a subsequent redesign shall be deemed "Lessee Delay" and the Commencement Date shall be deemed to have occurred on the date that substantial completion would have been achieved absent such Lessee Delay.
2. Lessor shall construct the Lessee Improvements in the Premises in accordance with the Plans and Specifications using the scope of work requirements on Exhibit C1. Within three (3) business days after receipt of a request from Lessor, Lessee shall supply the Lessor with any necessary additional information concerning Lessee's requirements with respect to the construction of the Lessee Improvements and approve any plans and specifications submitted by Lessor to Lessee for its review and approval. In the event Lessee fails to supply the necessary information or approve plans and specifications within the aforesaid time period, Lessor may (but shall not be required to) complete the construction of the Premises solely on the information available to Lessor and Lessee shall be deemed to have accepted the same.
3. After delivery of the Premises, at any time after notice (which may be oral), Lessor may enter the Premises to complete punch list work and such entry by Lessor, its agents, employees or contractors for such purpose shall not constitute an actual or constructive eviction, in whole or in part, or entitle Lessee to any abatement or diminution of rent, or relieve Lessee from any of its obligations under this Lease, or impose any liability under Lessor or its agents.
4. Notwithstanding anything to the contrary contained in this Lease, if Lessor shall be delayed in substantially completing the Lessee Improvements as a result of (i) Lessee's failure to furnish information required by Lessor within the times required herein, (ii) Lessee's request for materials, finishes or installments other than as specified in Exhibit C1, (iii) Lessee's requested changes in the preliminary plan or working drawings (notwithstanding Lessor's approval of such changes), or (iv) any act, omission or delay by Lessee or any of its agents or employees, including without limitation any of Lessee's contractors entering the premises prior to the Commencement Date for installation of Lessee's furniture, fixtures or equipment (all of the foregoing circumstances being hereinafter referred to as "Lessee Delays"), then the Commencement Date shall not be affected or deferred for the period of such delay and Lessee shall be responsible for the payment of all Base Rent payable by Lessee hereunder for such period.

**EXHIBIT D – AMORTIZATION SCHEDULE**

Pmt	Principal	Interest	Cum Prin	Cum Int	Prin Bal
1	69,636.45	16,250.00	69,636.45	16,250.00	6,430,363.55
2	69,810.54	16,075.91	139,446.99	32,325.91	6,360,553.01
3	69,985.07	15,901.38	209,432.06	48,227.29	6,290,567.94
4	70,160.03	15,726.42	279,592.09	63,953.71	6,220,407.91
5	70,335.43	15,551.02	349,927.52	79,504.73	6,150,072.48
6	70,511.27	15,375.18	420,438.79	94,879.91	6,079,561.21
7	70,687.55	15,198.90	491,126.34	110,078.81	6,008,873.66
8	70,864.27	15,022.18	561,990.61	125,100.99	5,938,009.39
9	71,041.43	14,845.02	633,032.04	139,946.01	5,866,967.96
10	71,219.03	14,667.42	704,251.07	154,613.43	5,795,748.93
11	71,397.08	14,489.37	775,648.15	169,102.80	5,724,351.85
12	71,575.57	14,310.88	847,223.72	183,413.68	5,652,776.28
13	71,754.51	14,131.94	918,978.23	197,545.62	5,581,021.77
14	71,933.90	13,952.55	990,912.13	211,498.17	5,509,087.87
15	72,113.73	13,772.72	1,063,025.86	225,270.89	5,436,974.14
16	72,294.01	13,592.44	1,135,319.87	238,863.33	5,364,680.13
17	72,474.75	13,411.70	1,207,794.62	252,275.03	5,292,205.38
18	72,655.94	13,230.51	1,280,450.56	265,505.54	5,219,549.44
19	72,837.58	13,048.87	1,353,288.14	278,554.41	5,146,711.86
20	73,019.67	12,866.78	1,426,307.81	291,421.19	5,073,692.19
21	73,202.22	12,684.23	1,499,510.03	304,105.42	5,000,489.97
22	73,385.23	12,501.22	1,572,895.26	316,606.64	4,927,104.74
23	73,568.69	12,317.76	1,646,463.95	328,924.40	4,853,536.05
24	73,752.61	12,133.84	1,720,216.56	341,058.24	4,779,783.44
25	73,936.99	11,949.46	1,794,153.55	353,007.70	4,705,846.45
26	74,121.83	11,764.62	1,868,275.38	364,772.32	4,631,724.62
27	74,307.14	11,579.31	1,942,582.52	376,351.63	4,557,417.48
28	74,492.91	11,393.54	2,017,075.43	387,745.17	4,482,924.57
29	74,679.14	11,207.31	2,091,754.57	398,952.48	4,408,245.43
30	74,865.84	11,020.61	2,166,620.41	409,973.09	4,333,379.59
31	75,053.00	10,833.45	2,241,673.41	420,806.54	4,258,326.59
32	75,240.63	10,645.82	2,316,914.04	431,452.36	4,183,085.96
33	75,428.74	10,457.71	2,392,342.78	441,910.07	4,107,657.22
34	75,617.31	10,269.14	2,467,960.09	452,179.21	4,032,039.91
35	75,806.35	10,080.10	2,543,766.44	462,259.31	3,956,233.56
36	75,995.87	9,890.58	2,619,762.31	472,149.89	3,880,237.69
37	76,185.86	9,700.59	2,695,948.17	481,850.48	3,804,051.83
38	76,376.32	9,510.13	2,772,324.49	491,360.61	3,727,675.51
39	76,567.26	9,319.19	2,848,891.75	500,679.80	3,651,108.25
40	76,758.68	9,127.77	2,925,650.43	509,807.57	3,574,349.57
41	76,950.58	8,935.87	3,002,601.01	518,743.44	3,497,398.99
42	77,142.95	8,743.50	3,079,743.96	527,486.94	3,420,256.04
43	77,335.81	8,550.64	3,157,079.77	536,037.58	3,342,920.23
44	77,529.15	8,357.30	3,234,608.92	544,394.88	3,265,391.08
45	77,722.97	8,163.48	3,312,331.89	552,558.36	3,187,668.11
46	77,917.28	7,969.17	3,390,249.17	560,527.53	3,109,750.83
47	78,112.07	7,774.38	3,468,361.24	568,301.91	3,031,638.76
48	78,307.35	7,579.10	3,546,668.59	575,881.01	2,953,331.41

Pmt	Principal	Interest	Cum Prin	Cum Int	Prin Bal
49	78,503.12	7,383.33	3,625,171.71	583,264.34	2,874,828.29
50	78,699.38	7,187.07	3,703,871.09	590,451.41	2,796,128.91
51	78,896.13	6,990.32	3,782,767.22	597,441.73	2,717,232.78
52	79,093.37	6,793.08	3,861,860.59	604,234.81	2,638,139.41
53	79,291.10	6,595.35	3,941,151.69	610,830.16	2,558,848.31
54	79,489.33	6,397.12	4,020,641.02	617,227.28	2,479,358.98
55	79,688.05	6,198.40	4,100,329.07	623,425.68	2,399,670.93
56	79,887.27	5,999.18	4,180,216.34	629,424.86	2,319,783.66
57	80,086.99	5,799.46	4,260,303.33	635,224.32	2,239,696.67
58	80,287.21	5,599.24	4,340,590.54	640,823.56	2,159,409.46
59	80,487.93	5,398.52	4,421,078.47	646,222.08	2,078,921.53
60	80,689.15	5,197.30	4,501,767.62	651,419.38	1,998,232.38
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61	80,890.87	4,995.58	4,582,658.49	656,414.96	1,917,341.51
62	81,093.10	4,793.35	4,663,751.59	661,208.31	1,836,248.41
63	81,295.83	4,590.62	4,745,047.42	665,798.93	1,754,952.58
64	81,499.07	4,387.38	4,826,546.49	670,186.31	1,673,453.51
65	81,702.82	4,183.63	4,908,249.31	674,369.94	1,591,750.69
66	81,907.07	3,979.38	4,990,156.38	678,349.32	1,509,843.62
67	82,111.84	3,774.61	5,072,268.22	682,123.93	1,427,731.78
68	82,317.12	3,569.33	5,154,585.34	685,693.26	1,345,414.66
69	82,522.91	3,363.54	5,237,108.25	689,056.80	1,262,891.75
70	82,729.22	3,157.23	5,319,837.47	692,214.03	1,180,162.53
71	82,936.04	2,950.41	5,402,773.51	695,164.44	1,097,226.49
72	83,143.38	2,743.07	5,485,916.89	697,907.51	1,014,083.11
<hr/>					
73	83,351.24	2,535.21	5,569,268.13	700,442.72	930,731.87
74	83,559.62	2,326.83	5,652,827.75	702,769.55	847,172.25
75	83,768.52	2,117.93	5,736,596.27	704,887.48	763,403.73
76	83,977.94	1,908.51	5,820,574.21	706,795.99	679,425.79
77	84,187.89	1,698.56	5,904,762.10	708,494.55	595,237.90
78	84,398.36	1,488.09	5,989,160.46	709,982.64	510,839.54
79	84,609.35	1,277.10	6,073,769.81	711,259.74	426,230.19
80	84,820.87	1,065.58	6,158,590.68	712,325.32	341,409.32
81	85,032.93	853.52	6,243,623.61	713,178.84	256,376.39
82	85,245.51	640.94	6,328,869.12	713,819.78	171,130.88
83	85,458.62	427.83	6,414,327.74	714,247.61	85,672.26
84	*85,672.26	214.18	6,500,000.00	714,461.79	0.00



**REAL ESTATE PROPERTY ANALYSIS - WI STATUTE 16.84(5)**

**PROPOSED PROPERTY STREET ADDRESS & CITY**  
 6101 North 64th Street, Milwaukee

**Executive Summary for Proposed Property**  
 Department of Health Services (DHS), 6101 North 64th Street, Milwaukee, WI - Currently, DHS leases 110,114 square feet of office space at 1220 West Vliet Street (Ciggs Building) in Milwaukee from Milwaukee County. DHS has a user agreement with the Department of Children & Families (DCF) to occupy a small amount of office space at this location. The existing lease agreement is on a month-to-month basis with annual costs currently at \$3,246,634.40 or \$30.39/SF. The current office has several deficiencies including, but not limited to, safety, security, ADA accessibility, deferred maintenance, and parking. The condition of the current location negatively impacts agency operations and employee attraction and retention. In addition, DHS' space requirements have significantly increased and DCF will not be co-locating with DHS at the new location. DHS intends to enter into a new seven-year lease with the right to terminate after five years with two 5-year renewals for the property at 6101 North 64th Street in Milwaukee. Due primarily to a reduction in square footage from 110,114 SF to 56,166 SF and a reduction in the rental rate from \$30.39/SF currently to \$25.69/SF first lease year, DHS will save approximately \$15,104,480 in base rent over the initial lease term and an additional \$40,575,015 over the first and second renewal terms, if exercised. Upon completion of the Real Estate Property Analysis, the Proposed Property was selected for a new lease at 6101 North 64th Street, Milwaukee, WI.

**Agency (use drop-down)**  
 435 DHS

**Desired Municipality**  
 Milwaukee

**Current Lease Status (use drop-down)**  
 RENEWAL

**Current Lease Expiration Date**  
 Month-to-North

**Proposed Lease Status (use drop-down)**  
 NEW LEASE

**Current Lease Property Square Feet**  
 110,114

**Initial or Renewal Lease Term (Years)**  
 7

**Type of Lease (use drop-down)**  
 OFFICE

**Existing Lease #**  
 495-002

**Space Request #**  
 N/A

**New Lease #**  
 495-004

**Date Completed**  
 1/5/2022

**Completed By (use drop-down)**  
 Gary Mohoney

**SECTION 1 -- GENERAL INFORMATION**

**Agency Requested Location - Current Lease Property Address or Space Request/Correspondence Memorandum Location**  
 6101 North 64th Street, Milwaukee

**Current Lease Property Square Feet**  
 110,114

**Renetable Square Feet Required (fill in applicable boxes)**

Office	56,166	Warehouse		<b>TOTAL RENTABLE SQ. FEET</b>	56,166
Garage		Lab			
Storage		Land			
Residential		Tower			
Hanger					

**Current Lease Status (use drop-down)**  
 RENEWAL

**Current Lease Expiration Date**  
 Month-to-North

**Proposed Lease Status (use drop-down)**  
 NEW LEASE

**Current Lease Property Square Feet**  
 110,114

**Initial or Renewal Lease Term (Years)**  
 7

**Type of Lease (use drop-down)**  
 OFFICE

**Existing Lease #**  
 495-002

**Space Request #**  
 N/A

**New Lease #**  
 495-004

**Agency Justification for Requested Location**  
 The proposed property meets DHS operational and locational needs and is their best option. The new location will provide significantly lower total annual rent costs, a lower annual rent escalator, a more efficient layout on one (first) floor along with improved technology, all new furniture and updated wiring/cabling, secured on-site parking, less vehicular traffic with improved safety for customers and staff, much improved ADA accessibility and the location is more geographically aligned to the DHS Milwaukee customer base.

**SECTION 2 -- CONSOLIDATION ANALYSIS**

**Comments**  
 While DHS is able to co-locate with other state agencies, there are no other agencies looking for space in this submarket at this time that coincide with DHS' requirements. DCF was co-located with DHS at the current location, however, DCF was not included in the most recent search for alternate locations within Milwaukee. The proposed location is part of a large, multi-tenant complex. If adjacent space becomes available and other state agencies require space in this sub-market, they may co-locate at the proposed location.

**Are there any Executive Branch State agencies with fewer than 50 FTE's to consider for consolidation, wherever feasible and within search radius?**

**Check Box**  
 Yes  No

**SECTION 3 -- COST BENEFIT ANALYSIS FOR LEASE VERSUS PURCHASE SPACE**

**Reason(s) for Conclusion (if applicable, see attached Lease versus Purchase Analysis)**  
 While DHS square foot requirement is of sufficient size, DHS prefers to lease due to funding, the need for short term flexibility and the extremely competitive lease terms at the proposed location. DHS does not have the funding to acquire, manage and maintain the proposed property. In addition, the proposed property is not available for sale. Even if the proposed property was available for sale, the scale (size) of the property in total far exceeds DHS' current space requirements. The lease for the proposed property has an initial lease term of seven (7) years with two, 5-year renewal terms. While the lease for the proposed property allows for DHS to lease the property for up to seventeen (17) years, DHS has the ability to terminate the lease early after five (5) lease years. DHS' need for short term flexibility and the ability to terminate the lease early are necessary as DHS is slated to relocate to the new Milwaukee State Office Building once completed. Finally, the lease terms for the proposed location are highly competitive. DHS will save approximately \$15,104,480 in base rent over the initial lease term in comparison to their current location. In addition, if DHS exercises both of the 5-year renewal terms, they will save approximately \$40,575,015 in annual rent in comparison to their current location. In conclusion, proceeding with a new lease at the proposed location is recommended.

**Conclusion**  
 LEASE  PURCHASE

**40-Year Stay for Agency**  
 Yes  No

**Multi-Tenant Bldg.**  
 Yes  No

**Square Footage Needed by Agency's less than 3,000 sq. ft.**  
 Yes  No

Agency: DHS  
 535 DHS

Desired Municipality: Milwaukee

Section 4 -- COMPARABLE LEASE ANALYSIS

Wider Radius?  Yes  No

Comments: DHS needs to be centrally located within the City of Milwaukee in order to best serve their clientele. The market for comparable properties is extremely limited due to DHS' unique space requirements (large block of contiguous first floor office space and large parking requirement for staff and visitors). The proposed location satisfies all of DHS' requirements.

Proposed Property Address (Center of 10-mile Radius): 6101 North 64th Street, Milwaukee

Mandatory Property Criteria = Yes (Y) or No (N)														
Comparable Property Addresses within Radius	Sufficient Sq Ft	Sufficient Lease Term	Meets Space Type	Proximity to Clientele	Proximity to Clientele	Client Services	Sufficient Parking	Bus Line	Site Accessible to major roads	Facility Ingress/Egress/ADA	Building Security	Need for 1st Floor Building Space	Connectivity, including possible basement	Comments
A 6101 North 64th Street, Milwaukee	Y	Y	Y	Yes	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
B														
C														
D														
E														
F														
G														
H														

Mandatory Property Criteria = Yes (Y) or No (N)														
Non-Comparable Property Addresses within Radius	Sufficient Sq Ft	Sufficient Lease Term	Meets Space Type	Proximity to Clientele	Proximity to Clientele	Client Services	Sufficient Parking	Bus Line	Site Accessible to major roads	Facility Ingress/Egress/ADA	Building Security	Need for 1st Floor Building Space	Connectivity, including possible basement	Comments
A 750 North Water Street, Milwaukee	N	Y	Y	Yes	Yes	Y	N	Y	Y	Y	Y	N	Y	only upper floors available, floor plates too small
B 17395 Golf Parkway, Brookfield	N	Y	Y	No	No	N	Y	Y	Y	Y	Y	N	Y	floor plates too small, not in Milwaukee (Brookfield address)
C 735 North Water Street, Milwaukee	N	Y	Y	Yes	Yes	Y	N	Y	Y	Y	Y	N	Y	only upper floors available, floor plates too small
D 115 South 84th Street, Milwaukee	N	Y	Y	Yes	Yes	Y	Y	Y	Y	Y	Y	N	Y	floor plates too small
E 201 West Cherry Street, Milwaukee	N	Y	Y	Yes	Yes	Y	N	Y	Y	Y	Y	N	Y	would be split on multiple floors
F 1511 North Broadway, Milwaukee	N	Y	Y	Yes	Yes	Y	N	Y	Y	Y	Y	N	Y	only upper floors available, floor plates too small

Comparison of Proposed Property versus Current Lease Property OR list N/A, if not applicable for this analysis	Square Feet	Annual Cost	Comments
Proposed Property Address: 6101 North 64th Street, Milwaukee	96,166	\$1,442,896	Annual cost reflects base rent (\$412,298.44) and amortization (\$1,030,637.40).
Current Lease Property Address: 1200 West Vliet Street, Milwaukee	110,114	\$3,245,634	



Agency: 435 DHS  
 Desired Municipality: Milwaukee

# of State Employees at Property: 350

Section 4 - COMPARABLE LEASE ANALYSIS (continued)

Comparable Property Addresses	Rentable Sq Ft	List Base Rent PSF	Year 1 Estimated Lease Costs (Full-Service Gross)		Year 1 Estimated Annual Rent		Year 1 Estimated Total Cost of Leasing		Year 1 Estimated Total Cost of Leasing	
			PSF per Square Foot (C.A.M. includes Common Area Maintenance)	PSF per Square Foot (C.A.M. excludes Common Area Maintenance)	Estimated Annual Rent	Estimated Annual Rent	Year 1 Estimated Total Cost of Leasing	Year 1 Estimated Total Cost of Leasing	Year 1 Estimated Total Cost of Leasing	Year 1 Estimated Total Cost of Leasing
A 6101 North 64th Street, Milwaukee	56,165	7.34	\$ 51.50/actual	\$ 51.50/actual	\$ 7.34	\$ 412,258.44	\$ 179,500	\$ 1,795,000	\$ 1,030,637.40	\$ 3,417,395.84
B										
C										
D										
E										
F										
G										
H										

Initial or Renewal Lease Term (Years): 5

7 years w/ability to terminate after 5 years

Comparable Property Addresses	Annual Escalator	Year 1 TOTAL COST OF LEASING	Year 2 TOTAL COST OF LEASING	Year 3 TOTAL COST OF LEASING	Year 4 TOTAL COST OF LEASING	Year 5 TOTAL COST OF LEASING	ESTIMATED TOTAL COST OF LEASING FOR LEASE TERM	ESTIMATED LEASE RATE PER SQUARE FOOT (Average of all Comparable Properties)
A 6101 North 64th Street, Milwaukee	1.75%	\$ 3,417,395.84	\$ 1,450,110.36	\$ 1,457,451.14	\$ 1,464,970.38	\$ 1,472,520.33	\$ 9,462,398.05	\$ 32.98
B								
C								
D								
E								
F								
G								
H								

Lease Analysis Assumptions  
 List Base Rent PSF is based on advertised rental rate.  
 Estimated Lease Costs--electricity, natural gas, janitorial, C.A.M. PSF costs are based on Building Owners and Managers Association (BOMA) Standards  
 Miscellaneous Leasing Costs are based on DOA Lease Administration's estimate per employee and per square feet.

Definitions  
 Comparable Properties = Properties that meet all mandatory location criteria  
 Non-Comparable Properties = Properties that do not meet all mandatory location criteria  
 Annual Rent = Year 1 Estimated Full-Service Gross Rent (excludes miscellaneous leasing costs)  
 Lease Rate = Estimated Lease Rate PSF of all comparable properties (i.e., effective cost PSF over Initial/Renewal Term)  
 Market Rate = Average Estimated Lease Rate PSF of all comparable properties

EVALUATION OF OPTIONS  
 Proposed Property Lease Rate PSF: \$ 32.98  
 Proposed Property Address: 6101 North 64th Street, Milwaukee  
 Lowest Estimated Lease PSF from All Other Comparables Plus 5%: N/A  
 Estimated Market Rate PSF Plus 5%: \$ 34.63  
 Average of All Comparable Properties Estimated Lease Rate PSF

Agency: 435 DHS  
 Desired Municipality: Milwaukee

Section 5 -- JOINT COMMITTEE ON FINANCE (JCF) & LEGISLATURE CHIEF CLERKS NOTIFICATION (Leases that exceed \$500,000 annual rent)  
 SUMMARY REPORT

Comments: The proposed space is uniquely positioned in terms of location and use. It is centrally located and it meets all of the needed space requirements (first floor office space, staff and visitor parking). The rental rate is fair and competitive. In addition, DHS will achieve significant rent savings during the initial lease term and the renewal terms, if exercised, due to the reduction in square footage and rent per square foot in comparison to the current location.

Check Box:  
 Yes   
 No

Does the Annual Rent Exceed \$500,000 in any year of the Initial Term or Renewal Term of the lease? Yes

Proposed Lease Status (use drop-down): NEW LEASE

PROPOSED PROPERTY ADDRESS: 6101 North 64th Street, Milwaukee

Lease Terms	Terms of Proposed Lease	
	New Lease Initial Term	Renewal Term
a Usable Square Feet	53,457	59,457
b Load Factor, if applicable	5%	5%
c Rentable Square Feet (b X b)	56,166	55,156
d Base Rent Per Square Foot	7.34 \$	10.87
e Operating Expenses PSF		
f Rent Per Square Foot (d + e)	7.34 \$	10.87
g Annual Rent (c X f)	\$ 412,258.44	\$ 610,564.61
h Amortization Per Square Foot	Total Cost: 6,500,000 Interest Rate: 3.00% Term (Yr): 7	PSF: 18.35
i Rent Per Square Foot (g + e)	\$ 7.34	\$ 10.87
j Cost Per Square Foot (h + i)	\$ 25.69	\$ 10.87
k Rentable Square Feet (c)	56,166	55,156
l Annual Cost (j X k)	\$ 1,462,895.86	\$ 610,564.61
Annual Escalator	1.75%	1.75%
Initial Lease Term - # of Years	7	7
Renewal Options - # & # of Years		2, 5-year

Comparable Options Summary	
Comparable Property Addresses	ESTIMATED LEASING COST PER SQUARE FOOT
A 6101 North 64th Street, Milwaukee	Cost PSF from Section 4 \$ 32.98
B	
C	
D	
E	
F	
G	
H	