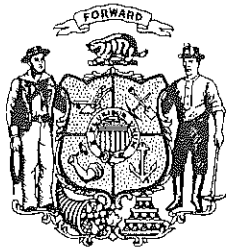


State of Wisconsin

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: October 9, 2023

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 October 9, 2023.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Thursday, October 26, 2023**, 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
Sanjay Olson, Division Administrator

By E-Mail

October 6, 2023

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

OCT 09 2023
St. Finance

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 5-Year Lease Amendment (#437-144) with an annual rent in excess of \$500,000 for use by the Department of Children and Families in Milwaukee, WI.

Dear Clerk Malkasian:

This letter, together with the accompanying copy of the above captioned Lease Amendment (the "Proposed Lease Amendment") 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 Amendment 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 Amendment. If JCF does not so notify the Secretary within such 14-day period, the DOA may enter into the Proposed Lease Amendment.

The State Building Commission (SBC) approved the original lease on June 20, 2012. The DOA Secretary's Office has approved the required submittal to the JCF.

SUMMARY OF LEASE PROVISIONS

Tenant	Department of Children and Families (DCF)
Location	635 North 26th Street, Milwaukee, WI
Term	First 5-year renewal (August 1, 2023 – July 31, 2028) Second 5-year renewal option remaining
Rental Rate	\$24.00/sq. ft. (includes all services and utilities)
Buildout Amortization	N/A
Rentable Square Feet	43,200 rentable sq. ft.
Annual Rent	\$1,036,800.00

Annual Rent Escalator 2%


Funding GPR 101 4.80%, GPR 114 1.05%, GPR 201 3.23%, GPR 301 1.98%, FED 141 0.75%, FED 142 0.29%, FED 152 1.89%, FED 155 4.88%, FED 156 0.60%, FED 241 0.76%, FED 243 0.81%, FED 245 26.77%, FED 257 2.82%, FED 263 1.31%, FED 290 7.33%, FED 293 0.18%, PR 128 0.08%, PR 221 1.80%, PR 233 0.06%, PR 234 0.03%, PRS 192 1.80%, PRS 193 0.50%, PRS 267 0.66%, PRS 320 0.13%, PRS 322 15.50%

Negotiated By Gary Mohoney, 608-266-8183

Building Commission The original lease was approved by the SBC on June 20, 2012.

Please direct any questions in connection with the Proposed Lease Amendment to Sanjay Olson, Division Administrator, Department of Administration, Division of Facilities & Transportation Services at sanjay.olson1@wisconsin.gov or 608 264-9560.

Sincerely,

DocuSigned by:

A7BE67A189664F2...

Sanjay Olson
Division Administrator
Department of Administration
Division of Facilities & Transportation Services

cc: DOA Secretary's Office



REAL ESTATE PROPERTY ANALYSIS - WI STATUTE 16.84(5)

Proposed Property

PROPOSED PROPERTY STREET ADDRESS & CITY

635 North 26th Street, Milwaukee

Date Completed

9/27/2023

Completed By (use drop-down)

Gary Mohoney

Executive Summary for Proposed Property

Department of Children and Families (DCF), 635 North 26th Street, Milwaukee, WI - DCF currently leases 59,676 SF of office space at 635 North 26th Street in Milwaukee under lease #437-144. This lease expired on July 31, 2023 and is in holdover status. There are two, 5-year renewal options remaining. DCF prefers to remain at this location as the current office facility continues to meet DCF's space programming requirements, with one exception. Due to the onset of remote work and hybrid work schedules, DCF does not need to occupy the same amount of space. In addition, DOA determined that the renewal rental rates (\$28.59/SF, first renewal year) in the original lease are higher than current market rental rates. After several months of discussions between DOA and the Lessor, the parties have agreed to reduce the space occupied by 16,476 SF for a new total of 43,200 SF and to reduce the first renewal year rental rate by \$4.59/SF for a new first renewal year rental rate of \$24.00/SF. Based on the revised lease renewal terms, DCF has given their approval to exercise the first 5-year renewal option. Due to lease renewal negotiations, DCF will save approximately \$3,481,833 in rent over the first renewal term. Upon completion of the Real Estate Property Analysis, the Proposed (current) Property was selected for lease renewal (by lease amendment) at 635 North 26th Street in Milwaukee, WI.

(1) General Information

SECTION 1 -- GENERAL INFORMATION

Agency (use drop-down)	Desired Municipality	Current Lease Status (use drop-down)	Proposed Lease Status (use drop-down)	Proposed Lease Term (# of years--only list digit)	Type of Lease (use drop-down)	Existing Lease #	Space Request #	New Lease #
437 DCF	Milwaukee	INITIAL	RENEWAL	5	OFFICE	437-144	N/A	N/A

Current Lease Property Street Address or N/A	Current Lease Expiration Date	Current Lease Property Square Feet
635 North 26th Street, Milwaukee	holdover	59,676

Rentable Square Feet Required (Fill in applicable boxes)

Office	Garage	Storage	Residential	Hangar	Lab	Land	Tower	Warehouse	TOTAL RENTABLE SQ FEET
43,200									43,200

Agency Requested Location -- Current Lease Property Address or Space Request/Correspondence Memorandum Location

635 North 26th Street, Milwaukee

Agency Justification for Requested Location

The location and building continues to meet DCF's needs, subject to a reduction in space based on their staff size. DCF is pleased with the location, the building condition and the ownership and building management company.

(2) Consolidation Analysis

Section 2 -- CONSOLIDATION ANALYSIS

<p>Are there any Executive Branch State agencies with fewer than 50 FTE's to consider for consolidation, wherever feasible and within search radius?</p>	<p>Check Box</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Comments</p> <p>DOA has researched any other state agencies who may co-locate with DCF. There are not any other compatible state agencies who need space in the area at this time. DOA will continue to monitor state agency space needs in the future. The following information was provided by DCF. As the primary division in the building, the Division of Milwaukee Child Protective Services (DMCPS) utilizes the space in very specific ways, including an area for temporary childcare and training rooms for new staff members. Also, DMCPS clients often require in-person and walk-in</p>
---	--	---

(3) Cost Benefit Analysis for Lease vs Purchase Space

Section 3 -- COST BENEFIT ANALYSIS FOR LEASE versus PURCHASE SPACE

<p>Conclusion</p>	<p>Check Box</p> <p>LEASE <input checked="" type="checkbox"/></p> <p>PURCHASE <input type="checkbox"/></p>	<p>40-Year Stay for Agency</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Multi-Tenant Bldg.</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>	<p>Square Footage Needed by Agency is less than 3,000 sq. ft.</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>
--------------------------	--	--	---	---

Reason(s) for Conclusion (If applicable, see attached Lease versus Purchase Analysis)

While DCF's square foot requirement is of sufficient size, DCF prefers to lease due to funding, the need for short term flexibility and the improved lease renewal terms in the proposed lease amendment. DCF does not have the funding to acquire, manage and maintain the proposed (current) property. In addition, the proposed (current) property is not available for sale at this time. The proposed lease amendment/renewal is for a term of five (5) years with one 5-year renewal term. The proposed lease renewal terms for the proposed (current) location are much more competitive than the terms in the original lease. DCF will save approximately \$3,481,833 in rent over the first 5-year renewal term. In conclusion, proceeding with the lease amendment/renewal at the proposed (current) location is recommended.



Agency: 437 DCF
 Desired Municipality: Milwaukee

Section 4 -- COMPARABLE LEASE ANALYSIS

Proposed Property Address (Center of 10-mile Radius): 635 North 26th Street, Milwaukee
 Wider Radius? Yes No

Comments: DCF needs to be centrally located within the City of Milwaukee in order to best serve their clientele. The market for comparable properties is somewhat limited due to DCF's unique space requirements, primarily for their Division of Milwaukee Child Protective Services. The proposed (current) location satisfies all of DCF's requirements.

(4) Comparable Lease Analysis

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 Needed Client Services	Sufficient Parking	Bus Line	Site Accessibility; access to major roads	Facility Ingress/Egress/ADA	Building Security	Need for 1st Floor Building Space	Connectivity, including possible BadgerNet	Comments
A 635 North 26th Street, Milwaukee	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
B 330 E Kilbourn Ave, Milwaukee	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
C 100 N Manpower Pl, Milwaukee	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
D 511 N Broadway, Milwaukee	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
E 507 S 2nd St, Milwaukee	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
F 6737 W Washington St, West Allis	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	Property is not located in the city of Milwaukee.
G 300 North Executive Dr, Brookfield	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	Property is not located in the city of Milwaukee.
H N25W23050 Paul Rd, Pewaukee	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	Property is not located in the city of Milwaukee.

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 Needed Client Services	Sufficient Parking	Bus Line	Site Accessibility; access to major roads	Facility Ingress/Egress/ADA	Building Security	Need for 1st Floor Building Space	Connectivity, including possible BadgerNet	Comments
A 241 N Broadway St, Milwaukee	N	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
B 789 N Water St, Milwaukee	N	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
C 640 N 4th St, Milwaukee	N	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
D 222 E Erie St, Milwaukee	N	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
E 7220 W National Ave, Milwaukee	N	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	
F 10361 Innovation Dr, Milwaukee	N	Y	Y	Yes	Y	Y	Y	Y	Y	Y	Y	Y	

Comparison of Proposed Property versus Current Lease Property OR list N/A, if not applicable for this analysis			
	Square Feet	Annual Cost	
Proposed Property Address			Comments
635 North 26th Street, Milwaukee	43,200	\$1,036,800	
Current Lease Property Address			
635 North 26th Street, Milwaukee	59,676	\$1,705,863	

Agency: 437 DCF
 Desired Municipality: Milwaukee

Section 4 -- COMPARABLE LEASE ANALYSIS (continued)

of State Employees at Property

160

Comparable Property Addresses	Rentable Sq Ft	YEAR 1 Estimated Total Cost of Leasing												
		Year 1 Estimated Lease Costs (Full-Service Gross) (PSF means Per Square Foot; C.A.M. means Common Area Maintenance)						Year 1 Miscellaneous Leasing Costs				YEAR 1 ESTIMATED TOTAL COST OF LEASING		
		List Base Rent PSF	Electricity = \$1.50/sf or actual	Natural Gas = \$0.50/sf or actual	Janitorial = \$1.50/sf or actual	RE Taxes &/or C.A.M. (insert \$ PSF)	Estimated Annual Rent Per Square Foot	ESTIMATED ANNUAL RENT	Moving = \$500.00/employee or actual or zero	Furniture = \$6,500.00/employee or actual or zero	IT, Cabling, Telecomm Setup = \$7.50 PSF or actual or zero	Tenant Improvements = \$25.00 PSF or actual or zero	TOTAL AGENCY COSTS	Estimated Annual Rent + Total Agency Costs
A 635 North 26th Street, Milwaukee	43,200	\$ 24.00					\$ 24.00	\$ 1,036,800.00					\$ -	\$ 1,036,800.00
B 330 E Kilbourn Ave, Milwaukee	41,313	\$ 14.00	\$ 1.50	\$ 0.50	\$ 1.50	\$ 9.00	\$ 26.50	\$ 1,094,794.50	\$ 80,000	\$ 1,040,000	\$ 309,848	\$ 1,032,825.00	\$ 2,462,672.50	\$ 3,557,467.00
C 100 N Manpower Pl, Milwaukee	43,000	\$ 25.00					\$ 25.00	\$ 1,075,000.00	\$ 80,000	\$ 1,040,000	\$ 322,500	\$ 1,075,000.00	\$ 2,517,500.00	\$ 3,592,500.00
D 511 N Broadway, Milwaukee	43,000	\$ 22.00	\$ 1.50	\$ 0.50	\$ 1.50	\$ 10.00	\$ 35.50	\$ 1,526,500.00	\$ 80,000	\$ 1,040,000	\$ 322,500	\$ 1,075,000.00	\$ 2,517,500.00	\$ 4,044,000.00
E 507 S 2nd St, Milwaukee	43,000	\$ 16.50	\$ 1.50	\$ 0.50	\$ 1.50	\$ 7.00	\$ 27.00	\$ 1,161,000.00	\$ 80,000	\$ 1,040,000	\$ 322,500	\$ 1,075,000.00	\$ 2,517,500.00	\$ 3,678,500.00
F 6737 W Washington St, West Allis	45,547	\$ 16.00	\$ 1.50		\$ 1.50		\$ 19.00	\$ 865,393.00	\$ 80,000	\$ 1,040,000	\$ 341,603	\$ 1,138,675.00	\$ 2,600,277.50	\$ 3,465,670.50
G 300 North Executive Dr, Brookfield	40,000	\$ 18.00	\$ 1.50	\$ 0.50	\$ 1.50		\$ 21.50	\$ 860,000.00	\$ 80,000	\$ 1,040,000	\$ 300,000	\$ 1,000,000.00	\$ 2,420,000.00	\$ 3,280,000.00
H N25W23050 Paul Rd, Pewaukee	37,765	\$ 18.00	\$ 1.50	\$ 0.50	\$ 1.50		\$ 21.50	\$ 811,947.50	\$ 80,000	\$ 1,040,000	\$ 283,238	\$ 944,125.00	\$ 2,347,362.50	\$ 3,159,310.00

Initial or Renewal Lease Term

5

Comparable Property Addresses	Annual Escalator Percent	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
							Sum of Term Years	Estimated Total Cost of Leasing divided by Rentable Sq Ft divided by Term
A 635 North 26th Street, Milwaukee	2.00%	\$ 1,036,800.00	\$ 1,057,536.00	\$ 1,078,686.72	\$ 1,100,260.45	\$ 1,122,265.66	\$ 5,395,548.84	\$ 24.98
B 330 E Kilbourn Ave, Milwaukee	2.00%	\$ 3,557,467.00	\$ 1,116,690.39	\$ 1,139,024.20	\$ 1,161,804.68	\$ 1,185,040.78	\$ 8,160,027.04	\$ 39.50
C 100 N Manpower Pl, Milwaukee	2.00%	\$ 3,592,500.00	\$ 1,096,500.00	\$ 1,118,430.00	\$ 1,140,798.60	\$ 1,163,614.57	\$ 8,111,843.17	\$ 37.73
D 511 N Broadway, Milwaukee	2.00%	\$ 4,044,000.00	\$ 1,557,030.00	\$ 1,588,170.60	\$ 1,619,934.01	\$ 1,652,332.69	\$ 10,461,467.30	\$ 48.66
E 507 S 2nd St, Milwaukee	2.00%	\$ 3,678,500.00	\$ 1,184,220.00	\$ 1,207,904.40	\$ 1,232,062.49	\$ 1,256,703.74	\$ 8,559,390.63	\$ 39.81
F 6737 W Washington St, West Allis	2.00%	\$ 3,465,670.50	\$ 882,700.86	\$ 900,354.88	\$ 918,361.97	\$ 936,729.21	\$ 7,103,817.43	\$ 31.19
G 300 North Executive Dr, Brookfield	2.00%	\$ 3,280,000.00	\$ 877,200.00	\$ 894,744.00	\$ 912,638.88	\$ 930,891.66	\$ 6,895,474.54	\$ 34.48
H N25W23050 Paul Rd, Pewaukee	2.00%	\$ 3,159,310.00	\$ 828,186.45	\$ 844,750.18	\$ 861,645.18	\$ 878,878.09	\$ 6,572,769.90	\$ 34.81

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 actual known costs or 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 Address

Proposed Property Lease Rate PSF

Lowest Estimated Lease PSF from All Other Comparables 'Plus 5%'

Estimated Market Rate PSF 'Plus 5%'
 Average of All Comparables Properties Estimated Lease Rate PSF

Comparable Lease Analysis (continued)

635 North 26th Street, Milwaukee

\$ 24.98

\$ 32.75

\$ 38.21

Agency: 437 DCF
 Desired Municipality: Milwaukee

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

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

Yes No

Comments: The proposed (current) property is uniquely positioned in terms of location and use. It is centrally located and meets all of DCF's space requirements. The building was originally constructed for DCF approximately ten years ago based on their space programming requirements. As DCF currently needs to downsize, the negotiated renewal terms allows DCF to downsize in place without the expense and disruption from moving to another location. In addition to the square foot reduction, the rental rate reduction

PROPOSED PROPERTY ADDRESS: 635 North 26th Street, Milwaukee
 Proposed Lease Status: RENEWAL

Terms of Proposed Lease					
Lease Terms				New Lease	Renewal Term
				Initial Term	
a Usable Square Feet	List in 100%, such as 5% is 105%				43,200
b Load Factor, if applicable					
c Rentable Square Feet (a X b)					43,200
d Base Rent Per Square Foot				\$	24.00
e Operating Expenses PSF					
f Rent Per Square Foot (d + e)				\$	24.00
g Annual Rent (c X f)				\$	1,036,800.00
h Amortization Per Square Foot	Total Cost	Interest Rate	Term (Yrs)	PSF	PSF
					N/A
i Rent Per Square Foot (d + e)				\$	24.00
j Cost Per Square Foot (h + i)				\$	24.00
k Rentable Square Feet (c)					43,200
l Annual Cost (j X k)				\$	1,036,800.00
Annual Escalator Percent					2%
Initial Lease Term - # of Years					
Renewal Options - # & # of Years					1, 5-year

Comparable Options Summary		
		ESTIMATED LEASING COST PER SQUARE FOOT
Comparable Property Addresses		Cost PSF from Section 4
A	635 North 26th Street, Milwaukee	\$ 24.98
B	330 E Kilbourn Ave, Milwaukee	\$ 39.50
C	100 N Manpower Pl, Milwaukee	\$ 37.73
D	511 N Broadway, Milwaukee	\$ 48.66
E	507 S 2nd St, Milwaukee	\$ 39.81
F	6737 W Washington St, West Allis	\$ 31.19
G	300 North Executive Dr, Brookfield	\$ 34.48
H	N25W23050 Paul Rd, Pewaukee	\$ 34.81

5) Joint Committee On Finance (JCF) & Legislature Chief Clerks Notification -Summary Report

THIRD LEASE AMENDMENT

This THIRD LEASE AMENDMENT is made and entered into on _____, by and between WIS27, LLC ("Lessor"), whose address is c/o Wangard Partners Inc., 1200 North Mayfair Road, Suite 410, Milwaukee, WI 53226, and the STATE OF WISCONSIN, DEPARTMENT OF ADMINISTRATION ("Lessee").

WHEREAS Lessor and Lessee have entered, into a Lease dated July 11, 2012, together with all amending instructions subsequent thereto (First Lease Amendment dated November 16, 2012, Lease Addendum dated November 29, 2012, Letter [permission to construct] dated December 3, 2012, Second Lease Amendment dated January 31, 2013, Letter [leasehold improvements] dated December 19, 2013 and Lease Addendum dated September 8, 2014, collectively, the "Lease"), which Lease covers approximately 59,676 (the actual amount should read 59,541 square feet based on the floor plans) square feet of office space (the "Premises") in Lessor's building, together with all appurtenances and access to common areas, located at 635 North 26th Street, in the City of Milwaukee, Wisconsin, (the "Building"), and

WHEREAS, Lessor and Lessee thereto wish to amend said Lease,

NOW, THEREFORE, IT IS AGREED AS OF THE DATE ABOVE:

Said Lease is hereby amended as follows:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Lessor and Lessee agree to amend the Lease effective on August 1, 2023, (the "Commencement Date") as follows:

- 1) PREMISES.** Effective on the Commencement Date, the Premises shall be decreased by 16,476 square feet for a revised total of 43,200 square feet, which is further described on the attached floor plans denoted as Exhibit A. Effective on the Commencement Date the Premises shall include the entire Lower Level which consists of 10,859 square feet, the entire First Floor which consists of 24,341 square feet, and part of the

Second Floor which consists of 8,000 square feet (location to be mutually agreed upon by Tenant, Department of Children and Families and Lessor).

- 2) **TERM, RENEWALS.** Effective upon the full execution of this Amendment, Lessee hereby exercises the first 5-year option to renew this Lease for the period from August 1, 2023 to July 31, 2028.
- 3) **RENTAL.** The rental rate schedules for the first and second renewal terms stated in the Lease shall be deleted in their entirety and the first renewal term shall be replaced with the following schedule:

First Renewal Term Rental Rate Schedule

Begin Date	End Date	Annual Rent	Monthly Rent
August 1, 2023	July 31, 2024	\$1,036,800.00	\$86,400.00
August 1, 2024	July 31, 2025	\$1,057,536.00	\$88,128.00
August 1, 2025	July 31, 2026	\$1,078,686.72	\$89,890.56
August 1, 2026	July 31, 2027	\$1,100,260.45	\$91,688.37
August 1, 2027	July 31, 2028	\$1,122,265.66	\$93,522.14

NOTE: Lessor and Lessee agree that they will work with each other in good faith to establish the second renewal term rent schedule, which will be mutually agreed upon by Lessor and Lessee at that time.

4) **MISCELLANEOUS PROVISIONS.**

- a) **Parking.** Tenant, Department of Children and Families (DCF), shall retain the exclusive right to utilize all lower level/underground and surface parking areas at no additional cost. If Lessor leases space in the Building to a third party or sells the Property to a third party, Lessor and Lessee shall work together in good faith to reduce DCF's parking areas based on DCF's proportionate share of occupancy in the Building.
- b) **Lessor Improvements.** Lessor, at Lessor's sole cost, shall demise all lower level, first floor and second floor common areas, if needed to convert the building to a multi-tenant facility.

- c) Second Floor.** If Lessor attains a tenant for the entire second floor, DCF shall vacate their 8,000 square foot space with at least one (1) year advance written notice from Lessor. Lessor and Lessee shall execute a letter of addendum which shall revise the Premises and Rental Rate Schedule(s), accordingly.
- d) Lease Termination.** If Lessor attains a tenant or an owner/occupant for the entire building, Lessor shall have the right to terminate the lease by providing Lessee and DCF with a written Lease Termination Notice a minimum of two (2) years in advance of the desired Lease Termination Date.

All other provisions of the Lease, except as otherwise expressly provided herein, shall continue to be binding upon the parties thereto and shall inure to the benefit of said parties, their respective heirs, personal representatives, successors and assigns.

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

LESSOR:

WIS27, LLC

By: _____

Print Name and Title

Dated: _____

LESSEE:

State of Wisconsin, Department of Administration

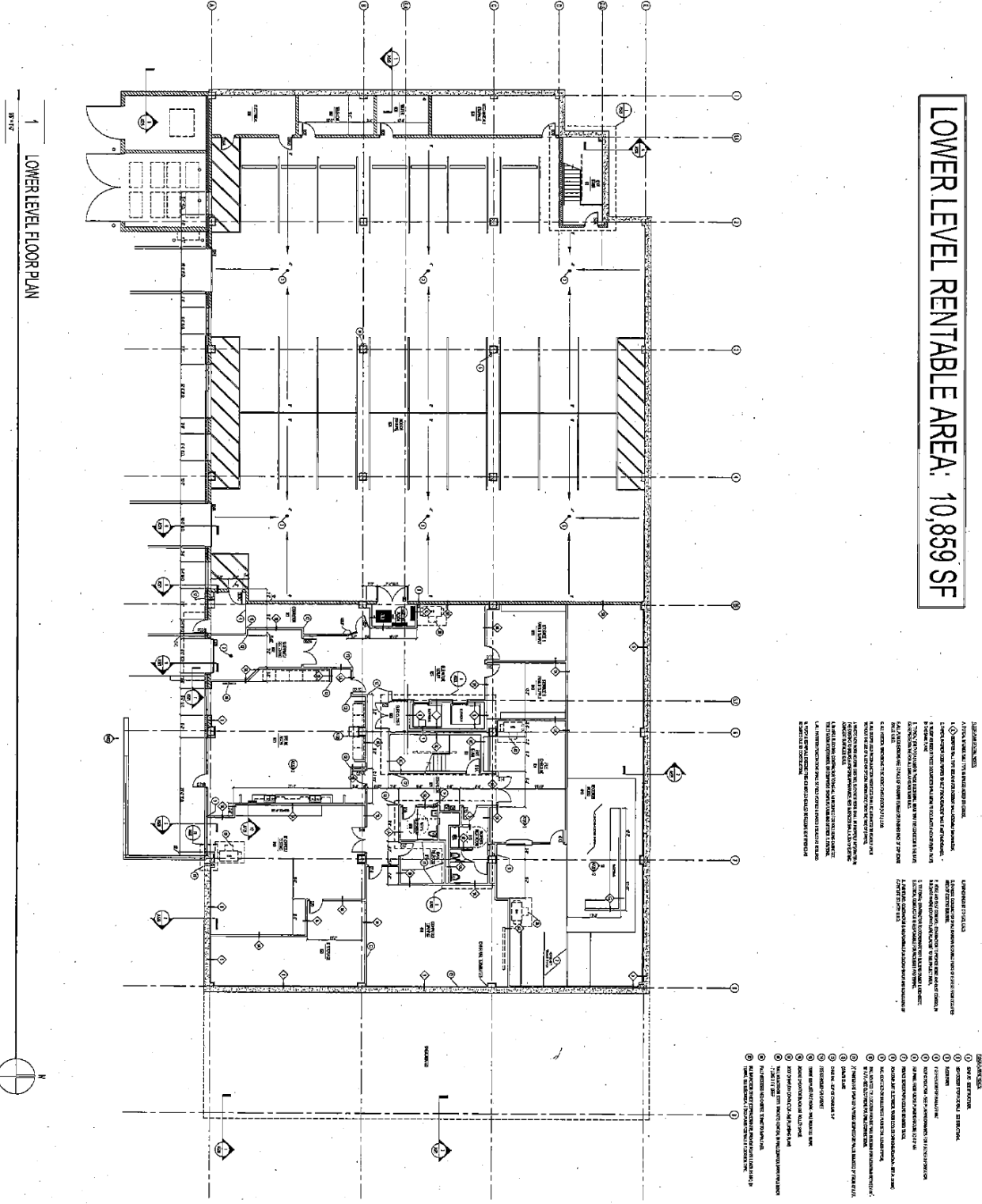
By: _____

PAUL HAMMER
DEPUTY SECRETARY
DEPARTMENT OF ADMINISTRATION

Dated: _____

File No. 437-144

EXHIBIT A – FLOOR PLANS



1 LOWER LEVEL FLOOR PLAN

LOWER LEVEL RENTABLE AREA: 10,859 SF

- REVISIONS:**
- 1. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.
 - 2. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.
 - 3. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.
 - 4. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.
 - 5. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.
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 - 9. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.
 - 10. REVISED PER THE CLIENT'S REQUEST FOR CHANGES TO THE RENTABLE AREA.

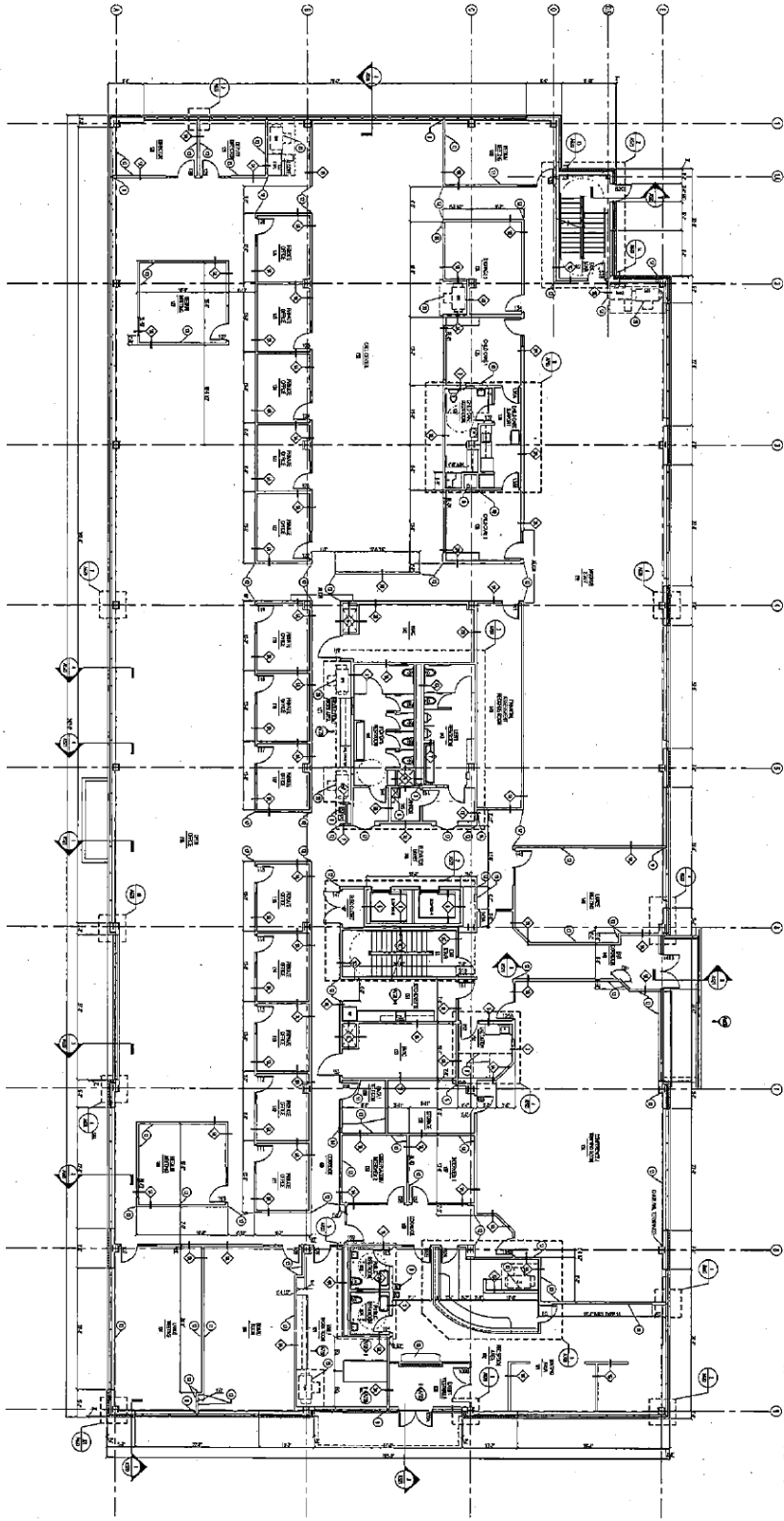
- LEGEND:**
- 1. SHOWN IN SECTION
 - 2. SHOWN IN SECTION
 - 3. SHOWN IN SECTION
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 - 8. SHOWN IN SECTION
 - 9. SHOWN IN SECTION
 - 10. SHOWN IN SECTION

NO.	DATE	DESCRIPTION

DESIGNED BY:
 KORB TREDO ARCHITECTS
 1000 W. 10TH AVENUE, SUITE 1000
 DENVER, CO 80202
 (303) 733-1111
 WWW.KORBTREDO.COM

KORB TREDO ARCHITECTS

FIRST FLOOR RENTABLE AREA: 24,341 SF



1 FIRST FLOOR PLAN

GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND ALL APPLICABLE REGULATIONS.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITIES.
3. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND UTILITIES AT ALL TIMES.
4. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT.
5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
6. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
7. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.
8. ALL MATERIALS SHALL BE STORED PROPERLY AND PROTECTED FROM THE ELEMENTS.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY INSURANCE COVERAGE.
10. ALL WORK SHALL BE COMPLETED IN ACCORDANCE WITH THE CONTRACT DOCUMENTS.

LEGEND

1. NEW WORK
2. EXISTING WORK
3. TO BE DEMOLISHED
4. TO BE RELOCATED
5. TO BE ENLARGED
6. TO BE REDUCED
7. TO BE REMOVED
8. TO BE ADDED
9. TO BE CHANGED
10. TO BE MAINTAINED

NOTES

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Architect

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 Suite 1000
 Denver, CO 80202

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 Suite 1000
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10000 10th Avenue
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 Denver, CO 80202

NO.	DATE	DESCRIPTION

A201



NOTE: Total of second floor rentable area is 24,341 SF. DCF shall occupy 8,000 SF.