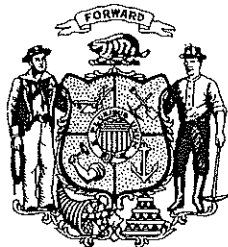


State of Wisconsin

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: March 8, 2024

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 March 8, 2024.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Wednesday, March 27, 2024**, 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

March 8, 2024

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

MAR 08 2024
J. 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 10-Year Lease (#285-029) with an annual rent in excess of \$500,000 for use by the University of Wisconsin – Eau Claire (UWEC) in Eau Claire, WI.

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 28, 2024. The DOA Secretary’s Office has approved the required submittal to the JCF.

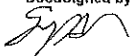
SUMMARY OF LEASE PROVISIONS

Tenant	University of Wisconsin – Eau Claire (UWEC)
Location	220 Eau Claire Street, Eau Claire, WI
Term	<u>Initial Term</u> : September 1, 2024 and end on August 31, 2034 (10 years) <u>Renewal Terms</u> : Two 5-year Renewal Options
Early Lease Termination Provision	N/A
Rental Rate	\$17.91/sq. ft. (includes base rent, a capital reserve and operating expenses)
Buildout Amortization	\$0.00

Rentable Square Feet 154,732 rentable sq. ft.
Annual Rent \$2,771,250.12
Annual Rent Escalator 2% over initial and renewal terms
Funding PR, appropriation 136 General Operations Receipts
Negotiated By Gary Mohoney, 608-266-8183 and Jane Zavoral (retired effective 12/31/2023)
Building Commission The Lease was approved by the SBC on February 28, 2024.

Please direct any questions in connection with the Proposed Lease 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:

A7BE67A189564F2...

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

cc: DOA Secretary's Office

STUDENT HOUSING LEASE

THIS LEASE, made and entered into on _____ by and between Haymarket Concepts, LLC, (the "Lessor"), whose address is 127 Roosevelt Avenue, Eau Claire, WI 54701 and the STATE OF WISCONSIN, DEPARTMENT OF ADMINISTRATION (the "Lessee");

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 154,732 square feet of a) student housing on the floors 2 – 6, b) entrance/elevator/mailbox lobby on the 1st floor and c) underground parking (116 stalls) in Lessor's building, together with all appurtenances and access to common areas, located at 220 Eau Claire Street in the City of Eau Claire, Wisconsin 54701, which Premises are further described in Exhibit A (Site plan, Floor Plan and Parking Plan) attached.
2. **USE OF PREMISES.** Except as otherwise authorized in writing by Lessor, Lessee shall use the Premises primarily as student housing by the University of Wisconsin – Eau Claire (UWEC) or such other agency that may be designated by Lessee (collectively, the "Tenant").
3. **TERM.** The lease term hereunder shall begin on September 1, 2024 and end on August 31, 2034. In addition, the Lease includes two 5-year renewal options.
 - a. If the actual Commencement Date differs from the stated lease term beginning date, the Lessor and Lessee shall execute a 'letter of addendum' which shall designate the exact Rent Commencement Date/Lease Term Begin Date and the Termination Date of this Lease, such that it shall be a full 10-year term.
4. **INITIAL TERM RENTAL.** The Lessee shall pay the Lessor rent for the Premises during the first year of the initial 10-year Lease term at the following rate: The sum of Two Million Seven Hundred Seventy-One Two Hundred Fifty Dollars and 12/100. (\$2,771,250.12) per annum, in equal monthly installments of Two Hundred and Thirty Thousand Nine Hundred and Thirty-Seven and 51/100 (\$230,937.51). 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 2% shall apply to base rent, capital reserve and operating expenses.

Initial Lease Term Rental Rate Schedule

Begin Date	End Date	Base Rent	Capital Reserve	Operating Expenses	Annual Rent	Monthly Rent
September 1, 2024	August 31, 2025	\$1,924,866.08	\$99,028.48	\$747,355.56	\$2,771,250.12	\$230,937.51
September 1, 2025	August 31, 2026	\$1,963,363.40	\$101,009.05	\$762,302.67	\$2,826,675.12	\$235,556.26
September 1, 2026	August 31, 2027	\$2,002,630.67	\$103,029.23	\$777,548.72	\$2,883,208.62	\$240,267.39
September 1, 2027	August 31, 2028	\$2,042,683.28	\$105,089.82	\$793,099.70	\$2,940,872.80	\$245,072.73
September 1, 2028	August 31, 2029	\$2,083,536.95	\$107,191.61	\$808,961.69	\$2,999,690.25	\$249,974.19
September 1, 2029	August 31, 2030	\$2,125,207.69	\$109,335.44	\$825,140.93	\$3,059,684.06	\$254,973.67
September 1, 2030	August 31, 2031	\$2,167,711.84	\$111,522.15	\$841,643.75	\$3,120,877.74	\$260,073.14
September 1, 2031	August 31, 2032	\$2,211,066.08	\$113,752.60	\$858,476.62	\$3,183,295.29	\$265,274.61
September 1, 2032	August 31, 2033	\$2,255,287.40	\$116,027.65	\$875,646.15	\$3,246,961.20	\$270,580.10
September 1, 2033	August 31, 2034	\$2,300,393.15	\$118,348.20	\$893,159.08	\$3,311,900.42	\$275,991.70

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 15th day. Said rental payments shall be made to Lessor at the address for notices hereinafter set forth.

a) Operating Expenses

- i. Haymarket Landing – Haymarket Landing is a mix-use development consisting of apartments and retail space (the “Building”) along with all related land, improvements and appurtenances located at 220 Eau Claire Street, Eau Claire, WI (the “Property”). The Premises are housed within the Building.
- ii. Premises Operating Expenses – Lessor shall be responsible for the procurement and/or performance of the following products and services for the Premises throughout the term of the lease: elevator maintenance, appliance maintenance, general repairs and maintenance, fire safety maintenance, HVAC maintenance, pest control, plumbing repairs, security monitoring, and insurance (“Premises Operating Expenses”). Lessee shall reimburse Lessor

for 100% of these costs pursuant to the rent schedules contained in Sections 4 and 5 and the Operating Expense Reconciliation contained in Section 4(b)(iv) of this lease.

Lessee, at its cost, shall be responsible for the procurement all products and services necessary to keep the Premises fully functional and in good repair throughout the term of this lease, including but not limited to, operating supplies, water, sewer, electricity, natural gas, janitorial service, residential exterior window washing and trash removal.

- iii. Property Operating Expenses – Lessor shall be responsible for the procurement and/or performance of the following products and services for the Premises throughout the term of this lease: roof maintenance, landscape maintenance and sidewalk snow removal (“Property Operating Expenses”). Lessee shall pay Lessor its pro rata share of 84.29% for the costs of the Property Operating Expenses, pursuant to the rent schedules contained in Sections 4 and 5 of this Lease.
- iv. Operating Expense Reconciliation (Premises and Property)) - Within ninety (90) days after the end of each lease year (Adjustment Period), Lessor shall provide Lessee with an itemized statement showing in reasonable detail the following:
 - 1) Actual Premises and Property Operating Expenses incurred during the preceding Adjustment Period, with all supporting documentation, which make up the Reconciled Expenses,
 - 2) The amount paid by Lessee during the Adjustment Period towards Reconciled Expenses pursuant to the rent schedules contained in Sections 4 and 5 of this Lease and
 - 3) The amount Lessee owes Lessor toward the expense overage or the amount Lessor owes Lessee as a credit.

Lessee shall have thirty (30) days to review and audit the itemized statement. The overpayment or underpayment shall be paid or credited within sixty (60) days after the statement is delivered to Lessee.

If the statement shows that the sum of the actual Premises Operating Expenses and Lessee’s pro rata share of Property Operating Expenses incurred during the adjustment period is more than the estimated expenses paid by Lessee during the Adjustment Period, Lessee shall pay the Lessor the difference (underpayment.)

If the statement shows that the sum of the actual Premises Operating Expenses and Lessee's portion of the Property Operating Expenses incurred during the Adjustment Period is less than the estimated expenses paid by Lessee during the Adjustment Period, Lessor shall issue a credit to Lessee against any current or future amounts due from Lessee to Lessor (overpayment.)

c) **Capital Expenditures** - Lessor shall be responsible for all capital expenditures pertaining to the Building ("Capital Expenditures") throughout the term of the Lease. Whether expenditure constitutes a Property Common Area Expense, a Premises Operating Expense or a Capital Expenditure shall be determined in accordance with generally accepted accounting principles (United States). Lessor shall establish and maintain a Capital Reserve Fund ("Fund") to be used for the payment of all Capital Expenditures. The Fund shall be established in a separate account and shall not be co-mingled within an operating expense financial account. Within sixty (60) days after the end of each lease year, Lessor shall provide Lessee with a bank statement which shows the current Fund balance. Lessee shall pay Lessor Capital Reserve Contributions to be deposited into the Fund as shown in Sections 4 and 5 of this Lease.

d) **Real Estate Taxes and Special Assessments** – Lessor shall be directly responsible for the payment of all real estate taxes assessed against the Premises throughout the term of this Lease. Included in Lessee's monthly Operating Expense rental payment is Lessee's contribution to real estate taxes. Lessor shall be responsible for the payment of any and all special assessments assessed against the Premises.

5. **RENEWAL RENTALS.** Provided that the Lessee is not then in default, this Lease may, at the option of the Lessee, be renewed for two successive 5-year periods from and after September 1, 2034 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 60 days before the Lease would otherwise expire. 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 shall apply pursuant to the following schedules.

If Exercised, First Renewal Term Rental Rate Schedule

Begin Date	End Date	Base Rent	Capital Reserve	Operating Expenses	Annual Rent	Monthly Rent
September 1, 2034	August 31, 2035	\$2,346,401.01	\$120,715.16	\$911,022.26	\$3,378,138.43	\$281,511.54
September 1, 2035	August 31, 2036	\$2,393,329.03	\$123,129.47	\$929,242.70	\$3,445,701.20	\$287,141.77
September 1, 2036	August 31, 2037	\$2,441,195.61	\$125,592.06	\$947,827.56	\$3,514,615.23	\$292,884.60
September 1, 2037	August 31, 2038	\$2,490,019.52	\$128,103.90	\$966,784.11	\$3,584,907.53	\$298,742.29
September 1, 2038	August 31, 2039	\$2,539,819.91	\$130,665.98	\$986,119.79	\$3,656,605.68	\$304,717.14

If Exercised, Second Renewal Term Rental Rate Schedule

Begin Date	End Date	Base Rent	Capital Reserve	Operating Expenses	Annual Rent	Monthly Rent
September 1, 2039	August 31, 2040	\$2,590,616.31	\$133,279.30	\$1,005,842.19	\$3,729,737.79	\$310,811.48
September 1, 2040	August 31, 2041	\$2,642,428.64	\$135,944.88	\$1,025,959.03	\$3,804,332.55	\$317,027.71
September 1, 2041	August 31, 2042	\$2,695,277.21	\$138,663.78	\$1,046,478.21	\$3,880,419.20	\$323,368.27
September 1, 2042	August 31, 2043	\$2,749,182.76	\$141,437.05	\$1,067,407.77	\$3,958,027.58	\$329,835.63
September 1, 2043	August 31, 2044	\$2,804,166.41	\$144,265.80	\$1,088,755.93	\$4,037,188.14	\$336,432.34

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. Lessor hereby agrees that Lessee may enter into occupancy agreements with Students on a year-to-year basis.

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

- a) 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 prior to Lessee's occupancy.
- b) The 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/or II and Exhibits A and/or B. Lessor shall maintain, at Lessor's expense, the Premises so as, to comply with all federal, state and local codes applicable to the Premises. 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.
- 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) The Lessor as part of this Lease certifies that to the best of 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 the Lessee's occupancy of the Premises such asbestos bearing material is found, and the 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, the 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 the Lessee vacates the Premises during the encapsulation or removal process, the Lessor shall reimburse the Lessee for all move related costs. No rent shall accrue to the Lessor during the period of time the Lessee is not in occupancy of the Premises. In the event the Lessor fails to encapsulate or remove the asbestos bearing material within the time specified, this Lease may be cancelled by the Lessee and the Lessor shall thereafter not have any claim against the Lessee on account, of the cancellation of this lease.
- i) The 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, but not be limited to any, and all substances, materials, waste, or air pollutants determined currently or in the future 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. The Lessor attests that the Premises are free of any hazardous materials, substances, or air pollutants as defined above, and the 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, except liability resulting from Lessee's use and occupancy of the Premises.

If during the Lessee's occupancy of the Premises such hazardous materials, substances, or air pollutants are found, the 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 the Lessee that unsafe hazardous materials, substances, or air pollutants as defined above affecting the 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 the Lessee. If the 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 the 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 immediately advise Lessee in writing of any actions or claims relating to any hazardous materials, substances, or air pollutants on the Premises. If the 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 the Lessor shall provide a copy of any test results to the Lessee. The Lessee, at its own expense, may also conduct such testing as it deems appropriate on 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 twelve (12) hours of discovery or notification, and shall 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. If such materials are not completely dry by the end of the 48-hour period, the Lessee may require that the saturated materials (i.e. carpet, drywall, ceiling tiles, etc.) shall be removed from the premises and immediately replaced with new materials of identical quality or better quality.
- 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. The project notification and SDS documents should be provided to the on-site staff no less than five (5) workdays before the anticipated start of the actual work.
- m) The default by Lessor of any covenant or agreement contained in any paragraph or provision of this Lease, 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, the 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.

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. 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.
- c) The Lessee's 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.
- d) The default by Lessee (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, or (b) if Lessee shall be late in the performance or observance of any other agreement or condition in this Lease to be performed or observed and if Lessee shall fail to cure said late performance or observance within sixty (60) days after receipt of notice from Lessor of said late performance or observance (unless Lessee commences to cure said late performance or observance within sixty (60) days after receipt of notice thereof and expedite the curing of the same to completion with due diligence), then, in any of said cases and without waiving any claims for breach of agreement, Lessor may send written notice to Lessee of the termination of the term of this Lease, and, on the fifth (5th) day next following the date of the sending of the notice, the term of this Lease shall terminate, Lessee hereby waiving all rights of redemption.
- e) 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.

9. **INSURANCE.** Lessor agrees to procure and maintain, during the term of this lease, fire 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.

The Lessee shall provide liability protection for its officers, employees and agents while acting within the scope of their employment. The 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 occurring in connection with this Lease, where such liability is founded upon or grows out of acts or omissions of any of the 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.** Subject to the requirements of Section 4 of this Lease the Lessor shall maintain the Premises in good repair and tenantable condition, and as required by s. 704.07, Wis. Stats., throughout the term of this Lease, except in case of damage arising from a willful act or the negligence of the other party and or their respective agents or employees. For the purpose of so maintaining the Premises, the 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 promptly repair such damage and restore the Premises to its condition immediately prior to said damage

or destruction. 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. Should Lessor fail to complete said restoration within one hundred eighty (180) days of the partial damage or destruction, Lessee may terminate this Lease.

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, and within thirty (30) days following the date of such damage or destruction (i) Lessor notifies Lessee in writing that the restoration of the Premises will take in excess of two hundred seventy (270) days to complete, or (ii) Lessor fails to provide any written notice to Lessee of Lessor's plans to restore the Premises, then Lessee may elect to terminate this Lease by providing Lessor written notice of such termination within 14 days after receipt of such notice or expiration of the thirty (30) day period with no notice, as the case may be 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 untenantable and Lessee does not elect to terminate this Lease as provided above, Lessor shall proceed immediately 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 untenantability until the date Lessee retakes possession of the Premises. In the event Lessor fails to complete the restoration within 120 days of the date Lessor represents that the Premises shall be restored, Lessee may terminate this Agreement.

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 mail, by depositing the same in the post office or letter-box, in a postpaid envelope, addressed to the Lessor at Lessor's last known address, and 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: Haymarket Concepts, LLC
c/o Blugold Real Estate Foundation, Inc.
Attn: Kimera Way
P.O. Box 4004
105 Garfield Avenue
Eau Claire, WI 54702-4004

Rent sent to: Same as above

If to Lessee: State Leasing Officer
Wisconsin Department of Administration
101 E. Wilson Street, 7th 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. Use beyond the limits of the funds already available is contingent upon the future availability of funds.

15. **RIGHT TO LEASE ADJACENT SPACE.** 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 in connection with this Lease and Lessor agrees to pay and hold Lessee 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 shall be payable at the rate during the last month of the term hereof. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein.

18. **SUBORDINATION.** This Lease shall be subordinate to any and all mortgages hereafter placed against the Premises by Lessor, provided that any such mortgage (or a separate written agreement, in recordable form, from the mortgagee in favor of and delivered to the Lessee) contains provisions to the effect that, so long as this Lease shall remain in force, in any action to foreclose the mortgage, Lessee will not be made a party defendant, that Lessee's possession of the Premises will not be disturbed and that Lessee's Leasehold estate will not be affected, impaired, or terminated by any such action or proceeding or by any

judgment, order, sale or conveyance made or rendered therein or pursuant thereto, so long as (at the time of the commencement of such action or foreclosure proceeding or during the pendency thereof) Lessee is not in default under the terms, covenants, and conditions of this Lease beyond any grace period provided in this Lease for curing same.

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, 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.

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.

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, Lessee's sole claim for damages shall relate to loss of Lessee's personal property and for relocation expenses. Lessor shall possess the exclusive right to assert any claim pertaining to loss of value of the Premises.

21. CONSTRUCTION OF IMPROVEMENTS. Intentionally left blank.

22. LESSEE COSTS. See paragraph 4. a. II above. .

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.** Intentionally deleted.

29. **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:
Haymarket Concepts, LLC

By: _____
Signature

Print Name and Title

Dated: _____

LESSEE:
State of Wisconsin, Department of Administration

By: _____

PAUL HAMMER
DEPUTY SECRETARY
DEPARTMENT OF ADMINISTRATION

Dated: _____

Schedule I

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

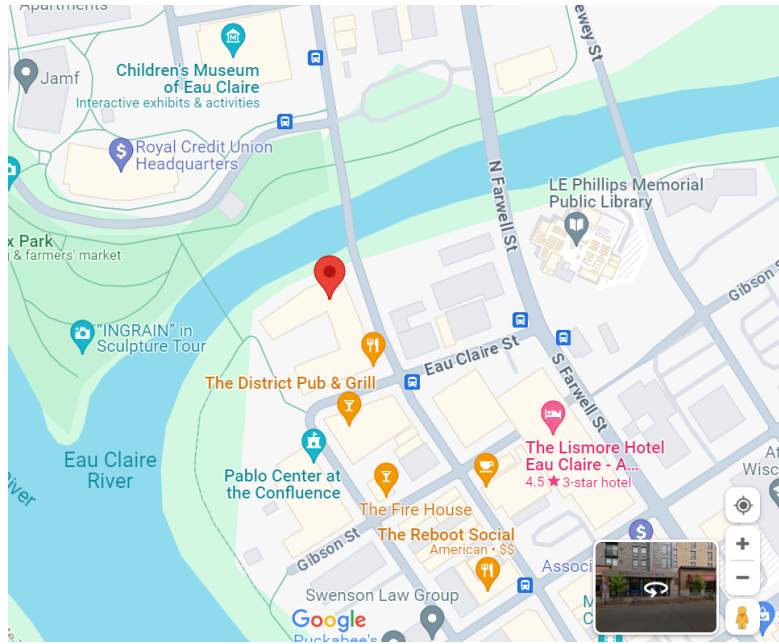
1. Provide a minimum of 1 foot candle security lighting for on premise parking areas.
2. Provide a sufficient number of keys to each resident for the entrance doors to the Building and the entrance door to each apartment. Lessee shall reimburse Lessor for such costs.
3. Provide electrical service and other electrical equipment necessary for operation of the Property. Lessee shall be obligated to pay for electrical usage within the Premises.
4. 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 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.
5. Furnish building occupancy or use permit(s) if required.
6. Intentionally left blank.
7. Intentionally left blank.
8. Beginning January 1, 1995, proper disposal of materials shall comply with sections 16.15(3) and 287.07 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 further agrees to comply with all applicable municipal recycling requirements adopted under section 287.13, Wis. Stats. Lessee shall be responsible for the cost of trash removal and shall reimburse Lessor or its designee, for such costs pursuant to Sections 4 and 5 of this Lease.
9. Provide Lessee exclusive use of the lower level parking area as shown on Exhibit A – Parking Plan.
10. Provide snow and ice control and removal. Snow and ice will be removed from designated walking surfaces on Lessor controlled 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. Lessee shall reimburse Lessor for its pro rata share of such services pursuant to Section 4(b)(iii) of this Lease.

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.

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.

11. 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.
12. 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. Lessee shall be responsible for fire alarm and detection maintenance related to the Premises and shall reimburse Lessor or its designee, for such costs pursuant to Sections 4 and 5 of this Lease.
13. 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.

EXHIBIT A




KEYNOTES FOR THIS SHEET.

1. 4"x4" FRESH AIR INTAKE LOCATION. PROVIDE FND WALL, VENT OPENING, HEADER, GRATE AS REQUIRED BY THE MECHANICAL DESIGN.
2. 2 HOUR FIRE RATED PRECAST COLUMNS UP TO ROOF LINE. ALSO PROVIDE 2 HOUR PRECAST BEAMS BETWEEN THESE COLUMN AT ALL LEVELS.
3. BRICK LEDGE

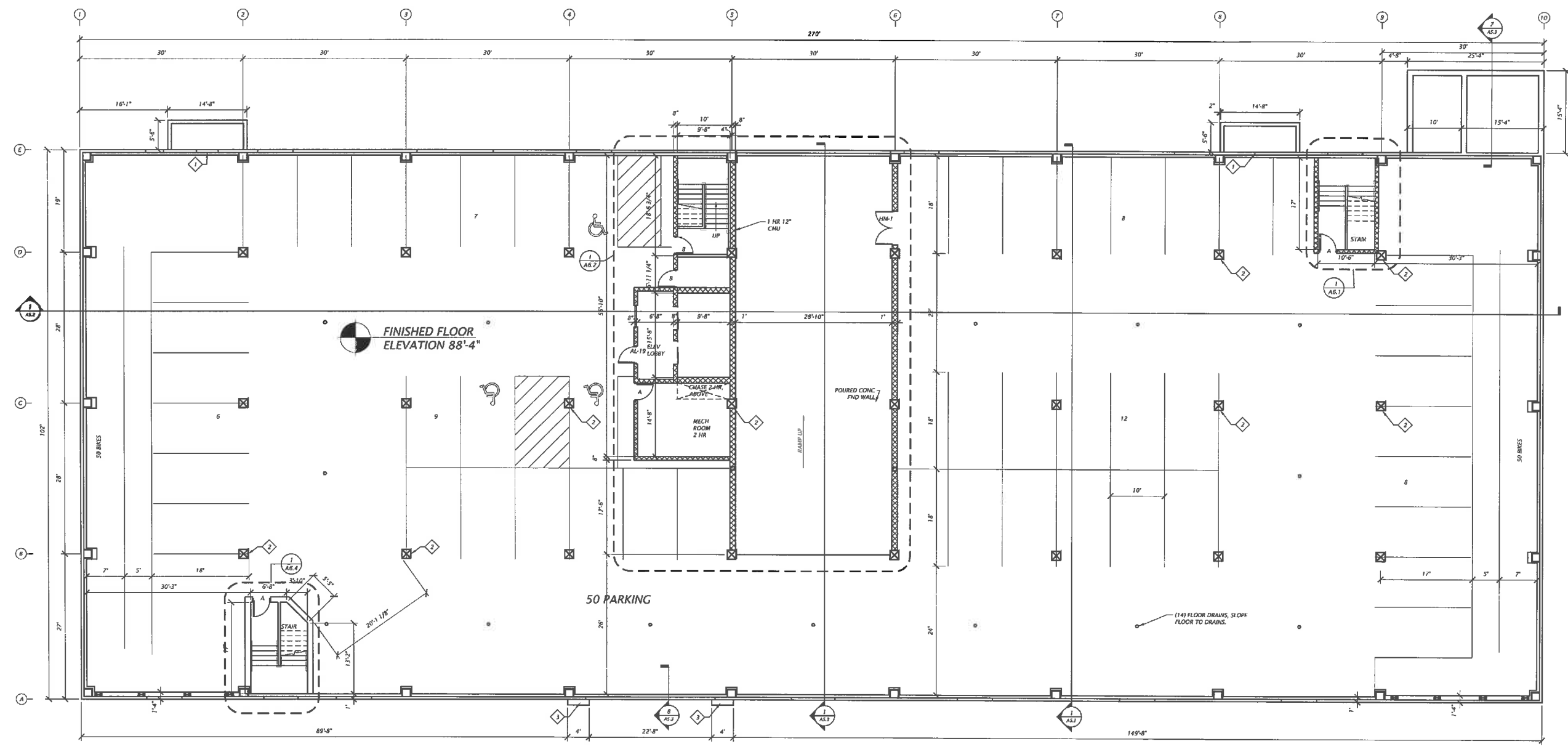
ROBERT D. JOHNSON ARCHITECT
 5201 STONEWOOD DRIVE
 EAU CLAIRE, WISCONSIN 54703
 715.828.8330 RDJ@ARCHITECT@GMAIL.COM

222 WATER ST LLC (OWNER)
 301 WATER STREET,
 EAU CLAIRE, WI 54703
 715-832-0022

COMMERCIAL AND
 RESIDENTIAL HOUSING
 222 WATER STREET
 EAU CLAIRE, WI 54703

BASEMENT


2-14-17
 A2.1
 SHT. OF

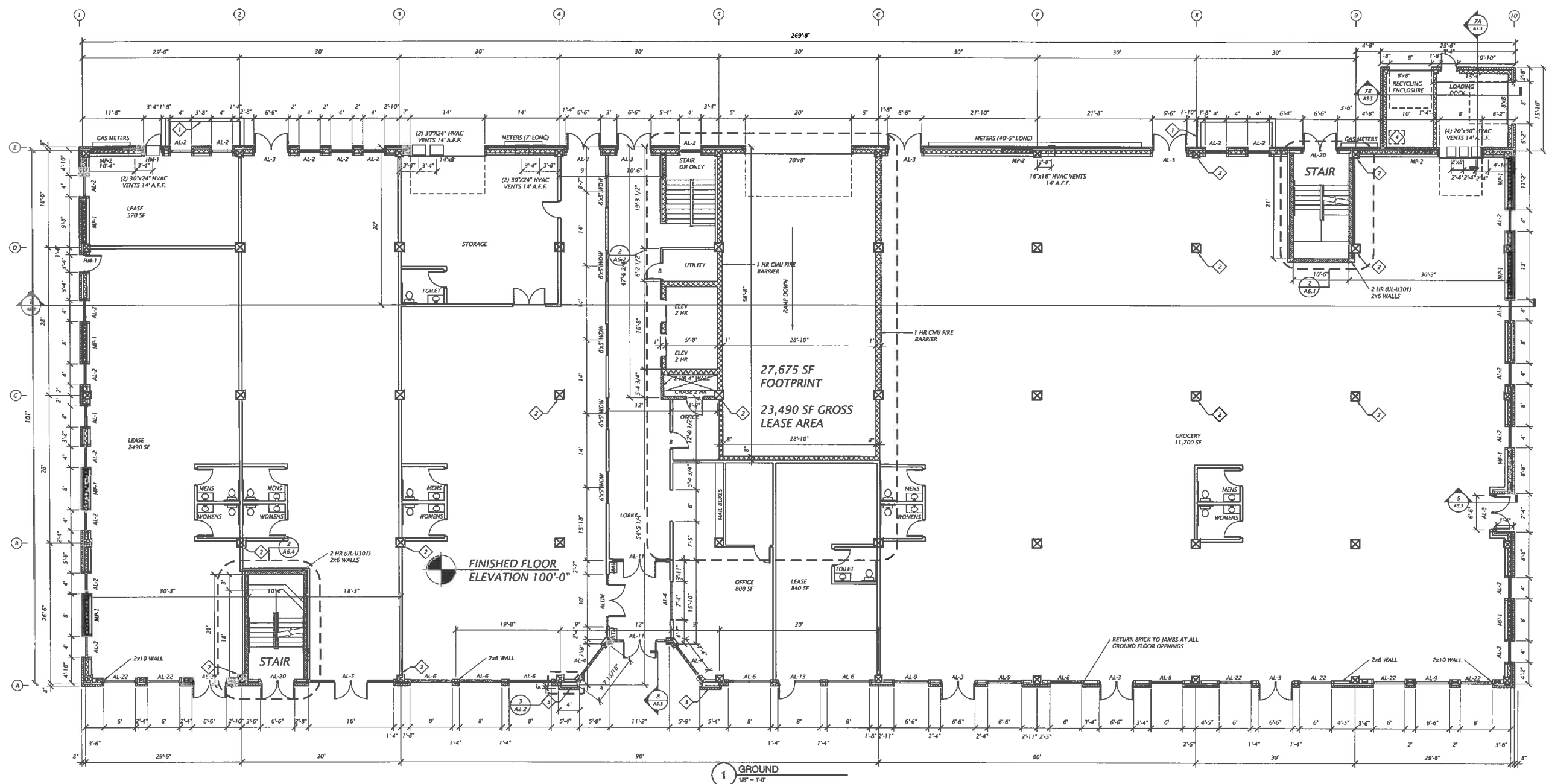
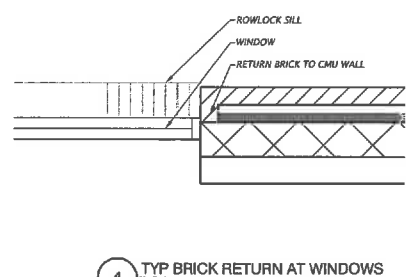
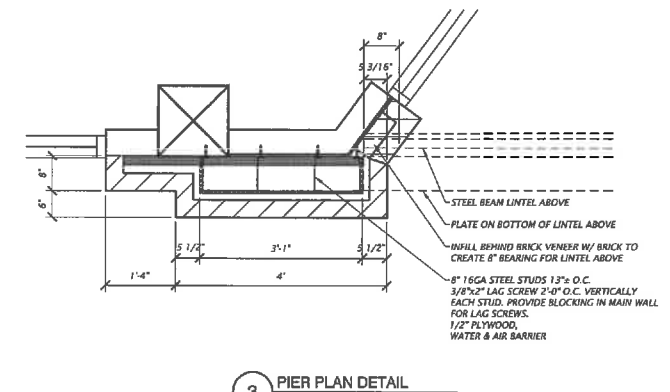
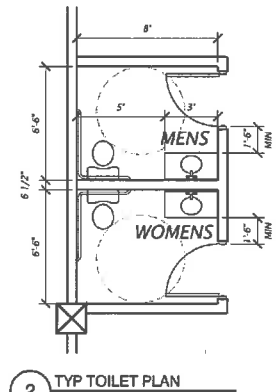
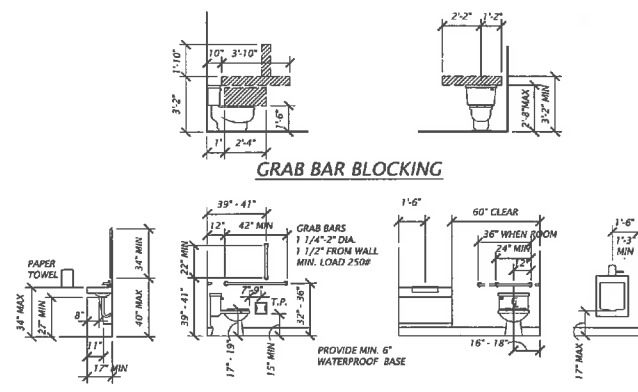


1 BASEMENT
 1/8" = 1'-0"

KEYNOTES FOR THIS SHEET.

1. FRESH AIR INTAKE LOCATION. PROVIDE FINI WALL, VENT OPENING, HEADER, COATS AS REQUIRED BY THE MECHANICAL DESIGN.
2. 2 HOUR FIRE RATED PRECAST COLUMNS UP TO ROOF LINE. ALSO PROVIDE 2 HOUR PRECAST BEAMS BETWEEN THESE COLUMN AT ALL LEVELS.
3. BRICK COLUMN
4. ROOF HATCH W/ STEEL LADDER

GENERAL NOTES:
ALL PRECAST BEAMS AND COLUMNS TO BE 1 HOUR FIRE RATED EXCEPT AS NOTED.



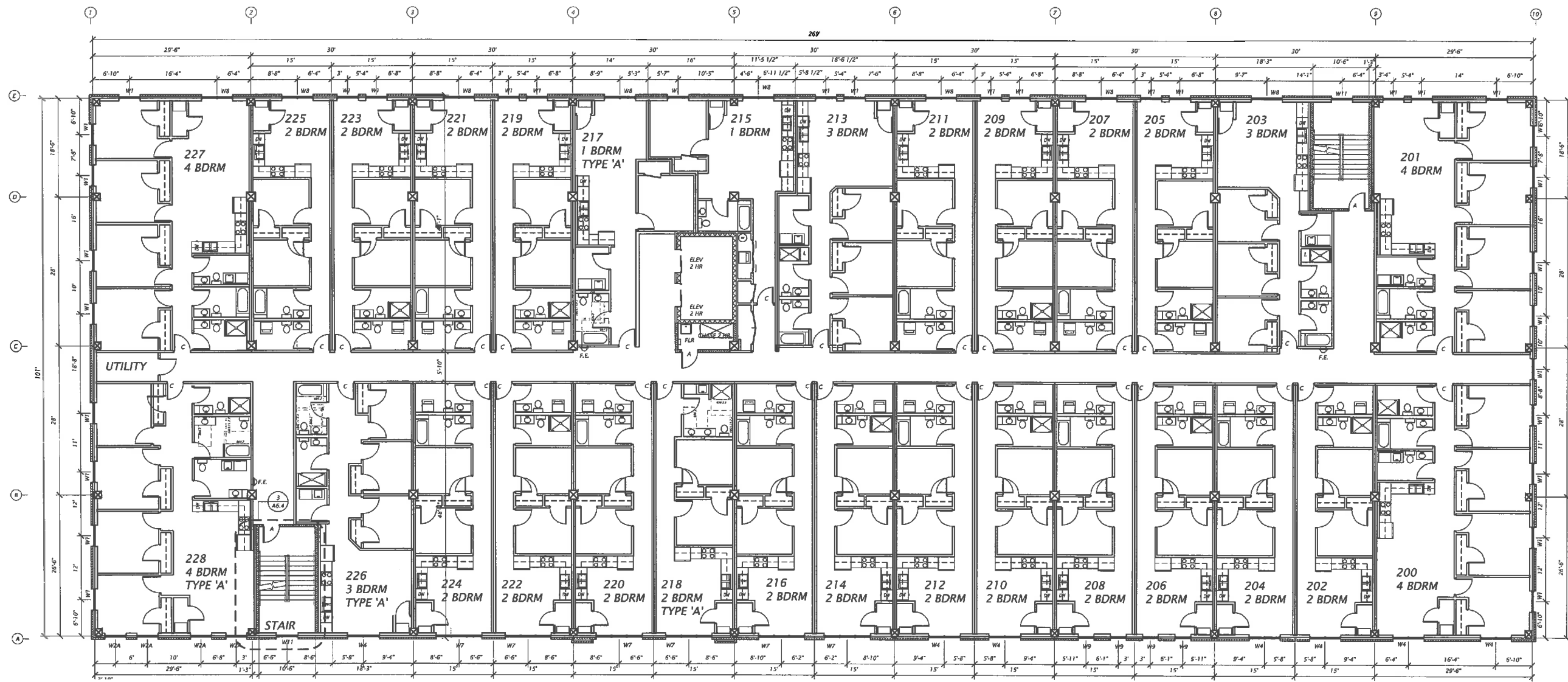
ROBERT D. JOHNSON ARCHITECT
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715-828-6330 RDJARCHITECT@GMAIL.COM

222 WATER ST. LLC (OWNER)
301 WATER STREET,
EAU CLAIRE, WI 54703
715-832-0022

COMMERCIAL AND
RESIDENTIAL HOUSING
222 WATER STREET
EAU CLAIRE, WI 54703

GROUND FLOOR PLAN

2-14-17
A2.2
SHT. OF



1 SECOND FLOOR PLAN
1/8" = 1'-0"

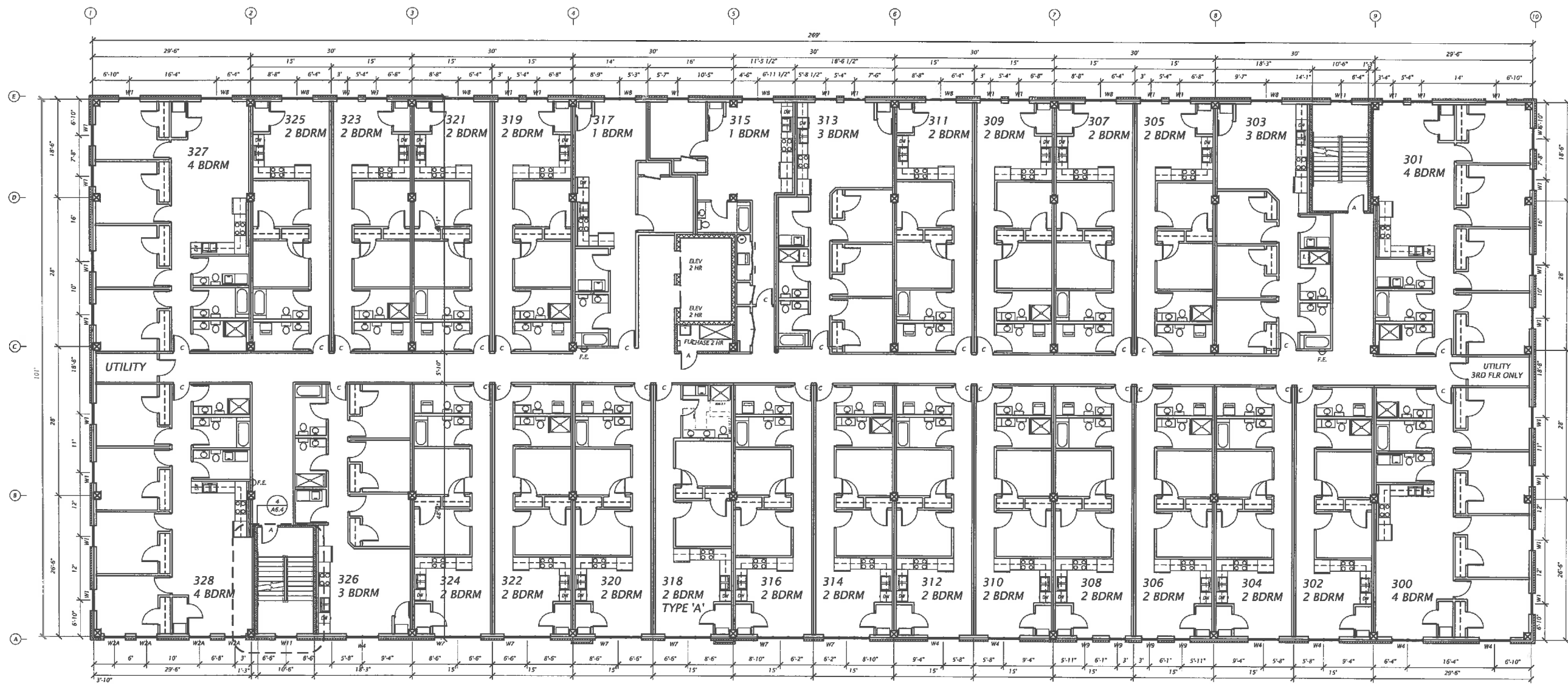
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COMMERCIAL AND
RESIDENTIAL HOUSING
222 WATER STREET
EAU CLAIRE, WI 54703

SECOND FLOOR
N
E
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W

2-14-17
A2.3
SHT. OF



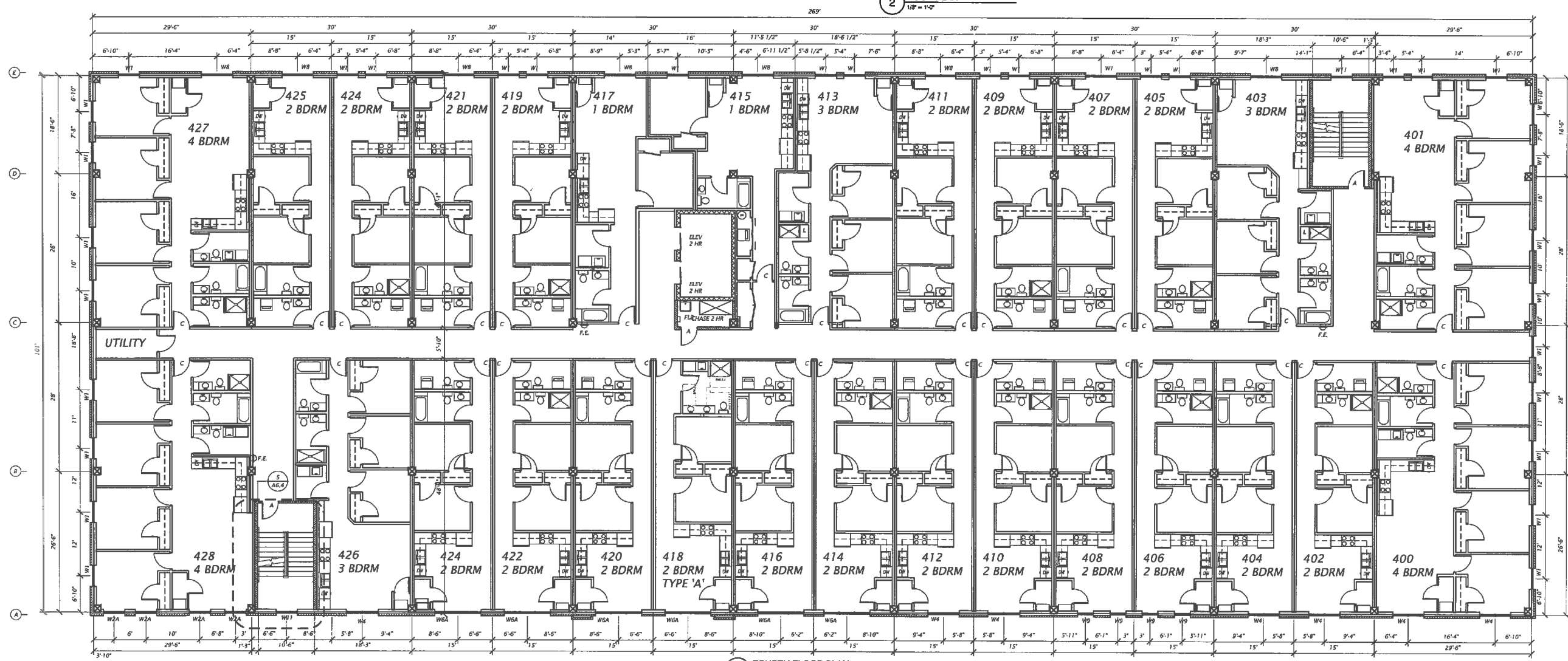
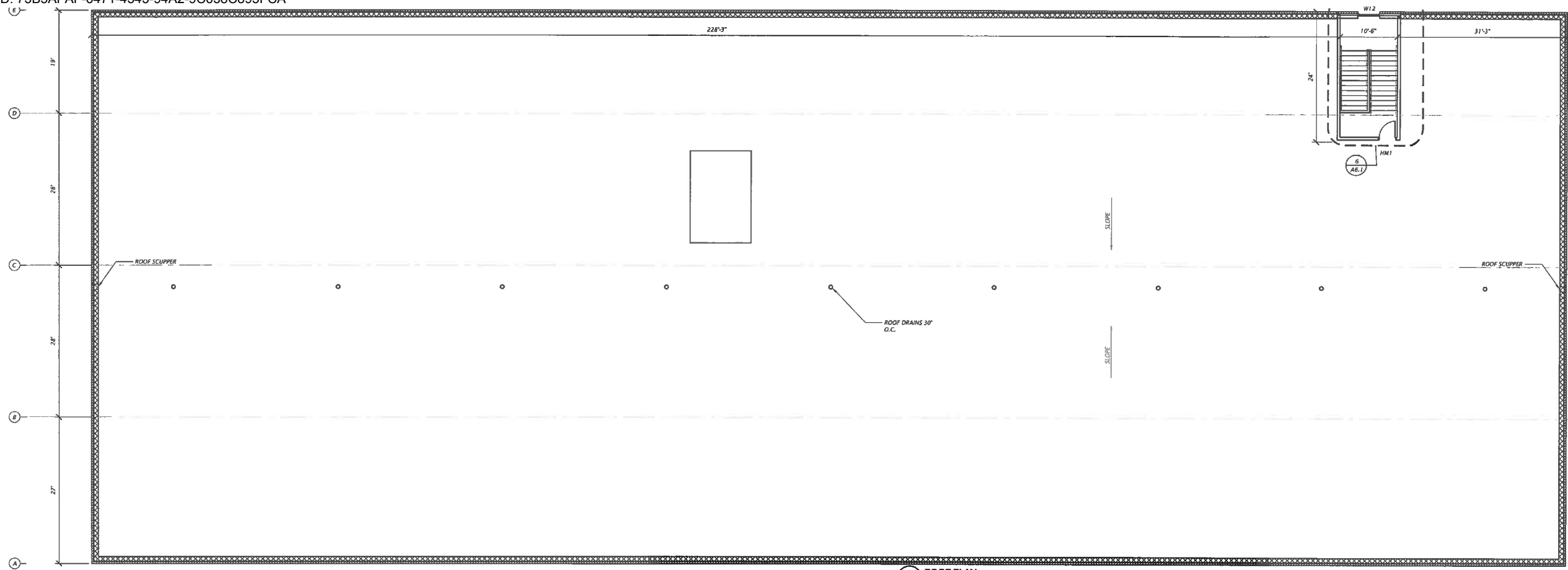
1 THIRD FLOOR PLAN
1/8" = 1'-0"

ROBERT D. JOHNSON ARCHITECT
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715.828.8330 RDJARCHITECT@GMAIL.COM

222 WATER ST LLC (OWNER)
301 WATER STREET,
EAU CLAIRE, WI 54703
715-832-0022

COMMERCIAL AND
RESIDENTIAL HOUSING
222 WATER STREET
EAU CLAIRE, WI 54703

THIRD FLOOR PLAN
N
E
S
W



ROBERT D. JOHNSON ARCHITECT
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715.828.8330 RDJARCHITECT@GMAIL.COM

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EAU CLAIRE, WI 54703
715-832-0022

COMMERCIAL AND
RESIDENTIAL HOUSING
222 WATER STREET
EAU CLAIRE, WI 54703

FOURTH FLOOR & ROOF PLAN

2-14-17
A2.5
SHT. OF



REAL ESTATE PROPERTY ANALYSIS - WI STATUTE 16.84(5)

Proposed Property

PROPOSED PROPERTY STREET ADDRESS & CITY

220 Eau Claire Street, Eau Claire, WI

Date Completed

12/11/2023

Completed By (use drop-down)

Jane Zavoral

Executive Summary for Proposed Property

The Department of Administration, on behalf of the University of Wisconsin System Administration (UWSA) and the University of Wisconsin - Eau Claire currently leases a 154,732 square foot student housing facility located at 220 Eau Claire Street in Eau Claire, WI. The current lease (#285C-001) expired August 31, 2023 and is in holdover. As per DOA policy, a competitive bid process (RFP) was performed in August 2023 in order to execute a new lease of space greater than 10,000 square feet. One proposal was received for the current location for a 10-year lease with two 5-year renewal options. Enrollment is holding steady at UW-Eau Claire and there is still a need to lease an entire apartment building for approximately 400 students. The RFP results showed there are no comparable properties for this use in the preferred area in Eau Claire, WI.

(1) General Information

SECTION 1 -- GENERAL INFORMATION

Agency (use drop-down) 285 UW System	Desired Municipality Eau Claire	Current Lease Status (use drop-down) INITIAL	Proposed Lease Status (use drop-down) NEW LEASE	Initial or Renewal Lease Term (Years) 10	Type of Lease (use drop-down) RESIDENTIAL	Existing Lease # 285C-001	Space Request # 2986	New Lease # 285-029
--	---	--	---	--	---	-------------------------------------	--------------------------------	-------------------------------

Current Lease Property Street Address or N/A 220 Eau Claire Street, Eau Claire, WI	Current Lease Expiration Date 8/31/2023	Current Lease Property Square Feet 154,372
--	---	--

Rentable Square Feet Required (Fill in applicable boxes)

Office	Garage	Storage	Residential 154,732	Hangar	Lab	Land	Tower	Warehouse	TOTAL RENTABLE SQ FEET 154,732
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Agency Requested Location -- Current Lease Property Address or Space Request/Correspondence Memorandum Location

Remain at current location - 220 Eau Claire Street

Agency Justification for Requested Location

When the University entered the lease for Haymarket Landing in 2016, it helped address the existing inventory shortfall, and helped prepare for the displacement of beds caused by the Towers Hall renovation, which took place in 2017-2018. The renovation of Towers Hall removed most of the overflow lounges that were used in previous years to address housing shortages, so this strategy is not available in future years. The opening of the new residence hall (The Suites) in 2019 further addressed the shortfall, while preparing the University for the demolition of Putnam and Thomas Halls to make room for the new science complex. During the years of shortfall, the residency requirement for second year students to remain on campus has been waived due to the lack of beds. In order to meet demand, every possible study lounge had been converted into a multi-student living space with resident assistants who were required to have roommates. More than 250 students were housed in lounges. Even in the Fall of 2020, when the COVID-19 pandemic depressed residence hall demand, the University had a Fall residence hall occupancy at capacity. Haymarket Landing will be essential for covering the beds lost by the closure of Putnam and Thomas Halls. Enrollment is holding steady at UW-Eau Claire and there is still a need to lease an entire apartment building for approximately 400 students. Base rent, replacement capital reserves, real estate taxes and building operating expenses costs will be paid to the lessor and reconciled annually. UW-Eau Claire will directly pay utility costs, while managing the residence life operations.

(2) Consolidation Analysis

Section 2 -- CONSOLIDATION ANALYSIS

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>	Comments Unique use - student housing. No comparable properties were identified and UWEC occupies the entire current facility. There are no opportunities for State-agency consolidation for this lease.
--	---	--

(3) Cost Benefit Analysis for Lease vs Purchase Space

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

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

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

This facility was constructed by the UW Eau Claire's Real Estate Foundation for use by the University. As a result, it meets UWEC space requirements. While it is anticipated that additional student housing will be required, UWSA and UWEC are uncertain whether this or another facility will be needed for the next 40 years. Therefore, leasing is the best option, at this time.

Agency: 285 UW System
 Desired Municipality: Eau Claire

Section 4 -- COMPARABLE LEASE ANALYSIS

Proposed Property Address (Center of 10-mile Radius)

220 Eau Claire Street, Eau Claire, WI

Wider Radius?

Check Box

Yes

No

Comments

Facility is on the UWEC campus, which allows students to walk to their classes. A review of the market shows that there are no comparable properties to the current facility.

(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 220 Eau Claire Street, Eau Claire, WI	Y	Y	Y	Yes	Y	Y	Y	Y	Y	Y	No	Y	Facility was designed for UWEC, so all specifications are met.
B No Comparable Properties identified													
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 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 Motel 6 - 2305 Craig Road - Eau Claire	N	Y	Y	Yes	Y	Y	Y		N	N	N		Facility is designed for retail business and is not designed for the needs of a student housing program (e.g., cafeteria/
B													
C													
D													
E													
F													

Comparison of Proposed Property versus Current Lease Property OR list N/A, if not applicable for this analysis				Comments
Proposed Property Address	Square Feet	Annual Cost		
220 Eau Claire Street, Eau Claire, WI	154,732	\$2,771,250		
Current Lease Property Address				
220 Eau Claire Street, Eau Claire, WI	154,732	\$2,590,362		

Section 4 continued on Page 3

Agency: 285 UW System
 Desired Municipality: Eau Claire

Section 4 -- COMPARABLE LEASE ANALYSIS (continued)

of State Employees at Property:

Comparable Property Addresses	Rentable Sq Ft	YEAR 1 Estimated Total Cost of Leasing										YEAR 1 ESTIMATED TOTAL COST OF LEASING				
		Year 1 Estimated Lease Costs (Full-Service Gross)						Year 1 Miscellaneous Leasing Costs					TOTAL AGENCY COSTS			
		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 = \$5,000.00/employee or actual or zero	IT, Cabling, Telecomm Setup = \$4.00 PSF or actual or zero			Tenant Improvements = \$20.00 PSF or actual or zero		
A 220 Eau Claire Street, Eau Claire, WI	154,732	\$ 12.44				\$ 5.47	\$ 17.91	\$ 2,771,250.12	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,771,250.12
B No Comparable Properties identified							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C 0							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D 0							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E 0							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F 0							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G 0							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H 0							\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Initial or Renewal Lease Term (Years):

Comparable Property Addresses	Annual Esc.	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	Year 6 TOTAL COST OF LEASING	Year 7 TOTAL COST OF LEASING	Year 8 TOTAL COST OF LEASING	Year 9 TOTAL COST OF LEASING	Year 10 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 220 Eau Claire Street, Eau Claire, WI	2.00%	\$ 2,771,250.12	\$ 2,826,675.12	\$ 2,883,208.62	\$ 2,940,872.80	\$ 2,999,690.25	\$ 3,059,684.06	\$ 3,120,877.74	\$ 3,183,295.29	\$ 3,246,961.20	\$ 3,311,900.42	\$ 30,344,415.63	\$ 19.61
B No Comparable Properties identified		\$ -	\$ -	\$ -	\$ -							\$ -	\$ -
C 0		\$ -	\$ -	\$ -	\$ -	\$ -						\$ -	\$ -
D 0		\$ -	\$ -	\$ -	\$ -	\$ -						\$ -	\$ -
E 0		\$ -	\$ -	\$ -	\$ -	\$ -						\$ -	\$ -
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G 0		\$ -	\$ -	\$ -	\$ -	\$ -						\$ -	\$ -
H 0		\$ -	\$ -	\$ -	\$ -	\$ -						\$ -	\$ -

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 Lease Rate PSF	Lowest Estimated Lease PSF from All Other Comparables	Estimated Market Rate PSF 'Plus 5%' Average of All Comparables Properties Estimated Lease Rate PSF
Proposed Property Address: 220 Eau Claire Street, Eau Claire, WI	\$ 19.61	N/A	\$ 20.59

4) Comparable Lease Analysis (continued)

Agency: 285 UW System
 Desired Municipality: Eau Claire

**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

This facility contains 410 beds. The annual cost per bed is approximately \$6,760. In a review of market rents for nearby apartments, the cost per bed is lower than what students would pay in off-campus apartments.

PROPOSED PROPERTY ADDRESS: 220 Eau Claire Street, Eau Claire, WI Proposed Lease Status (use drop-down): NEW LEASE

Terms of Proposed Lease					
Lease Terms	List in 100%, such as 5% is 105%			New Lease	Renewal Term
				Initial Term	
a Usable Square Feet					154,732
b Load Factor, if applicable					0%
c Rentable Square Feet (a X b)				-	154,732
d Base Rent Per Square Foot					\$ 12.44
e Operating Expenses PSF					\$ 5.47
f Rent Per Square Foot (d + e)				\$ -	\$ 17.91
g Annual Rent (c X f)				\$ -	\$ 2,771,250.12
h Amortization Per Square Foot	Total Cost	Interest Rate	Term (Yrs)	PSF	PSF
				#NUM!	#NUM!
i Rent Per Square Foot (d + e)				\$ -	\$ 17.91
j Cost Per Square Foot (h + i)				\$ -	\$ 17.91
k Rentable Square Feet (c)				-	154,732
l Annual Cost (j X k)				\$ -	\$ 2,771,250.12
Annual Escalator					2.00%
Initial Lease Term - # of Years					10
Renewal Options - # & # of Years					2, 5-yr

Comparable Options Summary			ESTIMATED LEASING COST PER SQUARE FOOT
Comparable Property Addresses			Cost PSF from Section 4
A	220 Eau Claire Street, Eau Claire, WI		\$ 19.61
B	No Comparable Properties identified		\$ -
C	0		\$ -
D	0		\$ -
E	0		\$ -
F	0		\$ -
G	0		\$ -
H	0		\$ -

[E] Joint Committee On Finance (JCF) & Legislature Chief Clerks Notification - Summary Report