



"...meeting community needs...enhancing quality of life."

**PARKS, RECREATION & FACILITIES
MANAGEMENT**

Dean R. Gazza, Director

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TO: Finance Committee

FROM: Dean R. Gazza

DATE: 4/24/2023

RE: Action: Approve lease for space at the Northland Mall by the Parks, Recreation and Facilities Management Department contingent on the approval of the Development Agreement with Fox Commons Properties, LLC.

As a result of the planned development of the City Center Plaza, the Dance Studios currently leased by the Parks, Recreation and Facilities Management Department will terminate on June 30, 2023, requiring a new location to provide programming. The City of Appleton and the developers have negotiated a buy-out of our existing lease to allow the development to move forward. The terms of the buyout are to pay for the difference in rental fees through December 31, 2024, and to provide money for moving expenses totaling \$100,000.

Our team identified space within the Northland Mall that will accommodate our needs. We have negotiated a competitive lease for a term of five years with a clause that if the Common Council does not fund the upcoming year in the annual budget, then the lease terminates.

The lease terms are for a gross lease thus paying for all expenses except for utilities and housekeeping. The lease is highly competitive, and we are happy to have found a location that can meet our needs at this cost. The space is 6,649 sq. ft. Our current location is 6,344 sq. ft. at \$7.29 sq. ft. which was a rate that would not be able to be replicated in today's market. The new location also provides benefits for participants such as parking which will be well received.

2023 - \$10.50 sq. ft., \$69,815 annually
2024 - \$10.50 sq. ft., \$69,815 annually
2025 - \$11.00 sq. ft., \$73,139 annually
2026 - \$11.00, sq. ft., \$73,139 annually
2027 - \$11.50, sq. ft., \$76,464 annually

In addition, the landlord is assisting in replacing all the HVAC rooftop units, providing signage, and assisting with some minor modifications.

We ask for approval to provide us time for the opportunity to move forward with an efficient move in late June or early July.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.