

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4447

Accepting the management and incremental funding of the Madison Pop Up Shop Program, and authorizing the execution of lease with 432 State LLC and the CDA for retail space at 440 and 444 State Street.

Presented June 10, 2021
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____
Legistar File Number _____

RESOLUTION

WHEREAS, the Common Council of the City of Madison created the Small Business Equity and Recovery (“SBER”) Program guidelines on September 1, 2020 (RES-20-00613, Legistar #61605); and,

WHEREAS, the SBER Program notes that funding “could help underwrite pop-up retail opportunities in collaboration with neighborhood business organizations. These pop -up retail opportunities could be targeted to business owners of color and other historically underrepresented groups;” and,

WHEREAS, the Community Development Authority (“CDA”) has experience managing retail leases at the Village on Park; and,

WHEREAS, based on this experience, the CDA will be better-equipped to lead and manage the Madison Pop Up Shop Program during these early stages of the Pop Up Program development, in connection with the City of Madison’s Office of Business Resources team who will be negotiating and executing sub-leases with retail tenants of the Pop Up Program; and,

WHEREAS, the Common Council approved (RES-21-00384, Legistar #65499) the 2021 amendment of the CDA Redevelopment Authority’s operating budget by \$100,000, and authorized the CDA to manage the Pop Up Program; and,

WHEREAS, the Economic Development Division of the City of Madison located a property owner (“432 State LLC”) of a building at 440 and 444 State Street in Madison who is willing to host the first Madison Pop Up Shop Program (“Pop Up Program”) site, and the parties agreed to the below lease terms.

NOW THEREFORE BE IT RESOLVED that the Community Development Authority of the City of Madison (the "CDA") hereby approves the management of the Madison Pop Up Shop Program and incremental funding to its 2021 operating budget.

NOW THEREFORE BE IT FURTHER RESOLVED that the CDA authorizes the execution of a lease agreement (the "Lease") with the 432 State LLC for retail space at 440 State Street, Madison, Wisconsin on substantially, though not exclusively, the following general terms and conditions:

1. Leased Premises. The "**Leased Premises**" totals roughly 1,661 rentable square feet ("s.f.") in the building located at 440 State Street, Madison, Wisconsin (the "Building"). The Lessor will measure the Leased Premises' rentable square feet, and it will be finalized in the Lease. The Leased Premises has two spaces in the Building with separate entrances and addresses of 440 and 444 State Street. Both areas share a common basement and stairwell.

2. Property: The Building is located upon real estate (the "Property") more specifically described as:

Lot Three (3) of Certified Survey Map No. 13653 as recorded as Document No. 5051604 in the Dane County Register of Deeds in Vol 89 Page 275 of Certified Surveys in the City of Madison, Dane County, Wisconsin.

3. Term. The initial term of this Lease shall commence on July 1, 2021, and end on June 30, 2022 (the "**Term**"), unless terminated sooner or extended pursuant to any of the provisions in the Lease.

4. Rent. The CDA shall pay to the Lessor an annual gross rent for the Leased Premises in the amount of Twenty One Dollars per square foot (\$21/s.f.) multiplied by the finalized rentable square feet of the Leased Premises (the "**Annual Rent**"). One Twelfth of the Annual Rent is due on the first day of each calendar month throughout the Term of the Lease. The Lease shall be a gross lease, as specified in the Lease.

5. Option to Renew. If, at the end of the Term of the Lease, the CDA is not in default under the terms and conditions of the Lease, then the CDA shall have the option to extend the Lease on a month to month basis thereafter (the "**Option Term**") under the same terms and conditions provided in the Term of this Lease.

If the CDA desires to exercise the Option Term, the CDA must give written notice to the Lessor a minimum of sixty (60) days prior to the expiration of the Term. The Term of the Lease will continue on a month to month basis thereafter, unless the Lessor or the CDA provide written notice to the other party cancelling the Option Term effective sixty (60) days after the notice is sent.

6. Use. The CDA will use the Leased Premises to administer a Madison Pop Up Shop Program and activities related thereto (the "Pop Up Program"), and for no other purposes without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, delayed or conditioned.

7. Assignment and Subletting. The Lessor consents to the CDA subleasing or licensing the Leased Premises under this Lease to individuals or small businesses that are approved by the City of Madison's Office of Business Resources, who will administer the subleases or licenses under the Pop Up Program.
8. Delivery of the Leased Premises. Lessor will not be making any improvements to the Leased Premises other than cleaning the windows, floors and restroom therein.

BE IT RESOLVED that the Chair and Executive Director of the CDA are hereby authorized to execute, deliver and record the Lease, and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution in a lease form authorized by the City Attorney.

