

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4675

Authorizing the execution of a second amendment to a listing agreement between Kent Yan of Plato Commercial Real Estate LLC and the CDA pertaining to the Village on Park.

Presented August 14, 2025
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____
Legistar File Number _____

RESOLUTION

WHEREAS, Plato Commercial Real Estate LLC (the "**Broker**") and the CDA are parties to an exclusive listing agreement dated June 13, 2022 and WB-42 amendment dated May 14, 2024 approved by CDA Resolutions 4496 and 4601 (the "**Agreement**") to rent certain commercial space at The Village on Park, which is located at 2300 S. Park Street in Madison (the "**Property**") that expires on May 12, 2026; and

WHEREAS, City staff and the Broker seek to amend Section 4 Compensation of Addendum X of the Agreement for approved/executed leases with lease terms greater than five years as described below.

NOW THEREFORE BE IT RESOLVED, that the CDA Board authorizes the CDA to amend the Agreement with a Second Amendment substantially, though not exclusively, as follows:

1. Section 4 of Addendum X of the Agreement is amended and restated as follows:

Compensation: The CDA shall pay Broker the following Commission if earned during the Term of this Agreement for an approved "Lease" executed by the CDA at the Property that are entered into with a tenant procured by Broker or assigned by the CDA. A "**Commission**" is collectively defined as the Five-Year Commission, any Incremental Fiscal Year Commissions, and any Renewal Commissions as defined below. Notwithstanding the foregoing, the executed lease with Luna's Market, LLC with an Effective Date of December 11, 2023 and any approved/executed amendments thereto (the "**Luna's Lease**") will have a different commission structure based on a fiscal year annual basis as set forth in 1.d below (the "**Luna's Market Commission**").

The Commission is calculated and paid as follows:

- a. For an executed Leases that have a lease term of five years or less, a commission shall be six percent (6%) of the total sum of the base rent to be paid to the CDA

during the first five years of the Lease term and will be paid after the Tenant makes its first monthly base rent payment to the CDA (the "**Five Year Commission**").

Should another broker procure a tenant that enters into a Lease that is approved/executed by the CDA then the Five-Year Commission would be split 50%/50%.

- b. For an executed Leases that have a Lease term of five years or more, a commission is calculated and paid as follows:

(i) For the first five years of the Lease term, a Five-Year Commission shall be six percent (6%) of the total sum of the base rent to be paid to the CDA during the first five years of the Lease term and will be paid after the Tenant makes its first monthly base rent payment to the CDA; and

(ii) For each fiscal year (totally 12 months each) after the first five years of the Lease term, an incremental commission (an "**Incremental Fiscal Year Commission**") shall be six percent (6%) of the total sum of the base rent to be paid to the CDA during each respective fiscal year after the first five years of the Lease term, and will be paid after the Tenant makes its first monthly base rent payment to the CDA for the respective 12 month fiscal year. For example, if a Lease term is for seven years, then each respective fiscal year after the five-year term is defined, calculated and paid as follows:

Fiscal Year 6: commences on month 61 of the Lease term and ends on month 72 of the Lease term or earlier if applicable. The Incremental Year Fiscal Commission equals the total monthly base rent for fiscal year six times 6 percent and will be paid when the tenant makes its month 61 base rent payment .

Fiscal Year 7: commences on month 73 of the Lease term and ends on month 84 of the Lease term, or earlier if applicable. The Incremental Year Fiscal Commission equals the total monthly base rent for fiscal year seven times 6 percent and will be paid when the tenant makes its month 73 base rent payment.

Should another broker procure a tenant that enters into a Lease that is approved by the CDA then the Incremental Year Fiscal Commission would be split 50%/50%.

- c. For any tenant procured by Broker that has a fixed renewal option(s) period(s) in the original Lease: if said tenant exercises any renewal option period after the initial term, then CDA will pay Broker a three percent (3%) commission on the total monthly rent during each renewal option period exercised by the tenant when the tenant makes its first payment due for the renewal option period (a "**Renewal Commission**").

Should another broker procure a tenant that enters into a Lease that is approved by the CDA then the Renewal Commission would be split 50%/50%.

- d. The "**Luna's Market Commission**" is collectively calculated and paid as follows:

(i) **Calculation:** for each Fiscal Payment Lease Year of the Initial Term a commission of six percent (6%) of the total sum of the Monthly Base Rent

to be paid to the CDA per Luna's Lease (during the respective 12-month period) (the "**Fiscal Payment Lease Year**"). The first Fiscal Payment Lease Year commences on the first day the Tenant makes its first Monthly Base Rent payment to the CDA per the Lease (the "**Luna's Fiscal Year Payment Commencement Date**").

For any executed Renewal Options, a commission of three percent (3%) of the total sum of the Monthly Base Rent for each Renewal Lease Year to be paid to the CDA per Luna's Lease.

- (ii) **Payment:** For the Initial Term, payment will occur on the Fiscal Year Payment Commencement Date and each Fiscal Payment Lease Year thereafter as long as the Tenant has made the first Monthly Base Rent payment for each respective Fiscal Payment Lease Year and is not in default. Once any default has been cured by Tenant, then Broker will be paid its commission.

For the Renewal Terms, payment will be made for any exercised Renewal Option, after the Tenant makes its first Monthly Base Rent payment for each respective Renewal Lease Year, as long as the Tenant is not in default. Once any default has been cured by Tenant then Broker will be paid its commission.

- e. **Multiple Representation:** The CDA consents to multiple representation relationships by Broker.

- 2. All other terms and conditions of the Agreement shall remain in full force and effect.

BE IT STILL FURTHER RESOLVED that the Chair and Executive Director of the CDA are hereby authorized to execute the Second Amendment to the Agreement and deliver any and all documents as is necessary to carry out the terms set forth in this resolution and a form that is approved by the City Attorney's office.