

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the “MOU”) is entered into effective as of \_\_\_\_\_, 2025 (the “Effective Date”), by and between the City of Madison, Wisconsin (the “City”) and Shelter Friends of Dane County, Inc. (“Shelter Friends”). The City and Shelter Friends each may be referred to herein as a “Party” and collectively as the “Parties.”

### RECITALS

WHEREAS, the City owns the property located at 1904 Bartillon Drive in Madison, Wisconsin, and the improvements thereon, and desires to use it to operate a purpose-built men’s homeless shelter (the “Shelter”); and

WHEREAS, the estimated annual cost to operate the shelter on an overnight basis is \$3.5 million, and on a 24-hour a day, seven-day a week basis, is more than \$4.2 million; and

WHEREAS, estimated annual contributions from the City of Madison, Dane County, the State of Wisconsin and Porchlight, Inc. are expected to total approximately \$3.5 million, leaving an annual budget shortfall for a 24-hour seven-day a week operation of at least \$0.75 million; and

WHEREAS, Shelter Friends desires to assist with funding the shelter including by establishing a permanent endowment (the “Fund”) to be held by Madison Community Foundation (“MCF”), distributions from which will be used to assist with operating expenses; and

WHEREAS, MCF shall administer the Fund in accordance with the terms of its agreement with Shelter Friends (the “Fund Agreement”), attached to this MOU as Exhibit 1, and with MCF’s governing documents, attached to this MOU as Exhibit 2 to this MOU; and

WHEREAS, the Common Council of the City of Madison authorized the grant of two million dollars (\$2,000,000) to an endowment to support the Shelter on July 6, 2021 (RES #21-00487, Legistar #65935).

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants, promises and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. City of Madison Commitment
  - a. The City shall make a one million dollar (\$1,000,000) gift to the Fund in 2025.
  - b. Subject to Common Council approval, the City intends to make an additional one million dollar (\$1,000,000) gift within the next five years, for a total of two million dollars (\$2,000,000) (collectively, the “Gift”).
2. Shelter Friends Commitment
  - a. Shelter Friends shall abide by the terms of the Fund Agreement with Madison Community Foundation for the creation of the Fund, executed December X, 2025, the terms of which are attached to this agreement as Exhibit 1 and incorporated by

reference herein. The purpose of the Fund shall be to provide ongoing support to the operations of the men's homeless shelter owned by the City of Madison, or a successor men's homeless shelter so long as such support is necessary to sustain operations, with a secondary focus on supporting other programs and activities that respond to homelessness and housing instability in Madison and Dane County.

- b. Shelter Friends shall ensure that the Gift is used to capitalize the balance of the Fund and not be distributed to fund short-term expenses of the Shelter.
- c. Shelter Friends shall ensure that the Fund benefits the Shelter.
- d. Shelter Friends shall ensure that distributions from the Fund are directed to an operator of the Shelter, or its successor, under contract with the City.
- e. In the event the Fund is terminated, Shelter Friends shall ensure that the remainder of the Gift be distributed to "Qualifying Charities" as defined in the Fund Agreement, which support programs that benefit the City's homelessness response system, with a primary focus supporting the operations of the Shelter.

3. Any changes to the terms of this MOU shall require a written amendment, signed by the Parties or their successors in interest. Any change to the appropriation of the Gift must be authorized by the Common Council of the City of Madison.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their respective officers or agents, duly authorized, as of the date across from the Parties signature.

**SHELTER FRIENDS OF DANE COUNTY, INC.**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY OF MADISON**, a Wisconsin municipal corporation

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Satya Rhodes-Conway  
Title: Mayor

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: Lydia McComas  
Title: City Clerk

Approved:

\_\_\_\_\_  
David Schmiedicke, Finance Director \_\_\_\_\_ Date \_\_\_\_\_

Approved:

\_\_\_\_\_  
Eric Veum, Risk Manager \_\_\_\_\_ Date \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Michael Haas, City Attorney \_\_\_\_\_ Date \_\_\_\_\_

Execution of this \_\_\_\_\_ by the City of Madison is authorized by Resolution Enactment No. \_\_\_\_\_, File I.D. No. [\_\_\_\_\_] , adopted by the Common Council of the City of Madison on [\_\_\_\_\_] , 2025.

**EXHIBIT 1**  
**Fund Agreement with Madison Community Foundation**

[ To be attached ]

**EXHIBIT 2**  
**Madison Community Foundation Trust Agreement**

[ To be attached ]