



**BUSINESS LOAN PROGRAM &  
CITY OF MADISON – TID #54 - SMALL CAP LENDING PROGRAM  
CREDIT REQUEST  
February 22, 2024**

**BORROWER:** Atwood Music Hall Holdings, LLC

**BUSINESS:** Atwood Music Hall LLC

**ADDRESS:** 1925 Winnebago St, Madison, WI

**PRINCIPALS:** Toffer Christensen

**CREDIT REQUEST:** \$125,000 from TID #54 Small Cap TIF

**AMORTIZATION:** 5-year maturity, fully amortized

**RATE:** Small Cap TIF - 0% Fixed – No closing fee

**PURPOSE:** Real estate improvements

**COLLATERAL:** Second real estate mortgage on 1925 Winnebago St. Blanket Security Agreement on business assets of Atwood Music Hall Holdings LLC, Atwood Music Hall LLC, and Atwood Parking LLC. Unlimited Personal Guaranty of Toffer Christensen.

**DISADVANTAGED BUSINESS**

\_\_\_ MBE  
 \_\_\_ WBE  
 \_\_\_ L-M-I Ownership  
 \_\_\_ Other \_\_\_\_\_

**TYPE OF BUSINESS**

\_\_\_ X Basic  
 \_\_\_ Neighborhood  
 Years in Operation: 0

**LOCATION**

Census Tract # 19.02

No Targeted L-M-I Census Tract

**CDBG ENVIRONMENTAL REVIEW**

**Required:** Yes X No \_\_\_\_\_

**Date Requested:** TBD

**JOB IMPACT**

3+ Number of Jobs Created

**OTHER FUNDING**

- Lake Ridge, WWBIC, Cash Infusion

	<u>Job Classification</u>	<u>Salary</u>	<u>#Hrs/Week</u>
1.	General Manager	\$60,000	40+
2.	Marketing	\$40,000	40+
3.	Production Manager	\$50,000	40+



## **BACKGROUND**

The building at 1925 Winnebago St was constructed in 1931 for the Madison Gospel Tabernacle as their gathering and performance space. It is one of only a few buildings left in the Midwest with its uniquely patterned Lamella roof design. As the space was originally designed to bring people together and showcase music, it seems fitting that its next incarnation follow in that tradition by become Atwood Music Hall – an upscale venue to showcase the performing arts, host private events and weddings, while also serving to support and educate youth from underserved communities.

Atwood Music Hall will be in the Schenk/Atwood neighborhood, home to countless bars, restaurants, and creative businesses. The opening of the Atwood Music Hall would solidify the neighborhood as an Arts District by complementing and connecting the Bur Oak, The Barrymore Theatre, and Communication.

## **PROJECT DESCRIPTION**

The Christensen Company has purchased and will make improvements to a 10,900 square foot building located at 1925 Winnebago St, Madison, WI. The building was constructed as a music venue in 1931 but has most recently been used as an office/retail building.

The company plans to use the building as a music hall and cocktail lounge facility with a box office, stage area, two bars, elevated terrace seating and standing viewing areas on the main floor. The second floor/mezzanine area will include a seating area and bar area. The lower level will include restrooms, lounge area, artist lounge, and commercial kitchen. Demolition and construction are scheduled to begin in June 2024 and open in January 2025.

Atwood Music Hall will be a neighborhood asset that may be utilized by various community organizations. Within the project budgets they will be able to donate the space and production staff up to one weekday per week to area nonprofits for meeting space, fundraising nights, pitch events, youth performance space, etc.

Tackling racial and socioeconomic inequity within the arts will be a founding premise of the Atwood Music Hall. Introducing and exposing kids of color to live performance and performers will be facilitated to help enrich lives and create new music fans. When open, then venue will facility the following in conjunction with the Goodman Community Center LOFT Program:

- Donate 10-15 tickets per concert to local partners and area schools to distribute to community members who would not be able to afford concert tickets.
- Host a “Students of Live” afterschool program every Monday during the school year for kids to learn the ins and outs of the live music industry and gain hands on experience.

Atwood Music Hall is requesting assistance through the City of Madison’s Small Cap TIF Program in the amount of \$125,000 as part of a \$3.28 million project. Funds are to be used for real estate improvements. The founder is also seeking capital from Lake Ridge Bank, WWBIC and MDC’s Business Loan Program.



**BUDGET**

<b>The Atwood Music Hall</b> <b>All Stack Holders</b> <b>1925 Winnebago St, Madison</b>	
The breakdown is listed below:	
Real Estate.....	\$ 783,000
Real Estate Improvements.....	2,266,100
Equipment & Furnishing.....	231,900
<b>Total Costs</b>	<b>\$ 3,281,000</b>
<b>Less: Owner Contribution.....</b>	<b>\$ 250,000</b>
<b>Total Costs</b>	<b>\$ 3,031,000</b>
Lake Ridge Bank.....	\$ 1,856,000
Madison Development Corporation (BLP).....	200,000
Small Cap TIF - Lending Program.....	125,000
WWBIC.....	350,000
Investor Cash.....	500,000
<b>Total</b>	<b>\$ 3,031,000</b>
Submitted By: Toffer Christensen	

**MANAGEMENT**

**Kristoffer Christensen:** Toffer is a Madison native. After graduating from East High School, he attended American University in Washington, D.C, studying marketing, music history and recording engineering. He has his Masters in Music Business from NYU and worked as a talent Buyer for B.B. Kings, where he booked acts including Little Richard, Chuck Berry, Aretha Franklin, etc. With the company, he restored The Howard Theatre in Washington D.C. After booking the first run of shows in the theater, he left the company to start his own concert promotions company, T Presents, which he has run for over 10 years now.

After 20 years on the East Coast, Toffer moved back to Madison with his family 10 years ago. He continues to book concerts and has focused more on the Midwest markets and Madison since moving back. He is a partner in The Bur Oak music venue and took over the calendar for the Mineral Point Opera House.

**OWNERSHIP STRUCTURE**



Atwood Music Hall is owned 100% by Toffer Christensen. Christensen plans to sell 10% of the business to investors to help fill the financing stack. The loan will be personally guaranteed by Christensen.

**SUMMARY OF FINANCIAL STATEMENTS**

Historical financials were not available for this project as it will be a new business.

Projection financials were provided for the years 2025 – 2029. 2025 is the first year the project is expected to be fully operational. Estimated revenues and net income were sufficient to cover debt service requirements from year 1. The property as stabilized would provide an estimated loan to value ratio of ~83% and debt service coverage ratio of 1.17.

**ECONOMIC IMPACT**

<b><u>Total New Positions</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>
Full-Time Positions	3	3	3
Part-Time Positions	22	22	22

The project is expected to create 3 new full-time positions and up to 22 new part-time within the first two years. These are expected to be hourly positions and will include bar staff, security, box office, and loaders.

**RISKS**

Economic conditions, changes in consumer preferences and unforeseen events can significantly impact venue revenues.

The MDC loan will be secured by the same assets as Lake Ridge Bank and WWBIC with similar terms. However, MDC and the City of Madison will hold a junior position on collateral available.

**COLLATERAL**

Second position on business assets of Atwood Music Hall LLC and Atwood Parking LLC. Second mortgage on the subject property located at 1925 Winnebago St (junior to Lake Ridge Bank). Unlimited Personal Guaranty of Kristoffer Christensen and Corinna Chou (spouse). The guarantor’s credit report shows an excellent payment history.

The subject property has an appraised value of \$3.05 million when stabilized and total debt secured by the real estate will be \$2.531 million, resulting in a loan to value ratio of 82.9%. Atwood Music Hall Holdings, LLC will also provide a corporate guarantee.

A review of Toffer Christensen’s credit history shows no delinquent accounts. The largest liability is the mortgage on Toffer’s home with significant equity using estimated home value as of 2024. Other assets include an IRA, securities, personal vehicles, and cash.



### **TID-54 INTENT AND PURPOSE**

The City of Madison established that the health of the Madison area economy is vital. It intends to continue to expand, stabilize and diversify its economic base. Madison also recognizes that the area encompassing the Stoughton Road industrial corridor is an essential part of the greater community.

In 2023, the City of Madison in collaboration with MDC established a lending program to review, underwrite, and provide recommendations for applicants. The program is structured as a forgivable loan program for qualifying businesses for the purposes of real estate purchases, improvements, and machinery. Loans are to be structured with 0% over a 5-year term. Eligible businesses are required to remain and keep ownership of the facility for at least 5 years. Whereas 20% of the principal amount is decreased each year.

### **RECOMMENDATION**

Based on the company's business plan, collateral available and owner's credit history, the project meets the criteria and the economic development goals of the TID-54 Program. Staff recommends approval of \$125,000. This recommendation is contingent on final approval by the City of Madison legal review and City of Madison Common Council. The recommendation is also contingent upon approval of a business loan by Lake Ridge Bank.



**EXHIBIT A**

**Atwood Music Hall**

**SUMMARY OF FINANCIALS STATEMENTS**

<b>Revenues</b>	<b><u>2025</u></b>	<b>%</b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b>%</b>	<b><u>2028</u></b>	<b>%</b>	<b><u>2029</u></b>	<b>%</b>
Sales	2,553,780	100%	2,575,029	2,596,490	100%	2,618,167	100%	2,640,060	100%
COGS	1,567,882	61%	1,580,876	1,594,001	61%	1,607,257	61%	1,620,645	61%
Other Income (Parking)	71,518	3%	79,705	80,398	3%	81,098	3%	81,805	3%
Gross Profit	1,057,416	41%	1,073,858	1,082,887	42%	1,092,008	42%	1,101,220	42%
Operating Expenses	743,409	29%	748,154	753,218	29%	758,343	29%	763,572	29%
Net Operating Income	314,007	12%	325,704	329,669	13%	333,665	13%	337,648	13%
Other Expenses	-	0%	-	-	0%	-	0%	-	0%
<b>Net Income</b>	<b>314,007</b>	<b>12%</b>	<b>325,704</b>	<b>329,669</b>	<b>13%</b>	<b>333,665</b>	<b>13%</b>	<b>337,648</b>	<b>13%</b>

- Based on projections submitted by the applicant.
- Together with MDC's loans, Atwood Music Hall is expected to have initial liabilities totaling \$2.681 million. The borrower does not report any other long-term liabilities as of February 2024.