

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4156

Authorizing the execution of a lease with Steven Vo, individually to run a nail salon at 2308 S. Park Street at The Village on Park.

Presented November 19, 2015

Referred

Reported Back

Adopted November 19, 2015

Placed on File

Moved By Daniel Guerra, Jr.

Seconded By Kelly Thompson-Frater

Yeas 4

Nays 0

Absent 3

Rules Suspended

WHEREAS, the Community Development Authority of the City of Madison (the "CDA") is the owner of The Village on Park, located at 2300 South Park Street; and

WHEREAS, the CDA and Steven Vo, individually (the "Lessee") have negotiated the below terms and conditions to the lease (the "Lease") which provides for retail space located at 2308 S. Park Street in The Village on Park.

NOW THEREFORE BE IT RESOLVED that the Community Development Authority of the City of Madison (the "CDA") hereby authorizes the execution of a lease (the "Lease") between the CDA and Steven Vo, individually (the "Lessee") for retail space within The Village on Park on the following terms and conditions:

Leased Premises:	Roughly 2000 square feet of rentable square feet in the space located at 2308 S. Park Street in The Village on Park.
Landlord:	Community Development Authority of the City of Madison
Lessee:	Steven Vo, individually
Use:	Retail space to be used as a nail salon and spa with pedicure and manicure services, artificial nail services, and waxing services. Lessee shall have the exclusive for said uses in the mall. He is applying for the entity name of VIP Nails & Spa, which was the name of the former tenant.
Initial Term:	Shall commence upon the receipt of the certificate of occupancy, and continue for five years and four months totaling 64 months.
Rental Rate:	Modified gross rental rate (the "Rate") of \$13.00 per square foot per year or \$26,000 per year. The initial monthly base rental rate is \$2166.67 commences in the fifth month after the receipt of the certificate of occupancy.

Base rental rate shall be based on the following rent schedule:

Months 1 – 4 (4 months):	\$0.00 per month
Months 5 – 16 (12 months):	\$2,166.67 per month
Months 17 – 28 (12 months):	\$2,231.67 per month
Months 29 – 40 (12 months):	\$2,298.62 per month
Months 41 – 52 (12 months):	\$2,367.58 per month
Months 53 – 64 (12 months):	\$2,438.60 per month

The Rate shall include building taxes, building insurance, and common area maintenance.

Landlord shall be also responsible for the maintenance and repair of the roof, exterior building walls and foundation during the term of the Lease. Landlord shall be responsible for repairs, maintenance, and replacement of the premises' HVAC unit.

The Lessee shall be responsible for the pro-rated utilities (gas and electric), water and sewer, telephone, internet and data for the Leased Premise as well as any other services needed to conduct business.

Landlord Improvements

Landlord will complete the following work at Landlord's sole expense which should not exceed \$8550:

- Remove all existing floor coverings and smooth floor, ready for Lessee's flooring work
- Remove all of the mirrors, on all walls in the main retail area, and patch and smooth/texture walls accordingly.
- Remove all of red wall texture on the left wall, and patch and smooth/texture walls accordingly.
- Remove the three (3) rooms on the right side of premise
- Prime all existing walls (after any demolition) in the premise, ready for Lessee's paint.
- Replace water damaged ceiling tiles.
- Replace all AC filters.
- Repaint heat/AC ducts to dark grey (exact shade TBD later).
- Install a new water heater (gallons to be no less than what is currently in the premise) and a water softener.
- Replace non-working drinking fountain with one of equal or better quality.

Tenant Improvements

Lessee may install tenant improvements, furniture, fixtures and equipment into the Leased Premises with Landlord's written permission for Lessee's use of the Leased Premises to conduct desired business. Lessee will remove all of Tenant's improvements, furniture, fixtures, and equipment at the end of the Lease.

Option to Renew

Five (5) options to extend at three (3) years per option. The Rate in the option terms to increase 3.00% per year, provided that the Lessee has not been in default during the Initial Term or any subsequent renewal term.

Security Deposit

Lessee shall issue to Landlord a security deposit of one month's rent upon lease execution.

Tenant shall personally guarantee the lease.

Leasing Commission

Landlord will pay \$8282 to Plato Real Estate as follows: ¼ of the total amount when the rent commences and ¼ of the total amount every four months if the tenant is not in default of his rental payments.

BE IT RESOLVED that the Chair and Secretary are hereby authorized to execute and deliver the Lease and a contract for purchase of service in the amount of \$8550 to AAA Painting for the above described Landlord Improvements, and to take such other actions as shall be necessary or desirable to accomplish the purposes of this resolution.