

FILE
11-28-2158

From: Kevin VanDeraa <kevin@cup-cake.com>
To: Corinne Tilley <Corinne.Tilley@ci.stpaul.mn.us>
Date: Saturday, December 24, 2011 2:27 PM
Subject: FW: doc0014.pdf
Attachments: doc0014.pdf; Untitled attachment 00004.txt

Hi Corinne,

Here's a copy of the parking lease between Cupcake and Anderson Cleaners

Thanks
Kevin

FILE
11-282158

Commercial Lease

Cupcake Incorporated agrees to lease six (6) parking spaces from Anderson Cleaners. The parking spaces are located in the lot behind Anderson Cleaners at 978 Grand Ave St Paul, MN 55105. The spots are the three end spots on each side of the south end of the parking lot.

Anderson Cleaners reserves the right to reduce the number of spots to four (4), in the event that parking becomes problematic for Anderson Cleaners or apartments above.

The term of this lease is for five (5) years beginning March 1st 2012 and ending April 30, 2017.

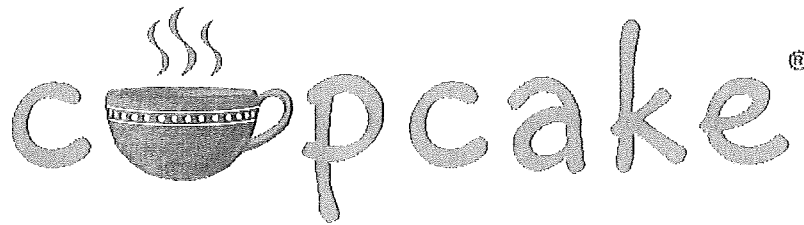
The rate is 75.00 per parking space for a total of 450.00 per month due on the first of each month. There is a 75.00 penalty if the rent is not received by the 5th of each month.

This lease is only valid and in effect if Cupcake Incorporated is granted a business license by the city of St Paul for the 949 Grand Ave location.

Cupcake is responsible for any signage at the parking spaces.

K.D.V.D. 12/24/11
Kevin D VanDeraa Date
Cupcake

James Rossman 12/24/11
James Rossman Date
FRSTeam
Anderson Cleaners



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After an extensive property search using commercial real estate brokers cupcake signed a 5 year lease at 949 Grand Ave in July of 2011. After signing the 5 year lease cupcake began to process of applying for a business license that includes beer and wine. At this point we found out that we would have to get a parking variance. Until this point we (Cupcake, the brokers, Shea restaurant design and the landlord) were unaware of any zoning issues. I point this out to illustrate that we did not intentionally set out to have any zoning problems.

Cupcake on Grand Ave is well worth a parking variance:

Cupcake, will invest approximately three hundred thousand dollars on grand to open the store. Once constructed, Cupcake will hire 15-20 new employees for this venture. Cupcake will be creating jobs, investing in St Paul and increasing the tax income for the city. The alternative an empty store-front on Grand Ave, one of many in this recession.

In the BZA staff report the zoning inspector suggests we find a different location on Grand. We are locked into a 5 year lease at 949 Grand. Breaching this contract would be expensive and damaging to the landlord and Cupcake alike. He also suggested we open without Beer and Wine. This business model is not viable. With the high rent and cost of operations on Grand Ave we would be setting the business up to fail from the beginning. The additional revenue from the beer and wine sales is essential for the business. In addition without beer and wine it would be very difficult to cultivate an evening business. I know this from operating Cupcake on University ave. both with and without a beer and wine license.

The reason for cupcakes expansion is simple. Cupcake on University Ave will not survive light rail construction without a second location. Its ironic that the light rail is taking away about 20 parking spaces in front of cupcake on university and we find ourselves fighting for parking at the new location.

Without this second location being open by March 2012 when the construction is fully in front of cupcake university, and with the cost to the business on having to breach the contract of the lease , I truly believe that cupcake is in jeopardy of closing due to the construction and the poor economy.

Finding 5 is met.

This area is zoned for the type of establishment Cupcake will open.

6. *The variance will not alter the essential character of the surrounding area.*

Finding 6 is met.

Cupcake is a local Minnesota business. We make all our food from scratch sourcing local ingredients when possible. Cupcake is the type of business that would fit seamlessly on Grand Ave. and compliment the neighborhood.