

SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY

323 South Naumkeag Street, Shakopee, MN 55379

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**BOARD OF COMMISSIONERS
MINUTES – SPECIAL MEETING
May 25, 2021**

(1) CALL TO ORDER

This meeting was held via Zoom videoconferencing. Chair Croatt called the meeting to order at 2:05 p.m.

(2) ROLL CALL

Commissioners present: District I, DeAnn Croatt
 District II, Terri Gulstad
 District IV, Patti Sotis
 District V, Barry Stock

Staff present: Bill Jaffa, Executive Director
 Julie Siegert, Housing Director
 Adam Johnson, Finance Director
 JoAnn Foust Business Development Specialist
 Linda Janovsky, Recording Secretary

(3) RESOLUTION NO. 16-21: APPROVING A LEASE WITH SOUTHWEST METRO INTERMEDIATE SCHOOL DISTRICT #288 FOR A SCOTT COUNTY BUSINESS ACCELERATOR AND CO-WORKING SPACE

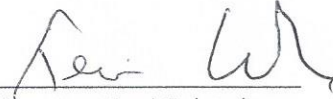
Business Development Specialist Jo Foust provided information on the Business Accelerator program in Dean Lakes Intermediate School Building. The initial space leased by the BA will be at \$12.50 a foot with the first two months free. The first term of the lease will be 36 months, renewable in 3 year terms. The spaces will be leased to BA participants for the rate of \$15/square foot for a 3 year term. There are currently 4 businesses interested in spaces, and some that would like continue a virtual membership. There will a COLA adjust for the increase in square foot costs per year. Taxes will need to start being paid in 2023. Please see more information on the latest a copy of the lease (not expecting too many other changes).

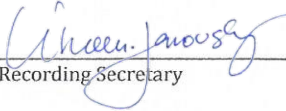
Commissioner Stock made a motion to approve Resolution No. 16-21.
Commissioner Croatt made a motion to second the motion. Unanimous roll call vote heard. Motion carried.

(7) ADJOURN

Commissioner Sotis made a motion to adjourn at 2:36 p.m. Commissioner Croatt seconded that motion. Roll call vote followed. Motion carried.


Chair DeAnn Croatt


Secretary Terri Gulstad

 06/10/2021
Recording Secretary Date

LEASE AGREEMENT

This Lease Agreement made the 21st day of May, 2021, by and between SouthWest Metro Intermediate District 288, an Intermediate School District organized and existing under Minnesota Statute § 136D.41 - .49 with its principal office located at 4601 Dean Lakes Boulevard, Shakopee, Minnesota, (the "Lessor") and the Scott County Community Development Agency (CDA), 323 Naumkeag Street South, Shakopee, Minnesota (the "Lessee"), collectively referred to herein as the "Parties", agree as follows:

The Lessee will lease from the Lessor that certain property/space located within a building owned by the Lessor at 4601 Dean Lakes Boulevard, Shakopee, Minnesota herein referred to as the "Property" under the following terms and conditions:

1. **Description of Property**, The Lessor agrees to lease to the Lessee the following space located on the second floor of The Dean Lakes Education Center, 4601 Dean Lakes Boulevard, Shakopee, Minnesota, and legally described as follows:

Section 09 Township 115 Range 022, SubdivisionName RLS 199 Lot TCT Block 00BSubdivisionCd 27399

A. **SPACE TO BE LEASED:**

Office/storage 247A	106 square feet
Office 252	127 square feet
Office 253	125 square feet
Office 255	125 square feet
Office 256	134 square feet
Office/conference 288	294 square feet
Office 289	134 square feet
Office 290	126 square feet
Office 292	125 square feet
Office 293	136 square feet
Office 297	176 square feet
<u>Classroom 291C</u>	<u>528 square feet</u>
Total	<u>4,6082,135 square feet</u>

- B. **RIGHT-OF-FIRST REFUSAL.** The Leasee/Lessee shall have the right-of-first refusal on additional space within the premissis/premises

If Leasee/Lessee seeks to expand, it would be given first option on the aforementioned space over any other outside partner. Lessor's growth plans and needs would take priority over any vacant space.

- C. **COMMON SPACE.** Leasee/Lessee and tenants shall also have access to the following shared areas, at no additional charge:

First Floor:

Reception/Mail Room,
Cafeteria/Breakroom,

Outdoor Lunch/Break Area,
Work Out Room (during non-school hours),
Restrooms, and
Loading Dock.

Second floor:

Work Room 243,
Break Room 244,
Conference room 266, and
Restrooms.

The collaborative work areas on the second floor outside leased spaces will also be available for common use by Lessee, Lessor, and other persons lawfully utilizing the building.

Conference and Training/Class Rooms: Occasional use of conference, board, and training/class rooms will be provided at no charge to the extent available. Such use will be reviewed on an annual basis. Regularly scheduled daily, weekly, or monthly reservation of a meeting or class room may be available for a fee. Lessor reserves the right to use or deny use of said conference, board, and classrooms at any and all times for School District purposes.

2. Term of Lease:

The initial lease term shall be for a period of 39 months, commencing on July 1, 2021 and expiring at midnight on September 30, 2024, ("Initial Term.") The Initial Term may be extended for additional 36-month term at the lease rates listed below with the mutual agreement of the Parties. Rent shall be paid quarterly in advance beginning October 1, 2021 with subsequent payments due the first business day of January, April, July, and October.

3. Lease Rates

The initial lease rate shall begin on October 1st, 2021 at a rate of \$12.50 per square foot, based only on the square footage of the individual offices leased. A one percent (1%) inflationary/cost of living increase will be added each year, beginning October 1st, 2022 as follows:

Lease Year	Year	CDA Lease Rate
1	2021-2022	\$12.50
2	2022-2023	\$12.63
3	2023-2024	\$12.75
4	2024-2025	\$12.88
5	2025-2026	\$13.01
6	2026-2027	\$13.14
7	2027-2028	\$13.27
8	2028-2029	\$13.40
9	2029-2030	\$13.54

4. **Occupancy**

The Leasee/Lessee may begin taking occupancy on or after July 1, 2021. Leasee/Lessee shall enjoy the use of the space rent free for first three months of occupancy.

5. **Description of Services Provided.**

- A. 24/7 ACCESS. Lessor will provide keycards or electronic access for 24/7 access to the leased space. Keyed door access shall be provided for individual offices. Offices could have keycard access installed at Leasee/Lessee or tenants' expense.
- B. CUBICLES. Lessor will provide cubicle office desks in leased offices, if desired at no charge. Such cubicles shall remain the property of Lessor.
- C. JANITOR. ~~Lessor will~~ Lessor will provide custodial services (base lease will include vacuuming and cleaning of common areas and trash/recycling collection and disposal). Lessor and tenants would be expected to clean their own offices. Individual office cleaning may be available for an additional charge. Leasee/Lessee shall, at its own expense and at all times, maintain the leased offices in good and safe condition.
- D. LAWN & SNOW. Lessor will provide lawn care and snow removal. Parking access shall be provided to Leasee/Lessee.
- E. MAKER SPACE. Lessor may install a "Maker's Space" on the first floor. Leasee/Lessee and Tenants would have access to that space and would be invited to offer suggestions for outfitting the space if constructed.
- F. RECEPTIONIST. Lessor will provide a receptionist at the front desk during their regular business hours. Receptionist will be available to greet and direct Leasee/Lessee's visitors.
- G. SIGNAGE. Leasee/Lessee and tenants may have signs on office doors or doorway glass, to be approved and applied completed through Lessor's Communications team for consistency. Lessor will provide signage through the building directing guests to Leasee/Lessee's offices. Tenants could also post approved notices/ads on Lessor's scrolling building announcement system at no charge. There shall be no exterior signage or signage in windows.
- H. UTILITIES AND SERVICES. Lessor will furnish, with the flat rate, reasonable heat, and air conditioning during usual business hours and during the usual and appropriate seasons. Lessor will also furnish electricity for standard Building lighting and office use, electric lamps, starters and ballasts used in the Leased Premises, elevator service, water, and toilet facilities during usual business hours. Lessor shall pay the cost thereof.

Lessor will provide basic wireless internet services to the Leasee/Lessee at no charge. Wired internet service may also be available at no charge to the extent service exists in leased space. No traditional phone lines will be

provided as the Lessor uses VOIP phones in the building. Lessor, in its sole opinion, shall determine the level of basic internet services provided to Leasee/Lessee shall be permitted to acquire enhanced internet, telephone, or other technology services at Leasee/Lessee's sole expense and through vendors approved by Lessor.

Additional electrical outlets may be added in offices at Leasee/Lessee's expense, with approval of the Lessor.

- I. WORK ROOM. Copy/fax/scan services will be available to Leasee/Lessee and tenants, with key card access to the machine. Individuals would be charged for copies at cost monthly or quarterly.

6. **Use of Premises**

The Leased Premises shall be used for the purpose of general office use. The Premises shall be used for no other purpose, without the Lessor's written permission. Leasee/Lessee may sublet all or any portion of the Leased Premises for purposes of a county business accelerator program to tenants. Said tenants must be appropriate for a school building and approved by Lessor. Leasee/Lessee will be responsible for reviewing applications and managing said tenants.

As this is a school building, all tenants and subcontractors or partners must complete a criminal background check. Results will be retained confidentially in the District human resources office and shared with the CDA leadership. No lease may be entered with a tenant who fails to complete the required background check.

Lessee shall comply with all rules, regulations and laws of any governmental authority with respect to use and occupancy. Lessee shall not conduct or permit to be conducted upon the Premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the Premises is insured, nor will the Lessee allow the Premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the building. In no event shall explosives or extra hazardous materials be taken onto or retained on the Premises. Furthermore, Lessee shall not install or use any equipment that will cause undue interference with the peaceable and quiet enjoyment of the Premises by other tenants of the building.

7. **Security Deposit**

No security deposit shall be required.

8. **Leasehold Improvements**

The Lessee agrees that no leasehold improvements, alterations or changes of any nature, shall be made to the leasehold premises of the building without first obtaining the consent of the Lessor in writing. Premises which become affixed or attached to the leasehold Premises shall remain the property of the Lessor at the expiration or termination of this Lease Agreement. Any leasehold improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the

building housing the subject leasehold Premises. If the Lessee makes any improvements to the Premises the Lessee shall be responsible payment, except the following _____.

Nothing in the Lease shall be construed to authorize the Lessee or any other person acting for the Lessee to encumber the rents of the Premises or the interest of the Lessee in the Premises or any person under and through whom the Lessee has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstance shall the Lessee be construed to be the agent, employee or representative of Lessor. In the event a lien is placed against the Premises, through actions of the Lessee, Lessee will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Lessee fails to have the Lien removed, the Lessor shall take steps to remove the lien and the Lessee shall pay Lessor for all expenses related to the Lien and removal thereof and shall be in default of this Lease.

9. **Licenses and Permits**

A copy of any and all local, state or federal permits acquired by the Lessee which are required for the use of the Premises, if any are required, shall be kept on site at all times and shall be readily accessible and produced to the Lessor and/or their agents or any local, state, or federal officials upon demand.

10. **Obligations of Lessee**

The Lessee shall be primarily responsible whenever needed for the maintenance and general pickup of the entranceway leading into the Premises, so that this is kept in a neat, safe and presentable condition. The Lessee shall also be responsible for all minor repairs and maintenance of the leasehold Premises, particularly those items which need immediate attention and which the Lessees, or their employees, can do and perform on their own, including but not limited to, the replacement of light bulbs, as well as the normal repair and cleaning of windows, cleaning and clearing of toilets, etc., and the Lessee shall properly maintain the Premises in a good, safe, and clean condition. The Lessee shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state or federal laws, rules regulations or ordinances.

In the event the structure of the Premises is damaged as a result of any neglect or negligence of Lessee, their employees, agents, business invitees, or any independent contractors serving the Lessee or in any way as a result of Lessee's use and occupancy of the Premises, then the Lessee shall be primarily responsible for seeing that the proper claims are placed with the Lessee's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Lessor, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of the Lessee.

The Lessee shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the Premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect or acts of Lessee or her guests or invitees. Furthermore, the Lessee shall not knowingly commit nor permit to be committed any act or thing contrary to the

rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contaminates on the Premises. Lessee shall also be responsible for the cost, if any, which would be incurred to bring her contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

11. **Insurance**

In the event the Lessee shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Lessor may, but shall not be required to, obtain the same and charge the Lessee for same as additional rent. Furthermore, Lessee agrees not to keep upon the Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the Premises shall be increased by reason of any use of the Premises made by Lessee, then Lessee shall pay to Lessor, upon demand, such increase in insurance premium as shall be caused by said use or Lessee's proportionate share of any such increase.

12. **Sublet/Assignment**

The Lessee may sublet leased space to its tenants as agreed herein. Lessee may not transfer or assign this Lease, or any right or interest hereunder said leased Premises or any part thereof without first obtaining the prior written consent and approval of the Lessor.

13. **Damage to Leased Premises**

In the event the building housing the Premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Lessee and which precludes or adversely affects the Lessee's occupancy of the Premises, then in every such cause, the rent herein set forth shall be abated or adjusted according to the extent to which the leased Premises have been rendered unfit for use and occupation by the Lessee and until the demised Premises have been put in a condition at the expense of the Lessor, at least to the extent of the value and as nearly as possible to the condition of the Premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the Premises that in no event shall the Lessor's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

14. **Default and Possession**

In the event that the Lessee shall fail to pay said rent, and expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 15 days, after receiving notice of said default, then the parties hereto expressly agree and covenant that the Lessor may declare the Lease terminated and may immediately re-enter said Premises and take possession of the same together with any of Lessee's personal property, equipment or fixtures left on the Premises which items may be held by the Lessor as security for the Lessee's eventual payment and/or satisfaction of rental defaults or other defaults of Lessee under the Lease. It is further agreed, that if the Lessee is in default, that the Lessor shall be entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the

unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Lessor in violation of its security interest in said items of personal property. Furthermore, in the event of default, the Lessor may expressly undertake all reasonable preparations and efforts to release the Premises including, but not limited to, the removal of all inventory, equipment or leasehold improvements of the Lessee's, at the Lessee's expense, without the need to first procure an order of any court to do so, although obligated in the interim to undertake reasonable steps and procedures to safeguard the value of Lessee's property, including the storage of the same, under reasonable terms and conditions at Lessee's expense, and, in addition, it is understood that the Lessor may sue the Lessee for any damages or past rents due and owing and may undertake all and additional legal remedies then available.

In the event any legal action has to be instituted to enforce any terms or provisions under this Lease, then the prevailing party in said action shall be entitled to recover a reasonable attorney's fee in addition to all costs of said action.

15. **Indemnification**

The Lessee hereby covenants and agrees to indemnify, defend and hold the Lessor harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Lessee's use and occupancy of the Premises, and further shall indemnify the Lessor for any losses which the Lessor may suffer in connection with the Lessee's use and occupancy or care, custody and control of the Premises. The Lessee also hereby covenants and agrees to indemnify and hold harmless the Lessor from any and all claims or liabilities which may arise from any latent defects in the subject Premises that the Lessor is not aware of at the signing of the lease or at any time during the lease term.

16. **Bankruptcy - Insolvency**

The Lessee agrees that in the event all or a substantial portion of the Lessee's assets are placed in the hands of a receiver or a Trustee, and such status continues for a period of 30 days, or should the Lessee make an assignment for the benefit of creditors or be adjudicated bankrupt; or should the Lessee institute any proceedings under the bankruptcy act or any amendment thereto, then such Lease or interest in and to the leased Premises shall not become an asset in any such proceedings and, in such event, and in addition to any and all other remedies of the Lessor hereunder or by law provided, it shall be lawful for the Lessor to declare the term hereof ended and to re-enter the leased land and take possession thereof and all improvements thereon and to remove all persons therefrom and the Lessee shall have no further claim thereon.

17. **Subordination and Attornment**

Upon request of the Lessor, Lessee will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgage, or the Lessor under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Lessee shall not be in default under the terms of this Lease. Lessee agrees that this Lease shall remain in full force and effect notwithstanding any such default

proceedings under said mortgage or obligation secured thereby.

Lessee shall, in the event of the sale or assignment of Lessor's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Lessor covering the Premises, attorn to the purchaser and recognize such purchaser as Lessor under this Lease.

18. Miscellaneous Terms

- I. Pets: Unless otherwise stated in this Lease Agreement, the only pets that shall be allowed on the Premises are those needed legally due to a disability or handicap.
- II. Condition of Premises/Inspection by Lessee: The Lessee has had the opportunity to inspect the Premises and acknowledges with its signature on this lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. Furthermore, the Lessor makes no representation or warranty with respect to the condition of the Premises or its fitness or availability for any particular use, and the Lessor shall not be liable for any latent or patent defect therein. Furthermore, the Lessee represents that Lessee has inspected the Premises and is leasing and will take possession of the Premises with all current fixtures present in their "as is" condition as of the date hereof.
- III. Right of Entry: It is agreed and understood that the Lessor and its agents shall have the complete and unencumbered right of entry to the Premises at any time or times for purposes of inspecting or showing the Premises and for the purpose of making any necessary repairs to the building or equipment as may be required of the Lessor under the terms of this Lease or as may be deemed necessary with respect to the inspection, maintenance or repair of the building.

19. Estoppel Certificate

Lessee at any time and from time to time, upon at least ten (10) days prior notice by Lessor, shall execute, acknowledge and deliver to Lessor, and/or to any other person, firm or corporation specified by Lessor, a statement certifying that the Lease is unmodified and in full force and effect, or if the Lease has been modified, then that the same is in full force and effect except as modified and stating the modifications, stating the dates to which the fixed rent and additional rent have been paid, and stating whether or not there exists any default by Lessor under this Lease and, if so, specifying each such default.

20. Holdover

Should Lessee remain in possession of the Premises after the cancellation, expiration or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed, if Lessor so elects, to have created and be construed to be a tenancy from month to month, terminable upon thirty (30) days' notice by either party.

21. Waiver

Waiver by Lessor of a default under this Lease shall not constitute a waiver of a subsequent default of any nature.

22. **Governing Law**

This Lease shall be governed by the laws of the State of Minnesota.

23. **Amendment**

No amendment of this Lease shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

24. **Binding Effect**

No amendment of this Lease shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

IN WITNESS WHEREOF, the parties hereto set their hands and seal this ____ day of _____, 2021.

Lessee's Signature

Printed Name

Title

Lessor's Signature

Printed Name

Title

EXHIBIT A – LEASED OFFICE SPACE

2nd Floor, 4601 Dean Lakes Blvd, Shakopee

★ =CDA Accelerator offices

Business Accelerator Offices

- 253 - 125 SF Office
- 252 - 127 SF Office
- 247 - 106 SF Storage/Virtual
- 297 - 176 SF Office
- 292 - 125 SF Office
- 293 - 136 SF Office
- 290 - 125 SF Office
- 289 - 134 SF Huddle
- 288 - 294 SF Conference/Office
- 256 - 134 SF Huddle
- 255 - 125 SF Office
- 291C - 528 SF Classroom
- Total - 2,136 SF

Shared Areas ★

- 243 - 167 sq. ft. Work
- 244 - 170 sq. ft. Room Break
- 266 - 386 SF Conference Room
- Total shared - 723 SF

Right-of-First Refusal: ★

- 264 - 180 SF Office/Work Room
- Collaboration area

