

ADMINISTRATIVE REPORT

DATE: October 19, 2021
TOPIC: 5.9 – Amendment of Lease with Valley Creek Mall
PRESENTER: Dan Pyan – Director of Finance and Operations
REFERENCE TO POLICY/STATUTE: 701 School District Budget

A. PURPOSE OF REPORT

- a. South Washington County Schools leases space in the Valley Creek Mall in Woodbury for educational programs.
- b. Pathways is the program utilizing 5,916 square feet of space.
- c. Increased enrollment in Pathways has created a need for more space.
- d. The District desires to lease an additional 2,415 square feet for use by Pathways.
- e. The amendment for more space will run congruent to the current lease term of July 2013 to July 2023 and will begin November 1, 2021.
- f. The annual rent of both spaces is \$116,634 and is funded by Lease Levy.

B. RECOMMENDATION

- a. Please approve the attached lease amendment.



FIRST LEASE AMENDMENT

This First Lease Amendment (this “**Amendment**”) is dated September 23, 2021, by and between Valley Creek Mall, LLC, a Minnesota limited liability company (“**Landlord**”) and South Washington County School District 833 (“**Tenant**”).

BACKGROUND:

- A. Landlord and Tenant entered into a Lease Agreement dated July 24, 2013 and this Amendment (collectively, the “**Lease**”) for the premises located at 1750 Weir Drive, Suite 10, Woodbury, MN 55125, consisting of approximately 5,916 rentable square feet (the “**Premises**”), in a building commonly known as Valley Creek Mall (the “**Retail Center**”).
- B. Landlord and Tenant desire to amend the Lease upon the terms and conditions provided herein.

In consideration of mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. Capitalized Terms. Any capitalized terms used in this Amendment and not defined herein shall have the meaning set forth in the Lease.
- 2. Premises. Effective November 1, 2021 (“**Expansion Date**”), the parties agree to expand the square footage of the Premises by approximately 2,415 rentable square feet to include the space identified as Suite 22 (“**Expansion Space**”) as depicted on the attached Exhibit C-1 for a total of approximately 8,331 rentable square feet (“**Premises**”) and adjust accordingly Tenant’s pro-rata share of Operating Expenses (defined below). As of the Expansion Date, Exhibit C of the Lease is hereby deleted in its entirety and fully replaced with the new attached Exhibit C-1 and at such time references in the Lease to Exhibit C will be replaced with and construed to mean Exhibit C-1.
- 3. Annual Base Rent. As of the Expansion Date, the term Premises as used in the Lease is amended to include the Expansion Space as depicted in Exhibit C-1, the term Rentable Area as used in the Lease is amended to consist of approximately 8,331 rentable square feet, and the Annual Base Rent Schedule in Article 6 of the Data Sheet is hereby amended and restated in its entirety as follows:

Term			Per SF	Annual Base Rent	Monthly Base Rent
11/01/21	-	11/30/21	\$12.50	\$104,137.50	\$8,678.13
12/01/21	-	11/30/23	\$14.00	\$116,634.00	\$9,719.50

- 4. Rent. In addition to the rental payments as outlined above, Tenant will continue to pay its proportionate share of “**Operating Expenses**”, to include common area maintenance costs, insurance and real estate taxes, as provided for in the Lease. Tenant understands that the Tenant’s share is calculated by dividing the number of rentable square feet in the Premises by the total rentable square feet available in the Retail Center which may be adjusted from time to time. 2021 estimated Operating Expenses are \$8.34 per square foot. Landlord reserves the right to re-allocate any Operating Expenses that are occupancy dependent or reduce energy consumption.
- 5. Exhibit H. As of the Expansion Date, Exhibit H of the Lease is hereby deleted in its entirety and fully replaced with the new attached Exhibit H-1 and at such time references in the Lease to Exhibit H will be replaced with and construed to mean Exhibit H-1.
- 6. Landlord Improvements. Landlord, at its sole expense, will replace all carpeting, paint all walls and install window tinting/frosting to glass facing common areas of the Retail Center (“**Landlord Improvements**”). Color selections to be chosen by Tenant from Landlord selections.
- 7. As-Is Condition. Subject to the Landlord Improvements described above, Tenant is accepting the Premises in an “as-is”, “where-is” condition. Landlord will not be providing any improvements, an allowance toward improvements, rent concessions other than indicated in this Amendment.
- 8. Authority. Tenant warrants and represents to Landlord that Tenant has full authority to execute this Amendment.
- 9. Not an Offer. The submission of this document for examination does not constitute an option or offer to lease space, or a reservation of space. This Amendment shall have no binding effect on the parties unless executed by the Landlord and the Tenant and a fully executed copy is delivered to the Tenant. The Tenant is solely at risk for any business decisions, purchases made, or contracts entered into, in relation to this Amendment.

10. Ratification. Except as modified herein, all other terms, conditions and covenants of the Lease shall remain in full force and effect.
11. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Any executed counterpart of this Amendment delivered by facsimile or other electronic transmission to a party hereto shall constitute an original counterpart of this Amendment, provided that, upon request, any party returning a signature page electronically or via facsimile also transmit a hardcopy original of the signature page to the requesting party.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have signed this Amendment as of the day and year first written above.

Tenant:

South Washington School District 833

By: _____
Name: _____
Its: _____

Landlord:

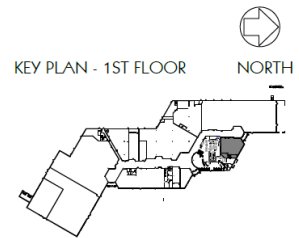
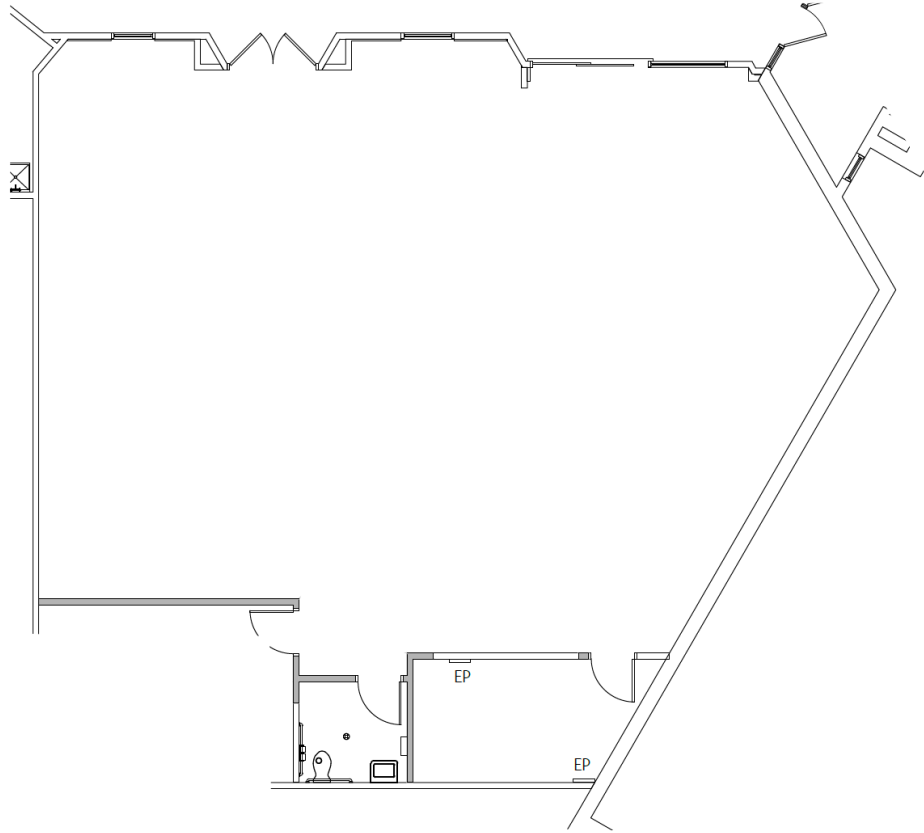
Valley Creek Mall, LLC

By: Wellington Properties LLC
Its: Manager

By: _____
Name: Stephen B. Wellington, Jr.
Its: Chief Manager

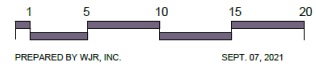
Exhibit C-1

Premises



Suite 22 -2,415 RSF

09-07-21



Winther-Johnson-Robinson
Architects-Designers
8175-B Lewis Road
Golden Valley, Minnesota 55427
Phone: 763-398-0452

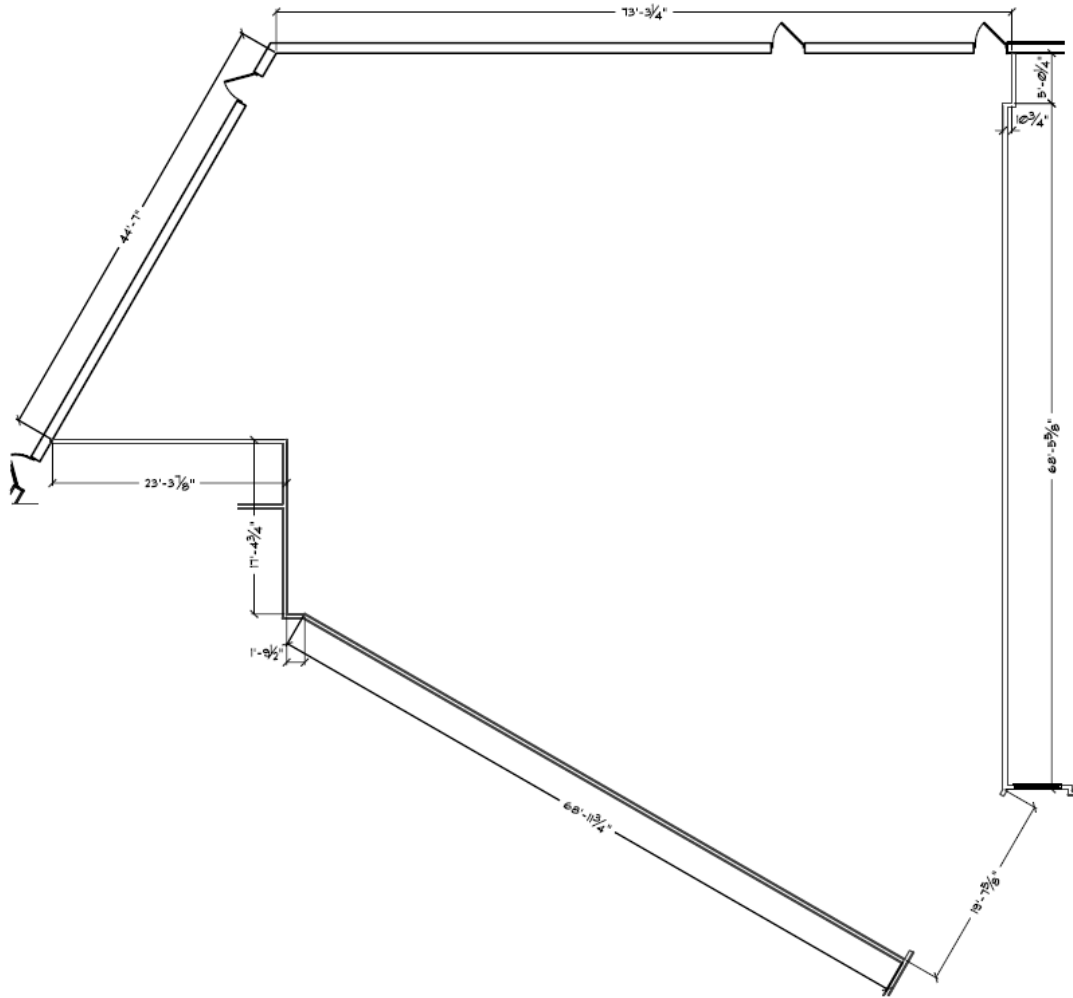
Valley Creek Mall

1750 Weir Drive
Woodbury, MN 55125

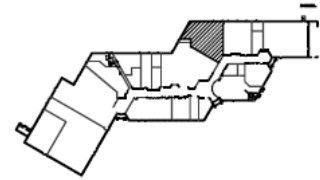


Commercial Real Estate
Tel: 651-292-9844 Fax: 651-292-0072

Exhibit C-1 continued



KEY PLAN - 1st FLOOR



PLAN NORTH

Suite 10, 5,916 RSF

01-29-10



Winther-Johnson-Robinson
Architects-Designers
8175-B Lewis Road
Golden Valley, Minnesota 55427
Phone: 763-398-0452 Fax: 763-398-0455

Valley Creek Mall

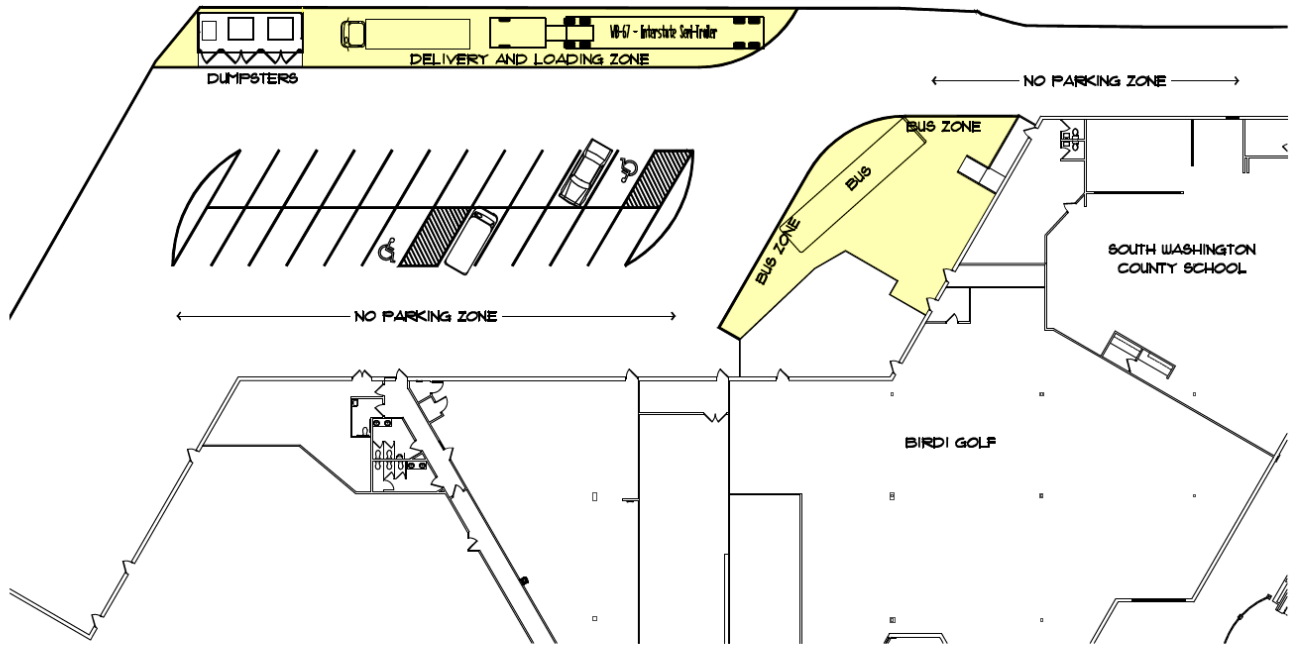
1750 Weir Drive
Woodbury, MN 55125

Wellington
MANAGEMENT, INC.

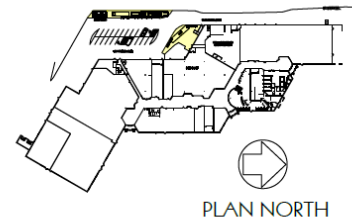
1625 Energy Park Dr., Suite 100
St. Paul, MN 55108
Tel: 651-292-9844 Fax: 651-292-0072

Exhibit H-1

Parking/Busing Depiction



KEY PLAN - 1st FLOOR



Winther-Johnson-Robinson
Architects-Designers

8175-B Lewis Road
Golden Valley, Minnesota 55427
Phone: 763-398-0452
Fax: 763-398-0455

West Parking Lot - Valley Creek Mall
1740-1750 Weir Drive, Woodbury, MN 55125

Origination Date: 08-08-21 Drawn By: rfr Approval: 21-086.05A
Issues & Revisions: Project No.: No Scale

A1

OF 1