

ADMINISTRATIVE REPORT

DATE: October 18, 2022
TOPIC: 7.5 – Approve MOU with City of Woodbury concerning Central Park
PRESENTER: Dan Pyan – Executive Director of Finance and Operations
REFERENCE TO POLICY/STATUTE: 701 School District Budget

A. PURPOSE OF REPORT

- a. The City of Woodbury is exploring potential improvements to the community's 20-year-old Central Park and Lookout Ridge Indoor Playground.
- b. South Washington County Schools is currently leasing space within Central Park and has expressed interest in continuing to lease space for educational programs.
- c. The City of Woodbury needs to identify project partners for design, budget, and financing purposes.
- d. The attached Memorandum of Understanding (MOU) memorializes the relationship between the City of Woodbury and South Washington County Schools.
- e. The MOU automatically terminates if:
 - i. No Lease agreement is entered into by January 5, 2025.
 - ii. A decision is made by the Woodbury City Council to not authorize a contract to construct improvements to Central Park.

B. RECOMMENDATION

- a. Administration recommends approving the attached MOU.



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made and entered into by and between the City of Woodbury (“City”) and the Independent School District 833 (“ISD 833”) for the purpose of leasing space at Central Park located in Woodbury, Minnesota.

WHEREAS, City is exploring potential improvements to the community’s 20-year-old Central Park and Lookout Ridge Indoor Playground. Central Park provides important gathering space by linking many different resources and people from all around the East Metro; and

WHEREAS, ISD 833 currently leasing space within Central Park from the City and has expressed interest continuing to lease space within the facility for educational programs; and

WHEREAS, It is critical that the City identify initial project partners for design, budgeting and financing purposes; and

WHEREAS, the City and ISD 833 now desire to memorialize its relationship in this MOU with the potential outcome of entering into a lease agreement and related instruments that guide the implementation of the goals of the City and ISD 833.

NOW, THEREFORE, in consideration of the foregoing recitals, the parties hereby intend as follows:

1. LEASE TERMS:

- A. If approved by the City and the ISD 833, the parties intend to enter into a binding long-term lease for an initial term of 20 years that will establish the rights, responsibilities, and obligations of the parties with respect to ISD 833’s use of portions of the Central Park facility.
- B. The schematic plans identify approximately 9,200 square feet of space to be utilized exclusively by ISD 833. Additional space allocations will be evaluated through the Design Development Phase of the project.
- C. Lease pricing shall be finalized in advance of awarding a construction contract to determine fair market value at the time of authorization and account for escalation of operational costs associated with inflation. Current fair market value estimates are \$25 per square foot of leased space and additional payments for the proportional share of operating expenses which will be established with a Common Area Maintenance Agreement along with or within the lease.
- D. **CITY RESPONSIBILITIES:** The City’s obligations include:
 - i. Providing the financing and capital to construct the shell and common area improvements to be utilized by ISD 833.

- ii. Providing further construction details including cost estimates and project timing to ISD 833 as requested.

E. ISD 833 RESPONSIBILITIES:

- i. Future leases will memorialize the obligation of ISD 833 to provide all Furniture, Fixtures and Equipment (FF&E) at their own cost.
- ii. Consistent and timely involvement in design and construction meetings to inform the final project details.
- iii. Reimbursement of proportional share of design costs incurred by the City if a lease is not executed.

2. Either party may terminate this MOU by providing notice in writing to the other party. All parties hereby warrant that this MOU is being completed for planning purposes and termination will only occur following careful and significant deliberation. This MOU shall automatically terminate without notice if:

A. No lease agreement is entered into by January 15, 2025.

B. A decision is made by the City Council to not authorize a contract to construct the contemplated improvements at Central Park. Reimbursement of proportional share of design costs incurred by the City if a lease is not executed shall be paid by ISD 833.

Following termination, neither party shall have any obligations under this MOU.

3. AMENDMENTS. Amendments to this MOU shall only be made by mutual consent of the parties in writing.

4. GOVERNMENT DATA. This MOU shall be interpreted to be consistent with the requirements of the Minnesota Government Data Practices Act, Chapter 13.

5. NON BINDING. This MOU is intended to be a confirmation of interest between the parties in pursuing negotiations for a definitive agreement and shall not constitute a binding agreement between the parties. Neither party intends, by setting forth in this MOU the provisions of a possible transaction, to create for itself or any other person, any legally binding obligation of liability. No subsequent oral agreement or conduct of the parties, including partial performance, shall be deemed to impose such obligation or liability.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City and the Builder have caused this Agreement to be duly executed on the day and year first above written.

CITY OF WOODBURY:

By: _____

Anne W. Burt

Its: Mayor

By: _____

Clinton Gridley

Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Anne W. Burt and Clinton Gridley, the mayor and city administrator, respectively, of the City of Woodbury, a Minnesota municipal corporation, on behalf of the municipal corporation.

Notary Public

Independent School District 833

By: _____
XXXXXX
Its: ~~XXXXXX~~

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STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ___ day of _____, 2022, by _____, the _____, of Independent School District 833.

Notary Public

Approved to as to form:

City Attorney

THIS INSTRUMENT WAS DRAFTED BY:

XXXXXX