



44 Lake Street Facility

July 27, 2023 Board Meeting



Wild Rice on Lake Keewahtin



44 Lake Street Lease Opportunity

2nd Floor Lease Option

- 1,275 add'l sq ft
- Includes multiple private office and meeting spaces
- Not ADA accessible
- No conference room

3- or 4-Year Lease Options

- Provides stability for 3 or 4 yrs
- Holds 2023 rent through Q2 (at least) in 2024
- 2% annual increase in rent after 1st year





44 Lake Street Lease Opportunity

44 Lake Street (Forest Lake)



4 YEAR LEASE OPTION	USABLE	LEASABLE	BASE RENT	MONTHLY BASE	CAM/TAX	CAM/TAX	MONTHLY	ANNUAL
TENANT	SQFT	SQFT	SQFT	RENT	SQFT	MONTHLY	BASE+CAM	BASE+CAM
Comfort Lake Watershed	2,664	2,664	\$8.49	\$1,885.16	\$5.87	\$1,303.14	\$3,188.30	\$38,259.57
Vacant 2nd Floor Office	1,275	1,275	\$8.49	\$902.06	\$5.87	\$623.69	\$1,525.75	\$18,309.00
Total	3,939	3,939		\$2,787.22		\$1,926.83	\$4,714.05	\$56,568.57

3 YEAR LEASE OPTION	USABLE	LEASABLE	BASE RENT	MONTHLY BASE	CAM/TAX	CAM/TAX	MONTHLY	ANNUAL
TENANT	SQFT	SQFT	SQFT	RENT	SQFT	MONTHLY	BASE+CAM	BASE+CAM
Comfort Lake Watershed	2,664	2,664	\$8.49	\$1,885.16	\$5.87	\$1,303.14	\$3,188.30	\$38,259.57
Vacant 2nd Floor Office	1,275	1,275	\$10.05	\$1,068.06	\$5.87	\$623.69	\$1,691.75	\$20,301.00
Total	3,939	3,939		\$2,953.22		\$1,926.83	\$4,880.05	\$58,560.57

1. Landlord will furnish carpet at Landlords expense
2. Landlord will patch walls and repaint at Landlords expense
3. Landlord will waive the \$700 plumbing bill previously submitted
4. Base rent will have 2% Annual increases on anniversary date
5. CAM/Tax will continue to be reconciled annually



Base Rent & CAM

Base Rent Year One

Current space – both options

- \$8.49 / sq ft
- 2,664 sq ft
- \$1885

2nd floor Space

- 1,275 sq ft
- 4-Year Option
 - \$8.49/sq ft = \$902
- 3-Year Option
 - \$10.05 / sq ft = \$1,068

CAM / Taxes

- Reconciled annually
- CAM/Taxes \$1303 / month
 - \$5.87 / sq ft



Current Rent + CAM

$$\$1,885 + \$1,303 = \$3,188 / \text{month}$$

$$\$38,259 / \text{year}$$



44 Lake Street South Lease Opportunity

Landlord will:

- Replace carpet in 2nd floor offices
- Patch & paint walls in 2nd floor offices
- Waive \$700 plumbing bill previously submitted





Lease Agreement

If lease & rent amounts are agreed to in principle:

- Details of contract will be worked out
- Attorney review
- Completion in Q3





Recommendation

- New Lease – 4 year option with additional 2nd floor offices
- Stable, low increases per year = 2%
- New space at same rate as existing space: \$8.49/sf
- Extends current rate for both spaces through August 31, 2024
 - No annual increase on January 1, 2024 = savings of \$764
- New lease term: September 1, 2023 – August 31, 2027
 - Goal: Work on lease contract language in August
- Will provide for administrative offices & repurposing of existing space for more effective use of space

44 Lake Street Building – WorkGroup Recommendation