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TO: County Board of Commissioners
FROM: Lucas Dahling, Finance Director
SUBJECT: Second Amendment to the LEC Office Space Lease
DATE: October 1, 2024

Background:

The City of Red Wing and Goodhue County have a long history of working together and sharing space with the Law Enforcement Center. The building was first opened in 1999 and the space has been shared since that time. Members of the Law Enforcement Center Committee met several times throughout 2023 to negotiate lease terms that would be acceptable to both the Goodhue County Board of Commissioners as well as representatives of the City of Red Wing. Throughout the negotiations process, the County maintained the understanding that continuing to share the LEC space would be mutually beneficial to both parties. The current version of the lease agreement was executed on January 16th, 2024.

Discussion:

On July 19, 2024, the City of Red Wing requested modification of the current lease to include the extension of the lease term through December 31, 2027, as well as other changes to the early termination language.

Through negotiation, both parties informally agreed to update the current lease with the following changes (1) extend the lease agreement through December 31, 2027, (2) tie the 2027 lease rate to CPI inflation data, and (3) modify the early termination language to require either party to provide a two-year written notice of its intention to terminate the lease agreement. There are no other changes to the current version of the lease and the 2025 and 2026 lease rates remain unchanged as compared to the current version of the lease agreement.

The Second Amendment to the LEC Office Space Lease was executed by the City of Red Wing on September 9, 2024.

Recommendation:

Staff recommends the County Board to approve the lease agreement as presented.