



STAFF REPORT

DATE: August 20, 2019

CONSENT

AGENDA ITEM: Zignego Insurance Lease Extension

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

When the City purchased the Brookfield building in April, it assumed the leases of current tenants. Although the EDA took over the ownership of the building the leases stayed with the City. The last time rent amounts were adjusted was January 1, 2017.

ISSUE BEFORE COUNCIL:

Should the City Council approve the lease agreement extension with Zignego Insurance?

PROPOSAL:

Included in your packet is a lease agreement extension for Zignego Insurance. Their current lease expires 12/31/20. The proposal would provide a one year extension unless they give a 3 month notice to cancel. The new rent amount is \$1,980/month which is consistent with other current leases.

FISCAL IMPACT:

Annual increase in revenue of \$2,760.

OPTIONS:

- 1) Approve the lease extension agreement with Zignego Insurance
- 2) Amend and then approve the lease extension agreement with Zignego Insurance
- 3) Do not approve the lease extension agreement with Zignego Insurance

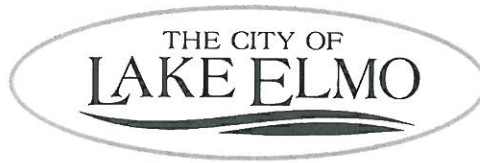
RECOMMENDATION:

If removed from the consent agenda:

“Motion to approve the lease extension agreement with Zignego Insurance.”

ATTACHMENTS:

- Zignego Insurance Lease Extension Agreement



LEASE EXTENSION AGREEMENT

This Lease Extension Agreement, made this 16th day of August, 2019, by and between the City of Lake Elmo (hereafter called "Landlord") and Zignego Agency, Inc., a Minnesota Corporation ("hereafter called "Tenant").

WITNESSES:

1. The Landlord and Tenant agree that the Tenant's present Lease assumed by the Landlord on April 25, 2018 (dated December 29, 2014) shall be extended for an additional term of one (1) year through and including the 31st day of December 2021.
2. All of the terms and conditions of the said existing Lease shall remain except for:
 - a) Rent to be paid by the Tenant to the Landlord shall increase to \$1,980 per month, effective January 1, 2021.
 - b) Effective January 1, 2021 the Tenant has the option to cancel the lease early upon a 3 month notice to the Landlord.

LANDLORD

City of Lake Elmo

Mike Pearson, Mayor

Julie Johnson, City Clerk

Date: _____

TENANT

Zignego Agency, Inc

By: John J. Zignego

Its: _____

Date: 8-6-2019