



STAFF REPORT

DATE: April 2nd 2024

CONSENT

AGENDA ITEM: Amendment to Sally Manzara Lease Agreement number two
SUBMITTED BY: Clark Schroeder City Administrator

BACKGROUND:

In April 2017, the city council approved a development, lease, license and operating agreement (commonly called lease agreement) with the Friends of Lake Elmo's Sunfish Lake as it relates to the Sally Manzara Nature Center. The city amended the lease agreement in 2019 to remove the stipulation that required a city representative be on their board. And again in 2021 to allow for bee keeping. One of the lease/operating agreement conditions is that they provide annual audited financial statements to the city. They currently provide the city with detailed financial statements and fiscal resources. The cost of their annual audit by an outside auditor is \$12,000 - \$14,000. This is a huge part of their donated income for such a small non-profit. They would prefer to put these donations to support nature education and community outreach. Lake Elmo staff have discussed this and are in support of eliminating this requirement.

ISSUE BEFORE COUNCIL:

Should the City amend the lease agreement to remove the provision requiring an annual audit.

PROPOSAL DETAILS/ANALYSIS:

Included in your packet is a resolution to delete the section of the agreement that requires the non-profit to provide audited financial statements to the city.

FISCAL IMPACT:

NA

OPTIONS:

- 1) Approve Resolution No 2024-036
- 2) Amend and then Approve resolution No 2024-036
- 3) Do not make any changes to the agreement

RECOMMENDATION:

If removed from the consent agenda:

"Motion to approve Resolution No .2024-036"

ATTACHMENTS:

- Resolution

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2024-036

**A RESOLUTION AMENDING THE SALLY MANZARA INTERPRETIVE
NATURE CENTER DEVELOPMENT, LEASE, LICENSE AND OPERATING
AGREEMENT**

WHEREAS, the City of Lake Elmo approved the Sally Manzara Interpretive Nature Center Development, Lease, License and Operating Agreement on April 18, 2017; and

WHEREAS, the Agreement was subsequently signed by Anthony Manzara; and

WHEREAS, the Agreement requires audited financial statement; and

WHEREAS, the Agreement requires the Friends, to have \$20,000 escrow with the city for protection if the organization falters; and

WHEREAS, City staff feel this requirement is no longer needed nor in the best interest of the city; and

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Lake Elmo hereby replaces Article III Financial section 2 with the following language: Financial Disclosures: The Friends agree to provide the City with a detailed disclosure of its financial resources. The City shall have the right to examine the Friends books and financial records at any time upon making a written request.

BE IT FURTHER RESOLVED, that the City Council directs the City Administrator to provide a copy of this amendment to the Friends of Lake Elmo's Sunfish Lake Park and authorizes the City Clerk and Mayor to execute an amendment document.

APPROVED by the Lake Elmo City Council on this 2nd day of April, 2024.

By: _____
Charles Cadenhead
Mayor

ATTEST:

Julie Johnson
City Clerk

SECOND AMENDMENT TO SALLY MANZARA INTERPRETIVE NATURE CENTER DEVELOPMENT, LEASE, LICENSE, AND OPERATING AGREEMENT

This Second Amendment to Sally Manzara Interpretive Nature Center Development, Lease, License, and Operating Agreement (this “Second Amendment”) is made this ____ day of _____, 2024, by and between the City of Lake Elmo (the “City”) and the Friends of Lake Elmo’s Sunfish Lake Park., a Minnesota non-profit corporation (the “Friends”).

WHEREAS, the City and the Friends entered into that certain Sally Manzara Interpretive Nature Center Development, Lease, License, and Operating Agreement effective April 21, 2017 (the “Lease”) providing for the development and operation of the Sally Manzara Interpretive Nature Center by the Friends in the City’s Sunfish Lake Park; and

WHEREAS, the City and the Friends amended the Lease in 2019 to remove the provision that required a City representative to be a voting member on the Friends’ Board of Directors; and

WHEREAS, the Lease requires audited financial statements to be submitted to the City by the Friends; and

WHEREAS, the Friends have requested that this requirement be removed from the Lease because it is very costly and the Friends would prefer to use these funds to support nature education and community outreach for the nature center; and

WHEREAS, the City is willing to remove this requirement; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, the City and the Friends hereby agree as follows:

1. Amendment to Article III, Section 2 of the Lease. Article III, Section 2 of the Lease is amended to read as follows:

2. Financial Disclosures. The Friends agree to provide the City with a detailed disclosure of its financial resources. The City shall have the right to examine the Friends’ books and financial records at any time upon making a written request.

2. Miscellaneous. Except as specifically provided herein, the terms and conditions of the Lease are confirmed and continue in full force and effect.

IN WITNESS WHEREOF, the City and the Friends have executed this Second Amendment to the Sally Manzara Interpretive Nature Center Development, Lease, License, and Operating Agreement as of the date written above.

CITY OF LAKE ELMO

By: _____
Charles Cadenhead
Its: Mayor

By: _____
Julie Johnson
Its: City Clerk

FRIENDS OF LAKE ELMO'S SUNFISH
LAKE PARK

By: _____

Its: _____