

**Beulah JDA  
Board Meeting Minutes  
Special Meeting on July 14, 2020  
4:30 PM – Zoom Meeting**

**Attendance:** Nathan Richter, Beaver Brinkman, Travis Frey, Vern Muscha, Kim Kessler, Clyde Schulz, Scott Solem

**Absent:** Mary Lou Horning, Blake Seibel, Michael Woods, Gloria Olheiser, Jerry Isaak

- A. **Call Meeting to Order**-Nathan called the meeting to order at 4:40 pm.
- B. **Agenda Approval** - Vern moved approval of the agenda, Beaver seconded. Motion approved.
- C. **Mercer County Lease Request**

Beaver presented the terms of the proposed lease with Mercer County for the ND Extension Office at the USDA Building. He will be meeting with the Board of County Commissioners tomorrow to discuss the dollar amounts set forth under the new lease agreement. It was highlighted that the current lease agreement has been in place for sixteen (16) years without any rent increases during that time period.

The terms of the proposed lease agreement include:

- Three percent (3%) rent increase which would come out to \$14 per sq ft or a monthly rent payment of \$1,001.00 for the first year.
- The tenant's continued use of the basement at no charge. The basement space will be available to all tenants at no charge as common space.
- The lease will be a full service lease. Utilities, janitorial service, snow removal etc. are provided in the monthly lease payment. The monthly cost for the services to be provided to the tenant has been calculated to be \$4.16 per sq ft.
- The lease will begin November 1, 2020 and will be for a five year term with a 5 year extension option.

Beaver noted that the basement is provided to the tenants at no cost as there is no way to section the space off for rental. USDA will not pay for common space.

Kim questioned the 3% increase and if that would be sufficient over the term of the lease. Beaver acknowledged that it is low and the rent will be well below market rate over the course of the lease. He noted that it would be difficult to raise it higher given the tenant has not received an increase in rent for sixteen (16) years.

Clyde moved approval of the lease as presented; second by Travis. There was discussion concerning the sufficiency of the proposed increase and how it carried forward beyond the initial lease term into the extension option. It was noted that the Board wanted to keep the County Extension Office as a tenant but the need to balance that with not locking in future boards to a rental amount that would be substantially below anticipated market rates.

Clyde amended his initial motion to limit the lease term to five (5) years rather than the total of ten (10) years as presented; second by Travis. Motion to amend the initial motion approved. Motion to approve the lease as amended approved.

**Adjourn**-meeting was adjourned at 5:08 pm

Submitted by,  
Beaver Brinkman  
Beulah JDA

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