

HOPKINS CITY COUNCIL
AGENDA
Tuesday, September 12, 2023
6:30 pm

THIS AGENDA IS SUBJECT TO CHANGE
UNTIL THE START OF THE CITY COUNCIL MEETING

I. CALL TO ORDER

II. ADOPT AGENDA

III. PRESENTATIONS

1. Introduction and Oath of Office for Police Officers; Johnson/Domeier

IV. CONSENT AGENDA

1. Second Reading: Ordinance 2023-1198 Amending Chapter 102 of the City Code Regarding Attached Garage Setbacks for new Construction in N3-B Zones; Howard

V. PUBLIC HEARINGS

VI. OLD BUSINESS

VII. NEW BUSINESS

1. Hopkins Center for the Arts and Stages Theatre Company Lease Agreement; Lenz
2. Review 2024 General Fund Budget and Tax Levy; Bishop
3. Second Quarter Financial Report; Bishop

VIII. PUBLIC COMMENT

IX. ANNOUNCEMENTS

- Next City Council Regular Meetings: September 19 at 6:30 p.m.

X. ADJOURN



CITY OF HOPKINS

**Police Department
Administration Department**

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Brent Johnson, Police Chief
Amy Domeier, City Clerk

Date: September 12, 2023

Subject: Introduction and Oath of Office for Police Officers

PURPOSE

Introduction of new police officers and oath ceremony.

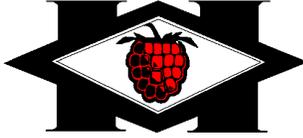
INFORMATION

Police Chief Johnson will introduce Hopkins Police Officers Alex Malmstedt and Prince Yeber. Following Mr. Johnson's presentation, City Clerk Domeier will issue the Oath of Office to the officers.

Together we will thank the new officers for maintaining our commitment to excellence to Inspire, Educate, Involve and Communicate.

FUTURE ACTION

N/A



CITY OF HOPKINS

Planning and Economic
Development Department

City Council Report 2023-094

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Kurt Howard, Planner

Date: September 12, 2023

Subject: Second Reading: Ordinance 2023-1198 Amending Chapter 102 of the City Code Regarding Attached Garage Setbacks for new Construction in N3-B Zones

RECOMMENDED ACTION

MOTION TO Adopt for Second Reading, Ordinance 2023-1198, Amending Chapter 102 of the City Code Regarding Attached Garage Setbacks for New Construction in N3-B Zones

OVERVIEW

No changes have been made to the Ordinance since the September 5 first reading.

SUPPORTING INFORMATION

- Ordinance 2023-1198
- Planning & Zoning Commission Resolution 2023-012

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

ORDINANCE 2023-1198

**AN ORDINANCE AMENDING CHAPTER 102 OF THE HOPKINS CITY CODE
REGARDING ATTACHED GARAGES FOR NEW CONSTRUCTION IN N3-B ZONES**

THE CITY COUNCIL OF THE CITY OF HOPKINS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Hopkins City Code, Part III, Chapter 102, Article 2, Section 102-260 (d), is hereby amended by adding the double-underlined language as follows:

102-260 (d) Parking & Accessory Structure. See Figure 260-B				
9	Driveway Access	Off alley; if no alley, one off side street; if no side street, front street		
10	Attached Garage: Additional Setback	10 ft. min. from main principal building's front facade	30 ft. min. from main principal building's front facade ^[1] <u>[2]</u> ^[3]	<p>^[1] The standards for the N3-A zone apply to properties in the N3-B zone that are not served by an improved alley.</p> <p>^[2] <u>Additions to existing attached garages on properties in the N3-B zone that are not served by an improved alley are permitted to be built to the same setback as the existing garage.</u></p> <p>^[3] <u>For new construction on vacant lots in the N3-B zone that are not served by an improved alley, attached garages may project in front of the main principal building's front facade by a max. of 12 ft. under the following conditions:</u></p> <ul style="list-style-type: none"> • <u>The width of the garage is limited to max. of 22 ft.</u> • <u>The size of the garage door is limited to a max. of 16 ft. in width and 9 ft. in height</u> • <u>A min. of 10% of the garage door must be transparent</u> • <u>A covered porch at least 5 ft. in</u>
11	Allowed Garage Door Location	Any facade; 30% max of front facade width	Rear, side, side street facade ^[1]	

				<u>depth must extend across the entire width of the habitable portion of the main principal building's front façade</u>
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SECTION 2. Hopkins City Code, Part III, Chapter 102, Article 2, Section 102-16160, is hereby amended by adding the double-underlined language as follows:

NEW CONSTRUCTION. Construction of a new building or other structure on a vacant lot where no building or other structure exists, including any accessory structure.

SECTION 3. In accordance with Section 3.03 of the City Charter and Minn. Stat. § 412.191, subd. 4, due to the significant length of this Ordinance, City staff shall have the following summary printed in the official City newspaper in lieu of the complete ordinance:

On September 12, 2023, the Hopkins City Council adopted Ordinance 2023-1198 an Ordinance Amending Chapter 102 of the Hopkins City Code to allow additions to attached garages on properties in the N3-B zone that are not served by an improved alley to be built to the same setback as the existing garage. The ordinance also allows new construction on vacant lots in the N3-B zone that are not served by an improved alley to have attached garages that project up to 12 feet in front of the principal building’s front façade with certain conditions.

A printed copy of the ordinance is available for inspection during regular business hours at Hopkins City Hall and is available online at the City’s web site located at www.hopkinsmn.com.

SECTION 3. The effective date of this ordinance shall be September 21, 2023.

First Reading: September 5, 2023
 Second Reading: September 12, 2023
 Date of Publication: September 21, 2023
 Date Ordinance Takes Effect: September 21, 2023

By: _____
 Patrick Hanlon, Mayor

ATTEST:

 Amy Domeier, City Clerk

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

PLANNING & ZONING COMMISSION RESOLUTION 2023-12

**RESOLUTION RECOMMENDING THE CITY COUNCIL APPROVE AN ORDINANCE
AMENDING CHAPTER 102 OF THE CITY CODE REGARDING NEW
CONSTRUCTION OF ATTACHED GARAGES IN N3-B ZONES**

WHEREAS, the City of Hopkins' updated Zoning Code adopted established provisions related to setbacks and garage door location for attached garages; and

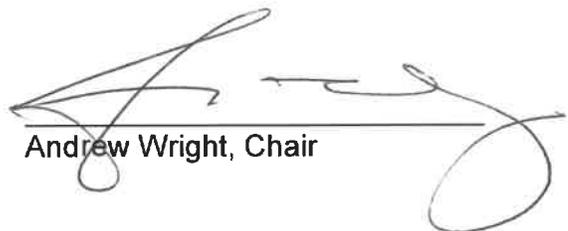
WHEREAS, the proposed ordinance is intended to offer relief to new construction on properties located in N3-B, Small Lot Traditional Neighborhood zones that are not served by an improved alley while still encouraging development to be human-scaled and pedestrian oriented; and

WHEREAS, the Hopkins Zoning and Planning Commission, pursuant to published notice, held a public hearing on and reviewed the proposed ordinance on August 22, 2023: all persons present were given an opportunity to be heard; and

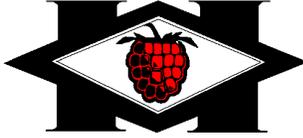
WHEREAS, the written comments and analysis of City staff were considered.

NOW THEREFORE BE IT RESOLVED, that the Planning & Zoning Commission of the City of Hopkins hereby recommends the City Council of the City of Hopkins approve an ordinance amending Chapter 102 of the City Code Regarding Attached Garages for New Construction in N3-B Zones.

Adopted this 22nd day of August, 2023.



Andrew Wright, Chair



CITY OF HOPKINS

City Council Report 2023-089

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Ari Lenz, Assistant City Manager
Lynn Anderson, HCA Executive Director

Date: September 12, 2023

Subject: Hopkins Center for the Arts and Stages Theatre Company Lease Agreement

RECOMMENDED ACTION

MOTION TO approve lease agreement with Stages Theatre Company.

OVERVIEW

The attached agreement would enter into a lease agreement with Stages Theatre Company for use of portions of the Hopkins Center for the Arts from September 1, 2023 to August 31, 2028 with an optional 5 year extension to 2032.

The recommended agreement comes after a year of negotiations with Stages regarding lease renewal. The lease is similar to previous leases between the partners but recognizes a change in market value, capital and operational costs associated with the facility since the last negotiations in 2011. Major revisions to the lease include:

- Reduction of the number of weeks in the theatre from 40 to 36 weeks starting in 2024 (Stages has agreed to pay the same amount annually despite the reduction of hours). This will allow the Center more opportunity to rent the theatre (the most valuable rental space in the facility) to the public and estimated market value of up to \$35,000- \$50,000 per year;
- Adjusting the inflation rate to 3.0% for the first five years and then 3.25% in optional extension years.
- Adding a percentage ticket fee starting in 2025 of 3.0% and increasing the fee to 4.0% in the optional extension years. A conservative estimate of annual ticket sales at the 3.0% amount for \$750,000, which would \$22,500 per year.

The City currently supports the Hopkins Center for the Arts, similar to all of our other facilities. The negotiated revisions to the lease are an improvement and should allow for a reduced level of subsidy going forward. The exact amounts of the subsidy over the next 10 years are not currently definable due to the unknown of the ticket fee revenue and capital costs. Staff expects them to stay in line with the current subsidy the Center works under for operations (with inflationary increases) and capital costs for larger projects such as the roof will need to be paid for as part of the City's Capital Improvement Plan.

Background of the Hopkins Center for the Arts

Since the inception of the Hopkins Center for the Arts, the City of Hopkins and Stages Theatre Company (then Child's Play Theatre) have partnered along side the Hopkins School District on creating a space to:

- Provide people of all ages and diverse backgrounds with opportunities to participate in the arts;
- Using the arts for community development, economic growth and bringing vitality to Mainstreet;
- Offering an opportunity for community groups to host space for events and activities.

In 2017 New Creative Minnesota did a [study](#) reviewing the economic impact of arts on the local economy and found arts and culture organizations contribute over \$11 million annually to Hopkins and served over 250,000 people, a large portion of the economic impact comes from our partnership with Stages.

The original lease agreement with Stages (Child's Play Theatre) was signed in 1997, with a renewal in 2011. The City currently has an additional lease agreement with Hopkins Public Schools renewed in 2017 to 2027.

Representatives from Stages will be present at the meeting and give a brief update to Council about their work.

SUPPORTING INFORMATION

- Proposed Lease Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is entered into and effective as of September 12, 2023 (the “Effective Date”) by and between the City of Hopkins, a Minnesota municipal corporation (“Landlord”) and Stages Theatre Company, a Minnesota nonprofit corporation (“Tenant”).

1. **The Property.** Landlord is the fee owner of certain property located at 1111 Mainstreet, Hopkins, Minnesota (PID No. 24-117-22-31-0149), legally described on Exhibit A attached hereto (the “Property”), including the building constructed on the Property known as the Hopkins Center for the Arts (the “Center”).

2. **Leased Premises.** Landlord, in consideration of the rents and covenants stated in this Lease to be paid and performed by Tenant, hereby leases to Tenant, and Tenant hereby leases from Landlord, the following portions of the Center: the Main Theater (“Theater”), Multi-Use Performance Hall/Jaycee Studio (the “Multi-Use Performance Hall”), Meeting/Education Spaces, Stages Offices, Box Office, and Scene and Costume Shop, all as depicted on Exhibit B attached hereto (the “Leased Premises”).

3. **Term.**

3.1 The term of this Lease (“**Term**”) commences on September 1, 2023, and expires on August 31, 2028, unless earlier terminated in accordance with this Lease.

3.2 Provided that Tenant is not in default under this Lease either at the time notice is given by Tenant or at the expiration at the then current term of this Lease, Tenant shall have the right and option, exercisable by giving Landlord written notice (“Notice of Extension”) thereof at least 90 days but no more than 180 days prior to the expiration of the then current term of this Lease, to extend the term of this Lease for one consecutive period of five years (the “Extension”). Upon giving the Notice of Extension, the term of this Lease shall automatically be extended as provided in the preceding sentence. The Extension shall be upon and subject to all the terms, covenants, agreements, provisions, and conditions of this Lease. If Tenant fails to give its Notice of Extension in the manner provided above, this Lease shall automatically

terminate at the end of the then current term and Tenant shall have no further right or option to extend the Lease.

3.3 Landlord may terminate this Lease if Tenant's use or uses of the Leased Premises and the Property are not consistent with those uses listed in Paragraph 5 of this Lease and does not cure the prohibited use within 30 days after written notice from Landlord. Termination for such misuse of the Property or Leased Premises shall be valid only with action by the Hopkins City Council.

3.4 This Lease may be terminated by either party if the other party fails to substantially comply with any of its material obligations under this Lease, and does not cure the failure within 30 days after written demand from the non-failing party to do so, or if the event is by its nature incurable within 30 days, the failing party does not, within such 30-day period, provide assurances reasonably satisfactory to the other party that the failure will be cured as soon as reasonably possible.

4. **Rent.** Rent payable by Tenant under this Lease shall be calculated as follows:

4.1 **Base Rent.** For the first Activity Year as defined in paragraph 7 hereof of the Term, Tenant agrees to pay Landlord rent for the Leased Premises (the "Rent") in the amount of two hundred six thousand three hundred and fifty-eight and 36/100 dollars (\$206,358.36) ("Base Rent"). The Base Rent shall be payable by Tenant in equal monthly installments of seventeen thousand one hundred ninety-six and 53/100ths dollars (\$17,196.53). The monthly installments shall be made on the first business day of each calendar month. The Rent will increase by 3% at the commencement of each succeeding Activity Year of the Term. A graphical depiction of the Rent and related terms is included in Exhibit C attached hereto.

4.2 **Ticket Fees.** Beginning in the third Activity Year of the Term (September 1, 2025), Tenant will additionally pay a ticket fee to Landlord, (the "Ticket Fee"). calculated based on the gross ticketing fee revenue of all tickets sold by Tenant for performances in the Center, less refunds and credits (the "Tenant's Gross Revenue"). The Ticket Fee for the third, fourth, and fifth Activity Years of the Term will be in the amount of three percent (3%) of Tenant's Gross Revenue. During an Extension of the Lease, if any, the Ticket Fee will be in the amount of four percent (4%) of Tenant's Gross Revenue for each Activity Year of the Extension. A graphical depiction of the Ticket Fee for each Activity Year of the Term and the Extension is included in Exhibit C attached hereto. The Ticket Fee shall be payable by Tenant to Landlord on the first day of the month which occurs 30 days after the close of a show. By way of example, if a show closes January 15, the Ticket Fee will be payable on March 1.

4.3 **Rent Under a Lease Extension.** During an Extension of the Lease, if any, the Rent will increase by 3.25% of the then-current Rent each year of the Extension, beginning upon the first year of the Extension. The Rent due in the first year of the Extension of the Lease will be in the amount of two hundred thirty-nine thousand two hundred fifty-

eight and 54/100ths (\$239,258.54). A graphical depiction of the Rent during the Extension is included in Exhibit C attached hereto.

5. **Permitted Use.** Tenant may use the Leased Premises solely for the purposes of performing arts production, education related to the performing arts, fundraising activities as permitted below, construction of scenery, creation of costumes and general business operations and uses incidental to the foregoing uses (the “Permitted Use” or “Permitted Uses”). Tenant shall have sole control over which productions it performs in the Leased Premises. Tenant will further comply with such legal requirements of the State of Minnesota and any municipal or public authorities which relate to Tenant’s use and occupancy of the Leased Premises.

6. **Main Theater.** During the Activity Year commencing September 1, 2023, Tenant will have exclusive use of the Theater for forty (40) weeks, which includes the load-in through load-out times of: 7 a.m. – 10 p.m., as additionally described on Exhibit D attached hereto. Monday through Saturday and 1 a.m. through 6 p.m. on Sundays (“Load-In Load-Out Times”). During the Activity Years commencing in 2024-2027 of this Lease, Tenant will have exclusive use of the Theater for thirty-six (36) weeks including the Load-In Load-Out Times. Tenant may make a written request to Landlord to extend the beginning of their Load-In Time if the Theater has not been reserved by another person or entity. Landlord may grant Tenant’s request in its sole discretion. If Landlord grants Tenant’s request, and Tenant’s request was made within 10 days of Tenant’s scheduled Load-In Time, the extension of that time will be at no cost to Tenant. If Tenant’s request was made within 30 days of Tenant’s Load-In Time, Tenant shall pay 30% of the market rate of the Theater to Landlord for the additional time, payable by Tenant in the same manner as its Rent. Tenant’s use of the Theater shall be calculated as the number of days from the beginning of each Load-In Time until the end of the Load-Out Time, divided by 7.

7. **Multi-Use Performance Hall (Jaycee Studio).** Tenant will have exclusive use of the Multi-Use Performance Hall for fourteen (14) weeks of each Activity Year, defined as the 12 months between September 1 and August 31 of each year, including the Load-In and Load-Out Times, as additionally described on Exhibit D attached hereto. Tenant may reserve one additional space when Tenant has the Multi-Use Performance Hall reserved, with the understanding that Tenant may use a different space to accommodate Tenant’s schedule when there is an overlap of 30 minutes. Tenant’s use of the Multi-Use Performance Hall shall be calculated as the number of days from the beginning of each Load-In Time until the end of the Load-Out Time, divided by 7. Tenant agrees that it shall not be entitled to use the Multi-Use Performance Hall between the second and third weekends of July if Landlord requires the use of the Multi-Use Performance Hall for the Hopkins Raspberry Festival.

8. **Tenant's Workshops.** Tenant may conduct two workshops during each Activity Year: the "Summer Theater Workshop" during June-August, and the "Winter Theater Workshop" during the Hopkins school district winter holiday break and its spring break. Regarding the Summer Theater Workshop, Tenant may reserve the use of one room for a duration of ten weeks, and the use of a second room for a duration of seven weeks, all between the hours of 9:00 a.m. – 3:45 p.m. Regarding the Winter Theater Workshop, Tenant may reserve the use of two rooms for three days per week, for a total of three weeks. Tenant will be limited to the use of one room during each of the foregoing workshops if Tenant is simultaneously using the Multi-Use Performance Hall. Tenant's use related to its Summer Theater Workshop and Winter Theater Workshop is additionally described on Exhibit D attached hereto.

9. **Tenant's Use of Additional Space.** Tenant may have exclusive use of one of the following spaces between the hours of 4:00 and 10:00 p.m. Monday through Friday and between the hours of 9:00 a.m. to 3:00 p.m. Saturday of each week not exceeding 2300 hours per Activity Year, for the purposes of theater education, auditions, board meetings, rehearsals, read-throughs, play development, sponsor and partnering events: Community Room, Dance Studio, Theater, and Multi-Use Performance Hall. Tenant's use of the foregoing additional spaces is as additionally described on Exhibit D attached hereto. Without exceeding the foregoing hours limitation, Tenant may additionally utilize one space between the hours of 4:00 and 6:00 p.m. Monday through Friday of each week, for up to 24 weeks.

Counting towards the above 2300 hours per Activity Year set out in paragraph nine, Tenant may use the Meeting/Education Spaces for the purposes of weekly staff meetings, conferences, and presentations. Tenant may use the Meeting/Education Spaces during each Activity Year fifty-two (52) times for a duration of two hours during the hours of 9:00 a.m. and 9:00 p.m. Tenant's Activity Schedule must identify when it intends to use the Meeting/Education Spaces for the foregoing meetings.

10. **Additional Spaces for Tenant's Use.** Tenant shall have the exclusive use and possession, subject to the provisions of this Lease, of the following spaces: Stages Offices, Box Office, and Scene and Costume Shop.

11. **Visual Art Gallery.** The Visual Art Gallery is excluded from this Lease. Tenant may not cover or permit to be covered any artwork in the lobby of the Center at any time. Tenant must obtain prior approval from Landlord to lock the doors to the Visual Art Gallery, which will be subject to Landlord's sole discretion.

12. **Other Activities by Tenant in the Center.** Tenant may use the Center twice per Activity Year for fundraising activities in order to raise contributions for Tenant's annual fund. Tenant's Activity Schedule must identify when Tenant intends to hold fundraising activities within the Center and dates must be submitted to Landlord for approval, which will not be unreasonably withheld.

13. **Additional Rental Time.** During the annual scheduling process, and prior to spaces within the Center offered for rental to the public, Tenant may request additional time for rentable spaces ("Additional Hours of Exclusive Use") at a rental rate 80% of the market rate for each space, or at such other rate for those spaces specifically described below. Tenant may rent the Art Classroom

only with Landlord's prior approval, and Tenant's use of the Art Classroom shall be at 90% of the market rate. After the scheduling process has been completed and outside requests have been taken into consideration, Tenant may rent additional space within the Center at 60% of the market rate. Tenant will pay such additional rent attributable to Additional Hours of Use in the same manner as it pays Rent.

14. **Tenant's Activity Schedule.** Tenant must submit to Landlord by October 15 of each year an activity schedule for the upcoming calendar year (the "Activity Schedule"). The Activity Schedule shall identify which time periods Tenant anticipates using the Theater and the Multi-Use Performance Hall, as well as the date, time, and location of Tenant's fund-raising activities within the Center. Tenant may utilize up to two spaces or rooms at one time to preserve space for other tenants of the Center. Tenant has priority hours and space selection in their selection of dates, times, and use of rooms in the Center over non-lessees of Landlord. Tenant shall, prior to submitting its Activity Schedule, internally review space and reservation requests and eliminate conflicts with itself prior to submitting the Activity Schedule to Landlord.

15. **Scheduling, Meet and Confer Meeting.** Within thirty (30) days of receiving Tenant's Activity Schedule Landlord shall return to Tenant a revised schedule identifying those dates and rooms selected by Tenant and all other tenants (the "Revised Schedule"). Landlord shall, when providing the Revised Schedule, also provide notice of the date, time, and location of a meeting to be attended by Tenant and its other tenants for the purpose of resolving conflicts in the selection of dates and rooms (the "Meet and Confer Meeting"). The Meet and Confer Meeting shall occur within ten business days following Landlord's delivery of the Revised Schedule. Tenant and all other tenants shall confer and attempt to resolve all conflicts regarding the allocation of rooms and spaces. If the affected parties cannot reach a resolution during the Meet and Confer Meeting, Landlord shall make final determinations with respect to times and rooms rented, subject to the criteria attached hereto as Exhibit D. Final reservation reports will be prepared by Landlord and provided to Tenant using the following schedule: by January 1 for production schedules and by February 1 for all other Stages' scheduled events, for the following Activity Year. Within thirty days of Landlord's issuance of the final reservation report, Tenant shall review the final reservation report and send to Landlord any corrections thereof.

16. **Other Tenants, Landlord's Use of Center.** Tenant acknowledges that Landlord has entered leases with other Tenants with respect to the Property and the Center, and that Landlord may reserve for itself or others the use and possession of rooms within the Center. Tenant shall not be entitled to the use or possession of spaces or rooms within the Center reserved by Landlord or leased by Landlord to other tenants during the times of their use or subject to their exclusive use. Landlord additionally reserves the right to use the Theater on exclusive dates when not in use by Tenant, with Tenant's permission. Landlord shall reduce the Rent owed by Tenant in the amount of three hundred dollars (\$300) for Tenant's costs associated with moving sets or set pieces if Landlord's use of the foregoing spaces requires Tenant to move such sets or set pieces three or more times during a single production, in the form of a technology and staff fee ("Technology and Staff Fee"). If Tenant grants permission to Landlord to use the front of curtain, mid-stage, or full stage on such exclusive dates, Tenant will receive a credit for those hours used by Landlord provided that Landlord has not paid to Tenant a Staff Fee.

17. **Release of Tenant's Exclusive Use by Tenant.** Landlord may request Tenant in writing to release Leased Premises or additional spaces from Exclusive Use times. Tenant shall consider each request, but Tenant shall have no obligation to release any spaces from its Exclusive Use or Additional Hours of Exclusive Use.

18. **Restrictions on Landlord During Lease.** Landlord shall not lease the Center or portions thereof for the purposes of children's theater production or exclusively children's live-theater education during the term of this Lease or any Extension thereof.

19. **Cancellations.** Tenant will use reasonable efforts to provide Landlord Notice of any cancellations of Tenant's use of any scheduled or rented space within the Center. All cancellations made without providing Landlord with forty-eight (48) hours' Notice of such cancellation shall be attributed towards Tenant's 2300 hours.

20. **Parking, Exclusive Parking Spaces.** Landlord reserves the right to regulate the use of parking areas and driveways located on the Property, including the location and designation of parking of Tenant and its employees and invitees. Landlord reserves the right to designate any loading or unloading areas. Notwithstanding the above, Tenant shall be entitled to use the shared reserved parking spaces in the alley way behind the scene shop and the loading dock on a first come, first served basis with the Landlord's employees.

21. **Alcohol Policy.** Tenant must abide by Landlord's alcohol policy, attached hereto as Exhibit E, as may be revised from time to time.

22. **Tenant's Technical Support for Operation of Theater.** Tenant agrees that it shall own and maintain on the Leased Premises the sound, lighting, and other equipment purchased or leased by Tenant ("Tenant's Theater Equipment"). Tenant shall maintain and replace Tenant's Theater Equipment, and add additional equipment thereto, at Tenant's expense. Tenant agrees that Tenant's Theater Equipment together with related equipment owned and maintained by Landlord, operated by Tenant's personnel and employees or employees of Tenant's wholly owned subsidiary, CPT Services, Inc. ("CPT"). All other users of the Theater or the Multi-Use Performance Hall must contract with Tenant or CPT, on reasonable terms acceptable to Tenant or CPT and the other user or users for use and operation of Tenant's Theater Equipment. Tenant must, throughout the term of this Lease, cause Tenant's Theater Equipment, and Tenant's or CPT's personnel and employees to be made available for use by other users of the Theater and Multi-Use Performance Hall, subject to such reasonable contract terms and four (4) weeks advance notice. Shorter notice can be given if mutually agreed upon.

23. **Center Hours.** The Center is open to the public between the hours of 10:00 a.m. and 8:00 p.m. on Mondays through Saturdays, but between the hours of 10:00 a.m. and 6:00 p.m. on Saturdays in the event that no events are scheduled in the Center, and between the hours of 12:00 p.m. and 5:00 p.m. on Sundays (the "Center Hours"). The Center will be open during all scheduled performances of Tenant as agreed upon by the Parties during the Meet and Confer process, unless in Landlord's sole discretion the Center needs to be closed due to an emergency. The Center Hours may be adjusted at Landlord's sole discretion based on the use of the building and staffing considerations. Landlord reserves the right to close the Center to the public one day per month for planned maintenance and related activities, which shall not interfere with Tenant's performance schedule.

24. **AS-IS Condition of Leased Premises.** Neither Landlord nor any agent, contractor, official, or employee of Landlord has made any representations or promises with respect to the Leased Premises except as expressly provided in this Lease, and no right, privileges, easements, or licenses with respect to the Leased Premises are being acquired by Tenant except as expressly provided in this Lease. No exhibit attached to this Lease, nor any other materials provided by Landlord shall constitute a warranty or agreement as to the configuration of the Leased Premises. Tenant, by taking possession of the Leased Premises, shall accept the same “as is” except as expressly provided in this Lease and such taking of possession shall be conclusive evidence that the Leased Premises are in good and satisfactory condition at the time of such taking of possession. In addition to and without limitation of the immediately preceding sentence, Tenant agrees that it is leasing the Leased Premises on an “AS IS”, “WHERE IS”, and “WITH ALL FAULTS” basis, based upon its own judgment, and hereby disclaims any reliance upon any statement or representation whatsoever by Landlord, its agents, contractors, officials, or employees.

25. **Covenants.**

25.1 **Covenants of Tenant.** Tenant covenants to Landlord that:

(a) Except as occasioned by Tenant’s performances, auditions, rehearsals and classes, Tenant shall neither permit nor suffer any conduct, noise, odor, or other nuisance in, on or about the Leased Premises to disturb any persons occupying adjacent premises;

(b) Tenant shall keep the Leased Premises, including all service and/or loading areas for the Leased Premises, free from all litter, dirt, and obstructions;

(c) Tenant shall keep the Leased Premises clean and in the sanitary condition required by ordinance and regulations of any governmental or quasi-governmental unit having jurisdiction;

(d) Tenant shall neither permit nor suffer the Leased Premises, or the walls, ceilings or floors thereof to be endangered by overloading; and

(e) Tenant shall not use or permit the Leased Premises to be used for any purpose or purposes other than those set forth in Section 5 hereof.

25.2. **Covenants of Landlord.** Landlord covenants to Tenant that:

(a) Landlord has the legal power and authority to lease the Leased Premises to Tenant under the terms of this Lease; and

(b) On the Effective Date, Landlord will have good and marketable legal title to the Property.

26. **Real Estate Taxes, Special Assessments.** Tenant shall pay all real estate taxes or payments in lieu of real estate taxes imposed on the Property attributable to Tenant’s use of the Property and Center, if any.

27. **Services and Utilities.** Landlord shall, subject to Tenant's payment of Rent, be responsible for the payment of the following utilities: water, sewer, stormwater charges, electricity, garbage/recycling removal, heating and air conditioning, and regular janitorial services. Tenant's dumpster located on the Property shall remain the exclusive use of Tenant. Tenant shall contract for and be exclusively responsible for the cost of its telephone equipment or technology related to Tenant's control or technology booths. Landlord shall not be liable for, and there shall be no abatement of rent by reason of, failure to furnish, or for delay or suspension in furnishing, any services to be provided by Landlord, caused by adverse weather conditions, breakdown, maintenance, repairs, strikes, scarcity of labor or materials, or other causes beyond Landlord's control.

28. **Maintenance and Repairs.** Upon forty-eight (48) hours prior notice, except in the case of emergencies as determined in Landlord's sole discretion, Tenant shall permit Landlord, its agents, or representatives to enter the Leased Premises to examine and inspect the same or to maintain or make such repairs to the Leased Premises or the Property as Landlord may deem necessary or desirable. Except in the case of emergency maintenance and repairs, such maintenance and repairs shall not interfere with Tenant's performances. Tenant shall be responsible for any damage to the Property as damaged by Tenant, its employees, or invitees. Tenant shall be responsible for keeping the Leased Premises in a clean and orderly condition, notwithstanding that Landlord shall provide janitorial services.

29. **Alterations to Leased Premises.**

29.1 **Alterations by Landlord.** Landlord shall give Tenant notice as soon as practical, but no later than at least 30 days' in advance of any construction, alterations, or improvements that it is planning on making to the Leased Premises that will temporarily affect Tenant's use of the Leased Premises. If, in Landlord's sole discretion, construction, alterations, or improvements need to be made for emergency reasons, Landlord will provide notice to Tenant as soon as practicable. During the term of this Lease, Landlord must not make changes to the Leased Premises that would permanently impact Tenant's Permitted Uses.

29.2 **Alterations by Tenant.** Tenant shall not make any improvements to the Leased Premises without the written consent of Landlord.

30. **Indemnification.**

30.1 **Indemnification of Landlord.** Except where because of Landlord's gross negligence, willful misconduct, or failure to act in the manner required by this Lease, Tenant will indemnify, defend, and hold harmless Landlord from and against all liabilities, damages, claims, fines, penalties, costs and other expenses, including reasonable attorneys' fees, that may be imposed upon, incurred by, or asserted against Landlord by reason of any or all of the following: (a) any personal injury or property damage occurring to the Leased Premises or the Premises caused by Tenant or its agents, licensees, or invitees; (b) any negligence on the part of Tenant, its agents, licensees, or invitees; (c) any failure by Tenant, its agents, licensees or invitees to comply with any requirements of any governmental authority; (d) any prosecution or defense of any suit or other proceeding in discharging the Premises or any part thereof from any

liens, judgments, or encumbrances, created upon or against the same or against Tenant's leasehold estate; (e) any proceedings in obtaining possession of the Premises after the termination of this Lease by forfeiture or otherwise; (f) any litigation commenced by or against Tenant to which Landlord is made a party without any fault on the part of Landlord; and (g) any failure on the part of Tenant to perform or comply with any covenant or agreement required by Tenant hereunder. Tenant shall include the foregoing indemnification with respect to Landlord in any contracts with contractors or others acting on its behalf.

- 30.2 Indemnification of Tenant. Except where because of Tenant's gross negligence, willful misconduct or failure to act in the manner required by this Lease, Landlord will indemnify, defend, and hold harmless Tenant from and against all liabilities, damages, claims, fines, penalties, costs and other expenses, including reasonable attorneys' fees, that may be imposed upon, incurred by, or asserted against Tenant by reason of any or all of the following: (a) any personal injury or property damage occurring on the Premises caused by Landlord or Landlord's agents, licensees, or invitees; (b) any negligence on the part of Landlord, its agents, licensees, or invitees; (c) any failure by Landlord, its agents, licensees or invitees to comply with any requirements of any governmental authority to the extent such compliance is not the specific obligation of Tenant hereunder; (d) any prosecution or defense of any suit or other proceeding in discharging the Property or any part thereof from any liens, judgments, or encumbrances, created upon or against the same or against Tenant's leasehold estate, to the extent such liens, judgements or encumbrances are not created by Tenant or by parties claiming through or under Tenant; (e) any proceedings in enforcing Tenant's rights and remedies hereunder; (f) any litigation commenced by or against Landlord to which Tenant is made a party without any fault on the part of Tenant; and (g) any failure on the part of Landlord to perform or comply with any covenant or agreement required by Landlord hereunder.
- 30.3 Notwithstanding anything to the contrary in the Lease, Landlord does not waive any statutory immunity from municipal tort liability available to it under Minnesota Statutes, Chapter 466 or under common law.

The obligations of this Section shall survive the expiration or other termination of this Agreement.

31. Insurance.

- 31.1 Tenant's Insurance. Tenant will carry the following insurance at its expense: a) "All Risk" fire and extended coverage insurance insuring Tenant's personal property, furniture, trade fixtures, inventory, and business records against loss from all insurable events for the full replacement value thereof; b) insurance against interruption of Tenant's business activities; c) comprehensive general public liability insurance, providing coverage on an "occurrence" basis, covering all acts of Tenant, its employees, agents, representatives and guests and insuring against all claims arising from injury to persons or damage to property in or about the Leased Premises, the Center, or the Property in a single limit amount of not less than \$2,000,000.00 for personal injury or death and not less than \$1,000,000.00 for property damage and fire

legal liability. All such insurance will name Landlord as an additional insured and must provide for ten days written notice to Landlord prior to cancellation, non-renewal, or material modification. Tenant will provide certificates of insurance to Landlord at least ten days prior to the beginning of the Term of this Lease and at least ten days prior to the termination date of any existing policy. Tenant will pay as additional rent to Landlord, upon Landlord's demand, the cost of securing such insurance if Tenant fails to furnish certificates of insurance to Landlord. The parties agree that Landlord does not have a duty nor an obligation to secure the foregoing insurance for Tenant.

- 31.2 Landlord's Insurance. Landlord will, during the Term of this Lease, maintain standard, all risk insurance on the Center, including any fixtures and improvements to the Leased Premises which will become the property of Landlord upon the termination of this Lease, insuring against loss by fire and other perils covered by a standard extended coverage endorsement. Such insurance shall be in an amount of not less than the full replacement cost of the Center. Landlord will maintain during the Term of this Lease, comprehensive general liability insurance covering the legal liability of Landlord against claims for bodily injury, death, or property damage occurring on or about the Center in a single limit amount of not less than \$2,000,000.00 for personal injury or death and not less than \$1,000,000.00 for property damage. With respect to all comprehensive general liability insurance maintained by Landlord, Tenant will be named as an additional insured and shall be entitled to at least ten days written notice prior to any termination, cancellation, non-renewal, or material modification thereof.

Landlord will not be liable to Tenant for any injury or damage resulting from acts or omissions of third persons occupying property adjoining the Leased Premises or any part of the Center, nor for any injury or damage to Tenant or its property resulting from bursting, stoppage or leaking of water, gas, sewer or steam pipes, except where such injury or damage arises from the willful or negligent misconduct of Landlord, its agents, or employees, or from Landlord's failure to make any repairs to which it is obligated to make under this Lease.

32. Waiver of Subrogation. As part of the consideration for this Lease, each of the parties releases the other party hereto from all liability for damage due to any act or neglect of the other party (except as hereinafter provided) occasioned to property owned by the parties that is or might be incident to or the result of a fire or any other casualty against loss for which either of the parties is now carrying or hereafter may carry insurance; provided, however, that the releases do not apply to any loss or damage occasioned by intentional acts of either of the parties hereto. The parties further covenant that any insurance they obtain on their respective properties will contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this paragraph.

33. Hazardous Materials.

- 33.1. Hazardous Substances. Tenant agrees that throughout the term of the Lease, it shall not use the Leased Premises for the storage, handling, transportation, or disposal of any Hazardous Substances. "Hazardous Substances" for purposes of this Lease shall

be interpreted broadly to include, but not be limited to, any material or substance that is defined, regulated or classified under any Environmental Law of other applicable federal, state or local laws and the regulations promulgated thereunder as: (i) a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601(14), the Federal Water Pollution Control Act, 33 U.S.C. §1321(14), as now or hereafter amended; (ii) a “hazardous waste” pursuant to Section 1004 or Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6903(5) , 6921, as now or hereafter amended; (iii) toxic pollutant under section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. §1317(a)(1) as now or hereafter amended; (iv) a “hazardous air pollutant” under Section 112 of the Clean Air Act, 42 U.S.C. §7412(a)(6), as now or hereafter amended; (v) a “hazardous material” under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. §5102(2), as now or hereafter amended; (vi) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws or any state or local counterpart to any of the aforementioned laws; or (vii) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances or regulations, as now or as may be passed or promulgated in the future. “Hazardous Substances” shall also mean any substance that after release into the environment or upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities and specifically includes, but is not limited to, asbestos, polychlorinated biphenyls (“PCBs”), radioactive materials, including radon and naturally occurring radio nuclides, natural gas, natural gas liquids, liquefied natural gas, synthetic gas, oil, petroleum and petroleum-based derivatives and urea formaldehyde.

33.2. Tenant will be solely liable for and will defend, indemnify, and hold Landlord, its officials, employees, contractors, and agents harmless from and against any and all claims, costs, and liabilities, including reasonable attorneys’ fees and costs, arising out of or in connection with Tenant’s use, storage, handling, transportation, or disposal of Hazardous Substances on, at or under the Leased Premises, including cleanup or restoration of the Leased Premises.

33.3. The obligations of this Section shall survive the expiration or other termination of this Lease.

34. **Damage or Destruction.** If fire or other casualty partially damages or destroys the Center or the Leased Premises, or the Center or the Leased Premises incurs substantial damage due to vandalism, failure of building systems, or other unforeseen cause that occurs during the term of this Lease, then Landlord may elect to repair the Center or the Leased Premises, provided that such repairs can be made within 90 days. Repairs shall be made at Landlord’s expense. If Landlord elects to repair the Center or the Leased Premises, Tenant shall be responsible, at its sole cost, for repairs to any trade fixtures or improvements made by Tenant to the Property, Center, or Leased Premises. If Landlord does not elect to repair the damage or such repairs cannot be made within 90 days, this Lease may be terminated by either party by providing written notice to the other. In the event that the

repairs are not made to the Center or the Leased Premises and this Lease is terminated, Landlord shall be entitled all insurance proceeds received for the repair or replacement of the Center. As used in this Section, “substantial damage” means damage that fundamentally interferes with Tenant’s ability to continue to use the Leased Premises for its Permitted Uses under Section 5 of this Lease. Tenant shall not be obligated to pay Rent during the time that the Leased Premises is unusable.

35. **Surrender: Holding Over.** At the expiration of this Lease, or upon its earlier termination, Tenant shall peacefully surrender the Leased Premises to Landlord. Tenant shall remove all debris and personal property from the Property. Tenant shall be conclusively deemed to have abandoned any personal property not removed prior to the effective date of the termination of this Lease or Tenant’s surrender of the Leased Premises. All debris and personal property may be disposed of by Landlord, and Tenant will be responsible for any disposal costs. If Tenant fails to vacate and surrender the Leased Premises upon the expiration or termination of the term of this Lease, whether with or without the consent of Landlord, Landlord may, by written notice to Tenant, declare Tenant to be a holdover tenant for a month-to-month term. During any month-to-month term, Tenant shall pay Rent in a sum 25% greater than its last-paid Rent during the Term or, if applicable, the Extension of this Lease, whichever sum is greater. Tenant must pay such month-to-month Rent in the same manner as it paid Rent under the Term of this Lease.

36. **Default.** Any one of the following events shall constitute an event of default by Tenant (an “Event of Default”):

- (a) Tenant fails to timely pay any monthly installment of Rent and such non-payment continues for a period of 10 days after written notice is provided by Landlord; or
- (b) Tenant violates or fails to perform any of the other conditions, covenants, or agreements made by Tenant in this Lease and such default continues for 15 days after written notice to Tenant from Landlord; provided, however, that if the Tenant informs Landlord in writing that the nature of such default is such that Tenant can cure the default, but not within 15 days, then the Event of Default shall be suspended for a period not in excess of 30 additional days, provided that Tenant diligently and continuously prosecutes the curing of the default, and so long as continuation of the default does not create a material risk to the Leased Premises or to persons using the Leased Premises, or as to subject Landlord or Tenant to any civil or criminal liabilities.

37. **Remedies.** Following an event of default and expiration of any applicable cure period, Landlord may terminate this Lease and reenter and take possession of the Leased Premises. Landlord’s right to re-enter and take possession of the Leased Premises includes an obligation on Tenant’s part, upon notice of intention to re-enter, to peacefully surrender the Leased Premises to Landlord. Landlord’s right to re-enter and take possession also includes the right of Landlord to repossess the Leased Premises by summary proceedings. After repossession, Landlord may, but shall not be obligated to, relet the Leased Premises in its sole discretion.

If Tenant fails to pay the Rent or any other payment due hereunder, within ten (10) days following written notice of default by Landlord, Tenant shall pay to Landlord, as additional rent hereunder,

interest on all such past due payments at the rate of one percent (1 %) per month or at the maximum rate permitted by law, whichever rate is lower. Interest shall accrue from the date each such late payment becomes due and shall be payable to the date of payment thereof by Tenant.

38. **Non-Waiver.** The failure of Landlord to insist upon Tenant's strict performance of any of the covenants or agreements contained in this Lease shall not be construed as a waiver or relinquishment of such covenants or agreements for the future. No payment by Tenant, and receipt by Landlord of a lesser amount than the installment of the Rent shall be deemed to be a waiver of Landlord's right to receive the balance of delinquent Rent payments, to terminate this Lease, to repossess the Leased Premises or to pursue any other remedy provided in this Lease. No waiver by any party of any provision of this Lease is to be deemed to have been made unless expressed in writing and signed by the party waiving same.

39. **Liens.** Tenant shall not permit any mechanics, materialmen, or other liens to stand against the Leased Premises or any part thereof for work or materials furnished to Tenant or its contractors or subcontractors in connection with this Lease. Tenant agrees to indemnify, defend, and hold harmless Landlord from and against the same.

40. **Assignment & Subletting.** Tenant shall not assign or sublet the Leased Premises.

41. **Access to Leased Premises.** Landlord and the authorized representatives of Landlord may enter the Leased Premises any time during usual business hours for the purpose of inspecting the same in order to ensure that the Leased Premises comply with any laws, ordinances, rules, regulations, requirements, and orders of any public authority. Nothing herein shall imply any duty on the part of Landlord to do any such work under any provision of this Lease, Tenant may be required to perform, and the performance thereof shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord shall, in connection with such inspection, cause as little inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant as may reasonably be possible in the circumstances, but in no event shall Landlord be liable for any inconvenience, loss of business, or other damage experienced by Tenant.

42. **Quiet Enjoyment.** Tenant, subject to the terms and provisions of this Lease, on payment of rents and observing, keeping, and performing all of the terms and provisions of this Lease, shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Leased Premises during the term hereof without hindrance or objection by any persons lawfully claiming under Landlord.

43. **Signs, Other Advertising.** Only with prior written approval by Landlord of design and construction, Tenant may erect those signs approved by Landlord by Tenant's box office, in the lobby of the Center and outside of the building as long as said signs do not violate the applicable City of Hopkins or state codes, laws, and regulations. All signs must be properly maintained, have an expiration date as determined by Tenant with Landlord's consent, and shall be erected at Tenant's expense. Landlord, as the City of Hopkins, reserves the right to make any modifications necessary to update or maintain the Center and reserves all naming rights to the Center.

44. **Eminent Domain.** If the whole or any part of the Leased Premises shall be taken by any county or state authority under the power of eminent domain, Tenant shall have no claim to, nor shall Tenant be entitled to, any portion of any award, for damages or otherwise. In the event only a portion

of the Leased Premises are taken, the Lease shall terminate as to the part taken, and the Rent shall be adjusted for the remainder of the Term so that Tenant shall be required to pay that portion of the Rent less the value of the part of the Leased Premises taken by condemnation. If, however, by reason of condemnation there is not sufficient space left in the Leased Premises for Tenant to reasonably use the Leased Premises for its Permitted Use, the Lease shall terminate. Although all damages in the event of condemnation belong to Landlord whether awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Premises, nothing herein shall be construed to prevent Tenant to claim and recover from the condemning authority such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right for its leasehold interest.

45. **Binding Clause.** The covenants, conditions and agreements contained herein bind, and inure to the benefit of, Landlord and Tenant and their respective legal representatives, successors, and assigns.

46. **Relationship of the Parties.** The Parties do not intend this Lease to create a legally recognized partnership, joint enterprise, or joint venture between or among the parties.

47. **Miscellaneous**

47.1. **Notices.** Any notice, request, or other communication or payment herein required or permitted to be given is to be deemed given on the date the same is hand delivered or the date of receipt or the date of delivery if deposited in the United States mail, registered, or certified, postage prepaid, and addressed as follows:

If to Landlord: City of Hopkins
 Attn: City Manager
 1010 1st Street South
 Hopkins, MN 55343

With a copy to: Kennedy & Graven, Chartered
 Attn: Hopkins City Attorney
 150 South 5th Street, Suite 700
 Minneapolis, MN 55402

If to Tenant: Stages Theatre Company
 Attn: Artistic Director and CEO
 1111 Mainstreet
 Hopkins, MN 55343

With a copy to: Stages Theatre Company
 Attn: Managing Director
 1111 Mainstreet
 Hopkins, MN 55343

or such other address as either party may give to another party in accordance with this Section.

47.2. **Governing Law.** The laws of the State of Minnesota shall govern this Lease.

- 47.3. Severability. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
- 47.4. Construction of Terms. The terms of this Lease, if disputed, shall not be construed against the drafter of the Lease.
- 47.5. Incorporation. The attached Exhibits are incorporated herein and made part of this Lease.
- 47.6. Amendments. All amendments to this Lease must be in writing, executed by both parties.
- 47.7. Recording of Lease. This Lease shall be recorded in the property records of the Hennepin County at Landlord's expense.

48. **Title is Mutual Release of Claims**. The parties hereto are parties to that certain lease dated February 15, 2011 for the lease of space in the Center from Landlord to Tenant for an initial term commencing November 1, 2012 and ending December 31, 2022, and an extension term pursuant to a renewal option contained in paragraph 32 of the lease commencing January 1, 2023 and ending July 31, 2027 ("Prior Lease"). The parties hereto have had a dispute as to whether Tenant properly gave the Notice of Extension as provided in section 32 of the Prior Lease. Tenant has been paying to Landlord the rent as required for the extension term in the Prior Lease. The parties hereto hereby release each other from any and all claims under the Prior Lease, known and unknown, and specifically including but not limited to claims by the Tenant that it is entitled to occupy the Center pursuant to the extension term provisions of the Prior Lease and claims of the Landlord that it is entitled to any rent payments under the Prior Lease, other than rent payments actually paid by Tenant to Landlord for the period from January 1, 2023 through September 30, 2023, on the condition that this Lease is signed by the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed as of the Effective Date.

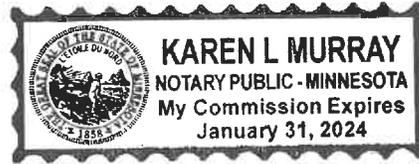
TENANT

Stages Theatre Company

By: Sandy Boren-Barrett
Sandy Boren-Barrett, Artistic Director and CEO

STATE OF MINNESOTA)
)
COUNTY OF Hennepin)

SS.:



The foregoing Lease Agreement was acknowledged before me this 6th day of September, 2023, by Sandy Boren-Barrett, the Artistic Director and CEO of Stages Theatre Company, a Minnesota nonprofit corporation, on behalf of the nonprofit corporation, Tenant.

Karen L. Murray
Notary Public

LANDLORD

City of Hopkins

By: _____
Patrick Hanlon, Mayor

By: _____
Mike Mornson, City Manager

STATE OF MINNESOTA)
) ss.:
COUNTY OF HENNEPIN)

The foregoing Lease Agreement was acknowledged before me this _____ day of _____, 2023, by Patrick Hanlon and Mike Mornson, the Mayor and the City Manager, respectively, of the City of Hopkins, a Minnesota municipal corporation, on behalf of the municipal corporation, Landlord.

Notary Public

THIS DOCUMENT DRAFTED BY:

Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A
Legal Description of Property

Lots 10, 11, 12, 13, 14, 15 Block 70 in West Minneapolis Second Division according to the map or plat thereof on file and of record in the office of the Register of Deeds in and for Hennepin County, Minnesota.

EXHIBIT B
Depiction/Layout of Leased Premises

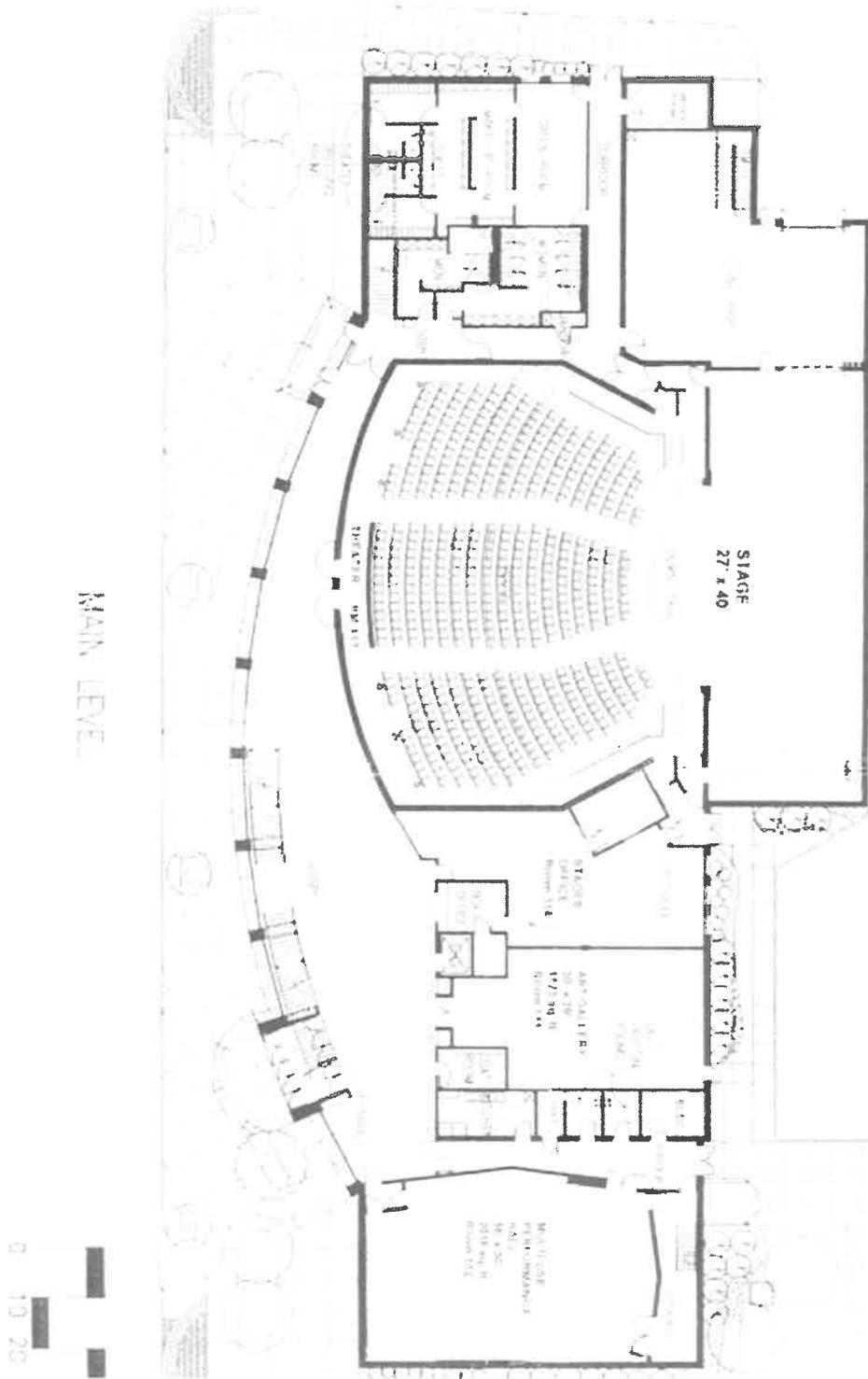


EXHIBIT C
Rent Terms/Schedule

Activity Year	Weeks on Stage	Inflation Rate	Base Rent	Ticket Fee
2023	40	3%	\$206,358.36	0.00%
2024	36	3%	\$212,549.11	0.00%
2025	36	3%	\$218,925.58	3.00%
2026	36	3%	\$225,493.35	3.00%
2027	36	3%	\$232,258.15	3.00%
2028	36	3.25%	\$239,806.54	4.00%
2029	36	3.25%	\$247,600.25	4.00%
2030	36	3.25%	\$255,647.26	4.00%
2031	36	3.25%	\$263,955.80	4.00%
2032	36	3.25%	\$272,534.36	4.00%

EXHIBIT D
Chart of Exclusive Use Spaces, Times of Use

Space	# of Weeks/Hours
Main Theater	Activity Year 2023- 40 weeks Exclusive Use Activity Years 2024-2027 – 36 weeks Exclusive use
Multi-Use Performance Hall (Jaycee Studio)	14 weeks per Activity Year exclusive use
Workshops (specific spaces to be determined)	Summer Theater Workshops – 10 weeks June – August, one room from 9:00 a.m. – 3:45 p.m. and 7 weeks June – August, second room from 9:00 a.m. – 3:45 p.m. Winter Theater Workshop (during school district winter holiday break and spring break) – use of two rooms for three days per week, for a total of three weeks
<i>One Space (specific space to be determined)</i>	Termed Exclusive Use for Education, Rehearsal or Board meetings, One space from 4-10 p.m. Monday – Friday and 9:00 a.m. – 3:00 p.m. Saturday **
<i>One space (specific space to be determined)</i>	4-6:00 p.m. Monday –Friday, Up to 24 weeks **
Meeting/Education Spaces	Up to fifty-two (52) per Activity Year weekly staff meetings to be held between 9:00 a.m. – 9:00 p.m. for up to two hours. **
Office space, box office and shop.	Exclusive Use
Visual Art Gallery	Excluded from Lease

** Counts toward the 2300 hours per Activity Year (see Sec. 9 of the Lease)

EXHIBIT E
Hopkins Center for the Arts Alcohol Policy



ALCOHOL POLICY

All renting organizations/individuals distributing and/or consuming alcohol in the Hopkins Center for the Arts must comply with and abide by all Federal, State and Municipal laws and ordinances. The City of Hopkins requires that only approved providers serve alcohol at Hopkins Center for the Arts (*list below as of 7/2023. Updated list available from Rental office*):

Cream & Amber
1605 Mainstreet
Hopkins, MN 55343
Phone: 952-595-5640

Thirty Bales
1106 Mainstreet
Hopkins, MN 55343
Phone: 952-930-0369

Wild Boar Bar and Grill
1022 Mainstreet
Hopkins, MN 55343
Phone: 952-378-1693

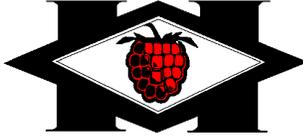
Alcohol must stay in the designated rental space. The Rental Organization/Individual will be responsible for making sure its guests follow this policy.

When alcohol is being served, there is an additional hourly charge for a second staff person. The Hopkins Center for the Arts will designate and arrange this service from the time the distribution of alcohol begins until the end of the event. The renting organization/Individual will directly pay the Arts Center at the hourly rate of \$35 per hour, minimum four hours, per additional staff person. The Hopkins Center for the Arts reserves the right to determine the number and placement of the personnel.

A damage deposit of \$200 required for renting organizations/Individuals will be waived for Stages Theatre Company events.

Alcoholic beverage service will end no later than 11:30 p.m.

Alcohol policy may be edited at any time at the discretion of Hopkins Center for the Arts and/or the City of Hopkins.



Finance Department

CITY OF HOPKINS

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: September 12, 2023

Subject: Review 2024 General Fund Budget and Tax Levy

PURPOSE

To provide input and guidance for the 2024 General Fund Budget and Tax levy. A preliminary levy must be adopted by September 30th.

INFORMATION

The City Council reviewed draft versions of the 2024 General Fund Budget and Tax Levy on July 18th and August 15th. Council's direction was to continue to review and look for options to reduce the tax levy.

2024 General Fund Budget

Staff has worked to put together a 2024 General Fund Budget that meets the needs of the community and maintains service levels. The 2024 General Fund Budget being presented includes the following additions:

- Increased I.T. costs for Police needs - \$165,000
 - Estimated annual subscription/service fees for a new Record Management System
 - Enhanced security measures mandated by the Bureau of Criminal Apprehension
- Diversity, Equity & Inclusion (DEI) - \$100,000
 - Allocation to meet Financial Investment and Human Capital goals to be developed through the Equity Strategic Action Plan (ESAP)
 - Information on the City's ongoing DEI work and ESAP is here: <https://www.hopkinsmn.com/581/Race-Equity>
- Maintenance Worker for Forestry/Parks Division - \$60,000
 - The start date would be delayed until 5/1/2024
 - Budget request from Public Works Director is attached

- Transfer to Depot/ACE Program - \$40,000 increase, 60,000 total
 - The preliminary budget for the Depot Fund includes a \$60,000 contribution from the City of Minnetonka, \$50,000 from Hopkins Schools and \$19,500 from Three Rivers Park District.
 - Youth Workforce Development “The ACE Program” overview is attached

The draft budget presented on July 18th included amounts for sustainability initiatives and a Fire Captain position. Both items are still funded in 2024 and will be paid out of separate funds.

On September 5th, City Council approved the first readings for two ordinances increasing gas and electric franchise fees. The ordinances would increase fees collected by the City. The 2024 General Fund Revenue budget adds \$50,000 of franchise fees to help offset the tax levy.

The General Fund budget will decrease its fund balance by \$400,000. Revenues are set at \$18,021,803, a \$833,363 or 4.85% increase from 2023. Expenditures are set at \$18,421,803, a \$1,233,363 or 7.18% increase from 2023. The tax levy to support this budget is \$14,426,326 a \$490,545 or 3.52% increase from 2023.

Capital Levy

There will be no capital levy in 2024. The capital improvement fund will use a \$427,650 transfer related to a 2021 General Fund surplus to fund projects in 2024. Projects include Activity Center Flooring, Building Automation Systems at City Hall, Police and Fire stations, HVAC at Fire Station and roof replacement in the parking ramp.

Arts Center Levy

The Arts Center Levy will be set at \$345,000, a reduction of \$31,467. The Arts Center has made significant progress on eliminating the deficit owed to the General Fund through cost savings and ARPA funding. It would continue to work towards that goal in 2024, but at a reduced rate.

Pavilion Levy

The Pavilion Levy will be set at \$440,000 in 2024. The majority of the levy (\$340,000) will provide for debt service payments related to the 2018 remodel project. The remaining amounts will be used for the replacements of a water heater, entrance doors and flooring.

Equipment Replacement Levy

The equipment levy will be set at \$360,000 and rely on reserves to fund purchases in 2024. The projected fund balance at the end of 2024 is \$743,627, a \$369,641 decrease.

Permanent Improvement Levy

There will be no permanent improvement levy in 2024. This levy has been used to fund street lighting upgrades and was proposed as a source to repair or replace fencing along Excelsior Blvd. These projects will be deferred.

Burnes Park Debt Service Levy

The 2017 project was funded through the issuance of general obligation bonds over a 15-year period with the final payment occurring in 2033. Debt service payments have

been paid with both tax levy and park franchise fees. The preliminary levy uses \$53,859 of park franchise fees for this purpose and reduces the debt levy by the same amount.

2024 Tax Levy

The 2024 Tax Levy has been prepared based on debt service needs, preliminary ERP/CIP documents and initial budgets for special revenue funds. The total tax levy is \$19,678,939, this is a \$912,715 or 4.86% increase from 2023. Based on preliminary tax capacity information, city taxes on a median value home (\$369,300) would be \$2,187, which is a \$1 or 0.1% decrease from 2023.

HRA Levy

The City must also pass a preliminary HRA/EDA tax levy by September 30th. There are levy limits based on 0.01850% of the City's estimated market value. The market value used for the 2024 levy is \$2,680,917,000, resulting in a maximum levy of \$497,414 which would be an increase of \$45,883 or 10.16% from 2023.

FUTURE ACTION

A preliminary levy must be adopted by September 30th of each year. The preliminary levy will be the maximum allowable amount for 2024 and can only be reduced.

A final levy must be adopted by December 31st of each year at or below the preliminary levy amount. A Truth and Taxation hearing is planned for Monday, December 4th. The final levy is planned to be approved at the December 5th City Council Meeting.

**City of Hopkins
General Fund Revenue Budget
For the Year Ending December 31, 2024**

Proposed
September 12, 2023

Department	2023 Budget	2024 Budget	% Increase (Decrease)
Property Taxes	14,020,781	14,511,326	3.50%
Intergovernmental Revenue			
Local Government Aid	925,794	1,081,012	
Intergovernmental Revenue - Other	705,000	797,000	
Total Intergovernmental Revenue	1,630,794	1,878,012	15.16%
Licenses, Permits & Fines			
Court Fines & Penalties	176,000	176,000	
Building Permits & Inspections	557,000	563,000	
Inspection Fines & Citations	3,000	3,000	
City Clerk - Business Licenses	8,000	8,900	
PD - Liquor, Animal Licenses & Penalties	101,800	101,800	
Fire - Licenses & Permits	4,000	4,000	
Public Works - Licenses & Permits	19,415	19,615	
Planning & Zoning - Licenses & Permits	1,000	2,000	
Total Licenses, Permits & Fines	870,215	878,315	0.93%
Charges for Service			
Finance Department	5,500	5,500	
Assessing	3,000	3,000	
Inspections	175,450	175,450	
Police	35,000	35,000	
Fire	10,500	10,500	
Public Works	3,150	3,150	
Activity Center	94,300	118,500	
Total Charges for Service	326,900	351,100	7.40%
Miscellaneous Revenue			
Franchise Fees	296,200	346,200	
Miscellaneous	20,250	25,250	
Finance Department	3,000	3,000	
Police	500	500	
Fire	3,500	3,500	
Public Works	5,300	10,600	
Activity Center	11,000	14,000	
Total Miscellaneous	339,750	403,050	18.63%
Total Revenues	17,188,440	18,021,803	4.85%

**City of Hopkins
General Fund Expenditure Budget
For the Year Ending December 31, 2024**

**Proposed
September 12, 2023**

Department	2023 Budget	2024 Budget	% Increase (Decrease)
City Council	105,851	133,032	25.68%
Administrative Services	502,931	564,399	12.22%
Information Technology	483,570	650,365	34.49%
Diversity, Equity & Inclusion	33,530	133,530	298.24%
Finance	744,883	724,979	-2.67%
Legal	225,000	250,000	11.11%
Municipal Building	380,832	416,207	9.29%
City Clerk	245,466	322,770	31.49%
Inspections	1,062,119	1,173,086	10.45%
Police	6,958,766	7,129,993	2.46%
Fire	1,633,390	1,709,791	4.68%
Public Works	3,632,027	3,899,510	7.36%
Recreation	306,993	276,441	-9.95%
Activity Center	486,192	554,995	14.15%
Planning & Zoning	170,842	224,193	31.23%
Community Development	126,848	129,312	1.94%
Tuition Reimbursement	19,200	19,200	0.00%
Contingency	50,000	50,000	0.00%
Transfer to Depot/ACE Program	20,000	60,000	200.00%
Total Expenditures	17,188,440	18,421,803	7.18%

**City of Hopkins
Tax Levy
For the Year Ending December 31, 2024**

**Proposed
September 12, 2023**

Purpose	Actual FY2023	Proposed FY2024	% Increase (Decrease)
General Operations			
General Fund	13,935,781	14,426,326	3.52%
Capital Levy	-	-	0.00%
Arts Center	347,697	345,000	-0.78%
Pavilion Fund	340,000	440,000	29.41%
Equipment Replacement	250,000	360,000	100.00%
Permanent Improvement	-	-	0.00%
Total General Operations	14,873,478	15,571,326	4.69%
 Debt Levy	 3,892,746	 4,107,613	 5.52%
 Total Levy	 18,766,224	 19,678,939	 4.86%

City of Hopkins

2024 Operating Budget Request

Budget Request Title:	Additional Maintenance Worker Position Forestry/Parks
Department:	Public Works
Division:	Forestry
Contact Person:	Chuck Autio
Duration:	<input type="checkbox"/> One-Time <input checked="" type="checkbox"/> On-Going
Type:	New Service or Program
Item Description:	Add one full time Maintenance Worker to the Forestry Division. Performing work related to planting, maintaining, and/or clearing trees in the City's public and right-of-way spaces; inspecting public/private trees for diseases that City Ordinance requires, and taking required actions.
Item Justification:	Allow our City Forester more time to complete administrative work for city's diseased trees such as, Emerald Ash Borer(EAB), grant recording, tree inspections, coordinating outside resources for tree and stump removals, tree plantings, and responding to resident and businesses concerns about their trees. Currently the crew has two employees the City Forestry Lead (Forester) and one maintenance worker. With the additional employee this would allow the Forester to still assist with the forestry work, but have the freedom to work on all the other administrative work he must accomplish.
Estimated Cost:	\$90,000
Estimated Revenue (if any):	
Impact on Stakeholders: (Individuals involved in our work, businesses, residents, visitors or other departments)	This new position will allow our City Forester to free up from the crew to do the administrative work involved with the EAB grants information, coordinating outside resources to assist with the tree and stump removals, planting of new trees, and assisting the residents and businesses within the city.
Impact on Personnel: (Please describe any personnel changes associated with this request)	Adding one Forestry position will allow our City Forester time to handle the administrative work involved with the working on the EAB grant information, coordinating outside resources to assist with the tree and stump removals, planting of new trees, and assisting the residents and businesses within the city.
Impact on IT: (Please describe any implementation requirements, necessary software or ongoing support)	None required.
How does the item relate to the City' s Mission and Vision?	The Forestry Division supports the programs and infrastructure that create safe vibrant spaces, support exceptional neighborhoods, parks, and improve safe opportunities to be out and involved in the community.
How does the item relate to the City' s Goals?	With the emergence of Emerald Ash Borer(EAB) in the past few years,the Forestry Division has been overwhelmed with deseased trees and their removal,creating a loss of mature tree canopy This additional support for the Forestry/Parks Division is necessary to maintain the physical assets that support these goals as well as support of the arts, events, and engagement of our residents.
Other Information or Comments:	

YOUTH WORKFORCE DEVELOPMENT THE ACE PROGRAM

NEED FOR YOUNG ADULT WORKFORCE DEVELOPMENT

Since early 2022, the City of Hopkins, the Hopkins Race and Equity Initiative and the Hopkins School District have been exploring the ways that young adults, specifically those who face barriers to employment, can have greater access to jobs and career exploration ([see full workforce report](#)).

For students with barriers to employment in the Hopkins School District, there currently is a gap for this type of programming or service. Most programs offered are aimed at providing career exploration for high-achieving students rather than those currently underserved who would benefit most from additional career mentorship and opportunities. Programs like [BrookLynk](#) and [Step Up](#) have had great success in building programming to bridge this gap. However, youth in our area are not eligible to participate due to the location-based eligibility restrictions.

Data from both [Hennepin County](#) and other non-profits like the [Opportunity Atlas](#), further illustrate the need for young adult work force programming for residents of our communities. For communities of color, and low-income youth data shows they are currently positioned to earn less than their peers over their lifetimes.

Early work exposure, paid jobs, and workforce training is a proven method to helping reduce this disparity and lead to higher employment rates and future wages. The Minnesota Department of Employment and Economic Development has found that, "The number one predictor of future successes in the workforce is early exposure to work experience."

PUBLIC SECTOR HIRING CHALLENGES

For many communities, the current public sector workforce is not reflective of diversity in their community or the region. While these positions often offer high wages, excellent benefits and the opportunity for stable careered employment they may also have unique and complex hiring and/or licensing processes that might deter candidates.

Beyond that, many candidates simply not know about the vast array of positions within a city that might align with their interest or have the mentorship connections to navigate entry into the field. Additionally, many cities are finding themselves plagued by tight job market conditions, especially in careers like law enforcement, where hiring has been increasingly difficult.

Cities can work to reduce disparities and diversify their workforce through providing young adults exploratory job experiences through internships and other programming. This can be an excellent way to recruit and build for cadet/trainee style programs. Without the location-based restriction, the ACE program also serves as a recruitment platform for departments.

ACE PROGRAM

Now in its second year, the ACE Program provides young adults ages 14-24 with resume-building professional experience through an internship with the cities of Hopkins or Minnetonka.

The program provides young adults with:

- Career exploration in public service (with future goal to scale and include private business partners)
- Competitive wages of \$16/hour
- Development of a professional network and coaching from supervisors and mentors
- Focused program on youth with barriers to employment or underserved communities in the workforce ([see eligibility criteria](#)).



REGIONAL YOUTH ADVISORY BOARD

The City of Hopkins, Minnetonka, Three Rivers Park District, and Hopkins Public Schools have partnered on the Depot Youth Advisory Board (YAB) for the past 25 years. The YAB is comprised of 15 youth (ages 18 and under) and up to 5 adult members (ages 18+), who meet weekly on Fridays to plan youth-focused events such as study and art nights, concerts and move nights, and oversee the operations of the Depot. The Depot serves as a chemical-free, youth-centered space for young adults to gather, events in the facility have ranged from weekly study nights to Queer prom and concerts).

Similar successful programs run effectively through empowering youth with decision-making abilities, leadership development and community building. These opportunities can be a powerful opportunity to combat isolation, anxieties and lead to resilient youth who are ready to be our future leaders. While many communities find programming for ages 14-24 to be challenging, the YAB has shown for nearly three decades that when youth have a voice at the table, they can thrive in creating meaningful, relevant programming for their peers.

Looking ahead and with the consideration to merge the two programs (ACE program with the YAB) as well as add additional partners, the program would shift into a regional board, with each partner community having one to two members appointed by the YAB to the board. Current membership comes from Hopkins High School students, there is also the opportunity to engage youth board and commission members through more meaningful leadership and connections.

FINANCES AND SUPPORT NEEDED

Staffing

Successful operation of these programs requires at least one permanent full-time position with a continuous funding source, as well as larger supervisory oversight and technical support (Payroll, IT, Finance). This position would support the Youth Advisory Board and its associated events and programming as well as provide support for the ACE program year-round, including youth recruitment, employer engagement and seeking, securing, and managing grants.

Additionally, we would hire one seasonal positional to work concurrently with the youth workforce internship season. This position would provide additional capacity and support to youth interns and their supervisors.

Physical Location/ Youth Center

Currently, the YAB utilizes The Depot, a space provided through a lease agreement between the City of Hopkins and Three Rivers Park District. Three Rivers Park District provides capital maintenance as part of their contribution to the YAB, and it is assumed it will remain a home for youth-led and focused programming.

Through partnership with other communities, it would be a welcome addition to the program for the YAB up to being able to provide programming opportunities at other facilities (Williston, Royal Athletic Center, Rec Center/ Aquatic Center).

Continued business operation of the Depot is still a desire of the Hopkins City Council and the community. Staff are working on a request for services to find a private business partner to operate a food or beverage serving operation in the space that still allows for use of the space for the YAB and their events.



Funding

The goal is for all communities to financially participate in supporting both the ACE Program and the YAB, while also continuing to seek the many grants available for youth-focused work.

While there are many grant sources available for youth workforce development, most of these grants are focused funding direct-to-youth wages and other needs associated a youth workforce program. Currently, the City of Hopkins receives funding from the United Way, and in the past has received funding from Hennepin County to support wages of interns in the ACE Program.

In addition to other duties, the full-time position, along with support from City staff, would be to continue to research and apply for grants to support the program. Ideally, grant funds would also support a part-time, seasonal position to assist with administration.

NEXT STEPS

The City of Hopkins is looking for your community to join us in this work to support youth and young adults across our communities. While there have been informal conversations about what this may look like, we are asking that you consider making a 2024 budget request of \$60,000 to join us as both partner in the YAB and the ACE Program. This amount would help fund staff and programming costs related to both programs.

We would like to know if this is of interest to your organization or if you need more information by July 31, 2023, to help with our own budget plans. Any questions about this program can be directed to Ari Lenz, Assistant City Manager.



Finance Department

CITY OF HOPKINS

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: September 12, 2023

Subject: Second Quarter Financial Report

A full presentation of second quarter operating results will be given at the City Council meeting.