



Intermediate School District 917

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1300 145th Street East, Rosemount, MN 55068

(651) 423-8229 * <http://www.isd917.org>

To: ISD 917 School Board

From: Mark Johns, Director of Finance

Date: March 25, 2025

RE: DCTC Lease Agreement Summary

Proposal: Terminate existing Joint Powers Agreement between DCTC and ISD 917 and replace with the Lease, Facilities, Use and Cooperation Agreement.

Building Access:

- 917's access to designated space and shared space does not change
- 917 & DCTC must mutually agree on the amount of designated square footage by November 1, for the following fiscal year

Rental Cost:

- Currently 917 is charged for both exclusive space and shared space but is not charged for parking. Under the Lease Agreement, 917 will be charged for exclusive space and parking, but not charged for shared space. (See below exhibit)
- After FY26, rental rate per sq. ft. is capped at 3.0% annual increase
- The total cost of this lease compares favorably to our other leased facilities (Cedar, Lebanon and Concord rent cost ranges from \$16.65 to \$20.04 per Sq/Ft which does not include custodian, utilities, garbage, security or grounds mtce)

Fiscal Yr	Sq Ft Rate	Exclusive Space		Shared Space		Parking			Total	
		Sq Ft	Cost	Sq Ft	Cost	Parking Spots	Parking Rate per Spot	Cost	Cost	% Increase
FY23 - Actual	\$7.59	47,879	\$363,404	9,556	\$72,526	N/A	\$0.00	\$0	\$435,930	
FY24 - Actual	\$8.73	47,879	\$417,986	9,556	\$83,420	N/A	\$0.00	\$0	\$501,406	15%
FY25	\$10.03	45,947	\$460,846	N/A	\$0	80	\$150.00	\$12,000	\$472,846	-6%
FY26	\$11.47	45,947	\$527,010	N/A	\$0	80	\$150.00	\$12,000	\$539,010	14%
FY27 Est	\$11.81	45,947	\$542,820	N/A	\$0	80	\$155.00	\$12,400	\$555,220	3%

Impact on General Fund Financials:

	Fiscal 2025		Fiscal 2026			
	Budget	Updated Projection	Total Cost	Levy Offset	Net Gen Fund	
SPED	236,399	194,625	221,858	(199,672)	22,186	Impacts SPED billing rate
CTE	270,351	222,578	253,722	(228,350)	25,372	Impacts CTE billing rate
DCALS	67,587	55,644	63,430	(57,087)	6,343	Impacts General Fund Net income/Loss
Total DCTC Cost	574,337	472,846	539,010	(485,109)	53,901	

Effective Term:

- Fiscal Years 2025-2029. Retroactive for FY25, with 5-year term
- Termination for breach or by either party, with or without cause by giving notice by January 1 for the following fiscal year