



MEMORANDUM

To: Town of Grand Lake Board of Trustees
From: Steve Kudron, Town Manager
Date: May 11, 2026
Re: Approval of Lease Agreement with Rocky Mountain Folk School for the Space to Create – Grand Spirit Makerspace

Trustees:

The Town and the Rocky Mountain Folk School (“RMFS”), a Colorado nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code, have negotiated a proposed Lease Agreement (the “Lease”) for the Space to Create – Grand Spirit Maker Space, an approximately 3,000 square foot building, together with the adjacent exterior courtyard, located at 1128 Park Avenue, Building A, Grand Lake, Colorado (the “Building”). The proposed Lease implements the leasing arrangement contemplated by the previously executed Memorandum of Understanding between the Town and RMFS regarding the Building (the “MOU”).

The Town developed the Space to Create – Grand Lake Project on the Property to provide, among other things, space for artistic and other creative endeavors. The Project consists of nine (9) workforce multi-family rental apartments (the Space to Create Residences) and the Building. The proposed Lease places day-to-day operation of the Building with RMFS, whose mission and programming – including artistic, educational, cultural, and creative classes, workshops, exhibitions, performances, and community events – align directly with the purposes for which the Building was developed.

The proposed Lease has an initial one (1) year term and is intended to formalize the parties’ working relationship under the MOU, allowing both parties to evaluate operations before negotiating any successor lease. The Lease is structured to be subordinate to and consistent with the MOU; in the event of any conflict between the Lease and the MOU regarding the leasing of the Premises during the Term, the terms of the Lease control.

Key terms of the proposed Lease include:

- Term: One (1) year, commencing June 1, 2026, and ending May 31, 2027, with the option to extend or replace by mutual written agreement consistent with the MOU;
- Base Rent: No base rent is due from the Commencement Date through December 31, 2026; beginning January 1, 2027, RMFS shall pay base rent of Five Hundred and 00/100 Dollars (\$500.00) per month through the end of the Term;



- Permitted Use and Subleases: Artistic, educational, cultural, and creative programming, classes, workshops, exhibitions, performances, community events, and administrative office use, with the right to sublease portions of the Building to other organizations consistent with such purposes upon written notice to the Town;
- Town Responsibilities: Maintaining property insurance and performing ongoing interior and exterior maintenance of the Building, including utilities (domestic water, sanitary sewer, electrical, Wi-Fi, natural gas), snow removal, trash service, landscape and hardscape maintenance, and repair of exterior glass and exterior vandalism;
- Tenant Responsibilities: Reimbursing the Town within thirty (30) days for all utility and service costs associated with operation of the Building; maintaining contents and occupant insurance and commercial general liability insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, naming the Town as an additional insured; and performing routine cleaning and upkeep of the interior of the Building;
- Operating Assistance: Subject to annual appropriation by the Board of Trustees and consistent with the MOU, the Town will provide annual financial operating assistance to RMFS in support of the Building of not less than Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) for fiscal year 2026; and
- Standard Provisions: Customary terms covering default and remedies, surrender, alterations and improvements, governmental immunity under the Colorado Governmental Immunity Act, annual appropriation pursuant to Article X, Section 20 of the Colorado Constitution, governing law, venue in Grand County, and a written-amendment requirement.

The Lease also provides for an annual review of operating costs by the Town and RMFS, and requires RMFS to provide written notice of any proposed sublease prior to its execution. RMFS will remain responsible to the Town for the acts and omissions of all sublessees and their respective employees, agents, invitees, and guests.

The Grand Lake Creative District is contributing more than \$500,000.00 to the completion of the Grand Spirit Makers Space and Residences, one of the Town's largest financial contributors. The financial obligations of the Town under the Lease, including the \$25,000 annual operating assistance, are expressly subject to annual appropriation by the Board of Trustees in accordance with Article X, Section 20 of the Colorado Constitution. The 2026 operating assistance is contemplated within the Town's current budget, and the Town's ongoing maintenance and utility obligations are absorbed within existing operations and partially offset by reimbursement from RMFS under the Lease



Staff Recommendation

Staff recommends that the Board of Trustees approve the Lease Agreement between the Town of Grand Lake and the Rocky Mountain Folk School for the Space to Create – Grand Spirit Maker Space, in substantially the form presented, and authorize the Mayor to execute the Lease on behalf of the Town. Approval of the Lease implements the multi-year arrangement contemplated by the MOU, places day-to-day operation of the Building with a qualified nonprofit partner whose mission aligns with the purposes of the Project, and provides clear, enforceable terms protecting the Town’s interests. Because the initial Term is one (1) year, the Board will have an opportunity to evaluate operations and the parties’ respective costs before negotiating any successor lease.

Recommended motion:

“I move to approve the Lease Agreement between the Town of Grand Lake and Rocky Mountain Folk School for the Space to Create – Grand Spirit Maker Space, in substantially the form presented, and to authorize the Mayor to execute the Lease and the Town Manager to take such further actions as are reasonably necessary to implement the Lease.”