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TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Greg Isakson, Public Works Director

RE: 04 Apr 23 County Board Meeting
Zumbrota Equipment Building Lease Renewal

Date: 27 Mar 23

Summary

It is requested that the County Board approve the attached MnDOT agreement for the Public Works equipment building which is located on MnDOT's property in Zumbrota.

Background

The County entered into an agreement with MnDOT that allowed the County to build an equipment building on their property in Zumbrota back in 1997. This agreement also required the County to build a salt shed at our Kenyon shop that has room for MnDOT to store 300 CY of sand/salt, allows the County to use a sand/salt building in Zumbrota, and to cost share an upgrade to the fueling system in Zumbrota for use by both the State and the County. That was a 25-year agreement and it technically expired in 2022.

Staff has met on and off with MnDOT staff for several years to renew this agreement. MnDOT would like to explore the construction of a new County/State jointly owned salt storage building on this site which is needed and would be used by both entities. Due to a shortage of MnDOT staff availability to meet and work out the details of the ownership of this salt building, this agreement has now elapsed.

MnDOT staff wrote this new agreement (Partnering Contract) based on the portions of the original contract that are still applicable today. This is basically an extension of the existing contract that will expire on 06/30/2027. There should be sufficient time to work out another long-term agreement that includes discussion about a potential new salt storage building and any other potential changes.

Alternatives

- Approve the attached five-year Partnership Contract for the Public Works Equipment Building.
- Ask for modifications to the Partnership Contract before agreeing to sign.
- Take no action and turn over the keys to the equipment building to MnDOT and find a new location for a building to store the equipment currently located in this building.

Recommendation

It is the recommendation of staff that the Board authorize signing this agreement with MnDOT and that County staff continue discussions with MnDOT staff concerning the next long-term agreement that will allow the County keep the equipment building located on MnDOT's property.

**STATE OF MINNESOTA
PARTNERSHIP CONTRACT**

This Contract is between the State of Minnesota, acting through its Commissioner of Transportation (“MnDOT”) and the County of Goodhue acting through its Board of Commissioners (“County”).

Recitals

1. Minnesota Statutes §471.59 authorizes State and the County to enter into this Contract.
2. Both MnDOT and the County are responsible for maintaining roads in their respective jurisdictions and have similar needs for storing equipment and road maintenance materials; and
3. MnDOT owns property in the City of Zumbrota; and the County owns property in the City of Kenyon; and
4. The County needs equipment storage, sand/salt storage in Zumbrota; and
5. MnDOT needs sand/salt storage in Kenyon; and
6. To minimize duplicate storage buildings, MnDOT and the County are willing to share the use of storage buildings at their respective sites; and
7. Both parties are willing to enter this Contract to set forth their respective rights and duties.

Contract

1. Term of Contract; Incorporation of Exhibits

- 1.1. **Effective Date:** This Contract will be effective on the date signed by all necessary state officials, as required by Minnesota Statutes §16C.05, subdivision 2.
- 1.2. **Expiration Date:** This Contract will expire on 06/30/2027, or when all obligations have been satisfactorily fulfilled, whichever occurs first.

2. Description of the Sites

- 2.1. MnDOT owns the Zumbrota site. It is located in the southeast quadrant of Trunk Highway 52 and the north junction of Trunk Highway 60. The County’s equipment storage building will be located in the southeast corner of the property within an area 300 feet east of the West line of the NE 1/4; and 250 feet north of the South line of the NE 1/4; Sec. 36, T110N, R16W.
- 2.2. The County owns the Kenyon site. It is located at the Westerly 376 feet of the SE 1/4 of the NW 1/4 of Sec. 3 in T109N, R18W line Southerly of C/L Trunk Highway 60.

3. Responsibilities of the Parties

- 3.1. Goodhue County will:
 - 3.1.1. Provide MnDOT unlimited access to the sand/salt building at the Kenyon site, as described in paragraph 5.1. MnDOT’s portion will be able to hold 300 cubic yards of mixed sand plus 100 tons of salt.
 - 3.1.2. Provide a 4-wheel drive loader to be used at the Kenyon and Zumbrota sites by both MnDOT and the County.
- 3.2. MnDOT will:
 - 3.2.1. Provide the County unlimited access to the equipment storage building at the Zumbrota site, as described in paragraph 5.2.

3.2.2. Allow the County to use of the existing sand/salt building at the Zumbrota site for the duration of this Contract. Provide the County unlimited access to the Zumbrota sand/salt building, as described in paragraph 5.2.

4. Ownership

- 4.1. MnDOT will retain ownership of the sand/salt building at the Zumbrota site for the duration of this Contract and beyond.
- 4.2. The County will retain ownership of the sand/salt building at the Kenyon site for the duration of this Contract and beyond.
- 4.3. The County will own the equipment storage building at the Zumbrota site for the duration of this Contract. Upon termination or expiration of this Contract, the County will convey the building to MnDOT at mutually agreeable terms. If the parties cannot agree on the terms of conveyance, the County will remove the building from MnDOT's property and return the land to its previous condition, or to a condition satisfactory to MnDOT.

5. Access

- 5.1. The County will provide to MnDOT unlimited access to the Kenyon site and sand/salt building 24 hours a day, 365 days a year, for the duration of this Contract.
- 5.2. MnDOT will provide to the County unlimited access to the Zumbrota site, the sand/salt building, the County's equipment storage building and the fuel dispensing system 24 hours a day, 365 days a year, for the duration of this Contract.

6. Contract Personnel

- 6.1. MnDOT's Authorized Representative will be:
 - Name/Title: Mark Panek/Area Maintenance Engineer, or successor
 - MnDOT – D6 Owatonna
 - Street Address: 1010 21st Ave NW
 - City State Zip: Owatonna, MN 55060
 - Telephone: 507-363-1179
 - Email: mark.panek@state.mn.us
- 6.2. The County's Authorized Representative will be:
 - Name/Title: Greg Isakson/County Engineer , or successor
 - Street Address: 2140 Pioneer Road,
 - City State Zip: Red Wing, MN 55066
 - Telephone: 651-388-8437
 - Email: greg.isakson@co.goodhue.mn.us

7. Liability

- 7.1. MnDOT is self-insured. The County may, at its discretion, insure against loss of property or for other liabilities, including environmental contamination, at both the Kenyon and Zumbrota sites. Insurance reimbursement will be paid to the insured party.
- 7.2. Each party will be responsible its own acts and omissions and the results thereof, including any damage to the building(s) caused by its employee(s). The responsible party will repair the damage caused by its employee(s).
- 7.3. Any and all persons employed by or on behalf of each party to perform any of the work described in this Contract will not be considered employees of the other party. Any claims that may or might arise under the Workers' Compensation Act of Minnesota on behalf of said employees or persons while so engaged and any all claims made by any third person as a consequence of any act or omission on the part of said employees

or persons while engaged in any of the work described herein will not be the obligation or responsibility of the other party.

8. Audit

- 8.1. Under Minnesota Statutes §16C.05, subdivision 5, the books, records, documents and accounting procedures and practices of the County relevant to this Contract are subject to examination by State and the Legislative Auditor for a minimum of six years.

9. Jurisdiction and Venue

- 9.1. Minnesota Law governs the validity, interpretation and enforcement of this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in Ramsey County, Minnesota.

10. Government Data Practices

- 10.1. The parties must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by under this [Contract](#), and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the parties under this Contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either of the parties.

11. Assignment, Amendments, Waiver, and Contract Complete

- 11.1. **Assignment.** Neither party may assign nor transfer any rights or obligations under this Contract without the prior consent of the other party and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this Contract, or their successors in office.
- 11.2. **Amendments.** Any amendment to this Contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed this original Contract, or their successors in office.
- 11.3. **Waiver.** If a party fails to enforce any provision of this contract that failure does not waive the provision or the party's right to subsequently enforce it.
- 11.4. **Contract Complete.** This contract contains all negotiations and Contracts between the parties. No other understanding regarding this contract, whether written or oral, may be used to bind either party.

12. Termination

- 12.1. This Contract may be terminated prior to the expiration date only by mutual consent of both parties.
- 12.2. In the event of termination or expiration of this Contract, each party retains the right to claim and remove any of its equipment, material or other property that may be stored at either the Zumbrota or Kenyon sites.

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Local Government

The Contractor certifies that the appropriate person(s) have executed the contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

STATE ENCUMBRANCE VERIFICATION

The individual certifies funds have been encumbered as required by Minn. Stat. 16A.15 and 16C.05

By:

Date:

SWIFT Contract # _____

SWIFT Purchase Order # _____

COMMISSIONER OF TRANSPORTATION

By:

Date:

Title: _____

COMMISSIONER OF ADMINISTRATION

By:

Date: