

**AGREEMENT BETWEEN
CITY OF SHOREVIEW, MINNESOTA,
CITY OF ARDEN HILLS, MINNESOTA,
AND
CITY OF NORTH OAKS, MINNESOTA
FOR
THE LAKE JOHANNA FIRE DEPARTMENT FIRE STATION PROJECT**

THIS AGREEMENT is made and entered into the ___ day of _____, 2020 by and between THE CITY OF SHOREVIEW, a municipal corporation and political subdivision of the State of Minnesota, THE CITY OF ARDEN HILLS, a municipal corporation and political subdivision of the State of Minnesota, and THE CITY OF NORTH OAKS, a municipal corporation and political subdivision of the State of Minnesota (hereinafter jointly referred to as the “Parties” and individually as each “City”) (the “Agreement”).

RECITALS

WHEREAS, each City is responsible for providing fire protection and prevention services for the people and institutions within its boundaries; and

WHEREAS, each City contracts with Lake Johanna Fire Department to provide each City’s fire protection and preventions services; and

WHEREAS, the costs of said fire protection and prevention services are allocated pursuant to contracted service agreements between the Parties and Lake Johanna Fire Department; and

WHEREAS, Lake Johanna Fire Department conducted a needs analysis that reviewed the adequacy of Fire Station number 4 and identified future department facility needs; and

WHEREAS, the needs analysis concluded that the existing Fire Station number 4 located at 3615 Victoria Street in the City of Shoreview, MN, was undersized and had many deficiencies; and

WHEREAS, the needs analysis concluded that it would not be feasible to expand the station, due to the limited lot size and subpar access to Victoria Street on the north of the railroad tracks, and this location may impact response times; and

WHEREAS, Lake Johanna Fire Department reviewed potential property locations in southern Shoreview and Arden Hills; and

WHEREAS, Lake Johanna Fire Department identified vacant property owned by Bethel University on Pine Tree Drive in the City of Arden Hills, MN (“the Property”) as a potential site for a new fire station; and

WHEREAS, the Property is large enough to accommodate headquarters for Lake Johanna Fire Department and has improved access ideally situated to cover southern Arden Hills and Shoreview as well as the entire service area for Lake Johanna Fire Department; and

WHEREAS, Lake Johanna Fire Department’s Board of Directors authorized the Fire Chief to negotiate and execute a letter of intent to purchase the property from Bethel University; and

WHEREAS, in early April 2020, Lake Johanna Fire Department and Bethel University executed a letter of intent to purchase the Property for a purchase price of \$1.35 million; and

WHEREAS, the letter of intent also requires Lake Johanna Fire Department to contribute one third of the cost, up to a maximum of \$325,000, to relocate an access road on the Property;

WHEREAS, the purpose of this agreement is to define each City’s responsibilities for the Lake Johanna Fire Department’s purchase of the Property and the construction of improvements on the Property (“the Project”); and

WHEREAS, the new fire station would be owned and operated by the Lake Johanna Fire Department to serve the three contract cities of Arden Hills, North Oaks, and Shoreview, the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual undertakings herein expressed, the City of Shoreview, the City of Arden Hills, and the City of North Oaks agree as follows:

1 Term of Agreement

1.1 Effective date: This Agreement and any amendments thereto shall be in full force and effect upon the filing of a certified copy of the resolution approving this Agreement by each City. Said resolutions shall be filed with the Shoreview City Attorney who shall notify each City in writing of its effective date.

1.2 Expiration date: This Agreement expires upon the Bond, issued pursuant to paragraph 2.3, being repaid in full.

2 Agreement between the Parties

2.1 Cost. The cost of the land purchase, access road relocation, and property improvements of the Property will be funded by a \$300,000 contribution from the Lake Johanna Fire Department and by contributions from each City allocated proportionally through the current cost share agreement for fire department operations and capital costs.

2.2 Cost share formula. The cost share formula will be used to allocate each City’s contribution for the land acquisition, and is currently defined as 25% population, 25% households, 40% fire calls, and 10% assessed value.

2.3 Bond issuance. At the time financing is needed for the construction of a new station, the financing will be provided by the following method:

Unless otherwise unanimously agreed upon, one of the Parties will provide financing for the cost to construct a station (the “Financer City”), including any costs associated with the financing, and each of the other Parties will annually reimburse t the Financer City for its portion of the debt service payment based on the cost formula. Should a station be constructed in the allotted timeline for reimbursement of the land acquisition costs, the Financer City will include the land acquisition costs in the financing and each Party will be repaid via the financing proceeds for their portion of the land acquisition. If the Station is not constructed in the time frame that is necessary to include the property acquisition costs as part of the financing, each Party will be responsible for their proportionate share of the property acquisition costs in accordance with the cost share formula in effect at the time.

2.4 Bond repayment. The bond issue will be repaid through annual appropriations by each Party consistent with the cost share formula calculated and adjusted annually to account for growth and development in each respective City.

2.5 Station Construction. Station construction will begin no later than June 30, 2026, unless an alternative date is unanimously agreed upon by the Parties.

2.6 Development Approvals. The City of Arden Hills will review the proposed project as part of its normal development process.

2.7 Option to Acquire. Should the Lake Johanna Fire Department no longer serve the City of Arden Hills or no longer use, occupy, or otherwise cease to operate in the fire station, the fire station, at the discretion of the JPA, may be used by a successor organization that provides fire protection to the Parties. Should no acceptable successor organization be identified the City of Arden Hills will have the option to reimburse the other two Parties, the Cities of Shoreview and North Oaks, for their respective contributions to the purchase of the Property, construction of the fire station, and any applicable capital improvements to the station plus inflation as measured by the Consumer Price Index (CPI) and take ownership of the land and associated buildings.

2.8 Project Abandonment, Option. If the project does not move forward and the station is not constructed, the City of Arden Hills will have the option to reimburse the other Parties for their direct cost to acquire the land and take ownership of the land. Should the City of Arden Hills not exercise this option, the land shall be sold if 2/3 of the parties agree and the proceeds will be divided amongst the Parties and fire department based on their initial direct cost for the land purchase of the Property.

3 Assignment, Amendments, Waiver, and Contract Complete

3.1 Assignment. The Parties may not assign or transfer any rights or obligations under this Agreement.

3.2 Amendments. Any amendment to this Agreement must be in writing and will not be effective until it has been signed and approved by the signatories of each City who signed and approved the original Agreement, their successors in office, or other individual duly authorized.

3.3 Waiver. If any party fails to enforce any provision of this Agreement, that failure does not waive the provision or the right to enforce it in the future.

3.4 Contract Complete. This Agreement contains all negotiations and agreements between the Parties. No other understanding regarding this Agreement, whether written or oral, may be used to bind the Parties.

4 Liability

Each City will be responsible for its own acts and behavior and the results thereof and shall not be responsible or liable for the other Party's actions and consequences of those actions. The Minnesota Municipal Tort Claims Act, Minn. Stat. Ch. 466, governs the municipality's liability.

5 Venue

Venue for all legal proceedings involving this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

6 Signatures

This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding the Parties notwithstanding that each City may not be a signatory to the original of the same counterpart.

IN WITNESS WHEREOF, the Parties have hereunto set their hands the day and year first above written.

CITY OF SHOREVIEW

By: _____
Mayor

SEAL

DATED: _____, 2020

ATTEST:

City Clerk

CITY OF ARDEN HILLS

By: _____
Mayor

SEAL

DATED: _____, 2020

ATTEST:

City Clerk

CITY OF NORTH OAKS

By: _____
Mayor

SEAL

DATED: _____, 2020

ATTEST:

City Clerk