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| <p>Mayor: David Grant</p> <p>Councilmembers: Brenda Holden Fran Holmes Dave McClung Steve Scott</p> |  <p>Agenda November 1, 2021</p> | <p>Address: 1245 West Highway 96 Arden Hills MN 55112</p> <p>Phone: 651.792.7800</p> <p>Website: www.cityofardenhills.org</p> |
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Special City Council Meeting – 5:45 p.m.

City Vision

Arden Hills is a strong community that values its unique environmental setting, strong residential neighborhoods, vital business community, well-maintained infrastructure, fiscal soundness, and our long-standing tradition as a desirable City in which to live, work, and play.

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| <p>1. APPROVAL OF AGENDA</p> | |
| <p>2. NEW BUSINESS</p> | |
| <p>A. Joint Powers Agreement for the Lake Johanna Fire Department Headquarters</p> | <p><i>Dave Perrault</i></p> |
| <p>3. COUNCIL/STAFF COMMENTS</p> | |
| <p>ADJOURN</p> | |



DATE: November 1, 2021
TO: Honorable Mayor and City Councilmembers
FROM: Dave McClung, City Council
Dave Perrault, City Administrator
SUBJECT: Approval of Joint Powers Agreement for Lake Johanna Fire Department Headquarters

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|--------------------------------|------------------------------|-------------------------------|
| Budgeted Amount: N/A | Actual Amount: N/A | Funding Source: N/A |
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Council Should Consider

Motions to approve, table, or deny the following:

- Joint Powers Agreement for the Lake Johanna Fire Department Headquarters

All items require a simple majority unless otherwise noted.

Discussion

The City Council discussed the Joint Powers Agreement (JPA) at its October work session and directed staff to bring forward a final document for approval. The JPA sets forth a board comprised of members of the City Council from Arden Hills, North Oaks, and Shoreview to oversee station construction and financing of a future Lake Johanna Fire department (LJFD) headquarters.

This JPA is a culmination of a lot of work between the three cities and the fire department, and is the next step in moving the station to fruition.

This process began in 2018 when the department underwent a needs study and assessed its needs over the next fifty years. The study identified shortcomings with its current station model, and recommended disposing of Station 4 on Victoria Avenue and constructing a new headquarters in Arden Hills between Lexington Avenue and Highway 51 along County Road E. At the direction of the three cities, the fire department began researching potential locations and noted significant open space at the Anderson Center Property on Pine Tree Drive. Following negotiations, the fire department was able to acquire a portion of land for a future fire station. With the land acquired, the fire department is undergoing the design process for the fire station, and will eventually seek approval from the three cities to move forward. There is no timeline for construction of the new station, but it does have a deadline to start construction no later than June 30, 2026.

Budget Impact

The JPA itself will not have a budget impact on the City, future station construction funding needs will have an impact on the City's budget but is yet to be determined as timing, funding sources, etc. still need to be finalized.

Attachment

Attachment A: Joint Powers Agreement Lake Johanna Fire Department Headquarters

Attachment A

**JOINT POWERS AGREEMENT BETWEEN
CITY OF SHOREVIEW, MINNESOTA,
CITY OF ARDEN HILLS, MINNESOTA,
AND
CITY OF NORTH OAKS, MINNESOTA
FOR
THE LAKE JOHANNA FIRE DEPARTMENT HEADQUARTERS**

THIS AGREEMENT is made and entered into the ___ day of _____, 2021 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 (the three cities maybe referred to as the “parties”).

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 Cities and Lake Johanna Fire Department; and

WHEREAS, Lake Johanna Fire Department identified vacant property owned by Bethel University on Pine Tree Drive in the City of Arden Hills (“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 purchased the Property on October 15, 2020 for \$1,350,000 plus closing costs for a total of \$1,353,177.50, and Lake Johanna Fire Department will also pay \$325,000 for road construction costs; and

WHEREAS, Minnesota statutes. Section 471.59 authorizes governmental units by agreement of their governing bodies jointly and/or cooperatively to exercise any power common to the contracting parties and to provide for a joint board representing the parties to the agreement; and

WHEREAS, the purpose of this agreement is to establish a joint powers board, the Lake Johanna Fire Department Headquarters Board (“Board”) for the purposes of acquiring the Property and constructing improvements on the Property, a headquarters for Lake Johanna Fire Department (“the Project”); and

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

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 Lake Johanna Fire Department Headquarters Board

1.1 Composition. The Board shall be made up of four total members. Two members shall be City Councilmembers from the City of Shoreview. One member shall be a City Councilmember from the City of Arden Hills. One member shall be a City Councilmember from the City of North Oaks.

1.2 Quorum. To approve any act, the proposed action must receive at least 3/4 ths vote. Quorum shall be 3 Board members.

1.3 Bylaws. The Board shall pass Bylaws at the earliest possible time.

2 Agreement between the Parties

2.1 Land Transfer. This Joint Powers Agreement is contingent upon Lake Johanna Fire Department transferring the Property to the Board.

2.2 Cost share and ownership interest. The cost share formula will be used to allocate each City's ownership interest in the Property and any improvements thereon, which 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 one of the two following methods:

To the extent as authorized by law, the Board shall have the authority to independently issue bonds or obligations and use said proceeds to carry out the purpose of this agreement, construction of the Project. Said bonds or obligations may be issued in accordance with the express authority granted by the City Councils of each Party.

Unless otherwise unanimously agreed upon, in the alternative, one of the cities will provide financing for the cost to construct a station, including any costs associated with the financing, and each city will annually reimburse the financing City for their portion of the debt service payment based on the cost share formula. Should a station be constructed in the allotted timeline for reimbursement of the land acquisition costs, the

City will include the land acquisition costs in the financing and each City 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 city 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 City consistent with the cost share formula calculated and adjusted annually to account for growth and development in each City.

2.5 Station Construction. Station construction will begin upon unanimous vote of the Board. However, said construction shall begin no later than June 30, 2026, unless an alternative date is unanimously agreed upon by the Board.

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

2.7 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 Board, may be used by a successor organization that provides fire protection to all the cities. Should no acceptable successor organization be identified the City of Arden Hills will have the option to reimburse the other two cities, Shoreview and North Oaks, for their respective contributions to the purchase of the land, 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 If the Project does not move forward and the station is not constructed pursuant to paragraph 2.5, the City of Arden Hills will have the option to reimburse the other parties for their direct cost to acquire the land and any costs associated with the Project, and take ownership of the land. Should the City of Arden Hills not exercise this option, the land may be sold and the proceeds will be divided amongst the Cities and fire department based on their direct costs for the land purchase and the Project.

2.9 Termination. This Agreement shall terminate either upon repayment of all bonds/obligations issued pursuant to paragraph 2.3 OR upon a unanimous vote of all Board members.

3 Assignment, Amendments, Waiver, and Contract Complete

3.1 Assignment. No party may assign nor 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 same parties 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 Cities. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party. All prior oral or written agreements concerning the acquisition of land and/or construction of a fire station are hereby declared null and void. However, this language shall not apply to the Joint Powers Agreement establishing the Fire Protection Board from November 1998.

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 Cities' 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 on each City notwithstanding that each City may not be a signatory to the original of the same counterpart.

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

CITY OF SHOREVIEW

By: _____
Mayor

SEAL

DATED: _____, 2021

ATTEST:

City Clerk

CITY OF ARDEN HILLS

By: _____
Mayor

SEAL

DATED: _____, 2021

ATTEST:

City Clerk

CITY OF NORTH OAKS

By: _____
Mayor

SEAL

DATED: _____, 2021

ATTEST:

City Clerk