

# Exhibit A

AN AGREEMENT  
between  
THE CITY OF SAINT PAUL  
and  
THE COUNTY OF RAMSEY  
for  
THE MANAGEMENT OF THE CITY HALL/COURT HOUSE

This Agreement is between the City of St. Paul, Minnesota (hereinafter referred to as the "CITY") and the County of Ramsey, Minnesota (hereinafter referred to as the "COUNTY").

WHEREAS, The CITY and the COUNTY are joint fee owners of the Saint Paul City Hall/Ramsey County Court House (hereinafter referred to as the "CH/CH"); and

WHEREAS, The CITY and the COUNTY wish to manage and maintain the CH/CH in an efficient and orderly manner for the public good; and

WHEREAS, On March 15, 1988, the CITY and the COUNTY executed an agreement for the management and maintenance of the CH/CH by the COUNTY for a period of twenty-five years and subsequently executed only one amendment during that time period ; and

WHEREAS, The CITY and the COUNTY have concluded that it is in the best interests of the parties to continue to have the COUNTY provide the management and maintenance of the CH/CH;

THEREFORE, in consideration of the mutual promises contained herein, the CITY and the COUNTY agree as follows:

**I. Effective Date/Term of Agreement**

A. This Agreement shall become effective ("Effective Date") upon the signing of this Agreement by the authorized representatives of the CITY and the COUNTY.

B. This Agreement shall continue in effect for a period of twenty-five (25) years commencing March 16, 2013 ("Term"), unless earlier terminated pursuant to Section VII. C. of this Agreement.

**II. Definitions**

The Following terms, as used herein, shall have the meaning set out after each, equally applicable to the singular and plural thereof:

"Alteration" means a change to any Building System.

"Building System" means a system exclusive to the CH/CH building including, but not limited to the following: heating, ventilating, mechanical, plumbing, air conditioning (where

applicable) and electrical systems; building structural frame and exterior surface including roof and foundation; water supply and drainage systems; waste disposal systems; life safety and security systems; interior walls, and columns; floor decking; ceilings; sidewalks and landscape; and elevators. "City Hall/County Court House"/"CH/CH" means the St. Paul City Hall/Ramsey County Court House, located at 15 West Kellogg Boulevard in Saint Paul, Minnesota and includes both Common Areas and Exclusive Areas but does not include the skyway over Fourth Street to the City Hall Annex at 25 West 4<sup>th</sup> Street.

"Common Area" means any area in the CH/CH which is not an Exclusive Area.

"Exclusive Area" means any area in the CH/CH which is exclusively used or occupied by either the CITY or the COUNTY regardless of whether members of the public are permitted or have the right to use such area at various times. COUNTY Exclusive Areas include courtrooms and related areas.

"Redecorate" or "Redecoration" means a change to the appearance of space without an alteration to any Building System.

"Internal Service Fund" means a fund used to account for the financing of goods and services provided by the Ramsey County Property Management Department or its successor agency to other departments or agencies of the COUNTY or to the CITY or CITY departments occupying the CH/CH, on a cost-reimbursement basis.

"Retained Earnings" means the accumulated earnings from interest accrual and earned income that may be available for budgeting and expending for the services to be provided under this Agreement during the Term of this Agreement.

### **III. Management and Maintenance Responsibilities**

#### **A. Management**

1. The COUNTY shall operate, manage, and maintain the CH/CH as an Internal Service Fund subject to the terms and conditions of this Agreement.
2. Oversight of the services to be provided under this Agreement shall be provided by the County Manager or the County Manager's designee.
3. The COUNTY shall provide all administration, staff, supplies and equipment necessary for the performance of the COUNTY'S responsibilities under this Agreement.

#### **B. Routine Maintenance**

1. The COUNTY shall provide all routine maintenance, repairs and services for the CH/CH including, but not limited to: building security; janitorial and custodial services; utility services; grounds maintenance; and emergency repairs necessary to protect against or reduce bodily injury and/or property damage. The performance standards shall be set forth in the annual budget documents as specified in Section VII.F.1.

2. The parties agree that they shall jointly develop and maintain throughout the Term of this Agreement Procedures for the Maintenance, Repair, Replacement and Reconfiguration of Furniture and Furnishings in the CH/CH.

3. All payments for routine maintenance shall be paid out of the CH/CH budget.

**C. Major Maintenance**

1. The COUNTY shall provide all major maintenance, repairs and services for the CH/CH Building Systems. The COUNTY shall have the obligation to paint interior surfaces and to replace carpeting only when necessitated by wear and tear. The COUNTY shall maintain, repair and replace all furniture, fixtures and equipment normally used in Common Areas.

2. All payments for major maintenance, including painting of interior surfaces and replacement of carpet when necessitated by wear and tear, shall be paid out of the CH/CH budget. Payment for painting and replacement of carpet other than when necessitated by wear and tear shall be made in accordance with the provisions of Section V.C.

3. Specifically excluded from the COUNTY'S obligations under this Agreement is Redecoration of any Exclusive Area, except to the extent such Redecoration is required under Section III.E.1 of this Agreement.

4. The CITY shall have the right to review and approve any work order issued pursuant to Section III. E. whose dollar amount is in excess of \$100,000 and which was not originally budgeted.

**D. Right of Access**

1. The CITY shall afford the COUNTY access to CITY Exclusive Areas for the purpose of allowing the COUNTY to carry out its management and maintenance responsibilities pursuant to this Agreement. If such access will result in significant interference with activities in the Exclusive Areas, the COUNTY shall give the CITY notice adequate to permit the CITY to make arrangements, at its own expense, to use alternate space.

**E. Budget**

1. The COUNTY shall prepare a budget to operate, manage, and maintain the CH/CH, which shall include, but not be limited to: routine and major maintenance, staffing, common area alterations, building replacement costs, and risk management costs. The budget shall also include designated capital funds for major maintenance. Retained Earnings shall be used, along with designated capital funds, to fund capital improvements based on an approved capital improvement plan.

**F. Special Assessment**

1. The COUNTY may, in any budget year, propose a special assessment applicable to that year only for the purpose of paying, in whole or in part, any unforeseen, emergency, or other unbudgeted operating expense ("Unbudgeted Expense") including, without limitation, the unexpected construction, reconstruction, repair, or replacement of a Common area capital improvement. This special assessment is subject to approval by the governing bodies of the COUNTY and the CITY. If the Unbudgeted Expense is due solely to the activity or operations of one party, that party shall be fully responsible for the expense. Otherwise, each party's share of the Unbudgeted Expense will be determined pursuant to Section V.B.2 of this Agreement, except as to those cost categories for which this Agreement provides for cost allocation on ownership."

**IV. Payment for Services**

A. The CITY shall pay the COUNTY quarterly in advance for services provided pursuant to this Agreement.

B. Following execution of this Agreement, the COUNTY shall submit a quarterly bill to the CITY for services to be provided during the second quarter of 2013 that shall also include the bill for services provided for the period from March 16, 2013, through March 31, 2013. Thereafter, the COUNTY shall submit quarterly bills to the CITY in advance for services for the upcoming quarter.

C. Each bill shall be calculated using the total annual budget for operations, management, and maintenance services for the CH/CH approved for the year as determined pursuant to Section V.B.2 of this Agreement, except as to those cost categories for which this Agreement provides for cost allocation based on ownership.

D. Payment shall be made by the CITY to the COUNTY within thirty days of receipt of the bill.

E. Any payment not timely made shall include payment of interest at the rate specified in Minn. Stat. 471.425.

F. All payments shall be credited to the CH/CH budget.

**V. Building Use and Space Allocation**

**A. Use of the CH/CH**

1. Subject to the provisions of Section V.A.5., the CH/CH shall be open for public business between the hours of 8:00 a.m. and 5:00 p.m. on all days except Saturday, Sundays, legal holiday and holidays established by the County Board or City Council pursuant to contract with certified employee bargaining units; provided however, that

access to the CH/CH shall be provided at all other hours for any and all CITY or COUNTY agents, officers, or employees for public business.

2. The public business hours as set forth herein may be modified by the mutual consent of the County Board and the City Council.

3. The COUNTY may close the CH/CH because of an emergency which render the CH/CH unsafe for occupancy or because of weather conditions. Prior to closing the CH/CH because of weather conditions, the County Manager shall make best efforts to consult with the City Mayor or Mayor's designee. If not previously consulted, the County Manager shall notify the City Mayor or Mayor's designee of a determination to close the CH/CH pursuant to this paragraph.

4. The City Council chambers shall be used by the CITY and the COUNTY in accordance with the schedule set forth in **Addendum A**, attached hereto and made a part of this Agreement. Changes in the use of the City Council chambers shall be by mutual consent of the City Council and the County Board and shall be in writing. All scheduling shall be made through the City Clerk.

5. Upon 24-hours' written notice by the CITY to the County Manager or the County Manager's designee, the COUNTY shall open the CH/CH or allow it to remain open beyond regular business hours for access to Common Areas or to CITY Exclusive Areas for public purposes.

6. Upon 48-hours' written notice to the County Manager or the County Manager's designee, either party to this Agreement may reserve, on a first-come, first-served basis, a Common Area (other than the City Council chambers) or a portion thereof for public purposes. Extra costs arising from this use of a Common Area shall be borne by the user party.

7. Neither party may sublease any part of its Exclusive Area to non-governmental entities.

**B. Space Allocation**

1. At the commencement of this Agreement, the CITY and COUNTY shall each retain the space in the CH/CH they use and occupy as Exclusive Areas. Thereafter, any changes in Exclusive Areas shall be made according to the terms of this Agreement or upon mutual consent of the parties.

2. The COUNTY shall notify the City Mayor or Mayor's designee by June 1 of each year during the Term of this Agreement of the CITY'S percentage of the Exclusive Areas in the CH/CH. This percentage shall be used in the subsequent calendar year for all

purposes pursuant to this Agreement requiring application of the CITY'S percentage of the total CH/CH Exclusive Areas. If the CITY objects to the percentage determined by the COUNTY, resolution of the dispute shall be governed by the Dispute Resolution Process provision of this Agreement set forth in Section VII.D.

3. Either party to this Agreement may move or change the location of its staff or functions within its Exclusive Areas. The cost of moving or changing locations shall be borne by the Party occupying the Exclusive Area.

4. In the event either the CITY or the COUNTY determines to vacate an Exclusive Area, that party shall notify the other party in writing at least 180 days prior to the date of vacancy. The other party shall have a first right to occupy said Exclusive Area, provided, however, that the party choosing to occupy the vacated Exclusive Area notifies the County Manager or the County Manager's designee of its choice within ninety days of receipt of the notice of intent to vacate. The moving expenses and the costs of Redecoration authorized pursuant to this Agreement shall be borne entirely by the party moving into the vacated area.

5. Whether or not one party occupies an Exclusive Area vacated by the other party, the percentage of Exclusive Areas for each party shall not be adjusted until the subsequent calendar year.

6. If the Exclusive Area vacated by one party is not occupied by the other, that area shall become a Common Area and the cost of maintaining, managing, and repairing the area shall be shared by the CITY and the COUNTY in proportion to their percentage of Exclusive Areas in the CH/CH.

**C. Alteration**

1. Either party may Redecorate its Exclusive Area. The CH/CH Property Management staff shall assist in making all arrangements for carrying out the Redecoration work. Each party shall comply with all applicable federal, state, and local laws, regulations, ordinances and policies. Each party shall be solely responsible for the cost of the work to its Exclusive Area and shall pay vendors and contractors directly for all work as payment becomes due.

2. Neither party shall make any alterations to Building Systems in Exclusive Areas or Common Areas unless approval for such alteration is requested in writing and approved in writing by the County Manager's designee.

3. If an alteration to Building System in an Exclusive Area is approved, the CH/CH management staff shall assist in making all arrangements for carrying out the work. Each party shall be solely responsible for the cost of the work to its Exclusive Area and shall pay vendors and contractors directly for all work as payment becomes due.

4. The County Manager or the County Manager's designee shall not withhold approval of an alteration to a Building System in Exclusive Areas or in Common Areas without cause. A party may challenge the decision of the County Manager's designee by written notice of appeal to the County Manager setting forth the grounds for appeal. Within 30 days of receipt of appeal, the County Manager shall have a meeting to hear the arguments of both parties. The County Manager shall make a written decision, stating reasons, within 15 days of the meeting. If the CITY objects to the decision, the parties agree to proceed under the Dispute Resolution Process set forth in Section VII.C. of this Agreement.

## **VI. Risk Management**

### **A. General Provisions**

1. The COUNTY, through the Ramsey County Attorney's Office-Civil Division ("RCAO-CD"), shall have the responsibility of managing a Risk Management program for the CH/CH. The RCAO-CD shall be responsible for determining all aspects of the insurance component of the Risk Management program, including, but not limited to, coverage, limits and deductibles. The RCAO-CD will provide the CITY with copies of all relevant insurance purchased, if requested.

2. The CITY will promptly transmit to the RCAO-CD Claim Administrator all notices, claims and legal process served upon the CITY alleging negligent acts or omissions by the CITY, its officials, employees or agents in the CITY's performance of its obligations under this Agreement.

3. The RCAO-CD retains the exclusive right to settle all claims. The RCAO-CD will consult with the City Risk Manager, as determined by the RCAO-CD. The CITY agrees to cooperate in claims investigations, as needed. The RCAO-CD will give the City Risk Manager or the City's Attorney's Office, as directed by the City, written notice of intent to settle, and will obtain the City Risk Manager's concurrence to settle, all claims, action or suits where the CITY'S proportional share of the settlement, based on occupancy, exceeds \$35,000 per claim, with an annual aggregate equal to \$50,000 of the CITY'S proportional share of the settlement(s). The City Risk Manager shall not unreasonably withhold concurrence.

4. The COUNTY shall include in its Quarterly bill for services pursuant to Section IV., the CITY'S share of Risk Management costs. The CITY'S share of Risk Management costs shall be based on the CITY'S percentage of total CH/CH Exclusive Areas, unless otherwise specified in Section VI. herein. Risk management costs shall include, but not be limited to, insurance premiums; deductibles; claims adjusting costs including, but not limited to, investigation, staff time plus fringe, fees for expert witnesses, and other case development costs; settlement and awards.

**B. Liability Exposure**

1. During the term of this Agreement, the COUNTY shall maintain general liability insurance to cover exposures in the CH/CH, including Common Areas and Exclusive Areas occupied by both the CITY and the COUNTY, in a minimum amount equal to the statutory limitations. If the statutory limitations are eliminated, the COUNTY shall carry reasonable adequate limits to cover this exposure. The COUNTY may elect to self insure this risk.

2. If the COUNTY self insures, the COUNTY shall maintain a tort fund for purposes of self ensuring against losses arising from negligent acts or omissions of the CITY and/or COUNTY , their employees, officers, or agents, in performance of the CITY'S and/or COUNTY's obligations under this Agreement. The contributions of the CITY and COUNTY shall be based on their respective percentage of total CH/CH Exclusive Areas. The COUNTY shall include in its Quarterly bill for services pursuant to Section IV, the CITY'S self insurance tort fund contribution, as determined by the RCAO-CD.

3. Specifically excluded from liability coverage under this Section are first party claims relating to loss to personal property owned by the CITY and/or its employees, agents or official or the COUNTY and/or its employees, agents or officials; and claims pursuant to the Minnesota Workers' Compensation Law, except that subrogation is permitted between the CITY and the COUNTY. If the subrogation is successful, costs shall be shared between the CITY and the COUNTY according to their percentage of occupancy of Exclusive Areas in the CH/CH. However, the COUNTY shall maintain workers' Compensation coverage, either through insurance or on a self-insured basis, for CH/CH management staff. The costs of Workers' Compensation coverage for CH/CH management staff shall be shared between the CITY and COUNTY according to their percentage occupancy of Exclusive Areas in the CH/CH.

4. The coverage pursuant to this Section shall include claims relating to pollution and to incidents involving vehicles, which claims arise out of the performance of the terms of this Agreement.

**C. Property Exposure/Damage or Destruction**

1. The COUNTY shall maintain "all risk" property insurance, including boiler and machinery coverage in a sum representing full replacement cost of the building and fixtures. The policy shall be issued with the COUNTY of Ramsey and the CITY of St. Paul, as their interests may appear, as the named insureds. Subject to the provisions of Section VI.C.3, the premium cost and insurance proceeds for property insurance shall be shared between the CITY and the COUNTY based on each party's ownership of CH/CH. Such cost shall not include the premium paid for contents owned exclusively by the CITY or the COUNTY. The COUNTY may choose a deductible level if it deems appropriate. The cost of the deductible, in the event of loss, shall be shared between the CITY and the COUNTY based on each party's ownership of CH/CH. If CITY contents are insured under



this policy and are involved in the loss along with damage to the building, the deductible shall be prorated by the content loss to the total loss. The same would occur if the content loss were to the COUNTY.

2. The amount of insurance on the building shall be adjusted as necessary to reflect full replacement cost. The COUNTY shall procure an appraisal to determine the replacement cost of the CH/CH as deemed necessary by the RCAO-CD, but no more frequently than every ten years. The cost of this appraisal shall be shared by the CITY and the COUNTY based on percentage of ownership. The CITY may, at its option, procure additional appraisals to determine the replacement cost of the building. The cost of these additional appraisals are not reimbursable by the COUNTY. The appraisals will be taken into consideration by the COUNTY in determining insurable value.

3. If the CH/CH or any part thereof shall be damaged or destroyed by fire or other casualty, the COUNTY will promptly make proof of loss and claim for payment under the applicable policy. All proceeds therefrom shall be applied to the repair and /or reconstruction of the damaged areas. Any and all proceeds received by the CITY from the CHCH insurer or any other third party in payment of a claim shall be forwarded to the COUNTY for repairs/replacement of damage subject to the provisions of this Agreement relating to damage or destruction as set forth herein. The CITY and COUNTY agree to waive their rights of subrogation for losses and casualties typically covered by a fire and all-risk policy.

4. To property in which the COUNTY and CITY share an interest, any loss not covered by insurance shall be shared on a pro rata basis according to each party's ownership in the CH/CH. The CITY's pro rata contribution shall be based on an estimate of repairs/replacement or actual cost incurred, as determined by the RCAO-CD.

5. The COUNTY shall include in its Quarterly bill for services pursuant to Section IV, the CITY's share of property exposure costs as determined according to Section VI. C.

## **VII. Miscellaneous**

### **A. Amendment**

This Agreement may be amended, altered or modified only upon written mutual agreement of the parties.

### **B. Liability Limits**

Neither the CITY nor the COUNTY, by this Agreement, intends to waive any limits of liability or exceptions on liability which are established by statute, case law or common law.

**C. Termination/Default**

1. This Agreement may be terminated without cause by the CITY upon written notice to the County Manager by July 1 of any year, effective December 31 of the year in which termination notice is given.
2. This Agreement may be terminated without cause by the COUNTY upon written notice to the City Mayor or Mayor's designee by July 1 of any year, effective December 31 of the year in which termination notice is given.
3. Neither party hereto shall be held responsible for delay or failure to perform hereunder when such delay or failure is due to fire, flood, epidemic, strikes, acts of God or the public enemy, unusually severe weather, or delays or defaults caused by public carriers, which cannot reasonably be forecast or provided against.
4. A Default shall mean a party's failure to substantially or timely comply with or perform any of its obligations pursuant to this Agreement.
5. Unless the Default is excused under the provisions of this Agreement, either party, after receipt of notice of Default by the other party, shall have ten (10) business days (or longer period as the parties may agree to in writing) after receipt of notice to cure the Default.
6. If the defaulting party fails to cure the Default after notice within the prescribed period of time, the other party may do any of the following:
  - a. Terminate this Agreement upon 90 days written notice;
  - b. Take any action, including legal or administrative action, to enforce performance of the defaulting party's obligations under this Agreement;
  - c. Request the defaulting party to participate in the Dispute Resolution Process set forth herein to discuss and resolve the Default before seeking the use of other remedies.
7. Waiver of any Default shall not be deemed to be a waiver of any subsequent Default. Waiver or breach of any provision of this Agreement shall not be construed to be a modification of the terms of this Agreement unless stated in writing and signed by an authorized representative of each party.
8. The rights and remedies provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

9. This Agreement may be terminated at any time by mutual agreement of the parties.

**D. Dispute Resolution Process**

1. Upon a request by either the County Manager or the City Mayor or Mayor's designee, the parties shall be required to use good faith efforts to resolve any differences or disputes or claimed Defaults. The requesting party shall, by written notice, set forth the facts and other grounds relative to the request. The other party shall submit a written detailed response within five (5) business days of receipt of the written notice. Within ten (10) business days of receipt of the response the City Mayor or City Mayor's designee and the County Manager, or the County Manager's designee shall meet and attempt to resolve the dispute, difference or claimed Default and provide for remedial or corrective action. The parties may agree at such meeting to submit all or part of the issue to binding arbitration under such terms and conditions as may then be agreed.

**E. Equal Employment Opportunity and Civil Rights**

1. No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, sexual orientation, creed, or national origin, be excluded from full employment rights in, participation in, to be denied the benefits of, or be otherwise subjected to discrimination under any program, service or activity under the provisions of any and all applicable federal and state laws and COUNTY and CITY ordinances against discrimination.

2. No qualified handicapped person, as defined by United States Department of Health, Education and Welfare regulations, 45 C.F.R. sections 84.3(j) and (k), which implements Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. section 794, under Executive Order No. 11914 (41 FR 17871, April 28, 1976), or the Americans with Disabilities Act shall be subject to discrimination in employment under an program or activity related to this Agreement.

3. If during the term of this Agreement, or any extension thereof, it is discovered that either party is not in compliance with applicable regulations as warranted, or if either party engages in any discriminatory practices, then the other party may terminate this Agreement as provided in this Agreement.

4. The COUNTY shall comply with applicable federal, state and local laws and ordinances relating to set-aside business contracting and prevailing wages.

**F. Budget Information**

1. The COUNTY shall notify the CITY, by June 1 of each year during the Term of this Agreement, of the projected budget for the management and maintenance of the CH/CH pursuant to this Agreement for the ensuing year, including a capital

improvement plan and utilization of Retained Earnings for major maintenance, and of the CITY's projected share of the budget.

2. The COUNTY shall notify the CITY of any changes in the budget projection no later than September 1 of each year during the Term of this Agreement.

3. The CITY shall ratify its portion of the CH/CH budget no later than October 1 following notice and the City Mayor or Mayor's designee shall notify the County Manager of the ratification within ten days of ratification.

4. The CITY may object to the CH/CH projected budget by giving written notice to the County Manager within 10 business days of the receipt by the CITY of the projected budget or the changed projected budget.

5. The parties agree to submit any dispute regarding the CH/CH projected budget of which the COUNTY has received notice from the CITY, to binding arbitration by a mutually agreed upon Arbitrator who shall be chosen from the American Arbitrator Association, unless otherwise agreed upon by the parties.

**VIII. Merger**

It is understood and agreed that the entire Agreement between the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous agreement presently in effect between the parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the last date written below.

**RAMSEY COUNTY**

**CITY OF SAINT PAUL**

\_\_\_\_\_  
Rafael Ortega, Chair  
Ramsey County Board of Commissioners

\_\_\_\_\_  
Christopher Coleman, Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Bonnie Jackelen, Chief Clerk  
Ramey County Board of Commissioners

\_\_\_\_\_  
Director of Financial Services

Date: \_\_\_\_\_

Approval Recommended:

\_\_\_\_\_  
City Real Estate

\_\_\_\_\_  
Lee Mehrkens, CFO  
Finance Department

\_\_\_\_\_  
City Attorney (Form Approval)

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Bruce Thompson, Director  
Department of Property Management

Approved as to form and insurance:

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Assistant County Attorney

## ADDENDUM A

On the effective date of this Agreement, the City Council Chambers are used substantially according to the following schedule:

Mondays	Meetings as needed and scheduled for City or County use
Tuesdays	Ramsey County all day
Wednesdays	City of Saint Paul all day
Thursdays	Meetings as needed and scheduled for City or County use
Fridays	Meetings as needed and scheduled for City or County use

Various committee and governmental meetings are held in the Council Chambers subject to availability and assignment by the City Clerk.