

**GRAND RAPIDS/ITASCA COUNTY
AIRPORT JOINT POWERS COOPERATIVE AGREEMENT**

THIS AGREEMENT is made and entered into between the parties, governmental subdivisions of the State of Minnesota, pursuant to authority granted to them by *Minnesota Statutes § 471.59*, which authorizes joint and cooperative exercise of powers common to contracting parties; and Chapter 360, which authorizes the ownership, construction, management and operation of airports and aeronautic facilities by municipalities and counties.

WHEREAS, Itasca County and the City of Grand Rapids have, since at least 1967, provided for the joint development, ownership, maintenance and operation of an airport facility as a separate and distinct Joint Power Entity under *Minnesota Statutes § 471.59*; and

WHEREAS, it is the desire of the Parties to dissolve the Joint Power Entity and to continue the joint ownership of such facility and for the delegation to the City of responsibility for all maintenance, management and operations subject to the limitations set forth in this Cooperative Agreement.

In consideration of the mutual promises and agreements contained herein and subject to the provision of *Minnesota Statutes § 471.59 and Chapter 360*, the Parties agree to the following:

1. In General: The City and County agree with the other to participate as hereunder provided in the continued joint ownership of the airport facilities and improvements and further provided that the City shall be solely responsible for the maintenance, management and operation of the airport except as hereinafter limited by the terms of this Agreement.

This Agreement supersedes and replaces all prior agreements between the Parties pertaining to the ownership, operation and maintenance of the Itasca County – Grand Rapids Airport.

This Agreement will be effective upon execution hereof and shall continue in effect for a period of five (5) years unless earlier terminated pursuant to paragraph 8 of this Agreement.

The City and County agree with each other that the City will be the airport's fiscal agent and shall provide the employees which the City deems necessary to maintain, manage and operate the facility which employees for all purposes under this Agreement, and any rule, regulation or law shall be deemed to be employees of the City and not of the County and which employees shall subject to the City's personnel policies or appropriate collective bargaining agreements.

All employees under this Agreement shall be within the City's Public Works department.

The Parties shall not discriminate on the grounds of race, color, or national origin in the selection and retention of employees, contractors or subcontractors.

2. Contribution of Capital: The Parties acknowledge the ownership and contribution and ownership of the real property by the City and County as set forth on the attached Exhibit 1. The real property, improvements, structures and equipment shall constitute the airport facility known as the Itasca County – Grand Rapids Airport. The parties agree to utilize the following cost sharing formula after all grant proceeds are applied to costs or projects.

All improvements, structures and equipment upon the premises described on Exhibit 1 as the Terminal Building, are and shall be jointly paid by the Parties as follows: The Itasca County – Grand Rapids Airport shall pay 50% (fifty percent), and Itasca County shall pay 50% (fifty percent)

All improvements, structures and equipment upon the premises described on Exhibit 1, excepting the Terminal Building are and shall be jointly paid by the Parties as follows: The Itasca County – Grand Rapids Airport shall pay 50% (fifty percent), the City shall pay 25% (twenty-five percent) and Itasca County shall pay 25% (twenty-five percent).

The City and County agree to meet during their City/County Cooperative Committee meetings to discuss issues relating to the long-term maintenance, management and operations of the Airport.

3. Acquisition of Real or Personal Property: Except as authorized in each individual case by the City and County, no real property, airport, restricted landing area, air

protection privilege, personal property or other acquisition or single payment costing in excess of fifteen thousand dollars (\$15,000.00) shall be acquired and no condemnation proceedings shall be instituted. Any condemnation so authorized by the Parties shall be instituted in the names of the City and the County in equal ownership as tenants in common. The provisions of Chapter 360 and laws amendatory and supplementary thereto, shall apply to such proceedings. Real property acquired under this Agreement shall be held by the City and County as tenants in common. The City shall own a fifty percent (50%) interest in the property acquired hereunder, and the County shall own fifty percent (50%) interest.

4. Terminal Building Emergency Operations and Dispatch/911 Center (EOC)

The County shall have the use of Area A of the Terminal Building as depicted on Exhibit 2 for the purpose of constructing, maintaining, and operating an EOC. The County may make such alterations and improvements to the interior of the Terminal Building as are necessary for such purposes at the County's expense. If exterior alterations and improvements are necessary, County shall obtain written approval from the City prior to modifications and shall comply with FAA regulations. County has the option of utilizing Area B as depicted on Exhibit 2. Written request shall be made to the City describing proposed use and if the use requires physical modifications. City shall review request to determine the potential impact to any possible future aviation need and reserves the right to deny use. Any proposed use or modifications must comply with FAA regulations.

If an aeronautical user requires space within the Terminal Building, that aeronautical user shall solely fund the costs of construction and any additions to the Terminal Building that are needed to accommodate said use. The parties may elect to contribute to these costs or use dedicated airport funds. If dedicated airport funds are to be used for this expansion, these funds must be used in accordance with the FAA's "Policy and Procedures Concerning the Use of Airport Revenue" and any related statute. If County is required to relocate the EOC off the airport property as a result of this Agreement or any other optional move, expenses to relocate that are not covered by said aeronautical user shall be borne solely by County.

- A.) All day-to-day expenses, operational expenses for maintenance, upkeep, repairs, electrical, heating, and cooling, and any other day to day utility expenses associated with the Terminal Building will be the sole responsibility of the County. All future capital expenses, including but not limited to windows, roofing, structural, heating, cooling and plumbing excepting expenses related to the current construction of the EOC shall be paid pursuant to Section 2, Contributions to Capital.
- B.) If a situation arises in which an aeronautical user requires the use of the Terminal Building, County agrees to vacate that portion needed within twelve (12) months of written notification from City. Upon vacation, County shall leave the area to in a condition as deemed appropriate by both Parties.
- C.) In the event any portion of the Terminal Building is occupied by an aeronautical user, the day-to-day operational utility and maintenance expenses will be prorated on a square-foot basis between Itasca County – Grand Rapids Airport and the aeronautical user or at the option of the Itasca County – Grand Rapids Airport, where feasible, on the basis of actual use.
- D.) City will continue to plow the access road and parking lot at the Terminal Building with funding from the Airport enterprise fund.
- E.) County shall be restricted to construct or alter the exterior of the Terminal Building if it conflicts with part 77 and shall be required to file notice under part 77 (7460).
- F.) County shall not create electrical interference with aircraft radio systems or NAVIDS.
- G.) County shall not permit exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public.
- H.) The Itasca County – Grand Rapids Airport shall be allowed to develop the remainder of the facility and airport property, excluding the Terminal Building, as it sees fit.

5. Insurance Indemnification and Hold Harmless:

- A. The County shall with respect to any use of the Terminal Building keep in full force and effect Commercial General Liability, Automobile, and Workers compensation insurance in the amount at least equal to the maximum liability of governmental units under *Minnesota Statutes 466.04* or such insurance as otherwise required by law to protect that Parties. The City shall be named as an additional insured and shall be provided with such a copy of a certificate of insurance or proof acceptable to the City of such coverage.
- B. The County shall schedule and insure at its personal property, structures and improvements upon the premises County's policy of insurance through Minnesota Counties Intergovernmental Trust or insurance through a carrier of comparable quality or otherwise be responsible for any losses to its solely owned property.
- C. The County shall require that any sublease, contract or subcontract contain a provision that the contracting party comply with this section and the general terms of this agreement and that the contracting party shall provide a certificate of insurance as proof of insurance as required herein for the benefit of the Parties to this agreement. If County chooses to sublease any portion of the Terminal Building, County shall obtain written approval from City prior to any assignment, transfer, subletting or sale of said lease.
- D. The County shall fully defend, indemnify and hold harmless the City against all claims, losses, liabilities, suits, judgments, costs and expenses by reason of action or inaction of the County and/or employees and/or the agents of the County with respect to the Terminal Building. This Agreement to indemnify and hold harmless does not constitute a waiver by any party of the limitations on liability provided under *Minnesota Statutes § 466.04*.
- E. The City shall fully defend, indemnify and hold harmless the County against all claims, losses, liabilities, suits, judgments, costs and expenses by reason of action or inaction of the City and/or employees and/or agents of the City with respect to the remainder of the Itasca County – Grand Rapids Airport property. This Agreement to indemnify and hold harmless does not constitute a waiver by any party of the limitations on liability provided under *Minnesota Statutes § 466.04*.

- F. To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a “cooperative activity” and it is the intent of the Parties that they shall be deemed a “single governmental unit” for the purpose set forth in *Minnesota Statutes § 471.59 subd. 1a(a)*; provided further that for the purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of the other Party.
- G. The Parties to this Agreement are not liable for the acts or omissions of the other Party to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other Party.
- H. The City shall keep in full force and effect Commercial General Liability (except for the Terminal Building as addressed above), Automobile and Workers Compensation insurance including coverage for airport operations in the amount at least equal to the maximum liability of governmental units under *Minnesota Statutes 466.04* or such insurance as otherwise required by law to protect that Parties. The County shall be named as an additional insured and shall be provided with such a copy of a certificate of insurance or proof acceptable to the County of such coverage. The City shall schedule and insure at its full insurable value all jointly owned personal property, structures, and improvement upon the premises and which constitute real and personal property of the Itasca County – Grand Rapids Airport under the City’s policy of insurance through the League of Minnesota Cities or insurance through a carrier of comparable quality. Any proceeds paid for a loss to airport property paid under such policy shall be used to replace or repair the covered property. If for any reason the parties shall agree that such property is not to be replaced or repaired the proceeds of the loss shall be deposited to the dedicated airport fund.
- I. The City shall require that any lease, contract or subcontract contain a provision that the contacting party comply with this section and the general terms of this Agreement and that the contracting party shall provide a certificate of insurance as proof of insurance as required herein for the benefit of the Parties to this Agreement.

6. Finances: For the purpose of financing expenditures necessary in the carrying out of the provisions of this agreement, there shall hereby be created in the city accounts and treasury a special dedicated fund called “The Itasca County – Grand Rapids

Airport Fund”. Any existing funds of the Itasca County – Grand Rapids Airport shall remain or be deposited into this dedicated fund. The City Administrator shall account for the fund and custody of the cash and bank checking accounts shall be in the hands of the City Administrator. For the purposes of budgeting, accounting and reporting, the fiscal year of The Itasca County – Grand Rapids Airport Fund shall be January 1 through December 31. An audit of the funds shall be made annually. Such audits shall be made independently of or in conjunction with any audit, which may be made of the funds of the City.

All contracts and purchases of the City hereunder shall be subject to the provisions of all applicable law, rules or regulations of the State of Minnesota and City policies.

The Parties shall confer on an annual basis to determine the amount to be contributed to airport operations and capital improvements in equal shares by the Parties to fund operations and capital expenditures for the subsequent year. In the event a mutual agreement as to such contribution cannot be reached for the subsequent year, the respective contributions of the Parties shall be limited to the prior year’s contribution designated for airport operations.

7. Reports: The City shall, as soon as possible after the end of the fiscal year, prepare and present to the City and the County a comprehensive annual report of the activities and finances of the Itasca County – Grand Rapids Airport. The City shall prepare and present to federal and state officials such reports as may be required by law, regulation or control.

8. Termination: This Agreement shall be in full force and effect for five (5) years from the date of the last signatory to this Agreement, unless terminated by written notice from either party to the other party at least one (1) year in advance of such termination. Notwithstanding termination, the powers granted under this Agreement shall continue to the extent necessary to maintain and operate the airport until disposition of the property acquired under this Agreement pursuant to paragraph 11.

9. Alienation of Real and Personal Property: The City shall not sell, transfer, encumber, gift or lease any real property which constitutes the airport facility as described on attached Exhibit 1 without the consent and approval of the County. The City shall not sell, transfer, encumber, gift or lease any personal property which individually or in the

aggregate exceeds five thousand dollars (\$5,000.00) in value without the consent and approval of the County. Except that the City may in the normal course of business lease airport real and personal property for the purpose of airplane hangars and a fixed base operator without the consent and approval of the County.

10. Disposition of Property Upon Termination: As soon as practical after termination of this Agreement, the City and the County shall dispose of all property acquired by this Agreement, excepting the original plots of land which the City is the sole owner of a set forth on Exhibit A, which parcels of land shall remain and be the property of the City after dissolution. All other property, surplus funds, or any other disposable property acquired under this Agreement shall be disposed of in any manner consistent with law and upon agreement of the Parties. If no such agreement as to disposition is reached within three (3) months after termination of this Agreement, the City shall, within thirty (30) days thereafter, appoint some person, who may be a city official as its representative; the County shall similarly appoint a representative; and the Minnesota Commissioner of the Department of Transportation or his/her designee shall appoint a third person, who shall together constitute an advisory board on disposition of the joint airport property. This board as constituted hereunder shall, as soon as possible, prepare and recommend to the City and the County a complete plan for the disposition of all property acquired under this Agreement and such plan shall provide for the continuation of the use of the property as a public airport, if practicable. Upon termination of this Agreement, each party shall provide for the payment of principal and interest on its outstanding bonds, if any, issued as a result of this Agreement.

11. Enforcement: Specific performance provisions of the Agreement may be enforced against either party by the other party.

12. Amendments: This Agreement shall be in full force and effect upon approval by, and the signature of, the proper officers of the respective governing bodies of the City and County and may be amended in writing by the mutual Agreement of the Parties.

IN WITNESS WHEREOF, this Agreement is entered into by the action of the governing body of the County of Itasca and City of Grand Rapids in testation thereof this instrument is signed in their respective names.

Itasca County

City of Grand Rapids

By: _____
Burl Ives, Chairperson
Itasca County Board of Commissioners

By: _____
Honorable Dale Christy, Mayor

Attest: _____
Clerk to County Board

Attest: _____
Thomas Pagel, City Administrator

Dated: _____

Dated: _____

Exhibit 1

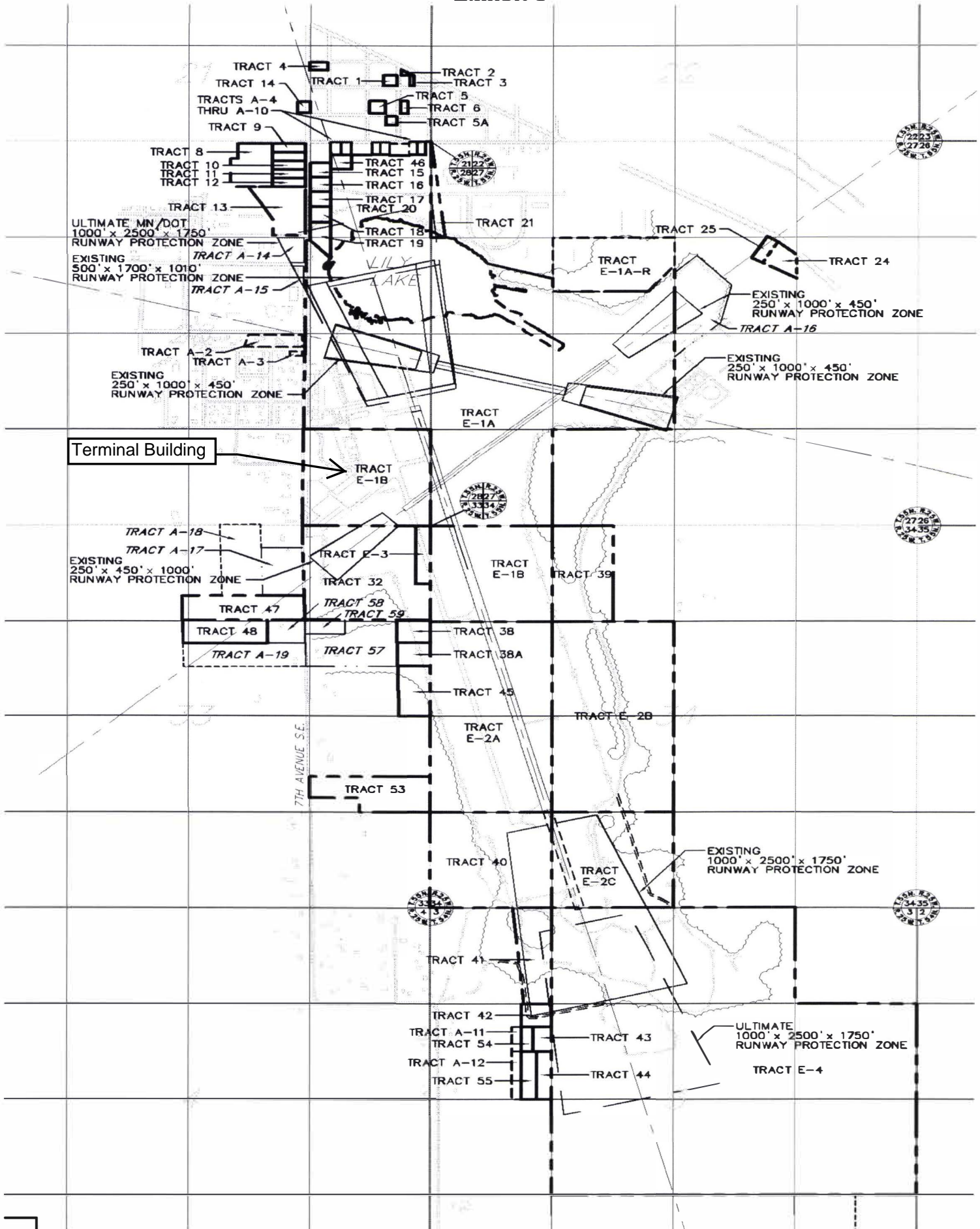


Exhibit 1

TRACT	DESCRIPTION	DATA		
		ACQUIRED	ACRES	CITY//JOINT
E-1A	GOVERNMENT LOT 4 SEC 28, GOVERNMENT LOTS 5, 8, 9 8 SW 1/4 SW 1/4 SEC 27	UNKNOWN	178.50	CITY
E-1B	SE 1/4 SE 1/4 SEC 28 NW 1/4 NW 1/4 SEC 34	OCT 1948	80.00	CITY
E-2A	SW 1/4 NW 1/4 SEC 34 NW 1/4 SW 1/4 SEC 34	JUL 1955	80.00	CITY
E-2B	SE 1/4 NW 1/4 SEC 34, NE 1/4 SW 1/4 SEC 34	MAY 1956	80.00	CITY
E-2C	SE 1/4 SW 1/4 SEC 34	UNKNOWN	40.00	CITY
E-3	Part NE 1/4 NE 1/4, SEC 33 T55N R25W GOVERNMENT LOTS 2 & 3 S 1/2 NE 1/4, N 1/2 SE 1/4, SE 1/4 NW 1/4, NE 1/4 SW 1/4 SEC 3	OCT 1956	3.00	CITY
E-4	T54N R25W	OCT 1975	320.00	JOINT
1	Lots 19, 20 21, 22, 23, 24, BL 20 WILSON & GILLESPIE'S ADD.	JAN 1979	0.50	JOINT
2	LOTS 9-12 SOUTH OF RIVER ROAD, BL 21, WILSON & GILLESPIE'S ADD.	AUG 1977	0.13	JOINT
3	LOTS 15 8 16, BL 21 WILSON & GILLESPIE'S ADD.	AUG 1977	0.17	JOINT
4	LOTS 1 8 2, BL 18, WILSON & GILLESPIE'S ADD.	JAN 1979	0.18	JOINT
5	LOTS 13-20, BL 23 WILSON & GILLESPIE'S ADD.	JAN 1979	0.69	JOINT
5A	LOTS 1-4 BL 28, WILSON & GILLESPIE'S ADD.	JAN 1979	0.34	JOINT
6	LOTS 13-16 BL 22, WILSON & GILLESPIE'S ADD.	FEB 1978	0.34	JOINT
8	LOT 5 AUD. SUBD. #37 LESS W 75' 8' LESS N 208' OF W 125'	MAY 1978	5.80	JOINT
9	LOT 1 AUD. SUBD. #37 LESS E 20'	NOV 1978	1.00	JOINT
10	S 1/2 OF LOT 2, AUD. SUBD. #37	SEP 1978	1.00	JOINT
11	LOT 3 LESS N 5', AUD. SUBD. #37	APR 1978	1.00	JOINT
12	LOT 4, AUD. SUBD. #37	AUG 1978	1.00	JOINT
13	ALL THAT PART OF THE S 1/2 OF GOVERNMENT LOT 2, SEC 28 T55N R25W LYING E OF A LINE COMMENCING AT THE SW CORNER THEN E 910.39' TO THE POINT OF BEGINNING THEN N 30° 06' 48" W 478.21' THE N LINE	NOV 1977	11.00	JOINT
14	S 75' OF N 420' OF THE E 140' OF SW 1/4 OF SE 1/4 S 75' OF N 315' OF E 140' LYING S OF 5TH ST. 8 W OF 7TH AVE., SEC 21 T55N R25W	JAN 1979	0.48	JOINT
15	LOT 3, AUD. SUBD. #41	NOV 1977	1.00	JOINT
16	LOT 4, AUD. SUBD. #41	JUL 1978	1.00	JOINT
17	LOT 5, AUD. SUBD. #41	JUL 1980	1.00	JOINT
18	LOT 6, AUD. SUBD. #41	JUL 1980	1.00	JOINT
19	PART OF GOVERNMENT LOT 2 E OF 7TH AVE SEC 28 T55N R25W	NOV 1977	0.83	JOINT
20	UNPLATTED PART OF GOVERNMENT LOT 1, SEC 28 T55N R25W LESS 200' OF W 424' ON N 162' 8' LESS E 584' OF W 1008' OF N 180' LESS W 224' OF N 400'	JUL 1980	24.00	JOINT
21	UNPLATTED PART OF GOVERNMENT LOT 4, SEC 3 T54N R25W AS FOLLOWS: BEGINNING AT SE CORNER, ALONG E LINE 1328.19' TO NE CORNER THEN ALONG N LINE 428.41' THEN S 6°53'09" E 1335.62' TO S LINE E ALONG S LINE 303.10' TO POINT OF BEGINNING	JUL 1980	1.05	JOINT
24	PART OF UNPLATTED PART OF LOT 6, SEC 27 T55N R25W	JUN 1977	2.41	JOINT
25	PART OF GOVERNMENT LOT S 3 8 6, SEC 27 T55N R25W	MAR 1977	1.03	JOINT
32	PART NE 1/4 NE 1/4, SEC 33 T 55N R25W	APR 1977	36.70	JOINT
38	PART SE 1/4 NE 1/4, SEC 33 T 55N R25W	OCT 1977	2.50	JOINT
38A	PART SE 1/4 NE 1/4, SEC 33 T 55N R25W	OCT 1977	2.50	JOINT
39	W 660' OF NE 1/4 OF NW 1/4, SEC 34 T55N R25W	OCT 1977	20.00	JOINT
40	SW 1/4 SW 1/4, SEC 34 T55N R25W	AUG 1977	40.00	JOINT
41	PART OF GOVERNMENT LOT 4, SEC 3 T54N R25W AS FOLLOWS: BEGINNING AT SE CORNER, ALONG E LINE 1328.19' TO NE CORNER THEN ALONG N LINE 425.41' THEN S 6°53'09" E 1335.62' TO S LINE E ALONG S LINE 303.10' TO POINT OF BEGINNING	OCT 5, 1992	11.16	JOINT
42	E 330' OF N AC. OF SW 1/4 OF NW 1/4 OF SEC 3 T54N R25W	MAY 1979	2.42	JOINT
43	E 200' OF S 1/2 OF N 1/2 OF SW 1/4 OF NW 1/4 OF SEC 3 T54N R25W	MAY 1978	1.52	JOINT
44	E 160' OF S 1/2 OF SW 1/4 OF NW 1/4, SEC 3 T54N R25W	MAY 1978	2.42	JOINT
45	PART SE 1/4 NE 1/4, SEC 33 T55N R25W	MAY 1978	5.00	JOINT
46	S 217' OF N 400' OF W 224' OF UNPLATTED PART OF GOVERNMENT LOT 1, SEC 28 T55N R25W	OCT 1978	1.12	JOINT
47	S 1/4 OF NW 1/4 OF NE 1/4, SEC 33 T55N R25W	APR 15, 1987	N/A	JOINT
48	N 1/4 OF SW 1/4 OF NE 1/4 OF SEC 33 T55N R25W LESS E 410'	SEP 25, 1989	N/A	JOINT
53	NE 1/4 OF SE 1/4 OF SEC 33 T55N R25W S OF N 828' LESS W 545' OF S 200'	DEC 24, 1991	N/A	JOINT
54	W 130' OF E 330' OF S 1/2 OF N 1/2 OF SW 1/4 OF NW 1/4 OF SEC 3 T54N R25W	JAN 7, 1993	0.97	JOINT
55	W 170' OF E 330' OF S 1/2 OF SW 1/4 OF NW 1/4 OF SECT 3 T54N R25W	DEC 30, 1992	0.58	JOINT

