



Jess L. Greenwood, P.E.
Public Works Director – County Engineer

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Office: (651) 385.3025

TO: Honorable County Commissioners
Scott Arneson, County Administrator

FROM: Jess L. Greenwood, Public Works Director / County Engineer

RE: 21 January 2025 County Board Meeting – CONSENT AGENDA
Recycling Center Leased Property

Date: 15 January 2025

Summary

It is requested that the County Board approve the attached lease agreement with Wooden Properties, LLC to renew the lease for property at the Goodhue County Recycling Center.

Background

Goodhue County has been leasing land that is a part of the Recycling Center property since the year 2000. Most recently Goodhue County has been leasing the land to Wooden Properties, LLC. The last lease was for a term of 10-years with a monthly payment of \$500.

Staff from Public Works, Finance, and the Attorney's office worked to make slight revisions to the lease agreement to bring it up to current standards and conformity with other similar leases that the County has. The major change consisted of an annual lease payment escalator that is based on the CPI for this region. The monthly lease rate will be set annually over the 10-year term of the lease.

Staff met with representatives of Wooden Properties, LLC to discuss the lease and came to a mutual agreement with the monthly lease rate for 2025 being \$650.71.

Alternatives

- Approve the lease as written, negotiated, and approved by Wooden Properties, LLC.
- Revise the lease and renegotiate with Wooden Properties, LLC.
- Take no action and allow the existing lease to expire.

Recommendations

It is recommended that the Goodhue County Board of Commissioners approve the lease as written, negotiated, and approved by Wooden Properties, LLC and authorize the Chairperson and County Administrator to sign the lease.

"To effectively promote the safety, health, and well-being of our residents"

LEASE AGREEMENT

THIS AGREEMENT is made as of _____ by Goodhue County, Minnesota, a Municipal Corporation (Lessor), and as of _____, by Wooden Properties (Lessee), LLC.

In consideration of this Agreement, Lessor and Lessee agree as follows:

I. PURPOSE

WHEREAS, Wooden Properties, LLC (hereinafter Lessee) has requested use of approximately one (1) acre of Goodhue County property situated at the northwestern corner of the Goodhue County Recycling Center site situated at 3745 Highway 61, Red Wing, Goodhue County, Minnesota. The purpose of this request is to utilize the subject property to supplement available parking at the Lessee's property immediately abutting the Goodhue County Recycling Center.

II. SUBJECT OF LEASE

Goodhue County (hereinafter Lessor), and Lessee, shall enter into a written Lease Agreement on or before December 31, 2024, whereby Lessor shall lease to Lessee property owned by Lessor situated at Red Wing, Goodhue County, Minnesota. The subject property is the paved and proposed paved area as reflected in the attached site map (Exhibit A).

III. TERMS OF LEASE

The subject property shall be leased to Lessee for a period from January 01, 2025, to December 31, 2034.

The Lessee may request an extension of the Lease prior to its expiration subject to re-negotiation of Terms of the Lease. Any extension of this Lease shall be at the sole discretion of the Goodhue County Board of Commissioners.

IV.
MONTHLY RENTAL

Lessee shall pay six hundred fifty dollars and seventy-one cents (650.71) per month for the 2025 calendar year with the first monthly payment due on or before the 1st day of each month. The rental amount for subsequent years after 2025 shall be the previous year's amount, automatically adjusted by the previous year's first half average percentage change in the CPI for Urban Wage Earners and Clerical Workers (CPI-W) Minneapolis-St. Paul-Bloomington, MN-WI as reported by the United States Department of Labor, Bureau of Labor Statistics.

Lease payments shall be made to the Lessor at Goodhue County Public Works, Red Wing, Minnesota 55066. Lessee shall pay a late fee equal to \$50 (fifty dollars) for each payment that is not paid within 7 (seven days after the due date. Lessee shall be charged \$25 (twenty-five dollars) for each check that is returned to Lessor for lack of sufficient funds.

V.
POSSESSION

Lessee shall be entitled to possession on the first day of the term of this Lease and shall yield possession to Lessor on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

VI.
INDEMNIFICATION & INSURANCE

Lessee shall hold Lessor harmless from and indemnify Lessor against any and all liability, damage, loss and expense, including attorney fees, arising from the acts or omissions of, or caused by, Lessee or Lessee's employees, servants, agents, guests, visitors, or licensees in, upon, or about the leased premises.

Lessee shall maintain adequate insurance for the subject property and any personal property located on the property. The Lessee shall provide a certificate of insurance to the Lessor as of January 1 of each year to provide proof of adequate insurance. The certificate of insurance shall hold the Lessor harmless for all use made by the Lessee of the subject property. Goodhue County shall not be responsible for any damage to equipment/vehicles parked in the leased property by Lessee.

VII.
PROPERTY TAXES

Lessee shall be responsible for payment of property taxes for the subject property during the term of the Lease.

VIII.
CONSTRUCTION AND IMPROVEMENT COSTS

Lessee is responsible for all construction and improvement costs on the lease property.

IX.
RETENTION OF IMPROVEMENTS

Improvements made to the leased property, including, but not limited to, bituminous paving, grading, lighting, and landscaping shall be retained by Lessor after the expiration or termination of this Lease.

X.
MAINTENANCE

Lessee shall be responsible for maintenance of the leased property, including, but not limited to, snow removal, sweeping, and trash removal. Snow shall not be pushed off the leased property, or otherwise deposited on Goodhue County Recycling Center property, except for the easterly edge of the southern lot in such manner as to not interfere with the County's enjoyment and use of the Recycling Center property.

XI.
SUBLEASES

Lessee may not sublet the leased property during the term of the lease.

XII.
DEFAULTS

Lessee shall be in default of this Lease if Lessee fails to fulfill any lease obligation or terms by which Lessee is bound. Subject to any governing provision of law to the contrary, if Lessee fails to cure any financial obligation within 30 days (or any other obligation within 10 days), after written notice of such default is provided by Lessor to Lessee, Lessor may take possession of the leased property without further notice (to the extent permitted by law), and without prejudicing Lessor's right to damages. In the alternative, Lessee may elect to cure any default, and the cost of such action shall be added to Lessee's

financial obligations under this Lease. Lessee shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Lessor by reason of Lessee's default. All sums of money or charges required to be paid by Lessee under this Lease shall be additional rent, whether such sums or charges are designated as "additional rent".

XIII.
NOTICE

Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded, postage prepaid, addressed as follows:

Lessor:
Goodhue County Public Works
2140 Pioneer Road
Red Wing, MN 55066

Lessee:
Wooden Properties
3859 Highway 61
Red Wing, MN 55066

Such addresses may be changed from time to time by either party by providing notice as set forth above.

XIV.
ASSIGNABILITY

Lessee may, within the 10-year lease term, assign in writing, this lease to any subsequent owner, and/or Lessee, of fee property Parcel No. 55.722.0320 with the approval by the Goodhue County Board of Commissioners. The assignee shall then assume all responsibilities and duties pursuant to this Lease Agreement. If such assignment is made, Goodhue County shall be provided within 30 days with a copy of such Assignment by the Lessee.

XV.
TERMINATION

Lessor shall have the right to terminate this Lease Agreement with 60 days written notice if Lessee or its assignee fail to comply with the conditions set forth in this Agreement.

XVI.
ENTIRE AGREEMENT/AMENDMENT

This Lease Agreement contains the entire agreement of the Lessor and Lessee and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the Lessor and Lessee.

XVII.
SEVERABILITY

If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a Court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it will become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

XVIII.
WAIVER

The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver of limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

XIX.
GOVERNING LAW

This Lease shall be construed in accordance with the Laws of the State of Minnesota. The venue for any legal action regarding this Lease Agreement shall be Goodhue County, Minnesota.

GOODHUE COUNTY

WOODEN PROPERTIES

Date: _____
Brad Anderson
County Board Chairperson



Date: _____
John Wooden,
President of Wooden Properties, LLC.

Date: _____
Scott Arneson
County Administrator



Goodhue County - Exhibit A



GOODHUE COUNTY
DEPARTMENT
OF PUBLIC WORKS

