

TO: Goodhue County Board of Commissioners
FROM: Megan Smith, Land Use Management Director
MTG DATE: June 17, 2025
RE: Building Services Contract with the City of Hampton

SUMMARY:

Goodhue County is being asked to enter into a building services contract with the City of Hampton, MN, to begin July 1, 2025, and go through December 31, 2025.

ATTACHMENT:

1. Building Services Contract with the City of Hampton

BACKGROUND:

Staff from Goodhue County's Building Division of Land Use Management were approached by the Mayor and Staff from the City of Hampton, about the possibility of contacting with Goodhue County for building services. After some discussion about the workload and fees, the City of Hampton City Council approved contracting with Goodhue County.

The County's Building Division is comprised of a team of four full time staff members, including a Building Official, a Building Inspector, and two Permit Techs. The Land Use Management Department also has a full time Administrative Assistant that serves the entire Department, and a seasonal summer employee. The Division is highly capable and skilled, with extensive experience in administering the Minnesota Building Code.

The City of Hampton is located in Dakota County, and is just off Highway 52, with a population of approximately 690 persons. The City has not seen much recent growth, but has an existing mix of mid-20th century housing stock and commercial buildings. In discussions with their City leadership, the anticipated number of building permits to be processed each year is 20 permits. This number is close to the number of permits the County processes with its contact with the City of Nerstrand.

Entering into a service contract is a means in which the County can assist small communities who are too small to employ full-time building staff but is also an opportunity to generate revenue for the County from permit fees. The proposed contract is set up such that the County will retain 80% of all permit fees and 100% of plan review fees. For 2025, the County budgeted \$312,000 in permit revenues. In 2024, the county brought in over \$350,000 in permit revenue. Adding the Hampton agreement for a 6-month period is not anticipated to create a significant impact on permit revenue for 2025. In terms of expenses, the contract administration will be covered using

existing County staff. A small amount of vehicle mileage and gas expenses are anticipated but will be covered by permit fees.

Existing Building Services Contracts:

- City of Bellechester
- City of Cannon Falls
- City of Dennison
- City of Goodhue
- City of Kenyon
- City of Nerstrand
- City of Wanamingo

2024 Permit Data:

2,275	total inspections performed
441	city permits processed
469	rural county permits processed
910	total building permits (city plus county)
\$31,143,000	total permit value

RECOMMENDATION:

Staff recommends to the County Board the approval of the contract with the City of Hampton for Building services, effective July 1, 2025 and go through December 31, 2025.

2025 Agreement State Building Code Administration

This agreement is made and entered into by and between the County of Goodhue, hereinafter referred to as the "County," and the **City of Hampton, Minnesota**, hereinafter referred to as the "City."

Witnesseth

WHEREAS, the City is desirous of contracting with the County for the performance of the hereinafter described State Building Code administration and duties within its boundaries by the Land Use Management Department of the County; and

WHEREAS, the County is agreeable and desirous of rendering such State Building Code administration services on the terms and the conditions hereinafter set forth; and

WHEREAS, such contracts are authorized and provided by Section 471.59 of the Minnesota State Statutes;

NOW, THEREFORE, pursuant to the terms of the aforesaid Statute and any amendments and revisions subsequent thereto, and in consideration of the mutual promises contained herein, it is mutually agreed between the County and the City as follows:

Article I

The County agrees to provide, through the Land Use Management Department of Goodhue County, State Building Code administration services within the boundaries of the City to the extent and in the manner hereinafter set forth.

1. Except as otherwise specifically set forth herein, such State Building Code administration services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by a Building Official under law, and shall not include services normally provided by the State of Minnesota such as issuance of electrical permits and electrical inspections or any miscellaneous city ordinances.
2. The standard of performance, the method of providing State Building Code administration services, and other matters incident to the performance of the services under this Agreement, including personnel to be employed, shall be determined by the Director of the Land Use Management Department of the County.
3. The City shall, by ordinance, adopt the latest Minnesota Building Code and all referenced documents contained within.

4. Under this Agreement, the City Clerk will receive all applications for building permits within the City as required by existing laws, codes, and ordinances.
5. All applications for permits, which require a conditional use permit, a variance to existing ordinances, or other local approval or action, shall be referred to the Governing Body of the City, together with recommendations as appropriate, for action by the Governing Body.
6. Following City approval per all local rules, regulations and ordinances, the permit application and related submittals shall be forward to the Building Official of the County, who shall examine all such applications and appropriate submittals to determine compliance with the State Building Code.
7. Under this Agreement, the Building Official, or designee, of the County will provide plan review services as necessary in all instances where such plan review is mandatory by existing laws, codes, or ordinances.
8. The Building Official, or designee, of the County shall provide all job-site inspections of projects under permits as required by the State Building Code, as well as all such special inspections as shall be deemed necessary in order to insure compliance with existing laws, and upon completion of each project shall issue a Certificate of Occupancy where required.
9. The City Clerk shall collect, receipt for, disburse, and maintain records of all fees and charges collected incident to the administration of the State Building Code contained herein, according to the Schedule of Fees and Charges agreed to by both parties.

Article II

The parties hereto further agree that the schedule of fees and charges contained herein shall apply to all permits and services performed under the provisions of this Agreement.

1. Fees and charges shall be due and payable upon permit approval, and shall be collected by the City Clerk from the applicant for said permit.
2.
 - A) The Building Official may authorize refunding of any fee which was erroneously paid or collected.
 - B) The Building Official may authorize refunding of not more than 80% of the permit fee paid when no work has been done under a permit issued in accordance with the State Building Code.
 - C) The Building Official may authorize refunding of not more than 80% of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done.
3. The base Building Permit Fee shall be determined by the Goodhue County Fee Schedule.

4. When the Building Official requires a plan or other data, a Plan Review Fee shall be incurred and paid with the permit fee. Said Plan Review Fee shall be 40% of the base Building Permit Fee for residential occupancies. The Plan Review Fee for all non-residential occupancies shall be 65% of the base Building Permit Fee.
5. The building permit valuation shall be determined by the Building Official.
6. A) Where work for which a permit is required is started, or proceeded with, prior to obtaining said permit, a special investigation shall be made before a permit may be issued for such work.

B) An investigation fee as referenced in the County Fee Schedule shall be collected and is in addition to the required permit fees, but it may not exceed the permit fee.
7. The fees and charges listed herein are exclusive of fees and charges required by the State of Minnesota pertaining to electrical permits and inspections.
8. At the discretion of the Building Official, an additional charge in accordance with the Goodhue County Fee Schedule may be required in such instances where repeated violations of the Building Codes and Ordinances make necessary an excessive number of reinspections in order to insure compliance with the provision of said codes and ordinances. Such charges shall be payable by the permittee prior to the issuance of the Certificate of Occupancy.

Article III

The parties hereto further agree as follows:

1. The City agrees that in payment for the State Building Code administration services contained herein, the City shall remit quarterly to the County out of the fees and charges collected pursuant to this agreement during the previous quarter, eighty percent (80%) of all building permit fees and penalties, and one hundred percent (100%) of all plan review fees and all building permit surcharges required by law to be remitted to the State of Minnesota.
2. The Building Official of the County shall account for and forward to the State of Minnesota, all building permit surcharge monies required by law.
3. The City shall not assume, under this agreement, any liability for the direct payment of any salary, wage, or other compensation to any County employee performing State Building Code administration service to the City.
4. Except as otherwise specified herein, the City shall not, under this Agreement, be obligated to, or responsible for, or liable for compensation or indemnity to, any County employee performing State Building Code administration services to the City for injury or sickness arising out of said employment, and the County agrees to hold harmless the City against any such claim.

Article IV

The parties hereto, the County and the City, further agree as follow:

1. The City, its officers, agents, and employees, will cooperate with and assist the County in the orderly performance of services listed herein.
2. The County, its officers, its agents, and its employees, shall not assume to be liable for any intentional or negligent act of the City, or of any officer, agent, or employee of the City; and the City agrees to hold the County, its officers, its agents, and its employees harmless from any intentional or negligent act of the City, or of any officer, agent, or employee of the City; and the City agrees to defend the County, its officers, its agents, or its employees, from any claim for damages resulting from the negligent act of the City, or of any officer, agent or employee of the City.
3. The City, its officers, its agents, and its employees, shall not assume to be liable for any intentional or negligent act of the County or of any officer, agent, or employee of the County; and the County agrees to hold the City, its officers, its agents, and its employees, harmless from any intentional or negligent act of the County, or of any officer, agent, or employee of the County; and the County agrees to defend the City, its officers, its agents or its employees, from any claim for damages resulting from the negligent, or intentional act of the County, or of any officer, agent or employee of the County.
4. Unless sooner terminated as provided for herein, this Agreement shall be effective for the calendar year specified by the Agreement.
5. This agreement shall be self-renewing for additional one-year periods. At the option of the City, the Agreement may be terminated with no less than a ninety-day notice in writing to the Board of Commissioners of Goodhue County, Minnesota. Should the County desire to terminate the Agreement they shall provide no less than ninety days' notice in writing to the Governing Body of the City. The County shall annually review and adjust as necessary fees and charges to insure that such charges and fees do not exceed the actual cost of providing the service. Any change to the fees and charges shall be reflected in the County Fee Schedule.
6. It is understood that this Agreement contains the entire agreement between the County and the City and that no statement, promises, or inducements, made by any party hereto, or officer, agent, or employee of either party hereto which is not contained in this written Agreement shall be valid or binding; and this Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed hereon. It is expressly understood between the parties hereto, that this understanding will be considered in interpreting the provisions of this Agreement, that upon notice given by any party hereto, later negotiations may be undertaken for the purpose of revising, adding to, or striking, any provision or provisions of this Agreement which appear unworkable or insufficient to perfect, maintain, and insure that the purpose of this Agreement, and any change to the original provisions of this Agreement, mutually acceptable shall be written and attached to this Agreement. As provided above, any such revision, addition, or deletion, will only apply to the provision revised, added, or deleted, and the remainder of this Agreement shall remain in full force and effect.

7. The effective date of this Agreement is July 1, 2025, and its expiration date is December 31, 2025, at which time it shall be automatically renewed unless terminated or altered by operation of law or by terms of the Agreement.

Attest

For the City of Hampton, Minnesota:



City Clerk

5-27-2025

Date



Mayor

5/27/2025

Date

For Goodhue County, Minnesota:

County Administrator

Date

County Board Chair

Date