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Final Report

Partners for Good:  
A Resource Guide for  
Partnership Efforts in  
Minnesota Cities and Counties



Research



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**Partners for Good:**

**A Resource Guide for Partnership Efforts  
in Minnesota Cities and Counties**

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## TABLE OF CONTENTS

Introduction.....	1
Task Background and Purpose.....	1
Study Process .....	2
How to Use The <i>Resource Guide</i> .....	2
Conclusions/Recommendations/Summary .....	3
Partnership Areas .....	3
Steps to Successful Partnering .....	4
Step One: How to Get Started.....	5
Step Two: Think about Partnership Opportunities .....	6
Step Three: Identify Partner Responsibilities and Partnership Goals.....	7
Step Four: Consider Potential Barriers to Success .....	10
Step Five: Develop a Process That Ensures Success .....	12
Case Study Interviews.....	13
Appendix A: Literature Review	
Appendix B: Partnership Survey Results Review Materials	
Appendix C: Case Study Interviews	

## LIST OF TABLES

Table 1 Partnership Areas, Responsibilities, and Goals/Outcomes .....	8
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## **EXECUTIVE SUMMARY**

This report explores the benefits and issues associated with entering into partnership relationships to advance transportation projects. It is intended to be a *Resource Guide* for the practitioner, presenting information in a concise and easy-to-read format. It describes the different types of partnerships that public agencies typically enter into, the steps to be taken to ensure a successful outcome, and provides case study information on successful partnering efforts around the state of Minnesota. Information included in this *Resource Guide* can be used in isolation, or together as part of a strategic consideration of partnership opportunities. It is meant to provide both inspiration and practical advice to a local unit of government in Minnesota. It is the hope of the individuals who participated in assembling this document that the lessons learned by other communities can be shared across the state, to inspire, to instruct, and to implement.

## **INTRODUCTION**

Joining forces in a partnership relationship is a way for different entities to come together and, building on their respective strengths and abilities, realize together what they could never have realized separately. Although partnership relationships are typically a profitable means for local governments to explore in implementing projects, they become even more compelling when resources are limited and multiple needs compete for scarce available dollars. This paper explores the use of partnerships in Minnesota to advance needed public works projects. It discusses some of the nuances of what partnerships can mean to local units of government, from the ways in which bartering of services, equipment, and staff expertise allows local units of government to make efficient resource decisions to how major public works projects can be implemented through the concerted efforts of interested partners. Through the use of focus group discussions, selected case studies, and the expertise of the Technical Advisory Panel (TAP) overseeing this effort, a best practices guide to Minnesota city and county partnering efforts results.

## **TASK BACKGROUND AND PURPOSE**

The Local Road Research Board (LRRB) undertook this research implementation study initially to investigate the use of public/private partnerships in Minnesota, and how these unique types of partnerships have been used to implement major public works projects. During the course of discussions with the TAP assembled to guide this task, the original subject of investigation was broadened to include all types of partnership efforts by local units of government. In so doing, it was felt that a broader, more meaningful product would result; one that could be useful to all cities and governments, in whatever circumstances they find themselves.

*If any new endeavor can be understood as a means of meeting an identified need, then what are the needs partnerships are meant to address?* The simple response to this question is that partnerships can be a means to address almost any need identified by an agency or jurisdiction. The difficulty is in finding likely partners and establishing a relationship that is mutually supportive. Many of the partnerships described in later sections of this report began because

local units of government had laid the groundwork for success by developing good working relationships with other jurisdictions or agencies who later became full-fledged partners with them in working towards a mutually-identified goal. Other partnerships began in the absence of any history of working together, but with the realization that partnering could advance mutual interests. The common theme is that each partner understood that mutual benefits would result from the relationship that the potential benefits outweighed the risks, and that individual interests could be advanced by achieving a common goal.

## **STUDY PROCESS**

The information summarized in this *Resource Guide* is condensed from four major tasks completed by the TAP.

1. A review of a selection of literature published on the subject;
2. A statewide survey of Minnesota city and county engineers on their partnership experiences;
3. Case study investigations of noteworthy partnership efforts; and,
4. A focus group discussion with case study participants.

Bearing in mind that brevity is the soul of readability, and wanting to create a document that was simple and engaging, much of the detail of the tasks is not included in the *Resource Guide*. Readers are referred to Appendix materials for full summaries of the tasks described above.

## **HOW TO USE THE *RESOURCE GUIDE***

This Resource Guide is organized into three primary sections, described as follows.

1. **Partnership Areas:** In this section, types of partnerships are categorized, based on information discovered during the research implementation task activities, specifically a survey of Minnesota city and county engineers.
2. **Steps to Successful Partnering:** A model process for partnering is presented in this section, based on information discovered by the TAP during a literature review search, during case study interviews with a selection of Minnesota city and county engineers, and a focus group discussion with successful partnering entities.
3. **Partnering Resources/Case Studies:** This section presents a summary of case studies investigated by the TAP, and is a resource for cities and counties considering engaging in specific partnership activities.

The areas of the *Resource Guide* can be used in isolation, or together as part of a strategic consideration of partnership opportunities. It is meant to provide both inspiration and practical advice to a local unit of government in Minnesota. Partnerships can be and are used to meet a variety of different needs and occur in many different forms. It is the hope of the TAP members who participated in assembling this document that the lessons learned by other communities can be shared across the state, to inspire, to instruct, and to implement.

## **CONCLUSIONS/RECOMMENDATIONS/SUMMARY**

### **Partnership Areas**

Upon completion of the literature review and the survey of Minnesota city and county engineers (included in Appendix A and B respectively), the challenge facing the TAP was to synthesize these findings into a strategy for conducting case study interviews and focus group discussions. Over 120 different types of partnerships were described in the surveys received; in addition, other partnership activities were described by the TAP members, all of whom had some expertise in this subject. After considering all the disparate partnership activities engaged in, some common themes began to emerge.

A total of seven partnership areas were identified and are defined below. This list is intended to capture the range of potential partnership activities that may meet a particular city or county's need and should be used by a reader to begin thinking about the types of partnering endeavors needed in a city or county.

1. Mutual Aid – Cities or counties entering an agreement whereby they would assist each other during extraordinary events.
2. Materials/Equipment Sharing – Cities or counties sharing materials, such as sand/gravel or equipment.
3. Staff/Expertise Sharing – Cities or counties sharing staff time and expertise between jurisdictions.
4. Joint Purchasing Efforts – Cities or counties joining together to let contracts for services or goods in such quantities that discounted prices are obtained.
5. Issues Coalitions – Stakeholders, including public agencies, private interests, and the public joining together in support of a broad transportation improvement goal.
6. Facility Sharing – Communities and/or agencies jointly financing and sharing a facility.
7. Public/Private Partnerships – Cities or counties working with a private interest to advance a major public works project.

## **STEPS TO SUCCESSFUL PARTNERING**

The steps described below represent a means for a reader to begin the partnering process.

**Step One:  
Get Out of the Starting Block**

**Step Two:  
Think About Partnership  
Opportunities**

**Step Three:  
Identify Partner Responsibilities  
and Partnership Goals**

**Step Four:  
Consider Potential Roadblocks to  
Success**

**Step Five:  
Develop a Process that Ensures  
Success**

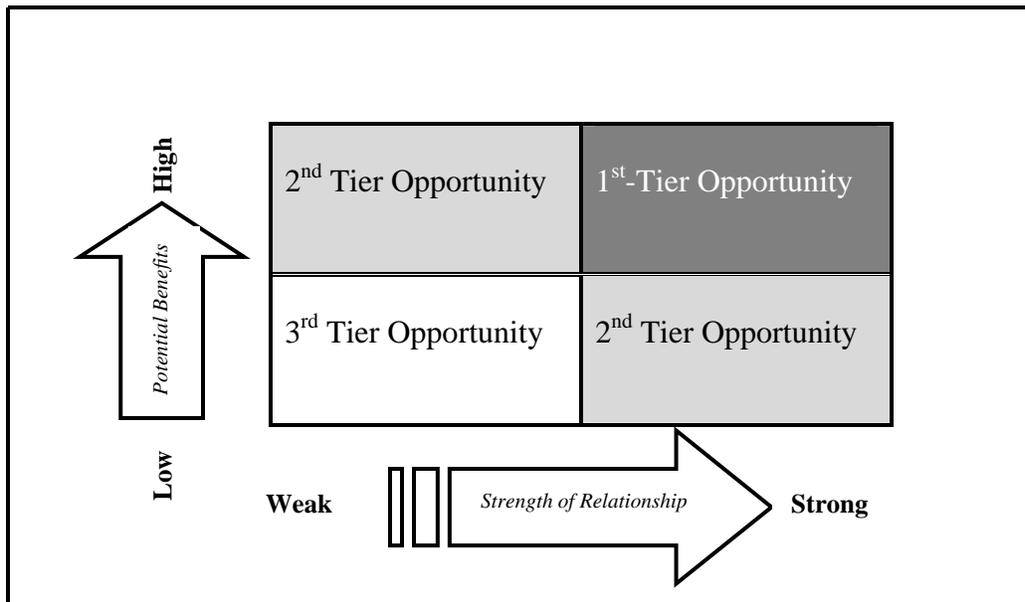
## **Step One: Get Out of the Starting Block**

Some questions to pose when considering whether partnership strategies can meet an agencies' needs include the following:

- Are there infrastructure projects identified as needed by my agency for which I have insufficient funding?
- Are there opportunities to provide increased levels of service to my customers?
- Are there opportunities to save money by purchasing services or equipment in greater quantities than I can currently purchase?
- Does my staff have the expertise and skills needed to meet all the requests for service we receive from our customers?
- Does my agency ever have needs for specialized equipment, which we do not have and cannot afford, to purchase?
- Are there any duplication of information management services, including data processing, records keeping, between my agency/jurisdiction and another?

## Step Two: Think About Partnership Opportunities

Partnership opportunities are available to all Minnesota cities and counties, regardless of size, location or resources. Oftentimes, it is just a matter of realizing and recognizing the opportunities that exist. One process to assist cities and counties in inventorying these opportunities is to undertake a Partnership Opportunities Inventory using the following process chart.



The process chart can be used in conjunction with the partnership questions, so that, once a range of partnership needs was identified, a community could begin to identify specific partners who may be able to work to meet those needs. A brainstorming process, the aim of which is to identify potential partners, to assess the strength of the existing relationships, and the potential benefits realized by engaging in the partnership is a means of working through the process chart.

Obvious areas to start are those opportunities where the existing relationship with the potential partner is strong, and the benefits of partnering are high. The next most favorable would be those opportunities where benefits are high, but the strength of the existing relationship may be low or non-existent. The main point of such an exercise is to think strategically about opportunities, to identify the network of potential partners available to a jurisdiction or agency, and to begin the process of engaging in a productive partnership.

### **Step Three: Identify Partner Responsibilities and Partnership Goals**

It is critical to a successful partnership that all parties first understand the goal and intended outcome of the partnership endeavor, and next understand the respective responsibilities that each partner is expected to fulfill. The table that follows summarizes typical partner responsibilities and goals for the partnership areas described previously. Obviously, these generic responsibilities and goals would have to be refined to realize an actual partnership opportunity, but they represent a place from which to start a discussion.

**TABLE 1: Partnership Areas, Responsibilities, and Goals/Outcomes**

PARTNERSHIP TYPE	RESPONSIBILITIES		GOAL OR OUTCOME
	PARTNER A	PARTNER B	
Mutual Aid	A lead partner must take responsibility for maintaining database of potential resources available by each member party for mutual aid and assistance.	There may be some financial participation (paid to the lead partner for maintaining the database) as well as the responsibility to report equipment and other resources available to other partners for mutual aid and assistance.	To ensure that all partners can meet their needs for equipment and assistance during extraordinary events.
Materials/ Equipment Sharing	To identify and make available materials and equipment for sharing with partners. Oftentimes, it is effective for one of the partners to take the lead in identifying the materials and/or equipment available for sharing and working out the arrangements for how the sharing may take place (i.e., formal or informal agreements).	To identify and make available materials and equipment for sharing with partners.	To make cost effective decisions on the part of each partner in terms of what type and quantity of various pieces of equipment and materials to purchase.
Staff / Expertise Sharing	Identify staff expertise and ability to provide assistance to respective partners.	Identify staff expertise and ability to provide assistance to respective partners.	To ensure that staff expertise is shared between communities, to keep staff busy, and allow cities/ counties that may not be able to develop expertise in a certain staffing area to access others' knowledge and expertise.

PARTNERSHIP TYPE	RESPONSIBILITIES		GOAL OR OUTCOME
	PARTNER A	PARTNER B	
Joint Purchasing Efforts	A lead partner must take responsibility for assembling the information needed to let a joint purchasing contract, and managing any scheduling issues.	To supply the lead partner with information and other assistance necessary to let the joint purchasing contract.	To realize cost savings when purchasing equipment, materials or labor that could not be realized without the economies of scale that come from a joint contract.
Issues Coalitions	A lead partner must take responsibility for initiating and organizing the coalition. This may include organizing meetings, producing communications materials, and other responsibilities.	To participate with the lead partner in coalition activities. Participation may include financial contributions, such as annual coalition membership dues.	To energize stakeholders about an issue, e.g., improving a highway corridor, and ultimately to advance identified issues and realize coalition goals and objectives.
Facility Sharing	Identify facility needs and work with all partners to define final needs and enter into cost-sharing agreements.	Identify facility needs and work with all partners to define final needs and enter into cost-sharing agreements.	To realize cost savings by constructing a major city, county, and/or agency facility in partnership.
Public/Private Partnerships	Public Partner – Be open to opportunities as they present themselves. In working with private partners to advance public works projects, the farther along the public partner is in the planning process, the better the outcome will be. Ordinances that make cost-sharing responsibilities clear (see Lakeville case study) are also helpful.	Private Partner – Work with the public entity, often providing hard dollars, to advance the construction process. In some instances, this may include purchasing right-of-way, as well as participating in other construction costs.	To advance a needed public works project through the programming and construction process in order to benefit both the public good and private interests.

## **Step Four: Consider Potential Barriers To Success**

### **Are Partnership Arrangements Simple or Complex?**

After identifying partnership needs, potential partners, and the type of partnership that may be entered into, a jurisdiction or agency must think about potential barriers to success. One point that emerged from this research task's activities is that partnerships in Minnesota and elsewhere exist on a continuum, from the formal to the informal, the rigorously documented and contractually bound to the handshake and "gentleman's agreement." Oftentimes the complexity and formality of a partnership is connected to the potential for risk by one or another of the partners, so that the more risky the endeavor, and the greater the potential for loss, the more rigorous is the need for formal agreements and legal determinations beforehand.

*Consider whether you will be entering in a formal, complex type of partnership or a more informal and simpler type of partnership.*

### **Are Goals and Objectives Clear?**

Another consideration in advance is whether a clear and concrete goal is in sight, and whether each partner perceives goals and outcomes similarly. If this is not the case, then advance work must be done on behalf of both partners to come to some agreement, and to achieve a similar vision about the ultimate outcome of the partnership. Without this understanding in place, there is no means to ensure that each partner will be pleased with the outcome.

*Consider whether each partner clearly perceives the ultimate goals and objectives of the partnership.*

### **Are Workplace Cultures Similar?**

A key point that emerged during this research task process was that similarity between partner workplace cultures made the partnering process easier. If partners come from dissimilar workplace cultures, e.g., a private developer and a city, then the level of complexity of the partnership may be higher, and the need to do more process work at the beginning of the partnership, to bring the partners understanding of various needs and constraints to the forefront, will likely be greater.

*Consider each partners' workplace culture, and whether they are similar or dissimilar.*

### **Are There Policy or Legal Barriers?**

A critical barrier may be policy or legal considerations that limit a partners' ability to fulfill certain established partnership goals or objectives. This was heard frequently in the process of interviewing individuals to develop the Partnership Case Studies included in this Resource Guide (and included in whole in Appendix C). Oftentimes, these barriers were more evident in more complex or formal type of arrangements, such as facility sharing agreements. Special consideration needs to be given when partnering with a private entity because of the restrictions that exist for public agencies in spending public dollars. However, barriers need not stop a partnership. In the case study examples, barriers to Mn/DOT's participation in facility sharing were overcome working within Mn/DOT's constraints. In other instances, policies or regulations may be changed, if there is enough time in the process, and sufficient will to do so.

*Consider any policies or regulations that may constrain a partner from participating and accomplishing the established partnership goals and objectives.*

### **What Is the Duration of the Partnership?**

Some partnership efforts are relatively brief in duration, e.g., a neighboring city that borrows a special piece of equipment from their county public works department for a week or two to complete a construction project. Other partnerships, such as constructing and using a jointly owned and operated maintenance and equipment facility may be of a very long-term duration. The duration of a partnership should be considered at the onset of the partnering process. Long-term partnerships will likely involve a very different and more detailed process, and commitments from the partners to maintain partnership communications and conflict-resolution processes. As stated in one of the case studies that follow, a good long-term partnership is not unlike a good marriage, people must remember why the partnership was entered into in the first place, what their commitments were, and make sure to keep the lines of communications open.

*Consider the expected duration of the partnership and how this may affect the partnership process that is developed.*

## Step Five: Develop a Process That Ensures Success

The following process steps are proposed as a starting point for considering a partnership process. Obviously, each partnership is unique and the process would have to be tailored to meet unique needs. However, the following process is suggested as a starting point, and is based on findings from the TAP, including a focus group discussion and case study interviews with city, county and Mn/DOT staff who have engaged in partnering in the past.

- **Seek commitments** from potential partners and build support (informal or formal as needed).
- **Identify leaders** and enthusiastic champions willing to take on the responsibility for the process.
- **Identify potential barriers** and challenges as early as possible. Remember, there is no such thing as a trivial barrier.
- **Cultivate an environment of trust** among all the partners. Make sure that all partners feel that their respective contributions to the process are balanced and fair. Regardless of the role any partner plays in the partnership at whatever point in the process, all partners need to feel their input is valued and important.
- **Be willing to negotiate.** Remember that the most successful negotiators come to the table ready to state their interests, as opposed to their positions.
- **Establish a process for addressing and resolving conflicts that arise.** This may include having an Advisory Group guiding the overall process, or establishing a mediation process at the initial stages of the partnership. Depending on the level of complexity and formality of the partnership, this process may be more or less formalized.

## CASE STUDY INTERVIEWS

Case study candidates were identified based on the desire to speak to individuals with expertise in the issue, but also with the understanding that some geographic equity – smaller jurisdictions balanced against larger, and Greater Minnesota balanced against Metro – was also desirable. At least one case study candidate was identified for each of the seven partnership categories (as described earlier in the Resource Guide).

## INTERVIEW PROCESS

Using an interview template, all of the above case study candidates were contacted and interviewed by telephone. Complete notes of these conversations are included in Appendix C with highlights summarized below.

<b>MUTUAL AID</b>	
<p><b>Case Study Candidate:</b> Regional Mutual Aid Association – made up of 48 Twin Cities metropolitan area communities.</p>	<p><b>Components of Partnership:</b> Keeping a database for all mutual-aid communities to access describing equipment and other resources member agencies may draw upon during times of emergency.</p>
<p><b>Potential Obstacles:</b> One obstacle is the time and effort that keeping an up-to-date database entails. However, this is essential to keeping the partnership relevant. Another difficulty can be serving all partners’ emergency needs during weather-related emergencies, when all communities are in need of assistance. However, these obstacles are minor in comparison to the benefits of such a partnership.</p>	<p><b>Lessons Learned:</b> Designate a responsible entity in charge of keeping current with the administrative affairs of the partnership. Communications are critical and keeping up with current contact information is very important.</p>
<p><b>Quotable Quotes:</b> “This activity does require that one jurisdiction or individual take responsibility for the association.”</p>	

## PUBLIC/PRIVATE PARTNERSHIPS

<p><b>Case Study Candidates:</b></p> <ol style="list-style-type: none"> <li>1) City of Richfield’ partnership with Best Buy corporation to advance construction of the Penn Avenue interchange with I-494.</li> <li>2) City of Lakeville’s partnerships with several private entities to advance construction of major transportation infrastructure improvements.</li> </ol>	<p><b>Components of Partnership:</b></p> <p>Opportunity-based partnership based on the interest of private entities in developing land adjacent to transportation facilities for which improvements have been identified but not public funding of improvements has yet been programmed.</p>
<p><b>Potential Obstacles:</b></p> <p>Obstacles in dealing with public/private partnerships stem from culture differences between private sector and public sector business models.</p> <ul style="list-style-type: none"> <li>• Project scheduling – Private sector may need to operate under more abbreviated timeline than the public sector. Especially critical for public sector when securing funding.</li> <li>• Legal challenges – The City of Richfield and the City of Lakeville allowed private entities to purchase right-of-way. This was done out of timing considerations. In Richfield, this was challenged by a landowner, but ultimately upheld by the courts.</li> <li>• Statutory changes – In the end, Richfield had to ask the U.S. Congress to amend federal law to allow the use of previously approved Federal Highway High Priority Project (HPP) funds on the Penn Avenue Bridge.</li> </ul>	<p><b>Lessons Learned:</b></p> <ul style="list-style-type: none"> <li>• The City of Lakeville’s “premature sub-division ordinance” has been a factor in the success of working with private developers. It establishes precedent and grounds for denying development proposals based on the impact they will have on existing infrastructure, and the process it establishes makes transparent to the developer the burden on the existing urban infrastructure their development would place.</li> <li>• Attention needs to be paid to make sure that all partners feel they are equally benefiting from the arrangement.</li> <li>• Good advanced public planning is critical. Infrastructure improvement plans should be known in advance with design agreements between relevant agencies (Mn/DOT, cities, counties, etc.) reached in advance of development pressures.</li> <li>• Leadership is critical in this process, and should be taken by the agency with the greatest stake in the process, not necessarily the agency with jurisdiction over the transportation facility.</li> </ul>
<p><b>Quotable Quotes:</b></p> <p>“In the perfect partnership, each task is assigned to the organization best qualified to perform the task.”</p> <p>“The public sector should be more flexible and open to taking things out of sequence, in other words, to react to market opportunities and capitalize on them to the extent possible. These demands should be thought of as opportunities, not as problems. In this way, the public sector can be entrepreneurial in the best sense of the word – achieving the best possible outcome while conserving public resources.”</p>	

## FACILITY SHARING

### Case Study Candidates:

St. Louis County (multiple facilities) and the City of Hutchinson (shared maintenance facility with Mn/DOT, McLeod County, the State Patrol, and the Sibley-McLeod Regional Transit Authority).

### Components of Partnership:

Joint financial participation with at least one other jurisdiction or agency to construct a facility to be shared between the participating agencies or jurisdictions.

### Potential Obstacles:

- Liability issues may arise if part of the facility-sharing goal is to share equipment amongst agencies/jurisdictions.
- Another issue is the need to make sure that all partners can access their share of construction dollars at the same time. Obviously, the more partners involved, the more complicated this process becomes.
- Finally, just getting comfortable with everybody's unique processes and procedures can take some getting used to. Although it is worthwhile and you can learn better ways of doing business in the end, it is not always easy.

### Lessons Learned:

- In Hutchinson, a Joint Powers Board (JPB) was established to manage the facility. It was through regular JPB meetings that trust in the process was established.
- With a long-term partnership, one issue is staff turnover. An effort must be made to remind new staff of the benefits and commitments of the partnership in order to keep it alive and working.
- Understand as much as possible the statutory limitations of partners before the process begins so that you can address some of them up front.
- Providing in-kind work can be a way for a partner to contribute to the effort.
- This type of project should be split into various design/construction phases with a "bail-out" clause in each phase allowing a partner to withdraw if costs or other issues cause them to re-consider project feasibility.

### Quotable Quotes:

"The main goal of these efforts is to save taxpayer dollars."

"The relationship was and is not unlike a marriage. All the players must be committed to making the relationship work, even though there are rough periods. People must remember why the partnership was entered into in the first place, what their commitments were, and make sure to keep the lines of communications open."

"Having frequent and clear discussions of where you're going, where you've been, and what you've accomplished is very important."

## MATERIALS AND EQUIPMENT SHARING

**Case Study Candidate:**

Nobles County’s partnership with Jackson County, the City of Worthington, surrounding townships, Rock County, and Mn/DOT.

**Components of Partnership:**

Sharing equipment and materials with other agencies and jurisdictions in order to realize more cost-effective allocation of resources.

**Potential Obstacles:**

Depending on how formal the sharing arrangements are between entities, the need to sign agreements on everything can become cumbersome. Also, rental fees on equipment can sometimes entail more administrative hassle than investment return.

**Lessons Learned:**

- A long-term perspective should be taken when thinking of benefits.
- Attention needs to be paid to make sure that all partners feel they are equally benefiting from the arrangement.
- Sometimes agreements have to be reached about issues, whether formal signed agreements or otherwise. An example of this is scheduling when some types of maintenance activities take place, assuming that one piece of equipment is shared among the partners.
- It also helps to have a “champion” in this process; someone who takes on the responsibility to manage the process.

**Quotable Quotes:**

“This type of partnership only works if all parties involved feel that it is fair, and that values given and received are relatively equitable.”

## STAFF/EXPERTISE SHARING

### **Case Study Candidates:**

- 1) Dakota County – Traffic signal maintenance agreement with local units of government.
- 2) Freeborn County – agreement with Albert Lea to develop and maintain joint GIS database.

### **Components of Partnership:**

Staff and expertise sharing among at least one other jurisdiction or agency in order to make more cost effective resource allocations.

### **Potential Obstacles:**

- Obstacles may arise internally when other city or county departments don't clearly see the benefits of entering into a staff/expertise sharing agreement. Education and communication was crucial in making all stakeholders understand that the partnership would result in equitable distributions of benefits and risks or costs.

### **Lessons Learned:**

- Make a point of putting like-minded individuals from various agencies/jurisdictions together and let them go with their ideas.
- Make sure you have a communications strategy developed to address any foreseen issues, and to develop responses for any issues that arise during the process.
- Follow-up is key, i.e., tell them how you will be successful, make sure your efforts are successful, and then tell everybody in concrete terms how you were successful (after the fact).
- Clear written documentation of each party's responsibility is key to ensuring expectations are met.

### **Quotable Quotes:**

“It helped that the partners believed that benefits and responsibilities were being shared equitably, and, most importantly, that the whole project really was for the benefit of the greater good. Understanding the potential for these great benefits overcame the “bean counting” instincts of some of the city/county departments involved in the process.”

## JOINT PURCHASING

**Case Study Candidate:**

Joint Powers Agreement between nine communities in Dakota and Scott counties to let a road maintenance contract covering maintenance activities on all participating partners' roadways (i.e., sealcoating, crack-filling, street sweeping, traffic markings, etc).

**Components of Partnership:**

Coordinating with other jurisdictions or agencies to let a joint agreement, the purpose of which is to purchase goods or services in such quantities that each individual partner receives a better, lower-cost bid than they would if they let the bid alone. The City of Burnsville acts as the administrative agency, and takes a small percentage (1-2 percent) of the other cities' contract costs as reimbursement.

**Potential Obstacles:**

The biggest obstacle for this type of partnership (i.e., one where services are purchased as opposed to goods) is coordinating the timing of activities to take place under the joint purchase agreement. For the JPA, a working group of the partnering agencies and the successful contractors meets to come to consensus on timing issues after the contract is awarded.

**Lessons Learned:**

Just do it! It's not difficult to accomplish and the benefits far outweigh any drawbacks.

**Quotable Quotes:**

"In this type of partnership, it is important for one community/individual to lead the effort."

## ISSUES COALITIONS

**Case Study Candidate:**

Highway 55 Corridor Coalition – Wright County and Hennepin County.

**Components of Partnership:**

A coalition of stakeholders aimed at achieving a long-term transportation improvement goal, typically focused on a specific highway corridor.

**Potential Obstacles:**

The long-term timeframe for most corridor-oriented issues coalitions can be an obstacle. Keeping members energized and motivated to continue action when improvements may be many years in the future can be challenging.

**Lessons Learned:**

- Get every stakeholder involved.
- Build a broad base of support because what you are doing is moving things through the political process. What is most persuasive to legislators is the depth and breadth of membership and support.
- Five important issues coalition elements:
  1. Identify a key person;
  2. Involve elected officials at the city/county level;
  3. Get professional help; and,
  4. Get the communities excited/involved.

**Quotable Quotes:**

“There was a real sense of synergy and passion for increasing safety on the Highway 55 corridor. It helped that there was a commonly understood goal, and that everyone was able to rally around that simple, but powerful, theme.”

“In a world of limited funding opportunities, an issues coalition is a means of providing a unified voice to speak on behalf of the needs of a corridor and advance projects through the funding/construction process. It is also a means of putting needs in a broader, corridor-oriented context, which may be more persuasive than speaking of several projects singly. Finally, an issues coalition can be influential on Mn/DOT’s prioritization process through political and public action.”

**APPENDIX A:**  
**LITERATURE REVIEW**

*Partnering Measures.* Crane, Travis G., et al. Journal of Management in Engineering, March/April 1999. p. 37-42

- **Partnering measures** are short-term and specific management tools used to monitor the progress of partnering projects. They serve as benchmarks that combine to allow partnerships to meet short- and long-term goals.
- **Effective measurement systems** must contain a performance baseline and a means for determining actual values of measurement. To save resources and maximize effectiveness, only the most significant factors influencing the partnership should be measured.

The **three types of measures** used for partnerships include:

1. Result, or “hard” measures – Performance based and focused on cost, schedule, quality, safety, etc. Useful for making strategic adjustments to the partnering relationship.
  2. Process measures – Track activities and help identify mid-project corrections. Are concerned with short-term immediate impacts of problems.
  3. Relationship, or “soft,” measures – Used to track the activities and effectiveness of the partnering team. Examples include gauging communication, teamwork, morale, leadership, creativity, etc. These measures are important because successful partnering requires a collective positive attitude toward the project.
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*Critical Choices: The Debate Over Public-Private Partnerships and What it Means for America’s Future*, The National Council for Public-Private Partnerships, 2003.

**Case Studies:** These case studies are examples of how public-private partnerships can help local governments to undertake projects that they would not ordinarily have the funds to complete.

- **Denver, CO:** In 1975, Denver municipal authorities began working with a private partner to create a master plan for a new airport. The private partner designed and constructed utilities, roads and parking. The DIA Partnership, formed in 1996, now promotes economic activity and life in the airport district. In the future, 750,000 square feet of retail, 30,000 homes, and 35,000 jobs will be located near the airport.
- **Chattanooga, TN:** Chattanooga is working on the “21<sup>st</sup> Century Waterfront Plan” to develop long-neglected property adjacent to the Tennessee River. The project includes a renovated public marina, a public pier and among other amenities, a riverfront park. The private sector has provided 82 percent of project costs.

- **Falls Church, VA:** Fairfax County utilized partnerships to build schools and other public facilities. Local governments compensate the private firms with land swaps, bond issues or by enabling the developer to sign a long-term lease on the property. Fairfax County officials believe that these partnerships can reduce the timeline for school construction by 3 years.
- **San Diego County, CA:** Southern San Diego County contains most of the area's affordable industrial, and developmental residential land. However, the area requires major upgrades to the transportation infrastructure in order to support development. The San Diego Expressway Limited Partnership will fulfill these needs by constructing a 9.3 mile four-lane toll road with a loan made possible by the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA).
- **Tampa, FL:** A partnership between the Southwest Florida Water Management District, Tampa Bay Water and a private company facilitated the construction of a desalination plant. The plant is producing 25 million gallons of water per day at the world's least expensive rate (\$1.88 per one-thousand gallons). The success of this partnership has led other cities to consider similar projects.
- **St. Louis, MO:** The development of the St. Louis Commerce Center was made possible with \$1 million in tax credits from the Missouri Department of Economic Development for cleaning up a devalued site. Increased economic activity is now generating increased state and local tax revenue.
- **Sugar Land, TX:** Population in Sugar Land more than doubled from 1997 to 2000. The city maintained its own water utility department to serve the older part of the city and contracted with a private partner to serve the newer part of the city. Public and private employees work side by side to serve the city, and the city benefits from new technology provided by the private partner.

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***For the Good of the People; Using Public-Private Partnerships to Meet America's Essential Needs.*** The National Council for Public-Private Partnerships, 2002.

**Types of PPP's, as defined by the General Accounting Office:**

- **Build-Own-Operate:** Legal title to the facility remains with the private contractor
- **Build-Operate-Transfer:** The private contractor transfers the facility to the public agency after a specific period of time
- **Buy-Build-Operate:** Involves the rehabilitation of an existing facility. The government sells the asset to the private entity who then rehabilitates and operates it.
- **Design-Build-Operate:** A single contract is awarded for the design, construction and operation of the facility
- **Build-Develop-Operate:** The private party leases or buys an existing facility, develops it, and operates it under a governmental contract. Many transit facilities are operated in this manner.

### **Potential uses of PPP's:**

- *Educational facilities:* In June 2001, President Bush signed legislation encouraging private-sector involvement in school construction. The law allows the issuance of tax-free bonds to construct schools which are owned by private entities and leased to school districts
- *Transportation:* Examples include private sector design-build of highway projects, and construction of major infrastructure at transit centers
- *Water and Wastewater Services:* The standards enacted by the Safe Water Drinking and Clean Water Acts have created huge financial burdens for municipalities. PPP's can give municipalities the resources to upgrade infrastructure. Because the financial burden is placed on the private partner, municipalities can actually stabilize or reduce water rates.
- *Real Estate:* TODs are an example of governments working with developers to design attractive commercial and residential buildings around existing mass transit locations.
- *Public Safety:* Private sector companies contract with public safety to provide clerical support. This frees officers for active duty. Another use of PPP's for public safety is in parking enforcement. Private partners can provide up-to-date and functioning parking meters which allow public agencies to maximize their funds generated by parking management.
- *Public Parks and Facilities:* PPP's can enable the rehabilitation and upkeep of national and local parks.
- *National Defense Housing:* Much of government housing is substandard. Private developers can upgrade these facilities at a lower cost, and faster than the government can.
- *Telecommunications:* An example of a PPP in this category occurred when Mn/DOT gave a private developer one-time access to the interstate in order to build and maintain a fiber-optic system along 2,000 miles of roadway. Rural areas now have access to state of the art telecommunications services, and state agencies can use the fiber-optic network for free.

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*Public and Private Partnerships for Financing Highway Improvements*, National Cooperative Highway Research Program Report 307, June 1988.

- Five case studies were used to develop guidelines for a systematic process that can be used to implement legislation to facilitate the implementation of public-private partnerships.

### **Types of Private Funding Mechanisms**

- **Development Agreements/Traffic Impact Fees:** Charges imposed on new developments are used to pay for public facilities needed to serve it. Fees paid by developers can be used for all types of facilities.
- **Special Assessment Districts:** A more traditional method of private financing which is legal in all states but can only be used to finance facilities providing local benefits. Legislation is slowly being passed to allow financing of community-wide facilities. It is difficult to finance roads with this method because it is difficult to determine who will benefit from roadway facilities- the benefit is more than local.
- **Joint Ventures:** A voluntary sharing of costs between the public and private sectors which is generally limited to projects with direct private benefit.
- **Toll Financing**
- **Tax Increment Financing (TIF):** Dedication of tax revenue from new growth to pay for infrastructure needed to support the new growth. Is a budgetary technique for allocating public revenue, and not a private financing technique.

### **Barriers to Public-Private Partnerships**

- **Legal Constraints:** Enabling legislation is needed to raise tax-rates, impose traffic impact fees, and establish special assessment districts. In addition, state constitutions may limit the powers of local bodies to use private financing. Private funds may not be eligible for matching federal funds. Interjurisdictional agreements are often needed to establish partnerships.
- **Constraints on Special Assessments:** The assessment must not exceed the direct benefit to the assessed property. Special assessment districts require voter approval
- **Legal Constraints on Impact Fees:** Impact fees are not considered taxes but are considered valid if the new development requires additional capacity of a public facility, pays only for its share of the costs associated with the expanded facility, and there is a reasonable connection between the fees and benefits realized.

### **Recommended funding mechanisms:**

- **Impact Fees:** Each new development pays a fee for improvements needed to support its effect on the overall transportation system. The amount of the fee is proportionate to the development's impact. Impact fees may be imposed where:
  - New development requires the expansion of present facilities.
  - The fees are less than what the local government unit would need if it paid for the improvements itself.
  - The fees are only used for the capital projects for which they were charged.
- **Special Assessment Districts:** Can assess both future and existing development for road improvements. The developments must *directly* benefit from these improvements. This is a steady source of revenue that can be used to finance bonds.
- **Joint Ventures:** Occur on a state-by-state basis, but more general legislation can be enacted to facilitate these ventures.

- **Development Agreements:** Developers fund roadway improvements, either on- or off-site. Liability for new improvements is negotiated at time of development and may not account for all future impacts. Furthermore, off-site improvements are often “voluntary” and extend past what is legal. Each agreement should:
  - Specify applicable land use controls
  - Be of limited duration
  - Provide on-going monitoring, compliance, and modification of the agreement
  - Recognize that laws will change but will still apply to the agreement
  - Other permits or approvals may be required

**Public-Private partnerships that are most likely to succeed:**

- Are in areas with existing traffic congestion and rapid growth
- Occur during a strong economy
- Have citizen groups concerned with the effects of the project
- Have a business community allied with development
- Are carried out by agencies with previous experience in partnerships
- Are large projects
- Have significant traffic impacts and access requirements

**Implementation Guidelines**

1. **Form Task Force:** Task force members should be highly motivated
  2. **Develop Goals and Objectives:** Will address the type of and administration of the funding mechanism and project
  3. **Conduct Initial Studies:** Preliminary traffic study could be a local traffic impact analysis, corridor/subarea study, or a major area-wide transportation study.
  4. **Draft Legislation:** Should involve local attorneys, elected official and key transportation and planning staff.
  5. **Provide Information and Obtain Support:** Is best obtained by an open, public process.
  6. **Enact Legislation:** Requires the enactment of state enabling legislation and local ordinance and code changes.
  7. **Implement Program**
  8. **Continue Planning and Review Process:** Evaluate mechanism on a regular basis, or after any court decision related to a similar funding mechanism.
- This document also includes examples of specific enabling legislation.

*Managing Change in State Departments of Transportation: Scan 7 of 8: Innovations in Public-Public Partnering and Relationship Building in State Dots.* NCHRP Document 39, May 2001.

Public-Public partnerships involve state DOT’s and other state, local and federal agencies and stakeholders. These partnerships can be used for environmental streamlining, road maintenance, ITS deployment and planning.

## **Categories of Public-Public Partnerships include:**

### **1. Project Development:**

#### **Case Studies:**

Legacy Parkway EIS, Utah: UDOT, together with the US Fish and Wildlife Service, the EPA, FHWA and the US Army Corps of Engineers completed the EIS process in 3 years. This allowed all agencies to make their concerns known without waiting for the formal comment period of the EIS.

- Additional partnering tools are needed to facilitate project development partnerships. Public agencies must continue working to form long-term, ongoing partnerships with each other.

### **2. Partnering in Program Delivery**

DOT's have recently expanded their responsibility into areas such as ITS and public transit; however, they do not have the staff/equipment to effectively manage these areas. If each partnering agency provides slightly different resources and management tools, DOT's can effectively manage these areas.

#### **Case Studies**

##### *ITS Partnerships*

New York DOT: Its central ITS office presides over smaller ITS partnerships. These partnerships include:

- Complementary to state-level ITS programs, MPOs implement ITS solutions
- NYSDOT and the New York State Police operate a single traffic management center in Albany. NYSDOT paid for the center, while NYSP provided the building.
- In NYC, City police operate incident management vehicles supplied by the state.

##### *Regional and Multi-State Organizations*

#### **Multiple Agencies:**

- E-Z Pass: Users can use one transponder to pay tolls on 16 electronic toll collection agencies.
- I-95 Corridor Coalition: I-95, running from Maine to Florida, is a corridor which spans many states, and many of these states contain only a small segment of this roadway. By working together, states can make the smaller improvements needed to improve operations over the entire corridor.

### *State-Local Maintenance Agreements*

PennDOT started *Pennsylvania's Agility Program*, a statewide program which uses standard agreements so that local governments, and occasionally other parties, can exchange maintenance services of equal value. At least 40 percent of the state's counties now use this program.

### **3. Partnerships in Planning and Planning Related Programs**

These partnerships are a response to ISTEA and TEA-21 and a response to an increased complexity of transportation solutions in rural and urban areas.

#### *Case Studies:*

1. Maryland's "Thinking Beyond the Pavements" is similar to context-sensitive design and works with local communities through partnering to develop solutions to problems and to identify potential projects.
2. Oregon's Community Solutions Teams establish regional teams of five state agencies (ODOT, and the Departments of Economic and Community Development, Environmental Quality, Land Conservation and Development, and housing Community Services.) to address community infrastructure needs.

The future of these partnerships may include environmental streamlining, smart growth initiatives and relationships with MPOs.

### **4. Long-term Relationship Building**

Ongoing relationships can improve communication, expedite issue resolution and improve project and program delivery.

Examples include the Arizona DOT's partnering with the USFS, the Bureau of Land Management, and FHWA, as well as Utah DOT's formal charter with the Sierra Club. Partnerships can also exist with industry groups, engineers and utility companies.

#### **Attributes of successful partnerships include:**

- An environment of trust among partners
- A commitment to the relationship and a common interest in the agreed outcomes
- A commitment to the process and the end result.

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*Key Elements of Federal Building and Facility Partnerships.* United States General Accounting Office, February 1999.

Key elements of successful partnerships include:

1. Catalyst for Change: Most partnerships occur when a public agency needs to provide facilities or services, but does not have the funds to do so.

2. **Statutory Basis:** Project-specific or broad-based legislation is needed to authorize the public agency to retain the revenue received from the partnership.
3. **Detailed Business Plans:** The agency's building and facilities management staff usually creates a business plan in coordination with the private partner before a formal contract is executed.
4. **Organizational Structure:** Private partners prefer to work with a single point of contact within the partnering agency. The partnering agency should have a hierarchical team below this point of contact.
5. **Stakeholder Support:** It is crucial to keep the public aware of and in support of the project.

## **CASE STUDIES**

### **The Fort Mason Project: Golden Gate National Recreation Area, CA**

Partners: The National Park Service and the Fort Mason Foundation (non-profit)

This partnership dates back to 1975 when the Fort Mason Foundation renovated deteriorated buildings in the Golden Gate National Recreation Area. The foundation now maintains and operates several buildings, which the National Park Service provides rent-free. The foundation also administers the Fort Mason Center, which leases building space to non-profit and other outside groups lease at 60-70 percent less than market rate.

### **Thoreau Center Project at the Presidio: Golden Gate National Recreation Area, CA**

Partners: The National Park Service and Thoreau Center Partners (for-profit real estate partnership)

This partnership is a lease/develop/operate arrangement. The Thoreau Center Partners (TCP) designed, constructed, and currently manage rehabilitated buildings in Golden Gate Park. The Park Service provides fire and police services, and maintains surrounding open space, roads and utility systems. TCP qualified for historic rehabilitation tax credits, and the Park Service retains over \$170,000 in yearly revenue from TCP's lease.

### **The Houston Regional Office Center Project**

Partners: The Department of Veterans Affairs and Amelang Partners, Inc. (private sector real estate developer)

The partnership is an Enhanced-Use Leasing (EUL) agreement under which Amelang Partners (API) agreed to design, build and maintain the Houston VA regional office building. At the end of the lease, the VA purchased the building from API. This was made possible by 1991 legislation authorizing EULs. Using an EUL allowed the VA to quickly select a developer, rather than using federal contracting procedures.

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*Public-Private Partnership and Optimization Case Studies*, Environmental Financial Advisory Board, 1999.

Eleven case studies were completed to give local officials examples of successful partnerships that they can use to implement partnerships in their communities.

**APPENDIX B:**  
**PARTNERSHIP SURVEY RESULTS**  
**REVIEW MATERIALS**

## LRRB Partnership/Bartership Efforts Summary

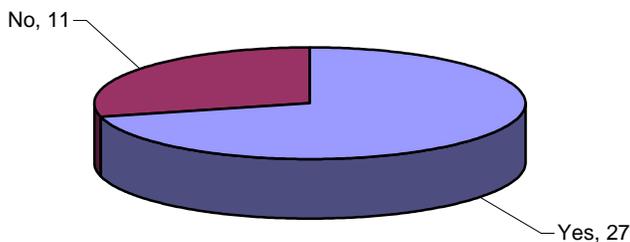
As part of the Local Road Research Board's task providing a tool encouraging local governments to use partnerships with other public and private entities as part of delivering services more effectively, a mail-back survey was administered to Minnesota City and County engineers. A request was made for information on formal partnerships engaged in, as well as information on more informal "barterships" in which local governments may have traded goods and services expecting the same in return. The survey focused on determining whether respondents had engaged in partnerships/barterships in the last 10 years, as well as requesting a description of the partnership/bartership arrangements. Since a key component of this research task are "focus group" discussions with governments that have a range of experience in partnering/bartering, this survey also is meant as a tool in identifying likely participants in these focused discussion groups.

The survey was administered on January 19, 2003, with a total of 38 responses submitted by the response deadline. Results of the survey are listed below each question. It is striking that not one county responded to say they had NOT engaged in any partnership/bartership efforts in the last 10 years. To some extent, this may be the result of self-selection, in that cities and counties not engaging in partnerships/barterships may not have returned the survey, believing their input was not needed.

### 1. During the past 10 years, has your city/county engaged in formal partnership agreements?

Over two-thirds of all respondents have entered into formal partnership agreements within the last ten years.

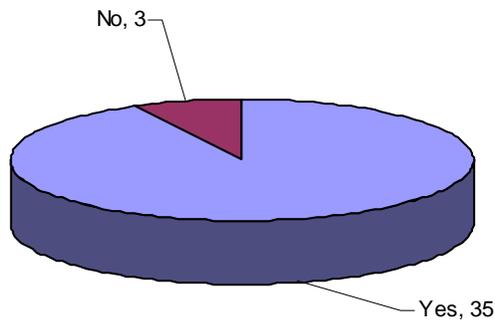
**During the past 10 years, has your city/county engaged in formal partnership agreements?**



**2. During the past 10 years, has your city/county engaged in informal barterships?**

The great majority (92 percent) of respondents have engaged in more informal barter activities over the past ten years.

**During the past 10 years, has your city/county engaged in informal barterships?**



**3. For each partnership/bartership your city/county has been involved in, briefly describe your experiences?**

This open-ended question generated many responses. Cities and counties were asked to list details of their partnership/barter efforts, with the opportunity for multiple responses from one respondent. A total of 63 partnership efforts were described, with a total of 65 barter efforts. The City of Crystal submitted a memo prepared for their City Council summarizing joint ventures/jointly governed institutions with which the city was involved. This was not entered into the database, because of its extensive nature; however, it should be noted that Crystal is currently involved in many joint ventures with other cities, counties, and agencies.

- ❖ Most respondents described partnership/barter efforts with other public agencies or entities. Not surprisingly, given the audience, Mn/DOT was most often mentioned as a partner, with a total of 32 citations. Examples of partnership/barter agreements with Mn/DOT most commonly (18 responses) involved sharing of materials (salt and sand supplies, fuel), and facility sharing (salt/sand storage, joint maintenance facility, etc.). Other responses were that cities/counties provided maintenance (plowing/grading) in return for money, that cities/counties had provided land for construction of a joint-use facility in return for cost participation, that equipment was shared, and that labor was provided in return for use of specialized equipment. Cook County responded that they had constructed a bike trail in partnership with Mn/DOT and Grand Marais, with the understanding that the city would provide trail maintenance.

- ❖ The Mn/DNR was another state agency mentioned as a partner with a city/county. Provided goods and services included property for construction of a joint-use maintenance facility, equipment borrowing, and trail maintenance. St. Louis County provided labor for installing boat ramps, in return for which the DNR assumes maintenance responsibilities.
- ❖ Other partners often cited included other cities, counties and townships, with activities such as partnering for maintenance activities, facility sharing, equipment and materials sharing, and labor/staff sharing. Other activities included partnering for emergency services provision, engaging in multi-jurisdictional associations for disaster and emergency response, providing locations on city water towers for public safety communications equipment, providing GIS Base Map maintenance to another county in return for server hosting, Providing engineering services in response for maintenance and/or construction activities was also mentioned.
- ❖ A total of 6 respondents describe partnership/bartership efforts with private interests.
  - Developers were mentioned three times, with provided services ranging from road projects and maintenance, to development fee credits, to engineering services. For road projects and maintenance, money was received, in the other instances, infrastructure, such as streets, utilities, sidewalks and trails were received in kind.
  - St. Louis County described barter agreements with various mining interests (Hibbing Taconite, EVTAC, and Inland Minings for which tailings, culverts, and ditching was received for providing various maintenance activities.
  - Other private interest included various contractors, with whom there was a sharing of equipment and materials.

**APPENDIX C:**  
**CASE STUDY INTERVIEWS**

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts  
Case Study Discussion Guide**

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**Responder Information:**

**Name:** Sue Miller

**Organization:** Freeborn County

**Partnership Information**

**Name of Partnership:** City of Albert Lea

**Date of Partnership:** Ongoing

**Type of Partnership:** Staff/Expertise Sharing

**1. What was the intended outcome of this partnership?**

To eliminate duplication of efforts between the city and the county in creating and maintaining land use base maps and other GIS information. Both the city and the county saw they needed similar data for similar purposes, i.e., land-use mapping to facilitate plan review and development processes. Under the system that pertained before partnering, the county may have different data than the city and reconciling the two sources of information could be time consuming for all involved parties. The goal was to have an accurate and efficient, single source of information covering the entirety of the county, in addition to Albert Lea, which both the city and the county would jointly develop and maintain.

The partnership entailed purchase of additional pieces of equipment, such as a GPS rover that can be used by a single staff-person in the field and a Robotic Total Station, requiring more staff to operate but providing more detailed and accurate data.

The purchase of much of the hardware was done on a 50/50 cost share between the city and the county. This included purchasing of the GPS base station (located on a county-owned and maintained communications tower), the server and the software. Agreements between the city and the county were negotiated for maintenance. The city is responsible for maintaining the server and the software, while the county is responsible for base station maintenance. The county also is responsible for database/shapefile maintenance, which is done on a monthly basis to keep the database current.

**2. Did the end result differ in any way from the original intended partnership goal?**

No—However, as the functionality and benefits of the GIS-sharing partnership became apparent, more information technology functions were identified for use by other agencies. For example, the State Patrol is finding the GPS Rover is useful in capturing data from a crash scene, such as locations of the vehicles, locations where debris was found, etc. Also, other functions to enable better law enforcement were identified, such as mapping of houses used to produce methamphetamine. Interest in using data from the joint GIS partnership has also been expressed on the part of utility companies, who would use the data to map location of utilities and from the public health department, who would use data to map houses where children with high levels of lead in their bloodstream lived.

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

- Location
- Timing
- Past Relationship
- Financial

**5. Would you characterize the culture of your partners' workplace as being similar to yours?**

Yes

**How did this similarity/dissimilarity affect the partnership process?**

The similarity and level of comfort between the partners made the whole process go very smoothly. It also helped that the partners believed that benefits/responsibilities were being shared equitably, and, most importantly, that the whole project really was for the benefit of the greater good. Understanding the potential for these great benefits overcame the “bean counting” instincts of some of the city/county departments involved in the process.

**6. What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

The city and county engineering staff would have a tradition of “meeting for pancakes”, i.e., getting together for informal breakfasts on a regular basis. In fact, the idea for this partnership effort arose in this context. This sense of camaraderie and informal sharing of issues/ideas was an important part of why this effort came into being in the first place.

**7. What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

None

**8. Were there obstacles that you encountered?**

**Yes**

**Describe the obstacles/barriers**

The influence of the IT departments made the process more difficult. Overcoming some initial resistance to the partnership on the part of IT staff involved an education process aimed at addressing their specific concerns. Other stakeholders, such as accounting staff and elected officials had to be brought on board through a series of joint demonstrations aimed at showing the technical capabilities that such a partnership would allow as well as sharing the overall partnership message of improved public services at reduced costs.

Education and communication was key to making all stakeholders understand that the partnership would result in equitable distributions of benefits/costs.

**9. Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Make a point of putting like-minded individuals from various agencies/jurisdictions together and let them go with their ideas. Make sure you have a communications strategy developed to address any foreseen issues, and to develop responses for any issues that arise during the process. Follow-up is key, i.e., tell them how you will be successful, make sure your efforts are successful, and then tell everybody in concrete terms how you were successful (after the fact).

**10. Why would other agencies benefit from a similar partnership?**

Benefits from this type of effort include the ability to develop a richer and more robust GIS/Information Technology system than a single (especially smaller) agency would be able to do on its own. In addition to making wiser investments on technology purchase, an agency can make wiser decisions in staffing and realize greater efficiencies in human resources.

**11. If given a choice, would you enter into such a partnership again?**

**Yes.**

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:**           **John Rodeberg and John Olson**

**Organization:**       **City of Hutchinson**

**Partnership Information**

**Name of Partnership:** **Hutchinson Area Transportation Services**

**Date of Partnership:**       **1996-Ongoing**

**Type of Partnership:**       **Joint Maintenance Facility**

**1. What was the intended outcome of this partnership?**

The partnership started when the City of Hutchinson started looking at their facility needs, and whether expansion was warranted. At the same time the city began this process, Mn/DOT and McLeod County were also evaluating their facility needs. All the stakeholders recognized that this was a unique opportunity to maximize their resources by investigating whether a joint facility would work to fulfill their needs in a cost-effective manner. In the end, the partnership effort involved Hutchinson, Mn/DOT, McLeod County, the State Patrol, and the Sibley/McLeod Regional Transit Authority.

In the initial stages of considering the feasibility of the partnership and what it would entail, a “Tri-Agency Framework” was established and used to identify issues and potential problems. This process took eight months, the end result of which was the decision to move forward with a joint maintenance facility used by all the partner stakeholders.

During the construction process, a slightly different decision-making framework was established. At this time, three groups were established, dealing with

1. Building Issues
2. Operations Issues
3. Jurisdictional Issues

An outcome of the work of these committees was a framework for building needs and operational issues, and a feasibility report, that documented a 20 percent savings to the City of Hutchinson realized by constructing a joint maintenance facility, as opposed to

the city constructing its own facility. This feasibility report was meant for and used by the three agencies involved as a communications tool.

The main goal of the effort was to save taxpayer dollars. Some of this savings would result from economies of scale realized by sharing the facility; however, some savings would result from the ability to more easily share equipment amongst the partners. This was already being done on a barter basis amongst the partners. Facilitating equipment sharing was an acknowledged goal of the partnership from the beginning.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Location          | <input type="checkbox"/> Timing    |
| <input type="checkbox"/> Past Relationship | <input type="checkbox"/> Financial |

**5. Would you characterize the culture of your partners' workplace as being similar to yours?**

No

**How did this similarity/dissimilarity affect the partnership process?**

The relationship was and is not unlike a marriage. All the players must be committed to making the relationship work, even though there are rough periods. People must remember why the partnership was entered into in the first place, what their commitments were, and make sure to keep the lines of communications open.

**6. What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

In the beginning, trust was established by trying to set as few rules as possible and to being open to new ways of doing business in order to ensure the freedom of the partnership. A Joint Powers Board (JPB) was established consisting of representatives of the partner agencies/jurisdictions to manage the facility. It was through regular meetings with this JPB that a sense of trust in the process was established. Having frequent and clear discussions of where you're going, where you've been, and what you've accomplished is very important.

**7. What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

None, although with a long-standing and ongoing partnership one issue to be aware of is that the players turnover with time. When new staff/players come on board, they may not be familiar with the history of the partnership and may not recognize its value and why it was entered into in the first place. An effort must be made to remind people of the benefits and commitments of the partnership in order to keep it alive and working.

**8. Were there obstacles that you encountered?**

**Yes**

**Describe the obstacles/barriers**

Some obstacles arose because of the desire of the partners to do equipment sharing. An example would be when the city borrowed a county grader, which was then struck by a driver on state right-of-way. Liability issues like this may arise.

Another issue more related to construction is the need to make sure that all the partners can access their share of construction dollars at the same time. Obviously, the more partners involved, the more complicated this process becomes.

Finally, just getting comfortable with everybody's unique processes and procedures can take some getting used to. Although it is worthwhile and you can learn better ways of doing business in the end, it is not always easy.

**9. Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Don't let people stop you from doing the right thing. If it's worth doing, then there will be a way to get it done.

**10. Why would other agencies benefit from a similar partnership?**

The ability to more easily share equipment/expertise and the cost savings of constructing a joint facility are all benefits.

**11. If given a choice, would you enter into such a partnership again?**

**Yes.**

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:** Wayne Fingalson

**Organization:** Wright County

**Partnership Information**

**Name of Partnership:** Hwy. 55 Coalition

**Date of Partnership:** 2001-Ongoing

**Type of Partnership:** Issues Coalition

**1. What was the intended outcome of this partnership?**

To provide funding for preservation of right-of-way for needed improvements to Hwy. 55 between I-494 and the Annandale city limits (approximately 40-mile long segment). The eventual aim is to construct identified improvements, but the initial focus of funding requests is to prepare official maps and implement other strategies to preserve right-of-way. Identified improvements include transitioning the corridor to a four-lane divided roadway to increase traveler safety and ensure adequate levels of interregional connectivity. In areas where the corridor is currently a 4-lane divided section, identified improvements include constructing a six-lane section. Other improvements include re-aligning skewed intersections with Hwy. 55.

The coalition was originally formed in 2001 with both Wright and Hennepin counties funding coalition activities. In general, the mandate from the counties was for the coalition to undertake activities that would elevate awareness of Hwy. 55 needs among corridor stakeholders, including the general public, private businesses, state and federal elected officials, and Mn/DOT. It was important, in the initial stages of the coalition, to have a key person (Wayne Fingalson) going before the county boards and organizing/mobilizing coalition members. Both Wright and Hennepin counties participated with an initial contribution of \$10,000. Since that time, the coalition has developed a “fee schedule” with proposed annual membership dues. These are \$1,000 each for counties and MSA cities (over 5,000 population), and \$250 for most townships. Private businesses and individuals are also encouraged to join the coalition. A joint powers board has been established to administer the partnership.

In 2002, the Minnesota State Legislature identified Hwy. 55 as a demonstration project. To date, Federal participation has been a total of \$1.5 million, with an additional (matching) amount from the State of \$375,000. This money will be used to do official mapping and other right-of-way preservation strategies.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**4. When you first began the partnership process, what factors were considered in the formation of the partnership?**

<input type="checkbox"/> Location	<input type="checkbox"/> Timing
<input type="checkbox"/> Past Relationship	<input type="checkbox"/> Financial

**5. Would you characterize the culture of your partners' workplace as being similar to yours?**

Yes

**How did this similarity/dissimilarity affect the partnership process?**

The similarity in cultures provided an understanding/awareness of how government works, such as timing of improvements, policy and legal constraints, etc.

**6. What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

There was a real sense of synergy and passion for increasing safety on the Hwy. 55 corridor. It helped that there was a commonly understood goal, and that everyone was able to rally around that simple, but powerful, theme.

**7. What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

None

**8. Were there obstacles that you encountered?**

Yes

**Describe the obstacles/barriers**

An ongoing obstacle is the reality of how concerted actions must be taken now to ensure that eventual construction of improvements is completed 10 years from now. In other words, for many people, this is a very distant timeframe, and keeping members energized and motivated to continue action can be challenging. This challenge is part of what motivated the coalition to hire a consultant to assist them in managing the daily operations and communications activities of the coalition.

**9. Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Get every stakeholder involved. Build a broad base of support because what you are doing is moving things through the political process. What is most persuasive to legislators is the depth and breadth of membership and support.

Five important issues coalition elements:

1. Identify a key person
2. Involve elected officials at the city/county level
3. Get professional help
4. Get the communities excited/involved.

**10. Why would other agencies benefit from a similar partnership?**

In a world of limited funding opportunities, an issues coalition is a means of providing a unified voice to speak on behalf of the needs of a corridor and advance projects through the funding/construction process. It is also a means of putting needs in a broader, corridor-oriented context, which may be more persuasive than speaking of several projects singly. Finally, an issues coalition can be influential on Mn/DOT's prioritization process through political and public action.

**11. If given a choice, would you enter into such a partnership again?**

Yes, this partnership is a very worthwhile effort, we should have done it 10 years sooner.

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:** Kristi Sebastian  
**Organization:** Dakota County

**Partnership Information**

**Name of Partnership:** Signal Maintenance Agreement w/Local Units

**Date of Partnership:** Ongoing

**Type of Partnership:** Staff/Expertise Sharing

**1. What was the intended outcome of this partnership?**

The partnership was intended to offer local units of government in Dakota County the ability to use County signal staff expertise to assist with maintain of traffic signals to correct a failure or malfunction. This sharing is done on a fee basis with fees charged according to staff used, the equipment used, and the time needed to do the work. Service is provided upon specific notification and request by the city for assistance subject to the limitations imposed by the availability of manpower, equipment, and replacement parts and the condition of the County road system.

Staff will log every maintenance activity into a database with accounts typically settled on a quarterly to annual basis. Maintaining the signals and keeping records for city locations is incorporated into the daily activities of the electrical technicians work as needed.

There is a joint powers agreement established. Any community wishing to enter into the agreement must first have their City Council pass a resolution entering into the agreement. Either party can discontinue the partnership. The County would give one year advance notice of the effective date of such termination. The City would provide written notice to the county if the County's services were no longer desired.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

- Location
- Timing
- Past Relationship
- Financial

**5. Would you characterize the culture of your partners' workplace as being similar to yours?**

**Yes**

**How did this similarity/dissimilarity affect the partnership process?**

**6. What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

It is important to recognize what the responsibilities are and are not within the partnership so needs are met of both the party requiring assistance and the agency providing service.

**7. What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

**8. Were there obstacles that you encountered?**

**No**

**Describe the obstacles/barriers**

**9. Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Make sure that there are clear lines of communication between all the partners. Partnership requires a close relationship.

Clear written documentation of each parties responsibility is key to ensuring expectations are met.

**10. Why would other agencies benefit from a similar partnership?**

There is the ability for all to save money. Smaller jurisdictions don't have to hire staff with expertise that may be used only occasionally, and larger agencies can accommodate this local need into their schedule to ensure consistency and reliability of the system as a whole and not just their specific jurisdiction.

**11. If given a choice, would you enter into such a partnership again?**

Yes. As long as providing this assistance does not create a huge burden on the County to undertake, the partnership serves a need for the cities in a consistent manner that is also financially beneficial.

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:**           **Bob Erickson**

**Organization:**       **City of Lakeville**

**Partnership Information**

**Name of Partnership:**       **Avalon/United/Opus Developers**

**Date of Partnership:**       **2000-Present**

**Type of Partnership:**       **Public/Private**

**1.    What was the intended outcome of this partnership?**

To facilitate development proposals received by the City of Lakeville deemed “premature” under the city’s “premature subdivision ordinance.” In other words, development for which needed urban infrastructure, in these cases, transportation improvements, was not included in the City’s five-year CIP.

Three examples of these types of partnerships were discussed, with common elements amongst them. All of the developments were proposed by private developers, with commercial/retail usages proposed varying from approximately 200,000 to 500,000 square feet. In all instances, traffic studies had demonstrated that the existing transportation system would not function adequately with the development in place, and neither Lakeville, Dakota County, nor Mn/DOT had any immediate plans to provide the improvements deemed necessary.

Two developments were proposed adjacent to interchanges with I-35 (I-35/CR 50, I-35/CR 60), with one development proposed at the intersection of two Dakota County roads (Dodd Road/Cedar Avenue).

I-35/CR 50 = \$11 million, including r/w (\$540,000 from state, County participation of \$4.1 million for r/w, United Properties acquired r/w = \$2 million).

Dodd Blvd. = Developer reconstructed Dodd for \$2.5 million (Crossroads Development).

CR 60 = Avalon Group contributed approx. \$500,000. Total project costs = \$3.5 million, balance joint between county/city.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

In the examples discussed, the need for improvements was evident, as existing conditions at the three locations where development was being proposed had been identified as insufficient and in need of upgrading for quite some time. Throughout the partnership process, the focus remained on providing the transportation improvements needed to facilitate the private development, advancing these projects on a timetable consistent with market needs.

It was still a key to success that the City be somewhat flexible, however. In the case of the development proposals adjacent to interchanges with I-35, the total “fix” needed to the roadways and interchange was so costly as to be prohibitive to the developer. In these instances, “interim fixes” were identified sufficient to ensure adequate operations ten years in the future, allowing the region time to identify funding to do a “full” fix.

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

- |  |                                    |
|--|------------------------------------|
| <input type="checkbox"/> Location          | <input type="checkbox"/> Timing    |
| <input type="checkbox"/> Past Relationship | <input type="checkbox"/> Financial |

**5. Would you characterize the culture of your partners’ workplace as being similar to yours?**

No

**How did this similarity/dissimilarity affect the partnership process?**

In the end, the dissimilarity was not a detriment, as each partner gained something from being respectful about the differences. In this example, the city gained from understanding and meeting the expeditious timetable established by the developers, while the developers gained a greater understanding for the city’s constraints and the processes that govern their actions.

**6. What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

None

**7. What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

None

**8. Were there obstacles that you encountered?**

**Yes**

**Describe the obstacles/barriers**

The major obstacles encountered were working within government processes while trying to meet private, entrepreneurial expectations.

**9. Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

The public sector should be more flexible and open to “taking things out of sequence”, in other words, to react to market opportunities and capitalize on them to the extent possible. These demands should be thought of as opportunities, not as problems. In this way, it can be appropriate to talk about the public sector being more entrepreneurial in the best sense of the word – achieving the best possible outcome while conserving public resources.

The City of Lakeville’s “premature subdivision ordinance” was a factor in the success of the process, as described. It established precedent and grounds for denying development proposals, and the process it established made transparent to the developer the burden on the existing urban infrastructure their development would place.

**10. Why would other agencies benefit from a similar partnership?**

Needed infrastructure can be built, and more improvements moved forward, with limited public funds. It should be noted that the approach and the experiences of Lakeville may be most relevant to developing urban areas at the fringe. In instances where there are little development pressures, there may be little leverage. In instances where site remediation costs may be extensive, there may be too much investment from the private sector needed with too little perceived return. However, in the City of Lakeville, this approach has worked to such advantage that there is great support for it from elected officials as well as the general public.

Don’t be afraid to let a private partner take control of the right-of-way acquisition process. They will have greater flexibility in this case than a public agency would, and may be more responsive to market demands.

**11. If given a choice, would you enter into such a partnership again?**

**Yes.**

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**Local Road Research Board (LRRB) Partnership/Bartership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:** Steve Schnieder

**Organization:** Nobles County

**Partnership Information**

**Name of Partnership:** Jackson County/City of Worthington/Townships/Rock County/Mn/DOT

**Date of Partnership:** Ongoing

**Type of Partnership:** Materials and Equipment Sharing

**1. What was the intended outcome of this partnership?**

To make more cost-efficient investment decisions. By sharing equipment, materials and even storage space, agencies and jurisdictions can be more efficient in their purchasing.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

The type of partnerships described here has been ongoing in Nobles County for quite some time. Depending on the circumstances, sometime transactions are handled as “barterships”, so that there is no cash exchange, but rather an in-kind return. An example of this would be Nobles County purchasing a roller, while the City of Worthington purchases a grader, and the two entities jointly share the two pieces of equipment. In other instances, transactions are handled with a rental fee, where a township, or city may borrow a piece of equipment and pay an hourly rate.

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

Location

Timing

Past Relationship

Financial

5. **Would you characterize the culture of your partners' workplace as being similar to yours?**

Yes

**How did this similarity/dissimilarity affect the partnership process?**

The similarity between the cultures of the partners helped to keep some of the sharing on a more informal basis. The informality of the arrangements is key to the success.

6. **What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

Paperwork and contracting were only used as absolutely necessary. The reason informality is key to this type of partnership is that circumstances can vary greatly and if an agency/jurisdiction has to draw up contracts, sign agreements, etc. for every transaction, it would quickly lose any value as a cost-effective measure. A blanket agreement is used to cover many eventualities.

7. **What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

All partners need to be sensitive to having equipment available and ready for use when one of the other partners has indicated it is needed. In other words, agreements have to be lived up to. This type of partnership only works if all parties involved feel that it is fair, and that values given and received are relatively equitable.

8. **Were there obstacles that you encountered?**

Yes

**Describe the obstacles/barriers**

The need to sign agreements on everything became cumbersome. Also, rental fees on equipment can sometimes entail more administrative hassle than investment return. An agency can track rental fees amongst partners over the course of a year and thereby have some hard data to back up assurances that, in the absence of collecting rental fees, equivalent value is actually being returned to all the partners.

9. **Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

A long-term perspective should be taken when thinking of benefits. Attention needs to be paid to make sure that all partners feel they are equally benefiting from the arrangement. Sometimes agreements have to be reached about issues, whether formal signed agreements or otherwise. An example of this is scheduling when some types of maintenance activities take place, assuming that one piece of equipment is shared among the partners.

It also helps to have a “champion” in this process; someone who takes on the responsibility to manage the process.

**10. Why would other agencies benefit from a similar partnership?**

They could realize more “bang for their buck.” For example, instead of a township, the county and a city all buying a grader, one entity could buy a grader while the other two both purchase another needed piece of equipment with all being shared jointly. These partnerships are good in establishing trust and relationships amongst agencies and jurisdictions.

**11. If given a choice, would you enter into such a partnership again?**

**Yes.**

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:** Tom Colbert

**Organization:** City of Eagan

**Partnership Information**

**Name of Partnership:** Joint Bidding For Street Maintenance Materials Program

**Date of Partnership:** Ongoing

**Type of Partnership:** Joint Purchase Agreement (JPA)

**1. What was the intended outcome of this partnership?**

This JPA partnership began 20 years ago with three cities participating. Presently, nine communities in Dakota and Scott County annually enter into a Joint Powers Agreement to let a road maintenance contract covering maintenance activities on all participating partners' roadways (i.e. sealcoating, crackfilling, street sweeping, traffic markings, etc). By letting this as a single contract, as opposed to each community individually letting a contract for maintenance activities, lower costs are charged to all because of economies of scale realized by the vendor.

In 1995, the participating communities received a certificate of commendation from Governor Arne Carlson for the partnership efforts of this JPA.

The City of Burnsville acts as the administrative agency for this JPA, and takes a small percentage (1-2 percent) of the other cities' contract costs as reimbursement. In this type of partnership, it is important for one community/individual to lead the effort.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

Location

Timing

Past Relationship

Financial

5. **Would you characterize the culture of your partners' workplace as being similar to yours?**

Yes

**How did this similarity/dissimilarity affect the partnership process?**

The similarity of cultures made partnering together very convenient.

6. **What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

There is an annual meeting of all participating agencies where issues and concerns are discussed and addressed. Changes are implemented only when there is a consensus between all partners

7. **What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

None

8. **Were there obstacles that you encountered?**

Yes

**Describe the obstacles/barriers**

The biggest obstacle for this type of partnership is coordinating the timing of activities to take place under the joint purchase agreement. Especially in this instance, with up to nine communities using one contractor, there must be some clear understanding of timing of activities so that it satisfies an individual community's needs and still makes sense from a timing and staging perspective for the vendor. A working group of the partnering agencies and the successful contractors then meet to come to consensus on timing issues. There is likely some upper limit in terms of the number of communities that can participate, especially for a joint-purchase agreement focused on maintenance activities, which can only be accomplished in Minnesota in a brief window of time.

9. **Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Just do it. It's not difficult to accomplish and the benefits far outweigh any drawbacks.

10. **Why would other agencies benefit from a similar partnership?**

There is the ability for all to save money. Smaller jurisdictions don't have to have to hire staff with expertise that may be used only occasionally, and larger agencies can ensure that their staff are busy and their time well spent.

11. **If given a choice, would you enter into such a partnership again?**

Yes! In a New York second.

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts  
Case Study Discussion Guide**

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**Responder Information:**

**Name:** Jon Haukaas

**Organization:** City of Fridley

**Partnership Information**

**Name of Partnership:** Regional Mutual Aid Association

**Date of Partnership:** Ongoing

**Type of Partnership:** Mutual Aid

**1. What was the intended outcome of this partnership?**

To provide member jurisdictions assistance during extraordinary events, whether weather-related emergencies, or other types of emergency situations. Presently, there are 48 members of this association, made up of Twin Cities metropolitan area communities. Membership is limited to Twin Cities area cities or counties, and membership dues consist of a \$10.00 annual fee.

The primary focus of membership activities is the compilation of an active database of equipment and other resources member agencies may draw upon during times of emergencies. This activity does require that one jurisdiction or individual take responsibility for the association. Currently, this role is filled by the City of Fridley.

Typically, entities are not charged for equipment usage, if it is for a short duration. However, there are mechanisms in place to charge fees if longer periods of assistance are required.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

Location

Timing

Past Relationship

Financial

4. **Would you characterize the culture of your partners' workplace as being similar to yours?**

**Yes**

**How did this similarity/dissimilarity affect the partnership process?**

Since potential partners are defined as a city or county public works department, there is a built-in understanding of the requirements and needs of the partners. This similarity has made the partnership process much easier.

5. **What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

Beyond the compilation of member resources and emergency contact information, partnership activities consist of an annual meeting, which is a forum to air ideas for improving partnership processes and sharing new information about public works equipment and procedures. This ongoing contact is a benefit to the partnership.

6. **What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

**None**

7. **Were there obstacles that you encountered?**

**Yes**

**Describe the obstacles/barriers**

One obstacle is the time and effort that keeping an up-to-date database entails. However, this is essential to keeping the partnership relevant. Another difficulty can be serving all partners' emergency needs during weather-related emergencies, when all communities are in need of assistance. However, these obstacles are minor in comparison to the benefits of such a partnership.

8. **Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Designate a responsible entity in charge of keeping current with the administrative affairs of the partnership. Communications are critical and keeping up with current contact information is very important.

9. **Why would other agencies benefit from a similar partnership?**

There is much to be gained from having an awareness of other "neighbor" community resources. The benefits of having resources available during an emergency far outweigh the minor costs of establishing such a partnership.

10. **If given a choice, would you enter into such a partnership again?**

**Yes.**

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**Local Road Research Board (LRRB) Partnership/Bartership Efforts  
Case Study Discussion Guide**

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**Responder Information:**

**Name:** Tom Foley

**Organization:** City of Richfield

**Partnership Information**

**Name of Partnership:** Best Buy

**Date of Partnership:** 2001-2003

**Type of Partnership:** Public/Private

**1. What was the intended outcome of this partnership?**

To reconstruct the Penn Avenue interchange with I-494, and facilitate development of the Best Buy headquarters at that location.

Reconstruction of the Penn Avenue interchange had been identified as a needed improvement during a previous planning process, the I-494/1-35 design study. During this process, an interchange design was jointly agreed-upon with FHWA, Mn/DOT, Hennepin County and the cities of Richfield and Bloomington. However, there was no funding identified to implement this improvement. Shortly after this planning process concluded, Best Buy began to make inquiries regarding the site at I-494 and Penn Avenue and whether it would be sufficient to locate their corporate headquarters. During the course of preparing traffic studies key to the feasibility of this relocation it became clear that the site would not serve Best Buy's needs unless the Penn Avenue interchange were replaced.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

Location

Timing

Past Relationship

Financial

5. **Would you characterize the culture of your partners' workplace as being similar to yours?**

**Yes**

We learned that Best Buy was a creative company that took a long-term perspective in reviewing proposals. Many of the enhancements proposed would not normally be paid for using private company funds.

**How did this similarity/dissimilarity affect the partnership process?**

The similarity between the cultures made it easier to put together an innovative financial package. However, it was key to the success of the eventual construction that the interchange design had been agreed to amongst public agency partners in advance. Had this not been the case, then the speed with which the reconstruction occurred, which was crucial to Best Buy's relocation, would likely not have been possible.

6. **What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

In the beginning, there was some lack of trust/belief on the part of Best Buy that Richfield could adhere to a tight construction schedule consistent with their needs. In order to overcome this, Richfield submitted weekly status reports to Best Buy summarizing progress on the project, identifying obstacles, and setting a plan for overcoming those obstacles. After about three months, as Best Buy began to feel more comfortable and trusting of city staff/project managers, these status reports were no longer used.

On the part of the city, there was some initial distrust that Best Buy would live up to their financial responsibilities in partnering to construct the interchange. Negotiating and signing a development agreement between the city and Best Buy helped to allay these fears. A critical element in the development agreement was a \$7 million contribution by Best Buy to the Penn Bridge Project. As costs escalated, the contribution that had originally been intended to be a zero-interest loan to the city became an outright grant from Best Buy to the city.

7. **What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

**None.**

8. **Were there obstacles that you encountered?**

**Yes**

**Describe the obstacles/barriers**

The private sector has greater control over project schedules than the public sector has. This led to a suspicion that the city could not match the tight schedule set by Best Buy for building its new headquarters. The Penn Avenue Bridge had to be completed before the headquarters could be opened as a requirement of the environmental impact statement process.

Securing funding from Mn/DOT and other sources (to cost-share with Best Buy) was difficult. Funding was first requested through the Metropolitan Council's biennial STP federal funding application process. However, since the Best Buy deal was in the initial stages of coming together, putting together an application that ranked high enough given the Council's criteria was difficult and, in fact, the project did not receive federal funding through this process. The next recourse was to seek federal funding through Mn/DOT's Transportation Revolving Loan Fund (TRLF). In the end, the city was successful in this endeavor, although it took some negotiating. The city was also forced to ask the U.S. Congress to amend federal law to allow the use of previously approved Federal Highway High Priority Project (HPP) funds on the Penn Avenue Bridge. This request was successful and proved essential to the project's success.

Other obstacles entailed legal challenges from parties whose property would be acquired as part of the construction process, but who were unwilling sellers. Challenges to using eminent domain to facilitate a private (Best Buy) development were made, although they were not upheld in the end.

**9. Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

A long-term perspective should be taken when thinking of benefits. Attention needs to be paid to make sure that all partners feel they are equally benefiting from the arrangement. Sometimes agreements have to be reached about issues, whether formal signed agreements exist or not. An example of this is a design study on the redesign of the I-494/I-35W interchange that was completed prior to the forming of the partnership needed to rebuild the Penn Avenue Bridge. This simplified and expedited many design decisions that had to be made on the bridge project.

It also helps to recognize the importance of leadership in this process. While the Minnesota Department of Transportation normally would be the responsible agency for rebuilding the Penn Avenue Bridge, the City of Richfield served as lead agency to have the new bridge built in 2001. This made sense because the City stood to gain considerable economic benefits by having the Best Buy headquarters built in Richfield. The City as the most motivated agency would see to it that the project was completed quickly.

While partnerships involve the complexity of involving additional organizations, they also provide the opportunity to draw on the strengths of each organization to carry out a variety of tasks requiring different skills. In the perfect partnership each task is assigned to the organization best qualified to perform the task.

The amount of risk should be shared fairly among the partners. This did not happen in the Penn Avenue Bridge case. The City was solely responsible for any cost increases. As project costs increase, an understanding needs to exist on sharing in the increased costs that are common to most projects.

Success breeds success. The City is working with Best Buy on a proposal for a new transit hub and express bus service. MnDOT is beginning to discuss ways to hasten the reconstruction of the I-35W/I-494 interchange.

**10. Why would other agencies benefit from a similar partnership?**

Partnerships could become increasingly important if the Minnesota Legislature does not provide additional funding for major transportation projects. Using the Penn Bridge Project as an example, state and local governments need to explore other major projects where partnering should be considered. They could realize more “bang for their buck.” At the state level, project funding should become increasingly responsive to opportunities arising in the private sector. Private funds could be used to match limited public funds as a means to hasten the construction of major transportation improvements. These partnerships are good in establishing trust and relationships amongst agencies and jurisdictions. The state of Minnesota should explore new and existing funding mechanisms that would encourage private funds to be used in financing transportation projects.

**11. If given a choice, would you enter into such a partnership again?**

**Yes.**

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**Local Road Research Board (LRRB) Partnership/Partnership Efforts**  
**Case Study Discussion Guide**

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**Responder Information:**

**Name:** Dave Skelton

**Organization:** St. Louis County

**Partnership Information**

**Name of Partnership:** Hibbing/Mn/DOT/State Patrol

**Date of Partnership:** 1999-Ongoing

**Type of Partnership:** Joint Maintenance Facility

**1. What was the intended outcome of this partnership?**

To maximize individual jurisdiction and agency resources by constructing one facility to serve all agency/jurisdictional needs. In so doing, environmental damage of storing salt and other roadside maintenance materials would be minimized, and the process of equipment sharing, which is also a means of maximizing financial resources, would be facilitated.

St. Louis County has actually constructed two joint maintenance facilities thus far, and is in the process of constructing a third. The processes discussed here include a facility constructed in Hibbing between St. Louis County, Hibbing, Mn/DOT and the State Patrol, and a facility constructed in Pike Lake between St. Louis County, Mn/DOT and Duluth. The facility that is in process would be located in Ely and shared with Mn/DOT, St. Louis County, Lake County, Ely and Morris Township.

**2. Did the end result differ in any way from the original intended partnership goal?**

No

**3. When you first began the partnership process, what factors were considered in the formation of the partnership?**

Location

Timing

Past Relationship

Financial

5. **Would you characterize the culture of your partners' workplace as being similar to yours?**

Yes, between the cities and counties, but there were differences in working with Mn/DOT most of which had to do with heightened requirements that had to be met due to statutory restrictions under which they operate.

**How did this similarity/dissimilarity affect the partnership process?**

The dissimilarity between the culture of more informal partnering between the cities and counties and Mn/DOT mainly resulted in slowing the process down. In the end, the partnership resulted in its intended outcome—construction of a joint maintenance facility—but the dissimilarity led to some unforeseen delays.

6. **What actions/attitudes, etc. did your partner take that increased your sense of trust in their motivations/actions?**

A design committee was initiated consisting of all the partners involved in the process, ensuring equal representation. This committee became the forum to bring forward concerns and to address issues that arose during the process. It also was the place to reach consensus on building needs. The makeup of this group can shift over time, so that, in the initial stages of project development, when policy level issues are being addressed, policy folks are around the table. During subsequent phases, you may need to make sure that operators are there to give very specific input on space needs for certain kinds of activities, and to take part in ongoing meetings with architects.

7. **What actions/attitudes, etc. did your partner take that decreased your sense of trust?**

None

8. **Were there obstacles that you encountered?**

Yes

**Describe the obstacles/barriers**

Working out contractual issues with Mn/DOT presented certain obstacles; however, after the learning curve for the first facility, things moved forward more smoothly on the second joint maintenance facility project.

9. **Knowing what you do now, what advice would you have to give someone considering entering into a similar partnership?**

Understand as much as possible the statutory limitations of the various partners before the process begins so that you can address some of them up front. Specifically, one thing that was learned during these partnership efforts is that Mn/DOT must own the land on which any building for which they have contributed construction funds is built. If not, then leasing arrangements can be worked out with Mn/DOT, but they will not contribute to construction costs.

Providing in-kind work can be a way for a partner to contribute to the effort. St. Louis County did so for these facilities by doing some of the site preparation work. However, one lesson learned is that site work should never extend to going below grade (excavation). Use contractors to do this work as they are better equipped to do so.

This type of project should be split into phases. St. Louis County uses three project phases for this type of activity, 1) a preliminary needs assessment, resulting in very rough space needs/cost estimates, 2) a preliminary design phase, during which cost estimated/space needs are refined and identified by partner, and 3) a construction phase. NOTE: it is important to identify a “bail-out” clause in each phase of the project allowing a partner to withdraw if project costs or other issues cause them to re-think the feasibility of their participation.

**10. Why would other agencies benefit from a similar partnership?**

Benefits from this type of effort include the ability to save money, buy building a facility jointly, realizing some economies of scale in terms of providing maintenance/storage areas, as well as saving money by facilitating equipment sharing amongst the partners.

**11. If given a choice, would you enter into such a partnership again?**

**Yes.**