



Carver County Board of Commissioners
August 9, 2011
Work Session
County Board Room
Carver County Government Center
Human Services Building
Chaska, Minnesota

PAGE

WORK SESSION

- 9:15 a.m. **A. B. FINANCES: Improve the County's financial health and economic profile**
- 1. Carver County Community Development Agency 2012 budget request 1-8
 - 2. Carver County Regional Rail Authority 2012 budget request 9-12
- 10:15 a.m. **BOARD REPORTS**
- 1. Chair
 - 2. Board Members
 - 3. Administrator
 - 4. Adjourn

David Hemze
County Administrator

UPCOMING MEETINGS

- | | |
|--------------------|--|
| August 16, 2011 | 2:30 p.m. Open Fiber Kick Off Ceremony,
Public Works Headquarters |
| August 16, 2011 | 4:00 p.m. Board Meeting |
| August 23, 2011 | 9:15 a.m. Board Meeting |
| August 30, 2011 | No Meeting |
| September 6, 2011 | 9:15 a.m. Board Meeting |
| September 13, 2011 | 7:30 a.m. ACCEL Meeting, EOC Room |
| September 13, 2011 | 9:30 a.m. Work Session |

Carver County Board of Commissioners Request for Board Action



Agenda Item:

Budget Hearing - CCCDA

Primary Originating Division/Dept: <u>Administration (County)</u>	Meeting Date: <u>8/9/2011</u>
Contact: <u>David Frischmon</u> Title: <u>Finance Director</u>	Item Type: <u>Work Session</u>
Amount of Time Requested: <input type="text"/> minutes	Attachments: <input checked="" type="radio"/> Yes <input type="radio"/> No
Presenter: <input type="text"/> Title: <input type="text"/>	

Strategic Initiative:
 Finances: Improve the County's financial health and economic profile.

BACKGROUND/JUSTIFICATION:

Community Development Agency will present their 2012 Budget and Levy request to the County Board. See attached for additional details.

ACTION REQUESTED:

None - informational only

<p>FISCAL IMPACT: <u>None</u> If "Other", specify: <input style="width: 250px; height: 20px;" type="text"/></p>	<p>FUNDING</p> <table style="width: 100%;"> <tr> <td style="width: 70%;">County Dollars =</td> <td style="width: 30%;"><input style="width: 100%;" type="text"/></td> </tr> <tr> <td></td> <td><input style="width: 100%;" type="text"/></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$0.00</td> </tr> </table>	County Dollars =	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>	Total	\$0.00
County Dollars =	<input style="width: 100%;" type="text"/>						
	<input style="width: 100%;" type="text"/>						
Total	\$0.00						

FTE IMPACT: None

Related Financial/FTE Comments:

Office use only:
 RBA 2011- 719

Carver County Community Development Agency

For the 2012 budget, the Carver County Community Development Agency (CDA) is proposing a (3.17%) impact on taxpayers which equates to a 1.47% reduction in the budget. For the 2011 budget, the CDA maintained its 2010 levy that reduced the 2011 budget by \$33,209. When the reduction for 2011 is added, the total cut in the CDA levy since 2009 is \$178,974.

The following table summarizes the budget for the CDA.

Carver County Community Development Authority						
Budget Summary	2010 Actual	2011 Budget	2012 Requested	2012 Approved	% Change 2011-2012	Change In Levy
Revenue total	2,204,214	(3,175,958)	(2,066,818)	(2,066,818)	(34.92%)	(28,967)
Expenditure total	4,169,314	5,141,058	4,002,951	4,002,951	(22.14%)	
Tax dollars needed	1,998,309	1,965,100	1,936,133	1,936,133	(1.47%)	

Rental Housing Programs

The CDA administers a variety of housing programs in Carver County that assist households with various affordable housing options. The following is a summary of the major rental programs:

Public Housing - The CDA owns and operates a Federally subsidized Public Housing Rental Program that consists of 81 units scattered thru-out the county that range from apartment style units to single family homes. This program is for households at or below 80% of Area Median Income (\$44,950 for 1 person). The CDA waiting list is currently open for applicants to apply.

The CDA administers a variety of smaller rental assistance programs with funding provided through a variety of agencies that include HUD, the State of Minnesota and Minnesota Housing. These programs are offered in collaboration with the First Street Center/Mental Health Department and The Carver-Scott Educational Cooperative’s New Beginnings Program.

The CDA owns four rental developments within the county that consist of affordable, work force housing; over 200 units that range from efficiency type units to three-bedroom townhomes.

Senior Housing - The CDA also owns over 100 units of 55+ housing for seniors looking to down-size into a more manageable housing unit in a senior, socially active community.

Housing Counseling -Fiscal years:

Oct 1, 2009 - Sept 30, 2010 assisted 2,905 clients

Oct 1, 2010 – June 30th, 2011 assisted 2,039 clients (partial year third quarter data as reported to HUD)

Of those 2,039 clients, 475 were “underserved populations”, i.e. people of color, single head of household, disabled head of household

Incomes Served:

30-<50% of Area Median Income (AMI)	1,031 households
50%-79% of AMI	468 households
80%-100% of AMI	241 households
100% of AMI	299 households

Counseling Services Provided:

116 Home Buyer Education Services
1,280 Mortgage Delinquency Counseling
34 Home Maintenance Inquiries
608 Rental Asst. Counseling
5 Homeless/Displacement

Carver County Sheriff sales from January 1 - June 30th, 2011 were at 178. Scott County Sheriff sales January 1 - June 30th, 2011 were at 386. The federal dollars this agency receives through HUD covers the administrative costs for counselor time in Scott County. The CDA continues to be a high performing agency through its key partnerships with the Minnesota Housing and Home Ownership Center coupled with its recent achievements. The CDA will continue to be a viable resource to residents of both Scott and Carver Counties for their housing counseling needs.

CDA Economic and Community Development Programs

The CDA oversees a variety of Federal and State programs including the Small Cities Development Program, Housing Counseling, the Minnesota Housing Finance Agency Programs and other grants that are awarded to the CDA at various times.

The CDA has a partnership with the Land & Water Services, Planning & Water Management; and Environmental Services departments to process applications, administer low-interest loan funds, and apply special assessments to properties for homeowners that replace Individual Sewage Treatment Systems (ISTS) throughout Carver County.

- The CDA actively works with Carver County cities, Chambers of Commerce and local businesses to promote Carver County as a prospective place to locate their business.
- The CDA provides technical assistance to cities and their businesses with expansion plans; and to develop funds for development and redevelopment projects.
- The CDA is an active partner in the 2030 Comprehensive Plan, implementation of the Plan and updates for Carver County cities.
- The CDA operates the CDA Business Loan Fund (BLF) and makes loans for commercial/industrial companies that are eligible. The main focus of the BLF is job creation and redevelopment and/or expansion of business properties. The CDA BLF primarily serves as “gap financing” and requires participation from other parties. The CDA typically requires a minimum 50% bank or private financing, a minimum of 10%

equity from the borrower, and will be subordinate to the local bank. The CDA BLF primarily serves as “gap financing” and requires participation from other parties.

- The CDA actively looks for properties and development sites in the County to develop new senior and affordable workforce rental housing to meet the housing demand outlined in the Carver County 2030 Comprehensive Plan

2011 Major Accomplishments & Challenges

Commercial/Industrial Projects:

Chaska

1057 and 1059 Stoughton Avenue Redevelopment Project: The Carver County CDA and City of Chaska jointly financed a redevelopment project at two historic Chaska Brick buildings that were vacant and falling into disrepair. The CDA loaned \$150,000 to developer Topaz Investments, LLC (Jason Palmby) of Chanhassen for purposes of acquiring and redeveloping the buildings for lease to CD Recovery Services, Inc. for the creation of a minimum of 8 new jobs and the rehabilitation of two historic structures near downtown. Five Star CD Recovery Services will operate the facilities as a residential chemical dependency treatment center for men. The City provided a \$25,000 loan in partnership with the CDA. The project began in July 2011.

Chanhassen

Custom Fab Solutions: The CDA continues working with CFS in Chanhassen to allow them to expand their operations and add employees.

Watertown

Adult Training and Habilitation Center (ATHC): The CDA provided \$150,000 in CDA Business Loan financing and \$50,000 in a forgivable grant to ATHC in late 2010 and worked with the company through early 2011 so that it could successfully launch a 13,000 square-foot specialty recycling center in the new Watertown Industrial Park. The project broke ground in the summer of 2010. Construction was completed, and there needs to be a minimum of 20 new jobs created at the facility over a period of two years for the grant to be forgiven. As of July 1, 2011, the company already employs 20 people and according to the company is on track for a total employment of 25 at the facility by 2012. They added another shift in summer of 2011.

New Projects undertaken in 2011

- **Carver:** The CDA purchased 36 acres in Dahlgren Township along County 11 south of new Highway 212. The CDA and City are working together to develop plans for the eventual development of the 36 acres.
- **Waconia:** The CDA purchased approximately 6 acres in the City of Waconia on Airport Road by Target to be used for the development of affordable workforce housing. We would like to start construction in 2012.

- **Greater Minneapolis-St. Paul Economic Development Partnership:** The Carver County CDA and Carver County have been working in 2011 on developing a new economic development strategy and public awareness campaign for joining the new private-public regional economic development partnership to serve the Twin Cities metro area.

Grants:

- **Norwood Young America, Hamburg, Cologne:** The CDA administers a Small Cities Grant for the Cities of Norwood Young America, Hamburg and Cologne to rehab up to 20 single-family homes within those communities. Thirteen were completed in 2011, and the remaining seven homes are expected to be completed in 2011.

Special Studies/Projects:

- Multi-Modal Rail Facility

The CDA continues to work with the County and private developers to continue these efforts.

- Carver County Fiber Ring Project

The CDA is an active participant and partner with Carver County to develop and implement the fiber network throughout Carver County that will ultimately serve local governments, schools, cities, libraries and local businesses.

Ongoing Initiatives

- Develop workforce, senior, and affordable housing in Carver County so workers can live and work here in Carver County, which will support economic development and business throughout the county.
- Promote redevelopment within the cities of Carver County through new mixed-use projects which promote downtown living and shopping.
- Plan and integrate economic development and housing projects that will occur as the result of the Highway 212 corridor being improved.
- Provide marketing, technical assistance to cities, and business finance resources to industrial and business park developments in the county.
- Establish and maintain high quality service with interested stakeholders to build a collegial working relationship that contributes to CDA initiatives.
- Provide support services to Carver County Planning & Water and Environmental Services to coordinate, develop, and maintain efficiencies related to activities of the 2030 Comprehensive Plan.
- Work towards attracting new sources of capital and investment to Carver County through the establishment of Angel Fund Venture Investments for promising and high growth fields such as biosciences and alternative energy, animal health, medical devices, diagnostics/vaccinations and pharmaceuticals.

- Make strategic railroad investments in the Tacoma Industrial Park in Norwood Young America to assist industrial business.
- Participate in the planning and public process and support cities regarding the new Hwy. 212 MnDOT project proposal expanding from four lanes from the City of Carver to the City of Norwood Young America.
- Continue to work with the TC & W Railroad, Carver County cities, MNDOT, SW Transit, Vision 212 Group, and Carver County Board to promote the development of commuter rail, and linked transit stations with workforce housing centered on job/transportation hubs.

Projects on Hold Due to a Lack of Funding

- Project in the City of Watertown – Senior Housing
- Bioscience Building: The CDA is working with the City of Chaska and a private medical device company to build a plant in the City and to also build a biosciences incubator facility.
- Angel Investment Fund.

COMMUNITY DEVELOPMENT AGENCY BUDGET SUMMARY

GENERAL FUND	2010 Actual	2011 Budget	2012 Requested Budget	Dollar Inc/Dec.	Percent Inc/Dec.
REVENUES					
Total Administrative Revenues	821,833	739,225	427,995	(311,230)	-42.10%
Total Pass-Through Grant Funds	1,238,629	1,453,000	584,420	(868,580)	-59.78%
Total CDA Special Benefit Levy	1,965,100	1,965,100	1,936,133	(28,967)	-1.47%
Total Revolving Loan Funds	171	175	155	(20)	-11.43%
Total Other Revenues	1,106,312	974,558	1,054,248	79,690	8.18%
TOTAL REVENUES	5,132,045	5,132,058	4,002,951	(1,129,107)	-22.00%
EXPENDITURES					
Total Administrative & Operating Expenses	3,270,341	2,736,107	2,705,529	(30,578)	-1.12%
Total Pass-Through Grant Funds	670,998	1,453,000	584,420	(868,580)	-59.78%
Total Other Expenditures	227,975	942,170	713,002	(229,168)	-24.32%
TOTAL EXPENDITURES	4,169,314	5,131,277	4,002,951	(1,128,326)	-21.99%
DIFFERENCE BETWEEN GENERAL FUND REVENUES & EXPENDITURES	962,731	781	-	(781)	0.00%
ENTERPRISE FUND					
Total Apartment Buildings Revenues	4,431,832	3,986,799	4,520,469	533,670	13.39%
Total Apartment Buildings Expenditures	4,043,937	3,986,799	4,520,469	533,670	13.39%
DIFFERENCE BETWEEN ENTERPRISE REVENUES & EXPENDITURES	387,895	-	-	-	0.00%
TOTAL CDA DIFFERENCE BETWEEN REVENUES & EXPENDITURES	1,350,626	781	-	(781)	-



Taxpayer Services Department
 Laurie Engelen, Manager
 Carver County Government Center
 600 East Fourth Street
 Chaska, MN 55318-2102

Phone: 952-361-1910
 Fax: 952-361-1919

**Pay 2012 - CDA Maximum Levy Allowed
 per MS 469.033 Subd.6**

Allows for \$28,967 decrease to CDA levy.

Pay 2011		
Based on certified levy amount of:		\$ 1,965,100
County Rate of:		1.77660992%
Market Value	2011 Tax Capacity	2011 Actual
\$277,200	2,772	\$ 47.05

Pay 2012 Preliminary Estimate		
Based on proposed levy amount of:		\$ 1,936,133
Proposed County Rate of:		1.78901524%
Market Value	2012 Tax Capacity	2012 Estimated
\$267,800	2,678	\$ 45.56

Impact to Taxpayer	Market Value	Difference in County Tax
	277,200/267,800	\$ (1.49)

- * Tax dollars for Actual Pay 2011 & Preliminary Estimated Pay 2012 are after reduction of approximate CDA portion 1.79% of applicable Residential Homestead Market Value credit.
- * Residential Homestead credit applicable only to properties under \$413,778. Credit reaches maximum reduction of \$304 at market value of \$76,000 and phases out based upon market value exceeding \$76,000.
- * Estimated Pay 2012 FD Table VIII distribution of \$201,339 used to adjust levy. This was calculated using Pay 2011 Table VII amounts from Anoka County.
- * Estimated Pay 2012 are before open book, local boards and Board of Equalization adjustments.
- * These estimates are based on average estimated market values received from Carver County Assessor's office.

Carver County Board of Commissioners Request for Board Action



Agenda Item:

Budget Hearing - CCRRA

Primary Originating Division/Dept: <u>Administration (County)</u>	Meeting Date: <u>8/9/2011</u>
Contact: <u>David Frischmon</u> Title: <u>Finance Director</u>	Item Type: <u>Work Session</u>
Amount of Time Requested: <input type="text"/> minutes	Attachments: <input checked="" type="radio"/> Yes <input type="radio"/> No
Presenter: <input type="text"/> Title: <input type="text"/>	

Strategic Initiative:

Finances: Improve the County's financial health and economic profile.

BACKGROUND/JUSTIFICATION:

The Carver County Regional Rail Authority will present their 2012 Budget and Levy request to the County Board. See attached for additional details.

ACTION REQUESTED:

None - informational only

FISCAL IMPACT: None

If "Other", specify:

FTE IMPACT: None

FUNDING

County Dollars =	<input type="text"/>
	<input type="text"/>
Total	\$0.00

Related Financial/FTE Comments:

Office use only:
RBA 2011- 718

Carver County Regional Rail Authority

Description

The Carver County Regional Rail Authority (CCRRA) is governed by five Commissioners appointed by the Carver County Board of Commissioners. In Carver County the CCRRA Commissioners are the County Board Commissioners. The Public Works Division manages projects and work activities for the CCRRA. The purpose of the CCRRA is to provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic and provide for the preservation of abandoned rail right-of-way for future transportation uses, when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines. The CCRRA levies separately from Carver County to fund regional rail projects and activities. The proposed 2012 levy is \$120,000. Several other funding sources are used to augment the CCRRA levy for property acquisition, corridor preservation, management and development. The following table summarizes the CCRRA Fund.

Revenues		2010 Actual	2011 Budget	2012 Requested Budget	Dollar Inc/Dec 2011-12	Percent Inc/Dec 2011-12
Account #/Category						
5000	Taxes & Penalties	123,033	120,000	120,000	-	0.00%
5100	Licenses & Permits	-	-	-	-	0.00%
5200-5400	Intergovernmental	-	-	-	-	0.00%
5500	Charges for Services	-	-	-	-	0.00%
5600	Fines & Forfeitures	-	-	-	-	0.00%
5700	Investment Earnings	-	-	-	-	0.00%
5750	Gifts & Contributions	-	-	-	-	0.00%
5800-5900	Other Revenues	-	-	-	-	0.00%
TOTAL REVENUES		123,033	120,000	120,000		0.00%
Expenditures						
6000	Public Assistance	-	-	-	-	0.00%
6100	Personal Services	-	-	-	-	0.00%
6200-6300	Services & Charges	18,757	2,500	10,000	7,500	300.00%
6400-6500	Material & Supplies	160	-	-	-	0.00%
6600	Capital Outlay	-	353,500	-	(353,500)	-100.00%
6700	Debt Services	-	-	-	-	0.00%
6800	Other Expenses	-	-	-	-	0.00%
6900	Transfers	82,561	-	210,000	210,000	100.00%
TOTAL EXPENDITURES		101,478	356,000	220,000	(136,000)	-38.20%
CAPITAL RESERVES USED			236,000	100,000	(136,000)	-57.63%
DIFFERENCES BETWEEN REVENUES & EXPENDITURES		21,555	-	-	-	0%

CCRRA is currently involved with two rail corridors, the Dakota Rail Line which has been abandoned, and the Union Pacific Rail Line which is in the process of being abandoned. Activities and projects on these corridors are described below.

Dakota Rail Line

The CCRRA partnered with the Hennepin County and McLeod County Regional Railroad Authorities and the Minnesota Department of Transportation (MnDOT) in 2000 to acquire the abandoned Dakota Rail Line. The goal of the acquisition was to preserve the corridor for future transportation and provide an interim trail use along the abandoned line which serves several purposes including providing a non-motorized transportation corridor, a recreational corridor and an effective method to preserve and manage the corridor for future rail transportation. A portion of this line extends 12 miles across the northern part of Carver County from the west to east county line. Survey work has been done to identify what is railroad property, and signage has been installed to identify the railroad boundary.

The County Parks Department completed a Regional Trail Master Plan for developing the Dakota Regional Trail in 2006. This master plan supports a number of non-motorized uses along the abandoned rail line while preserving it for future transportation.

Phase I Dakota Rail Regional Trail

Federal Transportation Enhancement funding was awarded to Carver County through the 2007 Regional Solicitation process to construct a pedestrian trail from the east County line to the city of Mayer. In 2009 the project received additional federal funds through the American Recovery Reinvestment Act (ARRA). This new trail segment completed in 2011 is the first regional trail operated by Carver County. Additional funding for the construction of the trail on Carver County Regional Railroad Authority property was provided by the CCRRA levy and funds from the Legacy Amendment, Parks and Trails Fund (sales tax).

Phase II Dakota Rail Regional Trail

Trail planning work for Phase II of the Dakota Rail Regional trail is underway. This segment of trail connects to Phase I of the trail in Mayer and will continue west to the county line past the City of New Germany a distance of approximately 5 miles. The trail is planned to be a 10-foot wide bituminous trail consistent with the previously constructed Phase I segment of the trail. Construction for this segment of trail is planned in 2012. In the 2009 Regional Solicitation, Carver County was awarded \$1 million in federal Transportation Enhancement funds to construct the trail. Additional funding for the trail will be provided by the CCRRA levy and funds from the Legacy Amendment, Parks and Trails Fund (sales tax). This project will complete the Dakota Rail Regional Trail and will provide an effective way to preserve the corridor for future rail.

Dakota Rail Corridor Management

During 2010 and 2011, buildings were removed from Dakota Rail corridor in New Germany. These building included a feed mill, storage building and an old garage building located in the depot area of New Germany. The buildings were in a dilapidated state and no longer served a productive function.

Union Pacific Rail Line

Beginning in 2008, the Carver County Regional Rail Authority in conjunction with the Scott County Regional Railroad Authority have worked to acquire the Union Pacific Railroad Chaska Industrial Lead, a 5 mile rail line that extends from the United Sugars business in Chaska to the City of Carver and across the Minnesota River near Merriam Junction. The acquisition was completed in 2011. Stated purposes for acquiring the railroad corridor included preservation of the corridor for future transportation, utilities, road right-of-way, as well as interim trail use. Acquisition of the railroad corridor was funded from Metropolitan Council Acquisition Opportunity Fund, Metropolitan Council Environmental Services fund, as well as the Carver and Scott County Regional Railroad Authorities.

Response Action Plan for Union Pacific Rail Line

Following the Union Pacific Rail corridor acquisition, a Phase II Environmental Investigation will be performed to determine the level of contaminants and pollutants within the railroad corridor. The Phase II investigation will be funded by the Minnesota Pollution Control Agency. To deal with levels of contamination in future projects within the railroad corridor, a Response Action Plan will be needed. This information will be useful in providing necessary information needed to develop plans and specification for construction projects in the railroad corridor. The Response Action Plan will be completed in 2012 using CCRRA funds.

Extension of the Minnesota River Bluffs Regional Trail

In 2011, Carver County submitted an application for federal Transportation Enhancement funding to construct an extension of the Minnesota River Bluffs Regional Trail along the Union Pacific Rail corridor from Chaska Athletic Park to the City of Carver. Additional funding for the trail project is anticipated to come from the CCRRA and the Legacy Parks and Trail Fund. Engineering work will likely begin in 2013.

The 2012 CCRRA projects and activities are summarized below. The 2013-2017 Capital Improvement Plan for the CCRRA is listed in the CIP section of this budget book.

2011 Work Plan

- Phase I Dakota Rail Regional Trail Completion of Design and Engineering
- Building Removal and Site Restoration Completion
- Acquisition of Union Pacific Railroad Site and Grounds Improvement-Diseased Tree Removal in Mayer

Fund Balance

It is anticipated that the CCRRA will have a positive fund balance at the end of 2011 of approximately \$100,000. The 2012 CCRRA levy is \$120,000.

2012 Planned Activities

The \$210,000 transfer is made up of the following two projects:

- Phase II of the Dakota Rail Regional Trail Design and Engineering – \$170,000
- Union Pacific Rail Line, Development of Response Action Plan – \$40,000
- Site and Grounds Improvements/Stewardship – \$10,000