**Carver County Board of Commissioners**
**February 19, 2008**
**County Board Room**
**Carver County Government Center**
**Human Services Building**
**Chaska, Minnesota**

**County Board Work Session Agenda**

***PLEASE NOTE TIME CHANGE FOR THIS WORK SESSION***

| Time | Topic | | | Page |
|---|---|---|---|---|
| 3:00 p.m. | **1.** | **FINANCIAL SERVICES** | | |
| | | 1.1 | Carver County Tax Abatement Policy | 1-7 |
| | | 1.2 | 7.6M Bond Sale and Lyman Tax Abatement for 2008 Road Projects | 8-33 |
| 4:45 p.m. | **2.** | **LAND AND WATER SERVICES** | | |
| | | 2.1 | Economic Development-Draft Guiding Principals, Initiatives and Goals Document | 34-38 |
| | | 2.2 | Carver/Bevens Fecal Coliform TMDL Progress Report With a Focus on Direct Discharge Systems | 39 |
| 6:15 p.m. | | Board and Administrator Reports | | |

David Hemze
County Administrator

CARVER COUNTY

# REQUEST FOR BOARD ACTION

***AGENDA ITEM*** **: Carver County Tax Abatement Policy**

Originating Division: Financial Services

Meeting Date: February 19, 2008

Amount of Time Requested: 45 minutes

Attachments for packet: ☒ Yes ☐ No

Item Type: ☐Consent ☐Regular Session ☐Closed Session ☒Work Session ☐Ditch/Rail Authority

***BACKGROUND/EXPLANATION OF AGENDA ITEM:*** The County Board adopted the attached Tax Abatement Policy in 2007. The current policy allows for the Board to consider tax abatement to finance County infrastructure costs related to a proposed development. See Exhibit A.

The Mayor of Watertown has requested tax abatement from a proposed development for job creation which is not currently allowed under the County's Tax Abatement Policy. See Exhibit B.

The County Board has an overall goal to:

"Encourage the development of a broader, and more diverse commercial/industrial tax base in Carver County that will support higher paying local jobs and provide greater balance to a commercial/industrial sector, including the use of rural service districts".

Other metro counties have tax abatement policies which allow for tax abatement based on job creation and other criteria. See Exhibit C.

***ACTION REQUESTED:*** *Discuss the pros and cons of changing the County's Tax Abatement Policy to include job creation as well as County infrastructure improvement.*

***FUNDING***

County Dollars = $

Other Sources & Amounts =

= $

**TOTAL** = $

*Related Financial Comments:*

***FISCAL IMPACT***

☒*None (for now)*

☐*Included in current budget*

☐*Budget amendment requested*

☐ *Other:*

☒**Reviewed by Division Director**

**Date: February 11, 2008**

Exhibit A

# Carver County Tax Abatement Policy

## Background.

Subject to certain restrictions and limitations, the Carver County Board of Commissioners may grant economic development abatements as authorized by Minnesota Statutes Sections 469.1812 to 469.1815. The County Board will consider abatements on a case by case basis. The intention of the policy is to provide the legal and statutory guidelines for the County Board to utilize economic development incentives pursuant to requirements in M.S. 469.1812 to 469.1815. The adoption of this policy is a prerequisite to determining the level of and extent, if any, Carver County participation in economic development incentive programs.

## Statutory Criteria for Abatement.

The County Board is authorized by M.S. 469.1812 to 469.1815 to grant an abatement of the taxes imposed by the political subdivision on a parcel of property, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:

1. The expected benefits of the proposed abatement agreement to the County equal or exceed the amount of County taxes subject to the abatement agreement; and,
2. The abatement is in the public interest because it will:
   a) Increase or preserve tax base;
   b) Provide employment opportunities in Carver County;
   c) Provide or help acquire or construct public facilities;
   d) Redevelop or renew blighted areas;
   e) Provide access to services for residents of Carver County;
   f) Finance or provide public infrastructure; or
   g) Phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, other than increase attributable to improvement of the parcel.
3. The request complies with statutory duration limits as described in M.S. 469.1813 Subd.6. A political subdivision may grant an abatement for a period no longer than fifteen years. The duration may increase to twenty years in the event one political subdivision chooses to decline the abatement or if 90 days pass after receipt of the abatement request without a written response.
4. The request complies with statutory individual parcel and cumulative financial limitations. The total abatements granted by a political subdivision in any one year may not exceed the greater of 10% of its total property tax levy for the current year; or $200,000.

## County Criteria - Conditions and Fiscal Limitations.

The Carver County Board will place additional criteria and limitations on all proposed abatements and will consider the following in making its determination;

1. The expected benefits of the proposed abatements are equal to or exceed the amount of the County taxes and cost subject to the abatement.
2. The County Board will only utilize abatement for public infrastructure further defined as county roads and right-of-way improvements.
3. The County Board will limit the annual total of all approved abatements to five percent of the County tax spread levy, after the reduction for the fiscal disparity distribution and HACA for that year.
4. If the incentive is a tax abatement, the abatement will be on the taxes collected on the value of the new improvements (buildings) to the property; taxes collected on the value of the land will not be abated. The County reserves the right to cap the dollars of the value to be abated.
5. Proposed parcels may not be included in a Tax Increment Financing District.

Because it is not possible to anticipate every type of project which may in its context and time present desirable community building or preservation goals and objectives, Carver County retains the right pursuant to statute in its sole discretion to approve projects and subsidies which may vary from the principles and criteria of the Policy.

## Evaluation Standards

The approval process for a specific County infrastructure project will be guided by the following project goals:

1. The extent to which the goals meet the requirements set forth within the Carver County Economic Development Tax Abatement Policy.
2. The extent to which the public is benefited through county public infrastructure or facilities.
3. The extent to which the County's budgetary items, such as roads, traffic control, law enforcement, and human services and other areas are affected.

## Procedures:

All proposals must include the following to be considered:

1. Completion of County application including required attachments submitted to the Taxpayer Services Manager.
2. A copy of public hearing minutes, a resolution and/or business subsidy approval regarding the abatement proposal.
3. A map or site plan showing the boundary of the project and the property identification number(s) and legal description(s) of the parcels subject to the proposed abatement.
4. Statements identifying the public benefits of the proposal.

Exhibit B

**David Frischmon**

| | |
|---|---|
| **From:** | Mark Kaltsas [mark@terra-mark.com] |
| **Sent:** | Tuesday, February 12, 2008 2:55 PM |
| **To:** | David Frischmon |
| **Cc:** | 'Steven Wallner' |
| **Subject:** | Information regarding Business Park tax abatement for Watertown |
| **Attachments:** | Abatement Projection 12-6-07.pdf |

Dave,

Steven Wallner from the City asked me to provide you with information pertaining to the Watertown business park abatement request. I am attaching the abatement projection done by Shannon Sweeney of David Drown and Associates. The projection is based on the valuation information provided to the City by the County (Angie to Steven). This project is not TIF eligible because it does not meet the established criteria (Manufacturing, Warehousing or Distribution). Watertown's EDA approved the concept of offering the City's share of abatement as an incentive to attract the job base.

The business is a trucking company which is currently located in Wright County. From the information presented to the city by the owner, his trucks pick up and deliver goods to Shakopee and Monticello. The goods are not stored on site.

I am working on obtaining a reduced copy of the site plan from the engineer and should be able to send that over today. The site is approximately 3.5 acres. The proposed building is approximately 10,000 s.f. The site includes a storage area for the tractors and trailers and an employee parking lot. The owner currently employs approximately 50 people which include 10 office/on site employees and 40 drivers Watertown is interested in this development because it would become the City's third largest employer.

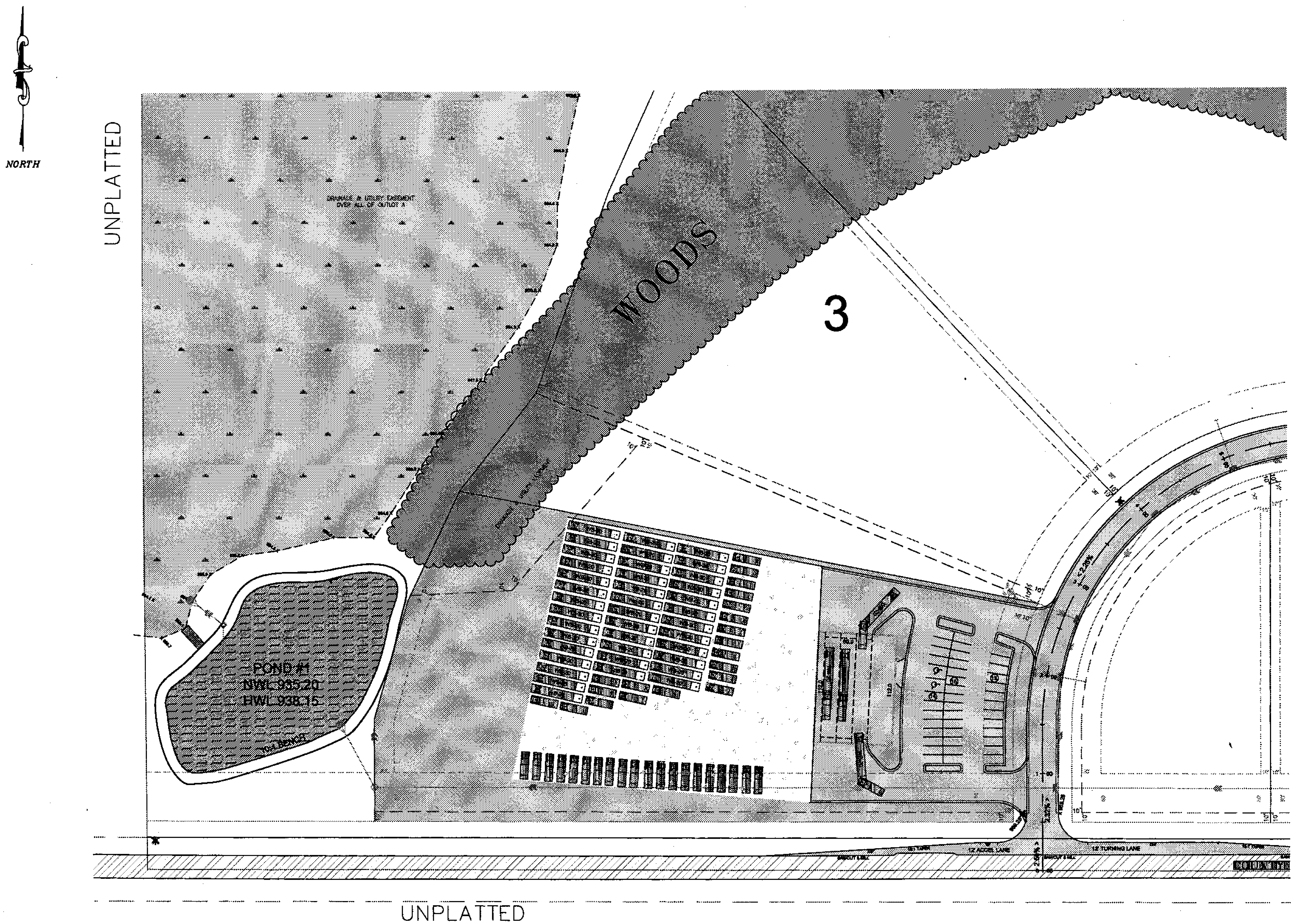
Please let me know if you have any questions or need any additional information.

Thank you,

Mark Kaltsas, RLA, ASLA

TERRAMARK
Landscape Architecture Urban Design Land Planning

5460 Dahlgren Road
Chaska, MN 55318
Ph: (952) 292-2458
Fax: (952) 466-4789
mark@terra-mark.com




EXISTING UTILITIES SHOWN ARE SHOWN IN AN APPROXIMATE WAY ONLY. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ANY AND ALL EXISTING UTILITIES BEFORE COMMENCING WORK. HE AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES ARISING OUT OF HIS FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL EXISTING UTILITIES.

50 25 0 25 50 100
SCALE IN FEET

| REVISIONS | BY |
|---|---|
| REDUCED SIZE OF LOT 1 11-27-07 | DLS |

**SATHRE-BERGQUIST, INC.**
150 SOUTH BROADWAY WAYZATA, MN. 55391 (952) 476-6000

SURVEYORS · PLANNERS · DESIGNERS · ENGINEERS

CONCEPT SKETCH LOT 1, BLOCK 3
WATERTOWN INDUSTRIAL PARK
WATERTOWN, MINNESOTA
RICE LAKE DEVELOPMENT, LLC.

DRAWN: RSM
CHECKED: DLS
DATE: 11-26-07
SCALE: AS SHOWN
JOB NO.: 74782-003
FILE: W:\74782-003\DWG\BASE_WATERTOWN_.DWG
SHEET 1 OF 1 SHEETS

# City of Watertown, Minnesota

## Abatement Projection

### Valuations & Projected Increases

| | Market | Tax Capacity | Est. Tax |
|---|---|---|---|
| Original Values | 25,000 | 375 | 590 |
| Completed Value Commercial | 600,000 | 11,250 | 17,686 |
| | - | - | - |
| TOTALS | 600,000 | 11,250 | 17,686 |

### Tax Rate Assumptions:

| | 2007 Tax Rate |
|---|---|
| County | 37.802% |
| City | 34.105% |
| School | 30.533% |
| State | 50.827% |
| Other | 3.941% |
| | 157.208% |

71.91%*

### Projected Tax Abatement

(city + county)

| Payable Year | Original Tax Capacity | Projected Tax Capacity* | Net Captured Tax Capacity | Less Fiscal Disparities | Retained Net Captured Tax Capacity | Projected Tax Rate | Gross Tax Abatement | Adjustments 0.00% Admin. Retainage | Adjustments 0.00% State Auditor's Deduction | TOTAL NET REVENUES |
|---|---|---|---|---|---|---|---|---|---|---|
| 2007 | 375 | 375 | - | - | - | * 71.91% | - | - | - | - |
| 2008 | 375 | 375 | - | - | - | 71.91% | - | - | - | - |
| 2009 | 375 | 375 | - | - | - | 71.91% | - | - | - | - |
| 2010 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2011 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2012 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2013 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2014 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2015 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2016 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2017 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2018 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2019 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2020 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2021 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2022 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2023 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| 2024 | 375 | 11,250 | 10,875 | 3,236 | 7,639 | 71.91% | **5,493** | - | - | **5,493** |
| | | | | | | | **82,399** | - | - | **82,399** |

Exhibit C

# COUNTY TAX ABATEMENT POLICIES SUMMARY

The abatement authority granted by the State Legislature is very broad including:

- Public infrastructure and facilities
- Redevelop or renew blighted areas
- Access for services
- Increase or preserve tax base
- Employment opportunities

In addition, Counties may include specific considerations in its Tax Abatement Policy. The following is a summary of these specific considerations:

| County | Broad or Limited Policy | Specific Considerations |
|---|---|---|
| Carver | Limited | Abatement can only be used for County roads and right-of-way improvements projects |
| Chisago | Broad | "quality employment" defined as $12.00 an hour or more plus benefits, retail businesses under certain conditions |
| Dakota | Broad | Brownfield remediation and environmental cleanup, affordable rental housing, professional and technical private sector jobs |
| Hennepin | Broad | Brownfields remediation and environmental cleanup, affordable rental housing, public infrastructure, properties with Historic Preservation designation, transit oriented development along transit corridors, "but for" test |
| Washington | Broad | Consistency with County's Comp Plan, "but for" test, affordable rental housing, can't be used to relocate businesses within the County |
| Scott | ? | ? |

CARVER COUNTY

# REQUEST FOR BOARD ACTION

***AGENDA ITEM*: 7.6M Bond Sale and Lyman Tax Abatement for 2008 Road Projects**

Originating Division: Financial Services

Meeting Date: February 19, 2008

Amount of Time Requested: 45 minutes

Attachments for packet: ☒ Yes ☐ No

Item Type: ☐Consent ☐Regular Session ☐Closed Session ☒Work Session ☐Ditch/Rail Authority

***BACKGROUND/EXPLANATION OF AGENDA ITEM:*** The County's 2008 Budget approved a $7.6 million dollar bond sale to finance 2008 Road Projects – CSAH 14 (Pioneer Trail), CSAH 17 (Powers Boulevard), CSAH 18 (Lyman Boulevard, and CSAH 40 (City of Carver).

Public Works Director Gustafson is recommending that the Board consider increasing the 2008 Bond Sale proceeds to $8.8 million so the CSAH 10 / TH 7 Intersection Roundabout project can be added to the 2008 road project list. The additional debt service would be financed from an additional property tax levy in 2009 of approximately $120,000. This bond sale and debt service increase would be within the County's Long Term Financial Plan which anticipated a $250,000 increase in the 2009 property tax levy to finance road projects.

Public Works Director Gustafson is also requesting that the Board consider adding $7.5 million in road and bridge projects to the bond authorization Capital Improvement Plan. The individual road and bridge projects and any future bond sales would still need approval from the County Board but the Statutory authorization process would be addressed in one step rather than in multiple steps.

Finally, Finance Director Frischmon is requesting Board consideration of two outstanding bond issues which could be refinanced with today's lower interest rates resulting in a cash savings over the remaining life of the bonds.

See the Bonding Authorization Capital Improvement Plan (**Exhibit A**) for additional information on all three requests. Here is a tentative schedule of the Board Actions to be considered at upcoming board meetings:

**March 4th** : Call for a Public Hearing on the Bonding Authorization CIP, Tax Abatement and Bond Sale

**April 1st**: Public Hearings on Bonding Authorization CIP, Tax Abatement and Bond Sale

**May 6th**: Open bids for competitive bond sale (see **Exhibits B & C** on competitive bid vs. negotiated sale)

**End of May**: Receive bond proceeds

Carolyn Drude from Ehlers and Associates will be present at the workshop to answer any questions about the bond sale and tax abatement process which she has summarized in the attached letter (**Exhibit D**).

***ACTION REQUESTED***: *High level update and overview of the Bond Sale and Tax Abatement Process.*

***FUNDING***

County Dollars = $

Other Sources & Amounts =

= $

**TOTAL** = $

***FISCAL IMPACT***

☐*None (for now)*

☐*Included in current budget*

☐*Budget amendment requested*

☒*Other:*

*Related Financial Comments:* A Bond sale and a tax abatement are anticipated to provide the financing for the County's 2008 Road Projects.

☒**Reviewed by Division Directors**

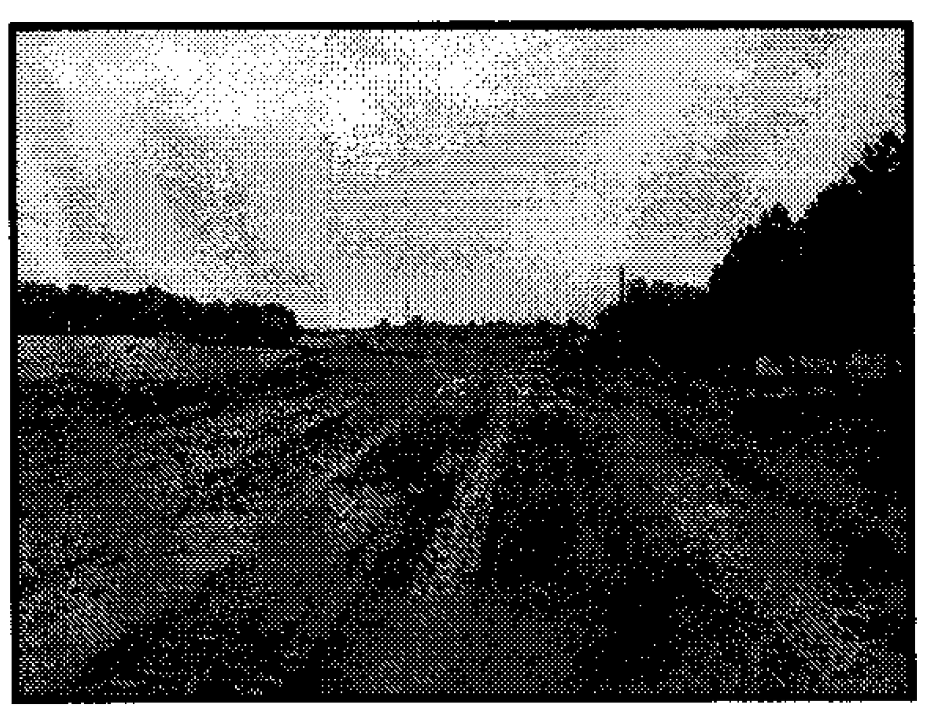
**Date: February 11, 2008**

Report Date: February 13, 2008

Exhibit A

# DRAFT

# Bonding Authorization Capital Improvement Plan For Carver County, Minnesota



**M.S. 373.40**

**Hearing:** ______________

**Adopted:** ______________

# CARVER COUNTY, MINNESOTA
# CAPITAL IMPROVEMENT PLAN/
# GENERAL OBLIGATION BONDS

## CAPITAL IMPROVEMENT PLAN

Minnesota Statutes, Section 373.40, allows Counties to plan for and finance the "acquisition and betterment of public lands, buildings, and other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, and roads and bridges." An improvement must have an expected useful life of five years or more to qualify.

The law requires that a Capital Improvement Plan be prepared which must cover at least the five-year period beginning with the date of the Plan's adoption. The Plan must set forth:

1) the estimated schedule, timing and details of specific capital improvements;
2) estimated cost of the capital improvements identified;
3) the need for the improvements; and
4) the sources of revenues needed to pay for the improvements.

Approval of the Capital Improvement Plan and annual amendments must be approved by the County Board after a noticed public hearing.

## GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS

This statute also authorizes the issuance of General Obligation Capital Improvement Bonds to finance capital improvements identified in the Plan. The County must publish a notice of intent to issue the Bonds and the date and time of a hearing for public comment. The issuance of the Bonds is subject to reverse referendum; i.e., if a petition requesting a vote on the issuance is signed by voters equal to 5% of the votes cast in the County in the last general election and filed with the County Auditor within 30 days after the public hearing on the bonds, a vote must be held. If no petition is filed, the County may proceed with the issuance of bonds.

## 2008 ROAD AND BRIDGE CAPITAL IMPROVEMENT PLAN

The County's portion for the road projects that were originally scheduled for 2008, which included Pioneer Trail and Lyman Boulevard, was $9,375,000. The Public Works Director recommends adding the CSAH 10/TH7 Intersection Roundabout project to the 2008 schedule. The majority of the 2008 road projects which now total $10,600,000 are planned to be financed by G.O. Capital Improvement Bonds proceeds of $8,800,000 – (See Exhibit 1.00).

To pay the debt service on this new debt, the 2008 Budget includes a new debt service levy allocation of $300,000 and the new wheelage tax (implemented 1/1/08) which is estimated to generate approximately $315,000. Finally, an additional $120,000 property tax levy and approximately $100,000 from a Tax Abatement levy are planned to be levied in pay 2009 to finance the 2008 road projects. These four new revenue sources totaling $835,000 will cover the principal and interest payments for the $8,940,000 in new bonds which will generate $8,800,000 in bond proceeds.

## DESCRIPTION OF BOND AUTHORIZATION AND SALE

**2008 Road Projects:** Carver County has $3,600,000General Obligation Bond authorization which remains from the 2005 Capital Improvement Bond planning process. Thus, new authorization of $5,360,000 in General Obligation Bonds is necessary to issue the $8,940,000 in bonds to finance the 2008 road projects.

Exhibit 2.00 illustrates the original plan for a $7,755,000 General Obligation Capital Improvement Bond issue with a 15 year maturity period designed to provide $7,625,000 for 2008 road projects.

Exhibit 3.00 reflects the revised plan for a $8,940,000 General Obligation Capital Improvement Bond issue with a 15 year maturity designed to provide $8,800,000 for 2008 road projects including the CSAH 10/TH7 intersection roundabout project.

**Future Road and Bridge Projects**: In addition, the Public Works Director is recommending an additional authorization of $7,500,000 in the Bond Authorization Capital Improvement Plan for future road and bridge projects.

**Refinancing:** In 1997, the Carver County Housing and Redevelopment Authority (HRA) issued $5,885,000 Jail Facilities Revenue Refunding Bonds to refinance certain maturities of the $8,000,000 Jail Facility Revenue Bonds of 1992. Carver County plans to issue approximately $3,430,000 General Obligation Capital Improvement Bonds authorized by this Plan to purchase the facilities from the HRA, now renamed the Community Development Agency (CDA), refinancing the 1997 issue and decreasing annual debt service.

The County also plans to refinance the $6,595,000 General Obligation Capital Improvement Plan Refunding Bonds issued in 1998 which refunded certain maturities of the $9,000,000 General Obligation Capital Improvement Bonds of 1992. Approximately $3,795,000 are planned to be issued for this refunding to lower annual debt service. (See Exhibits 4.00 and 5.00).

## PLAN OVERVIEW

Carver County Divisions were asked to look ahead at least five years and to project their capital needs for that timeline. These projected capital needs have been reviewed and are incorporated in the County's Long Term Financial Plan. This Bonding Authorization Capital Improvement Plan includes only the Road and Bridge Capital Improvement Plan in the County's Long Term Financial Plan because it utilizes County bonds as a revenue source. All other capital projects, including the Buildings Capital Improvement Plan, are planned to be funded with pay-as-you-go financing which should not require the issuance of any County bonds.

In adopting the Bonding Authorization Capital Improvement Plan (BACIP), the County finds:

(1) These road and bridge capital projects are necessary to maintain the existing infrastructure of the County and to properly provide for the health, safety and general well-being of its residents.

(2) The County has considered alternatives for undertaking the projects. The proposed projects provide an adequate response to anticipated service demands in each area of operation and protects against undue and/or unnecessary duplication of services.

(3) The County has considered the cost of the projects and the available financial resources and has determined that the projects are within the financial capacity of the County. Further, the County has determined that failure to undertake these capital projects may create a greater financial burden through higher service cost alternatives and increased costs of future project options.

(4) The projects may result in lower operating costs by avoiding future maintenance expense and by providing public services in a cost effective manner. The projects have been designed to keep operating costs at a minimum within safety guidelines.

(6) The Road and Bridge Capital Improvement Plan is designed to make the most effective use of all financial resources available to the County, which includes fund reserves, current or proposed revenues, grants and borrowing. The County's goal is to strike a responsible balance among all of its resources. Any debt incurred in implementing the Road and Bridge Capital Improvement Plan will be within the statutory and financial capacity of the County. However, the County may not be able to meet all of its needs in a timely manner without incurring some debt.

(7) Several financial tools exist for the implementation of a County's Capital Improvement Plan. They include but are not limited to General Obligation Capital Improvement Plan Bonds (Minnesota Statutes, Section 373.40), General Obligation Capital Notes (M.S.373.01), General Obligation Jail Bonds (M.S.641.23), Law Enforcement Lease Revenue Bonds (M.S.641.24), General Obligation State-Aid Road Bonds (M.S.162.181), General Obligation Street Reconstruction Bonds (M.S.475.58), and various types of Lease Purchase Financing (M.S.465.71)

(8) The Lyman Boulevard Road Project is a cooperative effort with the City of Chanhassen for which the County will make a tax abatement levy of approximately$100,000 per year beginning with taxes collectible in 2009.

**Note:** A complete copy of M. S. Section 373.40 is included as Appendix D.

## COUNTY BOARD'S STATUTORY ROLE

The issuance of bonds must receive a 2/3 vote of a County Board in counties within the metropolitan area. The County Board must also consider the following for each project and for the overall plan:

1) the condition of the County's existing infrastructure, including the projected need for repair or replacement;
2) the likely demand for the improvement;
3) the estimated cost of the improvement;
4) the available public resources;
5) the level of overlapping debt in the County;
6) the relative benefits and costs of alternative uses of the funds;
7) operating costs of the proposed improvements; and
8) alternatives for providing services more efficiently through shared facilities with other counties or local government units.

## STATUTORY LIMITS ON OUTSTANDING DEBT AND DEBT SERVICE

The statutory debt limit for the County (all general obligation bonds outstanding and lease purchases in excess of $1,000,000 which are payable entirely from property taxes unless exempt from debt limit) is 2% times the 2006/07 Taxable Market Value of $9,956,626,400 or $199,132,528.

The limit on the total amount of annual principal and interest payments for all County capital Improvement Bonds outstanding at any time is equal to .05367% of the County's 2006/07 Taxable Market Value of $9,956,626,400 or $5,343,721. Issuance of the bonds described in this Plan will not exceed that limit.

As of February 1, 2008, Carver County has $16,140,000 of total debt outstanding which counts against its statutory debt limit, leaving unused statutory debt limit of $182,992,528.

**EXHIBIT 1.00**

**ROAD & BRIDGE**
**CAPITAL IMPROVEMENT PLAN - Fund #32**
**2008**

| DESCRIPTION | ESTIMATED YEAR NEEDED | ESTIMATED COUNTY CONTRIBUTION |
|---|---|---|
| **COUNTY PORTION OF ROAD & BRIDGE CONSTRUCTION PROJECTS:** | | |
| **Hwy CR 40** | **2008** | **562,000** |
| **CSAH 14 - Pioneer Trail** | **2008** | **3,900,000** |
| **Lyman Blvd** | **2008** | **2,447,000** |
| **Hwy CR 17** | **2008** | **549,000** |
| **CSAH 10/TH 7 Intersection Roundabout** | **2008** | **1,250,000** |
| 2009 | 2009 | 4,238,000 |
| 2010 | 2010 | 2,642,000 |
| 2011 | 2011 | 1,530,000 |
| 2012 | 2012 | 9,640,000 |
| | | |
| | | |
| **Totals** | | **$ 26,758,000** |

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| PROJECTED BEG. FUND BALANCE (1): | $300,000 | $ - | $ (4,388,000) | $ (6,536,000) | $ (7,559,000) |
| **2008 Bond Proceeds** | **8,800,000** | - | - | - | - |
| **Projected Additional Bond Proceeds** | - | - | - | - | **10,000,000** |
| Annual Capital Property Tax Levy (+125K in 2009, 250K in 2010 & 2011, shift $1M to Debt Service Levy in 2012) | 1,500,000 | 1,625,000 | 1,875,000 | 2,125,000 | 1,125,000 |
| Wheelage Taxes (projected 5% increase each year) | 315,000 | 331,000 | 348,000 | 365,000 | 383,000 |
| Transfer to Debt Service Fund for Wheelage Tax supported bonds principal and interest | (315,000) | (315,000) | (315,000) | (315,000) | (315,000) |
| Summary of 2008 - 2012 Road & Bridge Projects* : | | | | | |
| Pre-Construction Services (Object Code 6260*) | (363,000) | (256,000) | - | (280,000) | (1,552,000) |
| County Portion Road & Bridge Construction Projects (Object Code 6281 *) | (8,708,000) | (4,238,000) | (2,642,000) | (1,530,000) | (9,640,000) |
| Annual Road Resurfacing Costs (Object Code 6284*) | (1,000,000) | (1,200,000) | (1,200,000) | (1,200,000) | (1,200,000) |
| Right-of-Way Acquisition (Object Code 6285*) | (529,000) | (285,000) | - | (28,000) | (1,000,000) |
| Culvert Replacement (Object Code 6501*) | - | (50,000) | (50,000) | (50,000) | (50,000) |
| Traffic Signs (Object Code 6520*) | - | - | (164,000) | (110,000) | - |
| **PROJECTED YEAR END FUND BALANCE: (R&BCIP - Fund #32) (2)** | **$ -** | **$ (4,388,000)** | **$ (6,536,000)** | **$ (7,559,000)** | **$ (9,808,000)** |

*** See 2008 Long Term Financial Plan for listing of individual projects.**

(1) Effective 12/31/07, Public Works operating and capital activities were split into two separate funds: operating - Fund #03 and capital - Fund #32. The $300,000 beginning reserve balance represents interest income from the 2005 Bond Sale that has not yet been spent on projects.

(2) After all known funding sources have been allocated, this amount of additional funding sources need to be identified or the projects will be delayed. Possible funding sources to close the gap are additional County funding, State/Federal aid/grants or contributions from other sources such as local governments.

# EXHIBIT 2.00

## Carver County, MN

**$7,750,000 G.O. Capital Improvement Bonds, Series 2008**

**$7,625,000 Net Project Costs - 15 Year Term**

**Option One**

Sources & Uses

**Dated 06/01/2008 | Delivered 06/01/2008**

| Sources Of Funds | |
|---|---|
| Par Amount of Bonds | $7,750,000.00 |
| **Total Sources** | **$7,750,000.00** |

| Uses Of Funds | |
|---|---|
| Total Underwriter's Discount (1.000%) | 77,500.00 |
| Costs of Issuance | 46,000.00 |
| Deposit to Project Construction Fund | 7,625,000.00 |
| Rounding Amount | 1,500.00 |
| **Total Uses** | **$7,750,000.00** |

Ser 08 $7.625Net GO Cap I | SINGLE PURPOSE | 2/11/2008 | 3:29 PM

## Carver County, MN

**$7,750,000 G.O. Capital Improvement Bonds, Series 2008**
**$7,625,000 Net Project Costs - 15 Year Term**
**Option One**

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|---|---|---|---|---|---|
| 06/01/2008 | - | - | - | - | - |
| 02/01/2009 | 365,000.00 | 3.700% | 217,525.00 | 582,525.00 | 582,525.00 |
| 08/01/2009 | - | - | 156,391.25 | 156,391.25 | - |
| 02/01/2010 | 365,000.00 | 3.750% | 156,391.25 | 521,391.25 | 677,782.50 |
| 08/01/2010 | - | - | 149,547.50 | 149,547.50 | - |
| 02/01/2011 | 420,000.00 | 3.800% | 149,547.50 | 569,547.50 | 719,095.00 |
| 08/01/2011 | - | - | 141,567.50 | 141,567.50 | - |
| 02/01/2012 | 435,000.00 | 3.850% | 141,567.50 | 576,567.50 | 718,135.00 |
| 08/01/2012 | - | - | 133,193.75 | 133,193.75 | - |
| 02/01/2013 | 455,000.00 | 3.900% | 133,193.75 | 588,193.75 | 721,387.50 |
| 08/01/2013 | - | - | 124,321.25 | 124,321.25 | - |
| 02/01/2014 | 470,000.00 | 3.950% | 124,321.25 | 594,321.25 | 718,642.50 |
| 08/01/2014 | - | - | 115,038.75 | 115,038.75 | - |
| 02/01/2015 | 490,000.00 | 4.050% | 115,038.75 | 605,038.75 | 720,077.50 |
| 08/01/2015 | - | - | 105,116.25 | 105,116.25 | - |
| 02/01/2016 | 510,000.00 | 4.100% | 105,116.25 | 615,116.25 | 720,232.50 |
| 08/01/2016 | - | - | 94,661.25 | 94,661.25 | - |
| 02/01/2017 | 530,000.00 | 4.200% | 94,661.25 | 624,661.25 | 719,322.50 |
| 08/01/2017 | - | - | 83,531.25 | 83,531.25 | - |
| 02/01/2018 | 555,000.00 | 4.300% | 83,531.25 | 638,531.25 | 722,062.50 |
| 08/01/2018 | - | - | 71,598.75 | 71,598.75 | - |
| 02/01/2019 | 575,000.00 | 4.350% | 71,598.75 | 646,598.75 | 718,197.50 |
| 08/01/2019 | - | - | 59,092.50 | 59,092.50 | - |
| 02/01/2020 | 600,000.00 | 4.450% | 59,092.50 | 659,092.50 | 718,185.00 |
| 08/01/2020 | - | - | 45,742.50 | 45,742.50 | - |
| 02/01/2021 | 630,000.00 | 4.500% | 45,742.50 | 675,742.50 | 721,485.00 |
| 08/01/2021 | - | - | 31,567.50 | 31,567.50 | - |
| 02/01/2022 | 660,000.00 | 4.600% | 31,567.50 | 691,567.50 | 723,135.00 |
| 08/01/2022 | - | - | 16,387.50 | 16,387.50 | - |
| 02/01/2023 | 690,000.00 | 4.750% | 16,387.50 | 706,387.50 | 722,775.00 |
| **Total** | **$7,750,000.00** | - | **$2,873,040.00** | **$10,623,040.00** | - |

### Yield Statistics

| | |
|---|---|
| Bond Year Dollars | $65,741.67 |
| Average Life | 8.483 Years |
| Average Coupon | 4.3701965% |
| Net Interest Cost (NIC) | 4.4880821% |
| True Interest Cost (TIC) | 4.4981029% |
| Bond Yield for Arbitrage Purposes | 4.3497088% |
| All Inclusive Cost (AIC) | 4.5872138% |

### IRS Form 8038

| | |
|---|---|
| Net Interest Cost | 4.3701965% |
| Weighted Average Maturity | 8.483 Years |

Ser 08 $7.625Net GO Cap I | SINGLE PURPOSE | 2/11/2008 | 3:29 PM

Ehlers & Associates, Inc.
Leaders in Public Finance

# Carver County, MN

## $8,940,000 G.O. Capital Improvement Bonds, Series 2008

## $8,800,000 Net Project Costs - 15 Year Term

## Option Two

Sources & Uses

Dated 06/01/2008 | Delivered 06/01/2008

| | |
|---|---|
| **Sources Of Funds** | |
| Par Amount of Bonds | $8,940,000.00 |
| **Total Sources** | **$8,940,000.00** |
| **Uses Of Funds** | |
| Total Underwriter's Discount (1.000%) | 89,400.00 |
| Costs of Issuance | 48,000.00 |
| Deposit to Project Construction Fund | 8,800,000.00 |
| Rounding Amount | 2,600.00 |
| **Total Uses** | **$8,940,000.00** |

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Ehlers & Associates, Inc.
Leaders in Public Finance

## Carver County, MN

**$8,940,000 G.O. Capital Improvement Bonds, Series 2008**
**$8,800,000 Net Project Costs - 15 Year Term**
**Option Two**

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|---|---|---|---|---|---|
| 06/01/2008 | - | - | - | - | - |
| 02/01/2009 | 330,000.00 | 3.700% | 251,086.67 | 581,086.67 | 581,086.67 |
| 08/01/2009 | - | - | 182,210.00 | 182,210.00 | - |
| 02/01/2010 | 470,000.00 | 3.750% | 182,210.00 | 652,210.00 | 834,420.00 |
| 08/01/2010 | - | - | 173,397.50 | 173,397.50 | - |
| 02/01/2011 | 490,000.00 | 3.800% | 173,397.50 | 663,397.50 | 836,795.00 |
| 08/01/2011 | - | - | 164,087.50 | 164,087.50 | - |
| 02/01/2012 | 505,000.00 | 3.850% | 164,087.50 | 669,087.50 | 833,175.00 |
| 08/01/2012 | - | - | 154,366.25 | 154,366.25 | - |
| 02/01/2013 | 525,000.00 | 3.900% | 154,366.25 | 679,366.25 | 833,732.50 |
| 08/01/2013 | - | - | 144,128.75 | 144,128.75 | - |
| 02/01/2014 | 545,000.00 | 3.950% | 144,128.75 | 689,128.75 | 833,257.50 |
| 08/01/2014 | - | - | 133,365.00 | 133,365.00 | - |
| 02/01/2015 | 570,000.00 | 4.050% | 133,365.00 | 703,365.00 | 836,730.00 |
| 08/01/2015 | - | - | 121,822.50 | 121,822.50 | - |
| 02/01/2016 | 590,000.00 | 4.100% | 121,822.50 | 711,822.50 | 833,645.00 |
| 08/01/2016 | - | - | 109,727.50 | 109,727.50 | - |
| 02/01/2017 | 615,000.00 | 4.200% | 109,727.50 | 724,727.50 | 834,455.00 |
| 08/01/2017 | - | - | 96,812.50 | 96,812.50 | - |
| 02/01/2018 | 640,000.00 | 4.300% | 96,812.50 | 736,812.50 | 833,625.00 |
| 08/01/2018 | - | - | 83,052.50 | 83,052.50 | - |
| 02/01/2019 | 670,000.00 | 4.350% | 83,052.50 | 753,052.50 | 836,105.00 |
| 08/01/2019 | - | - | 68,480.00 | 68,480.00 | - |
| 02/01/2020 | 700,000.00 | 4.450% | 68,480.00 | 768,480.00 | 836,960.00 |
| 08/01/2020 | - | - | 52,905.00 | 52,905.00 | - |
| 02/01/2021 | 730,000.00 | 4.500% | 52,905.00 | 782,905.00 | 835,810.00 |
| 08/01/2021 | - | - | 36,480.00 | 36,480.00 | - |
| 02/01/2022 | 760,000.00 | 4.600% | 36,480.00 | 796,480.00 | 832,960.00 |
| 08/01/2022 | - | - | 19,000.00 | 19,000.00 | - |
| 02/01/2023 | 800,000.00 | 4.750% | 19,000.00 | 819,000.00 | 838,000.00 |
| **Total** | **$8,940,000.00** | - | **$3,330,756.67** | **$12,270,756.67** | - |

**Yield Statistics**

| | |
|---|---|
| Bond Year Dollars | $76,220.00 |
| Average Life | 8.526 Years |
| Average Coupon | 4.3699246% |
| Net Interest Cost (NIC) | 4.4872168% |
| True Interest Cost (TIC) | 4.4970779% |
| Bond Yield for Arbitrage Purposes | 4.3494484% |
| All Inclusive Cost (AIC) | 4.5772323% |

**IRS Form 8038**

| | |
|---|---|
| Net Interest Cost | 4.3699246% |
| Weighted Average Maturity | 8.526 Years |

Ser 08 $7.625Net GO Cap I | SINGLE PURPOSE | 2/12/2008 | 3:11 PM

Ehlers & Associates, Inc.
Leaders in Public Finance

**Carver County HRA**

Proposed Current Refunding of
$5,885,000 Jail Facilities Revenue Refunding Bonds, Series 1997
as a General Obligation

# Debt Service Comparison

| Date | Total P+I | Net New D/S | Old Net D/S | Savings |
|---|---|---|---|---|
| 02/01/2008 | - | - | - | - |
| 02/01/2009 | 623,595.00 | 623,595.00 | 666,875.00 | 43,280.00 |
| 02/01/2010 | 634,157.50 | 634,157.50 | 672,375.00 | 38,217.50 |
| 02/01/2011 | 633,757.50 | 633,757.50 | 675,855.00 | 42,097.50 |
| 02/01/2012 | 632,655.00 | 632,655.00 | 672,255.00 | 39,600.00 |
| 02/01/2013 | 635,835.00 | 635,835.00 | 676,780.00 | 40,945.00 |
| 02/01/2014 | 643,375.00 | 643,375.00 | 684,450.00 | 41,075.00 |
| **Total** | **$3,803,375.00** | **$3,803,375.00** | **$4,048,590.00** | **$245,215.00** |

## PV Analysis Summary (Net to Net)

| | |
|---|---|
| Gross PV Debt Service Savings | 221,256.50 |
| Net PV Cashflow Savings @ 3.310%(AIC) | 221,256.50 |
| Contingency or Rounding Amount | 2,035.71 |
| Net Present Value Benefit | $223,292.21 |
| Net PV Benefit / $3,669,110.70 PV Refunded Debt Service | 6.086% |
| Net PV Benefit / $3,395,000 Refunded Principal | 6.577% |
| Net PV Benefit / $3,445,000 Refunding Principal | 6.482% |

## Refunding Bond Information

| | |
|---|---|
| Refunding Dated Date | 2/01/2008 |
| Refunding Delivery Date | 2/01/2008 |

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Ehlers and Associates, Inc.
Leaders in Public Finance

Carver County, MN

Proposed Current Refunding of

$6,595,000 G.O. Capital Improvement Refunding Bonds, Series 1998

## Debt Service Comparison

| Date | Total P+I | Net New D/S | Old Net D/S | Savings |
|---|---|---|---|---|
| 02/01/2008 | - | - | - | - |
| 02/01/2009 | 704,162.00 | 704,162.00 | 735,341.26 | 31,179.26 |
| 02/01/2010 | 702,799.50 | 702,799.50 | 730,481.26 | 27,681.76 |
| 02/01/2011 | 690,719.50 | 690,719.50 | 719,156.26 | 28,436.76 |
| 02/01/2012 | 708,192.00 | 708,192.00 | 737,156.26 | 28,964.26 |
| 02/01/2013 | 709,342.00 | 709,342.00 | 738,131.26 | 28,789.26 |
| 02/01/2014 | 694,845.00 | 694,845.00 | 721,912.50 | 27,067.50 |
| **Total** | **$4,210,060.00** | **$4,210,060.00** | **$4,382,178.80** | **$172,118.80** |

### PV Analysis Summary (Net to Net)

| | |
|---|---|
| Gross PV Debt Service Savings | 155,634.95 |
| Net PV Cashflow Savings @ 3.312%(AIC) | 155,634.95 |
| Contingency or Rounding Amount | 1,884.27 |
| Net Present Value Benefit | $157,519.22 |
| Net PV Benefit / $3,972,568.73 PV Refunded Debt Service | 3.965% |
| Net PV Benefit / $3,760,000 Refunded Principal | 4.189% |
| Net PV Benefit / $3,815,000 Refunding Principal | 4.129% |

### Refunding Bond Information

| | |
|---|---|
| Refunding Dated Date | 2/01/2008 |
| Refunding Delivery Date | 2/01/2008 |

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Ehlers and Associates, Inc.

Leaders in Public Finance

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# APPENDIX A

**INSERT RESOLUTION ADOPTING THE BONDING AUTHORIZATION CAPITAL IMPROVEMENT PLAN / AFFIDAVIT OF PUBLICATION**

## OVERLAPPING DEBT[1]
## AS OF JANUARY 31, 2008

| Taxing District | 2006/07 Taxable Net Tax Capacity | % In County | Total G.O. Debt | County's Proportionate Share |
|---|---|---|---|---|
| Carver County | $ 15,280,664 | 100.0000% | $ 14,045,000 | $ 14,045,000 |
| City of Carver | 10,348,000 | 100.0000% | 4,245,000 | 4,245,000 |
| City of Chanhassen | 27,524,999 | 97.2000% | 18,367,000 | 17,852,724 |
| City of Chaska | 130,520,000 | 100.0000% | 34,235,000 | 34,235,000 |
| City of Cologne | 1,099,936 | 100.0000% | 4,460,000 | 4,460,000 |
| City of Hamburg | 1,290,259 | 100.0000% | 287,000 | 287,000 |
| City of Mayer | 7,379,725 | 100.0000% | 3,150,000 | 3,150,000 |
| City of New Germany | 680,000 | 100.0000% | 560,000 | 560,000 |
| City of Norwood Young America | 13,400,000 | 100.0000% | 8,780,000 | 8,780,000 |
| City of Victoria | 24,177,274 | 100.0000% | 9,905,000 | 9,905,000 |
| City of Waconia | 3,520,000 | 100.0000% | 19,540,000 | 19,540,000 |
| City of Watertown | 11,082,482 | 100.0000% | 4,999,000 | 4,999,000 |
| Town of Dahlgren | 27,000 | 100.0000% | 27,000 | 27,000 |
| Town of Laketown | 723,998 | 100.0000% | 723,998 | 723,998 |
| I.S.D. No. 108 (Central Public Schools) | 3,155,000 | 98.3000% | 2,175,000 | 2,138,025 |
| I.S.D. No. 110 (Waconia) | 55,080,000 | 79.9000% | 60,225,000 | 48,119,775 |
| I.S.D. No. 111 (Watertown-Mayer) | 35,955,000 | 76.8000% | 51,785,000 | 39,770,880 |
| I.S.D. No. 112 (Chaska) | 231,890,000 | 100.0000% | 231,890,000 | 231,890,000 |
| I.S.D. No. 276 (Minnetonka) | 88,830,000 | 17.2000% | 39,025,000 | 6,712,300 |
| I.S.D. No. 424 (Lester Prairie) | 1,034,647 | 0.2000% | 535,000 | 1,070 |
| I.S.D. No. 716 (Belle Plaine) | 37,580,000 | 9.3000% | 36,175,000 | 3,364,275 |
| Carver County HRA | 26,936,070 | 100.0000% | 3,860,000 | 3,860,000 |
| City of Chanhassen HRA | 1,875,000 | 97.2000% | 4,115,000 | 3,999,780 |
| City of Waconia HRA | 9,218,441 | 100.0000% | 2,830,000 | 2,830,000 |
| Metropolitan Council | 3,342,207,897 | 2.7000% | 139,410,000 [2] | 3,764,070 |
| Metro Airports Commission | 2,028,242,000 | 2.7000% | 54,762,534 | 1,478,588 |
| MN Municipal Power Agency | 179,689,167 | 2.7000% | 4,851,608 | 130,993 |
| County's Share of Total Overlapping Debt | | | | $ 470,869,479 |

---

[1] Only those taxing jurisdictions with general obligation debt outstanding are included in this section. Does *not* include non-general obligation debt, self-supporting g.o. revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

[2] The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

Minnesota Statutes 2006, Table of Chapters
Table of contents for Chapter 373

**373.40, Minnesota Statutes 2006**



**373.40 CAPITAL IMPROVEMENT BONDS.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, roads and bridges, and the acquisition of development rights in the form of conservation easements under chapter 84C. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(d) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the Metropolitan Council or by the state demographer under section 4A.02.

(e) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

(f) "Tax capacity" means total taxable market value, but does not include captured market value.

Subd. 2. **Application of election requirement.** (a) Bonds issued by a county to finance capital improvements under an approved capital improvement plan are not subject to the election requirements of section 375.18 or 475.58. The bonds must be approved by vote of at least three-fifths of the members of the county board. In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.
(b) Before issuance of bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least 14, but not more than 28, days before the date of the hearing.
(c) A county may issue the bonds only upon obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the county in the last general election and is filed with the county auditor within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election.

Subd. 3. **Capital improvement plan.** (a) A county may adopt a capital improvement plan. The plan must cover at least the five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenues to pay for the improvement. In preparing the capital improvement plan, the county board must consider for each project and for the overall plan:
(1) the condition of the county's existing infrastructure, including the projected need for repair or replacement;
(2) the likely demand for the improvement;
(3) the estimated cost of the improvement;
(4) the available public resources;
(5) the level of overlapping debt in the county;
(6) the relative benefits and costs of alternative uses of the funds;
(7) operating costs of the proposed improvements; and
(8) alternatives for providing services more efficiently through shared facilities with other counties or local government units.
(b) The capital improvement plan and annual amendments to it are not effective until approved by the county board after public hearing.

Subd. 4. **Limitations on amount.** A county, other than Ramsey, may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed 0.05367 percent of taxable market value of property in the county. Ramsey county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed 0.06455 percent of taxable market value of property in the county. Calculation of the limit must be made using the taxable market value for the taxes payable year in which the obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Subd. 5. **Application of chapter 475.** Bonds to finance capital improvements qualifying under this section must be issued under the issuance authority in chapter 475 and the provisions of chapter 475 apply, except as otherwise specifically provided in this section.

Subd. 6.[Repealed, 1994 c 505 art 2 s 7]

Subd. 7.[Repealed, 2001 c 214 s 49]

**History:** *1988 c 519 s 2; 1988 c 719 art 5 s 84; art 19 s 20; 1989 c 277 art 4 s 30,31; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 5 s 27; art 17 s 6,7; 1990 c 480 art 9 s 13; 1990 c 592 s 1,2; 1991 c 345 art 2 s 55; 1992 c 511 art 9 s 11; 1995 c 256 s 1; 1997 c 231 art 2 s 31; 1999 c 243 art 5 s 34; 1Sp2003 c 4 s 1; 2005 c 152 art 1 s 7; 1Sp2005 c 1 art 4 s 101,102*

**MEMORANDUM**

EHLERS
LEADERS IN PUBLIC FINANCE

**TO:** David Frischmon

**FROM:`** Carolyn Drude/Mark Ruff

**DATE:** February 13, 2008

**RE:** Draft Capital Improvement Plan

Attached is a Draft of the Capital Improvement Plan (CIP) for County Road improvements under consideration as well as for the refinancing of the Series 1997 Jail Facilities Revenue Refunding Bonds of the Carver County Housing and Redevelopment Authority (HRA) now renamed the Community Development Agency (CDA) and the Series 1998 General Obligation Capital Improvement Bonds of the County. These bonds can be issued separately or together as one issue.

The following Exhibits in the Plan illustrate two scenarios for financing the County Road improvements, each structured over a 15 year maturity schedule:

> **Exhibit 2.00** assumes net bond proceeds of $7,625,000 deposited to the Project Construction Fund and requires a total issuance of $7,750,000 G.O. Capital Improvement Bonds. You will note that the Fiscal Total for principal and interest due 2/1/09 (for taxes collectible in 2008) is $582,525. We understand there is a $300,000 levy to be collected in 2008 in anticipation of this issue and about $315,000 available from a wheelage tax, totaling $615,000. Minnesota Statutes require a 105% levy for debt service on general obligation bonds, and the available funds are approximately 105% of the 2/1/09 debt service as shown.
>
> **Exhibit 3.00** assumes bond proceeds of $8,800,000 deposited to the Project Construction Fund and includes additional road work, requiring a total issuance of $8,940,000 G.O. Capital Improvement Bonds.

We understand there may be consideration of adding $7,500,000 in road and bridge projects to the Plan. We can add an exhibit to illustrate that option before the Plan is finalized for hearing purposes.

As you know, the procedure for the issuance of General Obligation Capital Improvement Bonds includes a Resolution Calling the Hearing on the Plan and on the Bonds; holding the hearing; adopting a Resolution Approving the Plan and Authorizing the Issuance of Bonds, and awarding the sale of bonds at least 30 days after the hearing. The issuance of bonds is subject to reverse referendum, meaning that a petition presented to the County within 30 days after the hearing signed by voters equal to 5% of the votes cast in the county in the last general election will require the bonds to be authorized by a vote of the public. (See Minnesota Statutes, Section 373.40, included in the Draft Capital Improvement Plan.)

One of the revenue sources for the debt service will be tax abatements for the Lyman Boulevard improvements in Chanhassen as authorized under Minnesota Statutes, Section 469.1812 to 1815. Tax abatement does not reduce the level of taxes paid by a property but will redirect the county's portion of property taxes received in the future from a specific development to pay for the debt service. The County is expecting to utilize $100,000 per year of taxes from the commercial development near the Lyman Boulevard improvements to pay for debt service on the bonds for up to 15 years. Tax abatement bonds can be issued independently of the CIP bonds or the tax abatement bonds can be a separate revenue source for the CIP bonds. A public hearing and a resolution adopting the tax abatement is another step that the County Board is scheduled to consider in association with the CIP program.

A tentative schedule of events for establishing the Capital Improvement Plan and issuing the bonds is as follows:

| | |
|---|---|
| Discuss the CIP | February 19 |
| Call the hearing for CIP and tax abatement | March 4 |
| Publication of hearing notices | Early March |
| Conduct the hearing for CIP and tax abatement | April 1 |
| Bond sale date | May 6 |
| Receive proceeds | End of May |

Please let us know if you have questions. We look forward to discussing this further at the February 19 Board meeting.

Exhibit B

# GFOA Recommended Practice

## Selecting and Managing the Method of Sale of State and Local Government Bonds (1994 and 2007) (DEBT)

**Background.** State and local government bond issuers should sell their debt using the method of sale that is most likely to achieve the lowest cost of borrowing while taking into account both short-range and long-range implications for taxpayers and ratepayers. Differing views exist among issuers and other bond market participants with respect to the relative merits of the competitive and negotiated methods of sale. Moreover, research into the subject has not led to universally accepted findings as to which method of sale is preferable when taking into account differences in bond structure, security, size, and credit ratings for the wide array of bonds issued by state and local governments.

Concerns have been raised about the lack of a competitive Request for Proposals (RFP) process in the selection of underwriters in a negotiated sale and the possibility of higher borrowing costs when underwriters are appointed based on factors other than merit. As a result, issuers have been forced to defend their selection of underwriters for negotiated sales in the absence of a documented, open selection process.

There is also a lack of understanding among many debt issuers about the appropriate roles of underwriters and financial advisors and the fiduciary relationship that each has or does not have with respect to state and local government issuers. The relationship between issuer and financial advisor is one of "trust and confidence" which is in the "nature of a fiduciary relationship". This is in contrast to the relationship between the issuer and underwriter where the relationship is one of some common purposes but also some competing objectives, especially at the time of bond pricing.

**Recommendation.** When state and local laws do not prescribe the method of sale of municipal bonds, the Government Finance Officers Association (GFOA) recommends that issuers select a method of sale based on a thorough analysis of the relevant rating, security, structure and other factors pertaining to the proposed bond issue. If the government agency has in-house expertise, defined as dedicated debt management staff whose responsibilities include daily management of a debt portfolio, this analysis and selection could be made by the government's staff. However, in the more common situation where a government agency does not have sufficient in-house expertise, this analysis and selection should be undertaken in partnership with a financial advisor. Due to the inherent conflict of interest, issuers should not use a broker/dealer or potential underwriter to assist in the method of sale selection unless that firm has agreed not to underwrite that transaction.

The GFOA believes that the presence of the following factors may favor the use of a competitive sale:

- The rating of the bonds, either credit-enhanced or unenhanced, is at least in the single-A category.
- The bonds are general obligation bonds or full faith and credit obligations of the issuer or are secured by a strong, known and long-standing revenue stream.
- The structure of the bonds does not include innovative or new financing features that require extensive explanation to the bond market.

Similarly, GFOA believes that the presence of the following factors may favor the use of a negotiated sale:

- The rating of the bonds, either credit-enhanced or unenhanced, is lower than single-A category.

- Bond insurance or other credit enhancement is unavailable or not cost-effective.

- The structure of the bonds has features such as a pooled bond program, variable rate debt, deferred interest bonds, or other bonds that may be better suited to negotiation.

- The issuer desires to target underwriting participation to include disadvantaged business enterprises (DBEs) or local firms.

- Other factors that the issuer, in consultation with its financial advisor, believes favor the use of a negotiated sale process.

If an issuer, in consultation with its financial advisor, determines that a negotiated sale is more likely to result in the lowest cost of borrowing, the issuer should undertake the following steps and policies to increase the likelihood of a successful and fully documented negotiated sale process:

- Select the underwriter(s) through a formal request for proposals process. The issuer should document and make publicly available the criteria and process for underwriter selection so that the decision can be explained, if necessary.

- Enter into a written contractual relationship with a financial advisor (a firm unrelated to the underwriter(s)), to advise the issuer on all aspects of the sale, including selection of the underwriter, structuring, disclosure preparation and bond pricing.

- Due to inherent conflicts of interest, the firm acting as a financial advisor for an issuer should not to be allowed to resign and serve as underwriter for the transaction being considered.

- Due to potential conflicts of interest, the issuer should also enact a policy regarding whether and under what circumstances it will permit the use of a single firm to serve as an underwriter on one transaction and a financial advisor on another transaction.

- Issuers with sufficient in-house expertise and access to market information may act as their own financial advisor. Such issuers should have at least the following skills and information: (i) access to real-time market information (e.g. Bloomberg) to assess market conditions and proposed bond prices; (ii) experience in the pricing and sale of bonds, including historical pricing data for their own bonds and/or a set of comparable bonds of other issuers in order to assist in determining a fair price for their bonds; and (iii) dedicated full-time staff to manage the bond issuance process, with the training, expertise and access to debt management tools necessary to successfully negotiate the pricing of their bonds.

- Remain actively involved in each step of the negotiation and sale processes in accordance with the GFOA's *Recommended Practice, Pricing Bonds in a Negotiated Sale.*

- Require that financial professionals disclose the name(s) of any person or firm compensated to promote the selection of the underwriter; any existing or planned arrangements between outside professionals to share tasks, responsibilities and fees; the name(s) of any person or firm with whom the sharing is proposed; and the method used to calculate the fees to be earned.

- Review the "Agreement Among Underwriters" and ensure that it governs all transactions during the underwriting period.

- Openly disclose public-policy issues such as the desire for DBEs and regional firm participation in the syndicate and the allocation of bonds to such firms as reason for negotiated sale; measure and record results at the conclusion of the sale.

- Prepare a post-sale summary and analysis that documents the pricing of the bonds relative to other similar transactions priced at or near the time of the issuer's bond sale, and record the true interest cost of the sale and the date and hour of the verbal award.

**References**


- *Who are the Parties in My Deal? What are Their Roles? How Do I Sell My Bonds?*, Julia H. Cooper and David Persselin, Government Finance Review, April 2006.
- *An Elected Official's Guide to Debt Issuance,* J.B. Kurish and Patricia Tigue, GFOA, 2005.
- *Debt Management Policy,* GFOA Recommended Practice, 2003.
- *Pricing Bonds in a Negotiated Sale*, GFOA Recommended Practice, 2000.
- *Preparing RFPs to Select Financial Advisors and Underwriters*, GFOA Recommended Practice, 1997.
- *Debt Issuance and Management: A Guide for Smaller Governments*, James C. Joseph, GFOA, 1994.
- *Competitive v. Negotiated: How to Choose the Method of Sale for Tax-Exempt Bonds*, GFOA, 1994.
- *Competitive v. Negotiated Sale Debt,* Issue Brief No. 1, California Debt Advisory Commission, September 1992.


Approved by the GFOA's Executive Board, October 19, 2007.

Exhibit C

CARVER COUNTY

**Carver County – Administrative Policy Manual**

# Debt Administration

| | | | |
|---|---|---|---|
| **SECTION:** | Accounting and Finance | **EFFECTIVE:** | |
| **AUTHORITY:** | Res. XXXX | **REVISED:** | |

Purpose

To provide orderly and balanced debt administration in order to maintain a high credit standing, preserve debt capacity for future capital needs, acquire capital at the lowest possible borrowing cost, and administer obligations in an efficient manner.

Policy

In developing, offering and administering it debt obligations, Carver County will adhere to the following guidelines.

The Finance Department will use a competitive and open process in all matters related to the planning, structuring, approving, and selling of general obligation and revenue bonds, and other obligations issued by the County.

Communications with the investor and the national bond rating community will be given a high priority in order to maintain creditability through the flow of information both by personal contact and electronic means.

Complete and full disclosure of all financial and economic operations will be met through the timely distribution of the comprehensive annual financial report, prospectus, operating, budget, capital improvement plan, and the immediate transmission of information and details related to any material event.

Compliance with the terms, conditions and covenants of all outstanding bond or lease transactions will be continually monitored and controlled by the Finance Department.

Complex financial transactions requiring County limited or unlimited guarantees may be publicly sold through negotiation with syndicate or investment banks, provided credit agency communications and disclosure responsible are closely coordinated with the Finance Department.

Exhibit D

**MEMORANDUM**

EHLERS
LEADERS IN PUBLIC FINANCE

**TO:** David Frischmon

**FROM:`** Carolyn Drude/Mark Ruff

**DATE:** February 13, 2008

**RE:** Draft Capital Improvement Plan

Attached is a Draft of the Capital Improvement Plan (CIP) for County Road improvements under consideration as well as for the refinancing of the Series 1997 Jail Facilities Revenue Refunding Bonds of the Carver County Housing and Redevelopment Authority (HRA) now renamed the Community Development Agency (CDA) and the Series 1998 General Obligation Capital Improvement Bonds of the County. These bonds can be issued separately or together as one issue.

The following Exhibits in the Plan illustrate two scenarios for financing the County Road improvements, each structured over a 15 year maturity schedule:

> **Exhibit 2.00** assumes net bond proceeds of $7,625,000 deposited to the Project Construction Fund and requires a total issuance of $7,750,000 G.O. Capital Improvement Bonds. You will note that the Fiscal Total for principal and interest due 2/1/09 (for taxes collectible in 2008) is $582,525. We understand there is a $300,000 levy to be collected in 2008 in anticipation of this issue and about $315,000 available from a wheelage tax, totaling $615,000. Minnesota Statutes require a 105% levy for debt service on general obligation bonds, and the available funds are approximately 105% of the 2/1/09 debt service as shown.
>
> **Exhibit 3.00** assumes bond proceeds of $8,800,000 deposited to the Project Construction Fund and includes additional road work, requiring a total issuance of $8,940,000 G.O. Capital Improvement Bonds.

We understand there may be consideration of adding $7,500,000 in road and bridge projects to the Plan. We can add an exhibit to illustrate that option before the Plan is finalized for hearing purposes.

As you know, the procedure for the issuance of General Obligation Capital Improvement Bonds includes a Resolution Calling the Hearing on the Plan and on the Bonds; holding the hearing; adopting a Resolution Approving the Plan and Authorizing the Issuance of Bonds, and awarding the sale of bonds at least 30 days after the hearing. The issuance of bonds is subject to reverse referendum, meaning that a petition presented to the County within 30 days after the hearing signed by voters equal to 5% of the votes cast in the county in the last general election will require the bonds to be authorized by a vote of the public. (See Minnesota Statutes, Section 373.40, included in the Draft Capital Improvement Plan.)

One of the revenue sources for the debt service will be tax abatements for the Lyman Boulevard improvements in Chanhassen as authorized under Minnesota Statutes, Section 469.1812 to 1815. Tax abatement does not reduce the level of taxes paid by a property but will redirect the county's portion of property taxes received in the future from a specific development to pay for the debt service. The County is expecting to utilize $100,000 per year of taxes from the commercial development near the Lyman Boulevard improvements to pay for debt service on the bonds for up to 15 years. Tax abatement bonds can be issued independently of the CIP bonds or the tax abatement bonds can be a separate revenue source for the CIP bonds. A public hearing and a resolution adopting the tax abatement is another step that the County Board is scheduled to consider in association with the CIP program.

A tentative schedule of events for establishing the Capital Improvement Plan and issuing the bonds is as follows:

| | |
|---|---|
| Discuss the CIP | February 19 |
| Call the hearing for CIP and tax abatement | March 4 |
| Publication of hearing notices | Early March |
| Conduct the hearing for CIP and tax abatement | April 1 |
| Bond sale date | May 6 |
| Receive proceeds | End of May |

Please let us know if you have questions. We look forward to discussing this further at the February 19 Board meeting.

CARVER COUNTY

# REQUEST FOR BOARD ACTION

***AGENDA ITEM*** **: Economic Development – Draft Guiding Principles, Initiatives and Goals Document**

Originating Division: Land Water Services

Meeting Date: 19 February 2008

Amount of Time Requested: 40 minutes

Attachments for packet: ☒Yes ☒ No

Item Type: ☐Consent ☐Regular Session ☐Closed Session ☒Work Session ☐Ditch/Rail Authority

***BACKGROUND/EXPLANATION OF AGENDA ITEM:*** In its vision statement the Board identified economic development as a high priority. Janna King was retained under the MFRA planning contract to work with the CDA and P&WM staff to develop an economic development strategy & plan as part of the Comprehensive Planning process. Janna has done extensive research – review of the McCombs demand report, meetings or conversations with the cities and some townships, meeting with various stakeholder groups such as Chambers of Commerce, and business leaders, meetings with major employers. Janna presented an overview of the County economy in October. Since then she has developed draft "Guiding Principles, Initiatives and Goals" which will form the basis for economic development element of the Plan. The draft has been reviewed by the cities and by a business leader focus group. The purpose of the this discussion is to present the draft Guiding Principles, Initiatives and Goals to the Board for discussion and comment.

It should be noted that the term "Carver County government" is used in a global sense – it would include the CDA, SWCD, and other outside agencies that operate at a county level.

***ACTION REQUESTED:*** Board reaction to the draft document – direction as to how to proceed with the economic development element.

***FUNDING***

County Dollars = $

Other Sources & Amounts =

= $

**TOTAL** = $

*Related Financial Comments:*

***FISCAL IMPACT***

☐*None*

☐*Included in current budget*

☐*Budget amendment requested*

☐*Other:*

☒**Reviewed by Division Director**

**Date: 11 February 2008**

# Economic Development Vision

**Carver County creates an environment that supports the success of vigorous, innovative, competitive businesses** that benefit from assets cultivated by Carver County – including a skilled, motivated, and diverse workforce; efficient transportation and transit systems; a diversified housing stock; excellent education and training resources; attractive community amenities; a safe and healthy environment and workforce; healthy agricultural areas; and efficient access to the assets of the greater metropolitan area.

A **diversified base of employers** provides **quality employment opportunities** for residents. High quality **commercial and industrial development is strategically designed and located** with excellent transportation, transit and trail access and helps build a **strong tax base and** protect land for **agriculture**.

# Guiding Principles

- Carver County government plans for and invests in infrastructure, technology, and other competitive advantages that support economic growth and vitality.
- Carver County government will actively seek the involvement of businesses and its communities in developing and implementing economic development initiatives that keep pace with constant change affecting businesses competing in the global market.
- Carver County government responds to the unique economic development needs and opportunities of its communities, and seeks to fairly allocate resources throughout the county over time.
- Carver County government seeks to
    - support local units of government
    - avoid duplication or competition;
    - and foster communication and collaboration between units of local government on economic development initiatives.
- Carver County government may develop economic development initiatives that involve specialized expertise, provide a countywide resource or may be more efficiently addressed at the county level (i.e. workforce housing, workforce education and training, marketing, prospect handling, and redevelopment activities).
- Carver County may choose to be involved in economic development projects that
    - involve transportation and transit corridors – including rail lines, county and state roads, that pass through more than one community;
    - involve downtown revitalization or the development of business and industrial parks;
    - enhance the supply and capabilities of the workforce sought by area businesses;
    - are highly visible and regionally significant in the Twin Cities metro area;
    - are physically located in more than one city or township;
    - create a significant employment, infrastructure or tax base impact;
    - demonstrate a positive return on investment, or
    - preserve, enhance or remediate environmental quality.

- Carver County government considers project costs and benefits when evaluating economic development strategies, actions and investments.
- County government will consider workforce, employment, and tax base development to enhance long-term plans and investment decisions.

## Economic Development Strategic Initiatives

**Strategic Initiative #1: Workforce**
Carver County employers are globally competitive because they are able to attract and retain a diverse, adaptable, high quality workforce.

**Strategic Initiative #2: Strategic development of land, transportation & infrastructure**
Carver County works with local governments to manage growth to create a broad and diverse commercial/industrial tax base and quality employment opportunities through strategic development of land, transportation, and infrastructure.

**Strategic Initiative #3: Transportation and Transit**
Efficient transportation, safe access, and relatively low congestion support the productivity of the workforce and the competitiveness of Carver County businesses. Efficient transportation and transit make Carver County a competitive business location.

**Strategic Initiative #4: Economic Development Capacity**
Carver County partners with its communities, chambers, financing, education and workforce partners to provide a comprehensive, non-duplicative array of economic development services.

# Economic Development Strategic Initiatives & Goals

**Strategic Initiative #1: Workforce**
Carver County employers are globally competitive because they are able to attract and retain a diverse, adaptable, high quality workforce.

Goal #1: Create a flexible, responsive higher education capacity in Carver County to address a broad spectrum of education/training needs for resident, including links between K-12 and higher ed, technical, adult education/training/retraining, and advanced degree programs

Goal #2: Create affordable housing for working families in Carver County – including personnel in education, health care, manufacturing, government, and the retail/service sector.

Goal #3: Incorporate transit and trail planning into the development of major commercial/industrial development projects and increase transit and trail access to major employment centers. Strengthen transit links to attract/retain workers from urban population centers.

Goal #4: Maintain a high quality of life including great parks, schools, health care, open space, natural resources, and recreational opportunities to attract and retain managerial, technical and professional workers.

Goal #5: Change systems and attitudes to positively accommodate an increasingly diverse workforce and population – including racial/ethnic diversity and the aging workforce

Goal #6: Organize Carver County businesses and institutions involved with workforce to effectively work together to address near and long term gaps in labor supply. Consider the use of industry clusters or a workforce coalition to organize these efforts.

**Strategic Initiative #2: Strategic development of land, transportation & infrastructure**
Carver County works with local governments to manage growth to create a broad and diverse commercial/industrial tax base and quality employment opportunities through strategic development of land, transportation, and infrastructure.

Goal #1: Work with cities to preserve and develop land for business/industrial park and commercial growth in key locations to

- ensure the development of well-located business/industrial parks that accommodate the growth of existing employers and attract new businesses;
- ensure a healthy employment base and a strong and balanced tax base;
- concentrate development in cities, preserve ag land and open space;
- incorporate competitive telecommunications/technology features;
- incorporate features that support the health of employees and the environment; and
- provide convenient access to goods and services for residents and businesses.

Goal #3: Support city downtown redevelopment efforts.

Goal #4: Facilitate joint planning among local jurisdictions to plan development along major transportation corridors and provide quality sites for growing Carver County employers.

Goal #5: Identify sites with significant development potential due to location and access characteristics (particularly those sites located in more than one jurisdiction). Work with local governments to prepare small area plans to maximize tax base, employment and quality of life potential, transportation access and transit/ trail connections.

Goal #6: Work in cooperation with local governments to support the development of telecommunications, technology, and data communication infrastructure that is a competitive advantage for businesses.

**Strategic Initiative #3: Transportation and Transit**
Efficient transportation, safe access, and relatively low congestion support the productivity of the workforce and the competitiveness of Carver County businesses. Efficient transportation and transit make Carver County a competitive business location.

Goal #1: Provide leadership for the effort to develop commuter rail and transit links, with an emphasis on bringing workers to Carver County employers.

Goal #2: Provide leadership and invest in transportation, rail, transit and trail planning and infrastructure, to accommodate the needs of growing employers, a growing population, and workforce.

**Strategic Initiative #4: Economic Development Capacity**
Carver County partners with its communities, chambers, financing, education and workforce partners to provide a comprehensive, non-duplicative array of economic development services.

Goal #1: Serve as a technical assistance resource to smaller cities regarding business and industrial park development, downtown revitalization, business retention, economic development financing and other economic development topics. Support intergovernmental cooperation and mentorship between communities regarding economic development.

Goal #2: Develop effective systems and capacity for responding to economic development prospects in cooperation with Carver County communities. Identify and implement effective approaches to marketing the area as a business location.

Goal #3: Focus on priority industry clusters to ensure Carver County's capacity to help businesses in these sectors grow and expand. Build education, financing and real estate resources to attract additional workers and/or firms in these industry clusters.

Goal #4: Integrate consideration of economic development into county policies, planning, programs and activities, including land use, transportation, transit, housing, aging, workforce development, trails, parks and recreation, and open space.

Goal #5: Build an understanding of economic development through strong communication with local stakeholders and residents and effective measurement of economic development impact.

CARVER COUNTY

# REQUEST FOR BOARD ACTION

***AGENDA ITEM*: Carver/Bevens Fecal Coliform TMDL Progress Report With a Focus on Direct Discharge Systems**

| | |
|---|---|
| Originating Division: Land Water Services | Meeting Date: 19 Feb 2008 |
| Amount of Time Requested: 40 | Attachments for packet: ☐Yes ☒ No |

Item Type: ☐Consent ☐Regular Session ☐Closed Session ☒Work Session ☐Ditch/Rail Authority

***BACKGROUND/EXPLANATION OF AGENDA ITEM:*** the Carver/Bevens TMDL has been in the implementation phase since the summer of 2007. The staff will report on the progress of implementation – what has been successful and what has not been successful. The focus of the discussion will be on feedlots & land spreading of manure and on direct discharge septic systems. The direct discharge issue will be discussed in the context of the TMDL and its goals and in the larger context of the rural area. The staff will present for discussion a recommendation of how to proceed with TMDL implementation and a strategy for addressing direct discharge systems in both the TMDL areas and the remainder of the county.

***ACTION REQUESTED:*** The staff is requesting reaction from the Board regarding the issues and guidance regarding moving forward with the recommendations.

***FUNDING***

County Dollars = $
Other Sources & Amounts =
= $
**TOTAL** = $

*Related Financial Comments:*

***FISCAL IMPACT***

☐*None*
☐*Included in current budget*
☐*Budget amendment requested*
☐*Other:*

☒**Reviewed by Division Director** **Date: 11 Feb 2008**