



Carver County Board of Commissioners  
 November 22, 2016  
**Special Session and Work Session**  
 County Board Room  
 Carver County Government Center  
 Human Services Building  
 Chaska, Minnesota

- 9:00 a.m. 1. a) **CONVENE**  
 b) **Pledge of allegiance**  
 c) **Public comments (limited to five minutes)** *Anyone wishing to address the Board of Commissioners on an item not on the agenda may come forward at this time. Please limit your comments to five minutes.*
2. Agenda review and adoption
3. Approve minutes of November 10, 2016, Special Meeting and November 15, 2016 Regular Session..... 1-10
4. Community Announcements
- 9:05 a.m. 5. **GROWTH: Manage the challenges and opportunities resulting from growth and development**  
 5.1 DG Minnesota CSG 2 (NextEra & TruNorth) - Community Solar Garden Request..... 11-18
- 9:35 a.m. **ADJOURN SPECIAL SESSION**
- WORK SESSION**
- 9:35 a.m. A. **CONNECTIONS: Develop strong public partnerships and connect people to services and information**  
 1. 2017 Legislative Priorities ..... 19-34
- 10:00 a.m. B. **FINANCES: Improve the County’s financial health and economic profile**  
 1. 2018 Long Term Financial Plan ..... 35-41  
 2. Funding Future High Priority Road and Bridge Projects ..... 42
- 11:15 a.m. **BOARD REPORTS**  
 1. Chair  
 2. Board Members  
 3. Administrator  
 4. Adjourn

David Hemze  
 County Administrator

**UPCOMING MEETINGS**

- |                   |                                      |
|-------------------|--------------------------------------|
| November 29, 2016 | No Board Meeting                     |
| December 1, 2016  | 6:00 p.m. 2017 Budget Public Meeting |
| December 6, 2016  | AMC Conference-No Board Meeting      |
| December 13, 2016 | 9:00 a.m. Board Meeting              |
| December 20, 2016 | 4:00 p.m. Board Meeting              |
| December 27, 2016 | No Board Work Session                |

SPECIAL MEETING  
November 10, 2016

A special meeting of the Carver County Board of Commissioners was held in the County Government Center, Chaska, on November 10, 2016. Chair James Ische convened the session at 5:00 p.m.

Members present: James Ische, Chair, Gayle Degler, Vice Chair, Tim Lynch, Randy Maluchnik and Tom Workman.

Members absent: None.

Degler moved, Lynch seconded, to approve the agenda. Motion carried unanimously.

Maluchnik moved, Workman seconded, to approve the minutes of the November 1, 2016, Regular Session. Motion carried unanimously.

Community announcements were made by the Board.

Jason Mielke, Land Management, appeared before the Board regarding the DG Minnesota SCG 2, LLC (NextEra & TruNorth) community solar garden request. He reviewed the background and indicated the applicant had submitted revised plans to address questions and concerns. He explained staff was looking for direction for an Order to be considered at the November 22<sup>nd</sup> Board meeting.

Chair Ische acknowledged there had been many meetings held related to this request and asked that comments be kept to new information. He pointed out the board action that outlined the proposed revisions.

Heather Eberhardt, NextEra, stated they believed the project has been improved for all of the stakeholders and reviewed the meetings that had been held over the last several months. She suggested they have done their best to solicit public comment and when possible, take action to improve the project. She highlighted the company's background and experience. Eberhardt recognized there were concerns and explained the revisions they were proposing. She suggested stray voltage should not be a concern, they would do testing before and after construction and will remediate any problems. She stated the haul route would be laid out ahead of time and would get approved by County staff.

She indicated a conditional use was a land use designation that is allowed so long as certain conditions are met or additional conditions can be added to satisfy those concerns. She believed that their proposal met all the findings required by the zoning ordinance and asked that the conditional use permit be approved.

Todd Guerrero, Esq., appeared on behalf of the applicant and entered into the record the signed Interconnection Agreement with Excel Energy.

Daniel Boris, explained he was the author of the appraisal report prepared for NextEra, and reviewed his credentials. He reviewed the steps he went through to perform the appraisal. He indicated he

researched the market looking for paired sales and stated he could not find sales that demonstrated a negative influence. He suggested the existing power line and pipeline running through the site probably poses a greater concern. He suggested the fear was much greater than the reality and there was no supporting data. Boris added that solar farms produce no loud noises, no smell, no additional traffic and no change in groundwater dispersal.

Jody Meyer stated she spoke to a number of experts, has done research and was confident in this project and the people that run it. She suggested energy options should be expanded and stressed the importance of pollinators to ag land. Meyer stated there was no good reason to deny the request.

Mikal Hendrikson, 106080 Highway 7, stated he was the owner and operator of the adjacent horse farm for 20 years with no issues. He stated he was opposed to the CUP based on liability, the health and safety of his riders and horses, loss of business, loss of property values, limiting his land use practice and crop loss. He referenced a letter from his insurance agent, his CPA, his trainer and borders stating their concerns. He stated his liability would increase, his borders would leave and turn his profitable business into a loss. He pointed out his veterinarian, trainer, as well as others he does business with, would also lose business. He reiterated the solar garden would be injurious to Buck Lake Stables and asked the Board to deny.

Todd Weinzierl, 5125 Oxford Avenue, presented several photos of sections of Highway 7 that highlighted the glare. He suggested, even with the slats, commuters would see the glare. He stated he has been in law enforcement a number of years and has investigated accidents due to glare. He stated sun glare can be deadly and stressed the importance of vision to drive safely.

Weinzierl stated he was opposed to the project due to property value loss to his property and surrounding property owners, humming noises, enhance runoff and safety hazards during construction of the project and ongoing maintenance. He added his view would be altered and voiced his concern for the safety of his children and animals due to high and stray voltage. He stated this was not an essential service and the property was not zoned for a commercial project. He stressed this was a bad location and they needed to keep certain property rural and prime ag land protected. He urged the Board to uphold their 5-0 vote to deny.

Guerrero suggested the picture of the sunrise provides no evidentiary value to this application. He stated this type of neighborhood opposition is not a sufficient basis on which to deny a project.

Rima Lenzen, 10930 Highway 7, explained her husband decided to take part of his land and apply it to a different use. She believed he deserved a right to use his property as he wishes and because of its location, it was a great opportunity for a solar farm. She stated it was their right, as landowners, to build a solar farm as long as it was not harming the surrounding environment or neighbors. She stated their farm has been a farm for many years, they were not planning to change that completely, and were asking to allow to change a piece of it. She added that solar power is the future and they would like to be a part of it.

Mike Hilk, 10660 Highway 7, pointed out the overhead and underground power lines and stated it would be impossible to screen his property. He stressed the potential of accidents for delivery trucks coming from the West.

Frank Long, 11165 Highway 7, stated the standard requirement for a CUP require it be the primary use of the property and extend into perpetuity. He explained he was a landscaper and the neighbors would not get much screening for \$1,000. He suggested they reach out to the landowner adjacent to the solar farm on 25 who had an agreement with a developer who later backed out. He stated a solar farm is an industrial electrical facility and industrial uses affect property values.

Patrick Neaton, Esq., representing a number of neighboring landowners, stated they should not be here at all. He pointed out the previous Planning Commission meetings held and the Board's unanimous vote on September 6th directing staff to prepare a resolution to deny. He noted the subsequent closed meeting to consider threatened litigation. He pointed out the recent staff report did not include anything about the previous denial and noted the threatened litigation.

He stated the City of Chanhassen case cited by opposing counsel was entirely different than the situation here where there are multiple rural residential properties immediately surrounding the site. Neaton highlighted the Molner Court of Appeals decision that stated the County Board was justified in finding that the facility would become a nuisance adversely affecting the enjoyment of other properties in the immediate vicinity. Neaton referenced the Boris appraisal report that states no sales could be identified for review and analysis and pointed out Mr. Haasken's opinion that it will reduce property values. He stressed fear drives down property values because purchasers aren't as willing to pay as much because they are afraid their resale values will be reduced. Neaton added that fear also reduces an owner's enjoyment of their property. He acknowledged that the Boris report addressed noise and smell but did not address aesthetics, what the project would look like and if it would be consistent with the present rural residential setting.

Neaton stated the proposed revisions were not a significant improvement and stressed the solar garden was inconsistent with the neighborhood. He requested that the Board renew its motion and instruct staff to prepare a resolution that the applicant has not met the burden under Section 152.251 that it has the burden of proving.

Todd Guerrero, Esq., stated there was no evidence in the record that the applicant had threatened to sue. Mark Metz, County Attorney, clarified the Board is allowed to go into closed session if there is a threat of litigation but the closed session was not based on any written letter. He pointed out the potential for a threat of litigation that necessitated the Board to go into closed session.

Guerrero stated the proper response is not a lawsuit in this type of proceeding but an appeal to the Court of Appeals. He stated the applicant will preserve their rights under the law but have not threatened the Board with legal action.

Neil Johnson, Watertown Township Supervisor, stated the Township position has not changed. He explained if they were going to issue a CUP as an essential service they have to be an essential

service. Johnson referenced the applicant's letter acknowledging they are not an essential service. He highlighted sections of the Ordinance referencing essential services and Sections LU 16 and LU 19 of the comp plan. He stated the comp plan does not address large solar systems and the applicant does not comply with the comp plan or with the Ordinances.

Kathy Anderson, 14750 50<sup>th</sup> Street, referenced the comments made at the September 6<sup>th</sup> meeting related to essential services. She questioned if this was an essential service and stated an essential service was the only reason that prime ag land can be used. She stated Xcel was not an applicant and it is a utility. Anderson indicated conditional use permit run with the land and there was no such thing as a 35 year CUP. She indicated there was no justification given for putting this on prime ag land and that was a requirement in the ordinance.

She noted if the use was temporary, the ordinance states that it can have no foundations or tie-downs. Anderson raised questions regarding the interconnection agreement and questioned why this was not available previously. She requested that she be allowed to review to determine if the issues raised had been resolved.

Guerrero clarified the interconnection agreements are in the record and have been for some time.

Anderson questioned if the September 6<sup>th</sup> minutes would be part of the record and asked that they be included. She read the definition of essential services and stated the applicant was electric generating, privately owned, not regulated and not a utility. She reviewed information on the Clean Energy Resource Team website available to the public and stated solar gardens are not a utility and therefore not an essential service. Anderson referenced a MPR article related to siting solar gardens and third party ownership.

She stressed this did not meet the requirements of the ordinance. She stated land in the ag district is dedicated to the ag economy and there is no place that a landowner can sign a lease to turn it into a commercial use. She pointed out a solar garden is not equal to a feedlot in the ag district and feedlots are a permitted use. Anderson suggested when a facility such as this is permitted, it brings with it a 1,000 foot setback for anyone that puts in a feedlot.

Guerrero referenced their previous letters that addressed essential services and pointed out other solar gardens had been permitted on ag land.

Wayne Hubin, 11975 Swede Lake Road, noted the use of ag land was to be temporary and stated 25-30 years was not temporary, adding the majority of the residents would live looking at this project.

Sohan Das, EVS Engineering, stated the photo submitted earlier that showed glare from a solar project did not use the same technology that they would be using for this project.

Steve Just, Land Management, clarified there are often times when there is more than one principal use on a property. He acknowledged there had been a lot of previous discussions on essential services and referenced applicable sections of the ordinance to consider.

Laura Jaunich, Assistant County Attorney, stated their opinion that community solar gardens should be treated as essential services, but not because of 152.050, but instead because 152.039 specifically points to 152.052 which is in the essential services section of the code. She stated the County has a long history of addressing land uses under these sections and pointed out 152.054 and 150.056. She advised the Board to review and consider 152.039, 152.052 and the general CUP standards in conjunction with the facts, documents, testimony and the entire record. She stated, if the Board were going to deny, they focus on the ten factors in 152.251, and not on the essential services argument.

Just acknowledged prime land has to be considered along with other unique factors. He noted the native pollinator species, limited amount of impervious area and the eventual decommissioning of the project.

Guerrero acknowledged they are not an essential service and prime ag land is not relevant under this application.

Anderson stated when the Ordinance was amended in 2015 solar was presented as an essential service and they do not get to be on prime ag land. She added that a LELS must be the primary use of a parcel.

Just reviewed sections of 152.51 for the required findings.

Workman moved, Lynch seconded, to direct staff to prepare an order for denial for the Board's consideration at the November 22, 2016, Special Board meeting. Lynch, Workman voted aye. Degler, Ische, Maluchnik voted nay. Motion failed.

Maluchnik moved, Degler seconded, to direct staff to prepare an order for approval for the Board's consideration at the November 22, 2016, Special Board meeting regarding this application. Degler, Ische, Maluchnik voted aye. Lynch, Workman voted nay. Motion carried.

Maluchnik moved, Degler seconded, to adjourn the Special Meeting at 7:30 p.m. Motion carried unanimously.

David Hemze  
County Administrator

A Regular Session of the Carver County Board of Commissioners was held in the County Government Center, Chaska, on November 15, 2016. Chair James Ische convened the session at 4:02 p.m.

Members present: James Ische, Chair, Gayle Degler, Vice Chair, Randy Maluchnik and Tom Workman.

Members absent: Tim Lynch.

Under public comments, Mary Hershberger Thun, Victoria, explained she was present to talk about the WeCab program. She stated the program has been in operation for two years and reviewed the number of rides given, registered riders and number of volunteer drivers. She stated they were on their way to reaching 1,000 people in Carver County. She indicated they are clearly meeting unmet needs throughout the County. Hershberger Thun noted the meetings she has had with SmarkLink, SW Transit and the cities of Watertown and Waconia.

She stated they have scheduled meetings throughout the second week of December to get the word out on the need for volunteers and the WeCab program. She stressed the program was needed and utilized in Carver County and encouraged the Board to support the WeCab program.

The following amendment was made to the agenda:

Add: 9.0 Resolution Authorizing and Directing Entry Upon Property for the CR 110 Construction – Waconia School Phase Project

Degler moved, Maluchnik seconded, to approve the agenda as amended. Motion carried unanimously.

Community announcements were made by the Board.

Maluchnik moved, Degler seconded, to approve the following consent agenda items:

Approved utilizing vacancy and turnover savings to fund a temporary Social Worker II position to fill a three month maternity leave of absence and related Health and Human Services budget amendment.

Resolution #67-16, CSAH 10 Speed Zone Study Request.

Approved amendment and renewal of the Metropolitan Emergency Services Board joint powers agreement.

Authorized the Sheriff's Office acceptance of \$500 donation to the Sheriff's Office K9 Unit and 100 personal alarms to be distributed to citizens.

Contract with Alliance Courier, Inc., pending completion of the contract review process.

Approved the Library RFID project budget, contact with Bibliotheca pending contract review and staffing to tag items.

Resolution #68-16, Recognition of Library Volunteer Mary Kvitek.

Contract with Videotronix, Inc. pending completion of the contract review process.

Approved the use of 2016 County wide vacancy savings to support the hiring of a lead support analyst in December, 2016 and related Information Services budget amendment.

Authorized the acceptance of computer monitor donations from Scott County.

Approved the following abatements:

25.1290140	Trent David
25.4820060	Amy Lloyd
30.1820020	Duane Bagdons
30.0504050	Jacob Leitch
75.0520400	Craig Timmerman
30.2310090	Shelley Barrer

Reviewed November 8, 2016, Community Social Services' actions/Commissioners' warrants in the amount of \$203,024.64 and reviewed November 15, 2016, Community Social Services' actions/Commissioners' warrants in the amount of \$295,887.57

Motion carried unanimously.

Degler moved, Workman seconded, to go into closed session to discuss labor negotiations strategy. Motion carried unanimously.

Degler moved, Maluchnik seconded, to adjourn the closed session at 5:29 p.m. Motion carried unanimously.

Maluchnik moved, Degler seconded, to open the public hearing to consider changes to the County's 2017 fee schedule. Motion carried unanimously.

Mary Kaye Wahl, Finance, explained the County provides a wide range of services and each year Divisions review the fees charged to determine if there need to be adjustments. She pointed out Statute allows the County to cover its costs which are reflected in the fee schedule. She noted the Environmental Center's electronic disposal fees reflect the County's increased costs to dispose of these items.



No public testimony was received.

Maluchnik moved, Workman seconded, to close the public hearing. Motion carried unanimously.

Maluchnik offered the following Resolution, seconded by Degler:

Resolution #69-16  
Adopting Ordinance 48-2017, the  
Carver County Fee Schedule

On vote taken, all voted aye.

Degler moved, Workman seconded, to recess as the County Board and convene as the Carver County Regional Rail Authority. Motion carried unanimously.

Degler moved, Maluchnik seconded, to open the public hearing to consider changes to the Regional Rail Authority fee schedule. Motion carried unanimously.

Wahl noted the changes they were recommending.

No public testimony was received.

Degler moved, Maluchnik seconded, to close the public hearing. Motion carried unanimously.

Maluchnik offered the following Resolution, seconded by Degler:

CCRRA Resolution #01-16  
Adopting Sections 2, 3 and 4 of Ordinance 48-2017, the  
2017 Carver County Regional Rail Authority Fee Schedule

On vote taken, all voted aye.

Degler moved, Workman seconded, to adjourn as the Rail Authority and reconvene as the County Board. Motion carried unanimously.

David Frischmon, Finance, explained the CDA intended to refinance debt on the Oak Grove project. He stated the County has in the past backed their bond sale with the County's general obligation and the CDA was asking the County to continue that. He indicated this would not impact the County's AAA bond rating.

Maluchnik offered the following Resolution, seconded by Degler:

Resolution #70-16  
Approving the Issuance by the Carver County Community Development  
Agency of its Carver County, Minnesota, Unlimited Tax General Obligation  
Refunding Bonds, Series 2016 back by the full faith and credit of  
Carver County

On vote taken all voted aye.

Maluchnik moved, Degler seconded, to recess as the County Board and convene as the Carver County Ditch Authority. Motion carried unanimously.

David Frischmon, Finance, requested that the Ditch Authority approve ditch assessments to reflect the costs that have occurred over the last year or intended for next year. He stated the large assessment for 4A was a result of a redetermination.

Mike Wanous, Soil and Water, clarified when the redetermination was done on 4A they were required to acquire and plant a one rod buffer strip but this was not related to the new buffer law requirement.

Maluchnik moved, Workman seconded, to approve the following payable 2017 one year assessments:

County Ditch 5	15,000
County Ditch 6	10,000
County Ditch 10	10,000
Joint Ditch 1	10,000
Joint Ditch 2	2,000
Joint Ditch 4	15,000
Joint Ditch 5	5,000
Joint Ditch 22	10,000
County Ditch 4A	150,000

Motion carried unanimously.

Maluchnik moved, Degler seconded, to adjourn as the Carver County Ditch Authority and reconvene as the County Board. Motion carried unanimously

Patrick Lambert, Public Works, requested the Board approve a Resolution authorizing and directing the County Attorney to take all steps necessary to acquire entry upon property for the CR 110 construction project. He explained this was a joint project between the City of Waconia, Waconia School District and Carver County and in order to get to final designs they needed to access the properties that will be impacted.

He noted they have gotten the necessary access agreements except one and the landowners have required the County to get an order in order to access the property. Lambert identified the areas they needed to get access to in order to do soil brings. He pointed out the severe time constraints they are under to get the work done.

Maluchnik offered the following Resolution, seconded by Ische:

Resolution #71-16  
Authorizing and Directing Entry Upon Property Pursuant to Minn. State Section 117.041  
for the CR 110 Construction-Waconia School Phase Project

On vote taken, all voted aye.

Degler moved, Workman seconded, to go into closed session according to Minnesota Statute Section 13D.05 in order to discuss attorney-client privileged information regarding the land commissioners' award for the parcel located at 6530 County Road 10 North, Waconia, (PID 09.0030100). Motion carried unanimously.

The Board adjourned the closed and Regular Session at 6:29 p.m.

David Hemze  
County Administrator

(These proceedings contain summaries of resolutions/claims reviewed. The full text of the resolutions and claims reviewed are available for public inspection in the office of the county administrator.)

# Carver County Board of Commissioners Request for Board Action



**Agenda Item:**

**DG Minnesota CSG 2 (NextEra & TruNorth) - Community Solar Garden Request**

Primary Originating Division/Dept:

Meeting Date:

Contact:  Title:

Item Type:

Amount of Time Requested:  minutes

Attachments:  Yes  No

Presenter:  Title:

**Strategic Initiative:**

**BACKGROUND/JUSTIFICATION:**

File #PZ20160033. DG Minnesota CSG 2, LLC (NextEra & TruNorth Solar) requested a Conditional Use Permit (CUP) for a Community Solar Garden (CSG) of 4.4 megawatts (MW). The proposed site is owned by Bruce Lenzen (10930 Hwy 7) and is located in Section 26 of Watertown Township. The request is a part of Xcel Energy's CSG program, which was established by the State of Minnesota in 2013.

The solar facility would be considered a Large Solar Energy System (LSES) under the Renewable Energy section of the Carver County Zoning Code - Chapter 152. The solar development would be located on approximately 22 acres (currently crop production and pasture area) of the 64.5-acre parcel. The CSG would be installed and maintained in accordance with the Renewable Energy standards of the Zoning Code. Those standards would include noise mitigation, decommissioning, setbacks, building & electrical code, and screening.

Pursuant to the Board's direction at the November 10, 2016 meeting, an Order for approval is attached for consideration.

**ACTION REQUESTED:**

A motion to adopt Findings of Fact and issue Order #PZ20160033 for the approval of the Conditional Use Permit.

**FISCAL IMPACT:**

*If "Other", specify:*

**FUNDING**

County Dollars =

**FTE IMPACT:**

**Total**

Insert additional funding source

Related Financial/FTE Comments:

*Office use only:*

RBA 2016 - 4397

**COUNTY OF CARVER  
BOARD OF COMMISSIONERS**

**AN ORDER FINDING CERTAIN FACTS AND ORDERING  
THE APPROVAL OF A CONDITIONAL USE PERMIT**

**DATE:** November 22, 2016

**ORDER #:** PZ20160033

**FILE #:** PZ20160033

**APPLICANT:** Heather Eberhardt - NextEra Energy, AND  
Mike Kampmeyer - TruNorth Solar  
(on behalf of DG Minnesota CSG 2, LLC)

**OWNER:** Bruce Lenzen

**SITE ADDRESS:** 10930 Highway 7, Watertown 55388

**PERMIT TYPE:** Renewable Energy – Large Solar Energy System

**PURSUANT TO:** County Code, Section 152.039 (B)(2)(b)  
and 152.052

**LEGAL DESCRIPTION:** See attached Exhibit "A"

**PARCEL #:** 10-026-0800

A public hearing was held on this matter on June 21, 2016, July 19, 2016, and August 16, 2016, by the Carver County Planning Commission, and all information entered into the public record was duly considered in the issuance of this order.

**FINDINGS OF FACT**

1. The subject property (approximately 64.5 acres) is owned by Bruce Lenzen and is located in the Southwest Quarter (SW¼) of Section 26, Watertown Township. The proposed site is located on approximately 22± acres of the 64.5 acre parcel, which consists of agricultural production land, pasture area, and is located in the Agricultural Zoning District, Shoreland Overlay District of a DNR Natural Environment Lake (10-99P) and the CCWMO (Crow River watershed).
2. The applicant, DG Minnesota CSG 2, LLC, is requesting to construct, operate (by lease), and maintain a 4.4 megawatt (MW) Community Solar Garden (CSG) as a Renewable Energy - Large Solar Energy System (LSES) Conditional Use Permit (CUP) on the subject parcel. The request is being proposed as part of Xcel Energy's Community Solar Garden program, which was established by the State of Minnesota in 2013. The energy contract with Xcel Energy for this program is for a minimum of 25 years. The proposed request is considered an LSES based on the fact that the current (DC) rate capacity exceeds 100 kilowatts. The LSES would produce energy that would be added to Xcel Energy's existing grid system. An LSES requires a CUP pursuant to Section 152.039 and 152.052 of the Zoning Code.
3. The Planning Commission did not provide a recommendation for the proposed land use, due to a 3-3 (tie) vote. They continued the public hearing from the June 21, 2016 meeting to the July 19, 2016 meeting, and from the July 19, 2016 meeting to the August 16, 2016 meeting, to allow for additional review and discussion regarding, but not limited to, stray voltage, landscaping, decommissioning, drainage, maintenance, and MnDOT access approval. A "60 Day Law" letter was sent to the applicant on July 5, 2016, extending the deadline for a final decision until September 24, 2016. A County Board meeting was held on September 6<sup>th</sup>, 2016 and the County Board directed staff to prepare findings for denial of the CUP application for review at the September 20, 2016 meeting. At the September 20<sup>th</sup> meeting, the County Board voted to continue the matter for a final decision to a date not to exceed 60 days. The continuance was based, in part, on the applicant's voluntary extension of the timeframe for final approval and its willingness to reconsider details of the proposal. By email (dated: September 30, 2016), the applicant consented to extend the September 24, 2016, "60-day law" deadline an additional 60 days. Therefore, the deadline was extended for a final decision by the Carver County Board of Commissioners no later than November 23, 2016.
4. According to Ms. Eberhardt's letter (dated: May 26, 2016), DG Minnesota CSG 2, LLC, a wholly owned subsidiary of NextEra Energy Resources, LLC is working in partnership with TruNorth Solar, LLC (collectively, the "Proponents") to

develop and operate a 35-year term for a CUP, the anticipated operational life of the Lenzen project. She further explains that NextEra Energy Resources has specialized in clean energy generation for more than 25 years and is the largest owner and operator of solar and wind power in North America.

5. The applicant is proposing to construct and operate up to a 4.4 MW solar energy site. This project would consist of approximately 17,604 solar modules (panels), each approximately 3¼ x 6½ feet in size. The modules would be mounted on a fixed (steel and aluminum) racking system, which would not exceed a height of eight (8) feet above grade. The site would have 5 concrete inverter pads to support interconnection and metering equipment. According to the applicant, the existing topography is suitable for the project and minimal grading would occur; however, any/all grading would be pursuant to the final engineering design and building permit submittal. The energy produced from the site would be fed to the inverters, which have been relocated to the north end of each 1 MW array of panels. From the inverters, energy would be transferred to the interconnection location and then transferred to an existing Xcel Energy distribution line located on the south side of Highway 7. There would be utility construction (utility power lines) installed in the general area of the proposed interconnection location(s) within the operational area. These utility upgrades would be necessary to help connect the CSG to the existing Xcel distribution line. The exact panel array, inverter, and electrical interconnection configuration and dimensions may change based on the actual equipment and manufacturer selection. However, the ultimate panel/fencing locations must remain within the approved site plan.
6. The applicant has indicated that it selected the site for its solar resource, physical characteristics, proximity to existing Xcel Energy electrical infrastructure and distribution lines, applicable zoning and permitting requirements, and landowner participation. The landowner has signed a long-term lease agreement with TruNorth Community Solar, LLC, which will be assigned to DG Minnesota CSG 2, LLC prior to groundbreaking. This project has been submitted to Xcel Energy's Community Solar Garden program for formal review.
7. An eight (8) foot high slatted fence would enclose the operational area for security and safety reasons. The fencing along the entire southern side of the operational area would include slats in order to help with the visual appearance and eliminate the potential for glare. The western edge of the proposed solar array has been moved 490 feet to the east of Oxford Avenue. (The applicant's previous request was 185 feet.) The applicant is also proposing to install approximately 60 plantings (on an approximately 200-foot long landscaping plan) to include coniferous and deciduous varieties as screening along the westerly side of the project area. The eastern side of the solar array has been modified from prior plans to eliminate approximately 2.75 acres of solar panels, creating a 216+ foot setback (buffer) from the property line. The applicant has proposed to add approximately 0.7 acre of panels on the site; however, the panels would be located in an area that is tucked in a corner and surrounded by solar panels and an existing tree line to the west. The applicant has also proposed to provide additional screening along the eastern side of the solar array. A vegetative (evergreen) screening would be installed along the northeastern/eastern side of the project and extend south to the wetland area (approximately 1,000 linear feet). The screening would be composed of Black Hills Spruce and be allowed to grow to 15 feet in height. The screening would meet the County's 50% opacity design specification. The surrounding properties consist of agricultural farm fields, residential homes, and farmsteads. It appears the closest neighboring residence is approximately 500 feet from the proposed solar array. In addition to the screening on the site, the applicant would offer a maximum \$1,000.00 landscaping reimbursement for every landowner within 1,500 feet of the project. The 1,500-foot distance would be measured from the Lenzen fence line to the neighboring residences.
8. The applicant would need to comply with the Carver County Planning and Water Management Department (CCWMO) and Carver Soil & Water Conservation District (SWCD) with respect to the County Water Rules (Chapter 153), and for site stabilization requirements and Best Management Practices (BMP's). The CCWMO would require compliance with any/all permitting requirements.
9. The applicant has submitted a letter dated August 4, 2016, from the Minnesota Department of Transportation (MnDOT) with regard to allowing an access from MN Hwy 7. Pursuant to the letter, MnDOT is willing to allow the solar site to use the Lenzen driveway to Hwy 7, if a right turn lane is constructed in accordance with MnDOT's Design Manual standards. During construction, all traffic for the solar project that is exiting the solar site (right turn out), would be required to use the turnaround located at the intersection of MN 7/Highway 10 in order to change direction and travel east.

10. The applicant has provided an emergency/response plan in its Operational Plan (dated: May 26, 2016) – Exhibit M: Emergency Response Plan. As a part of the development and construction process, the applicant would provide a more detailed emergency and response plan, which would list local and qualified contractors by contact name and number for the responsible party as it pertained to drainage, weed maintenance, screening, site maintenance, and the like. It is the County’s understanding that customarily, many of the site subcontractor details are not addressed until a solar company and Xcel Energy have reached the final design plan phase for a project. Therefore, a requirement of the conditional use permit shall be that the applicant submit (to the Carver County Land Management Department) the list of emergency contacts with an emergency plan prior to the issuance of any building permits for the project, and/or prior to beginning any construction activities on the subject parcel. The contact information for any maintenance and emergency issues would need to be posted at the entrance to the site. The signage could be placed on the security fencing at this location. All signage posted on site shall be in compliance with Chapter 154 – Sign Regulations. Internal signage is required for labeling of electrical equipment to provide for safety and to support good practices.
11. There are no animal agricultural operations (dairy) adjacent to the site; however, pursuant to the applicant’s Operational Plan “Stray Voltage Mitigation”, it is proposing to use industry best practices at all times to minimize the risk of stray voltage and ensure that the project is built and maintained according to National Electrical Safety (NES) code and within acceptable levels as prescribed by the local safety code. The applicant has indicated in its operational plan (dated: May 26, 2016) that it would conduct tests by a third party electrical company. Tests would be conducted prior to construction and again within 90 days of commencement of commercial operation. Those tests would verify whether or not stray voltage was occurring according to the threshold defined by the *MN Stray Voltage Guide*. The applicant has stated that because the site will be properly inspected, it will not cause any stray voltage. However, if a problem were to occur, the applicant has made a commitment to remediate any stray voltage within 90 days of detection and verification.
12. The applicant has voluntarily participated in the Pollination Pledge and has agreed to seed the site with native pollinator friendly vegetation around the periphery of the fenced area. The seed mix would be designed with goals to minimize maintenance costs, withstand harsh climate, minimize erosion, improve water quality, and infiltrate storm water runoff. Final implementation of the seeding plan shall be subject to review/recommendations by the CCWMO. NextEra would contract with a local company to ensure that ground cover at the site was maintained at a height not to exceed 30 inches. The Carver County Planning & Water Management Department (with the assistance of the State’s Carver County Soil and Water Conservation District) has identified a variety of vegetative seed mixes (native grasses) to help with pollination, as well as to help reduce stormwater runoff on the site.
13. Ms. Eberhardt has provided information regarding the Certificate of Liability Insurance. In her May 26, 2016 letter, Ms. Eberhardt states, “The project will carry Nextera’s standard liability insurance....Carver County would be an additional insured on the Commercial General Liability policy.” The guidelines require the Permittee to maintain a comprehensive public liability insurance policy, which is written by an insurance carrier and must be authorized by law.
14. According to the applicant, site operations (energy productivity) would be designed, approved, maintained, and monitored remotely using radio transmission, satellite contact, or some other means to be determined and approved by Xcel Energy. The CSG would operate 24 hours a day, 365 days a year once construction was completed. Traffic to the site would generally be for maintenance activities and would be expected to be one (1) visit per month for the first year and every other month in subsequent years. Most site maintenance would occur during the summer months to maintain vegetation as well as allow technician crews, as needed, to complete cleaning of the panels, equipment checks, and inspections to ensure safety, reliability, and security. However, during construction, operating hours are proposed to be from sunrise to sunset, not to exceed 7:30 am to 6:00 pm, and with no operations on Sundays. Construction and deliveries would involve multiple trips to and from the site, including truckloads of equipment and delivery of materials. Construction was proposed to begin in September 2016 and completed in November 2016. However, based on the CUP approval process, the applicant has indicated that this project would be pushed into 2017.
15. A lease agreement between the solar company and Mr. Lenzen has been put into effect (signed). DG Minnesota CSG 2, LLC would take on the responsibility and costs of the decommissioning of the site at the end of life of the CSG. The project site would be restored to pre-construction conditions after removal of the structures, foundations, and restoration

of soil and vegetation. All equipment would be removed from the site within 180 days of termination of the lease agreement, or within six (6) months of the conclusion of the useful life of the project, or twelve (12) consecutive months of the cessation of electrical generation. The applicant has described the decommissioning plan in the submitted Exhibit J, which provides guidelines and details on the removal of equipment, restoration of the site, and a financial plan to ensure that funds are available for removal. The applicant has indicated that the CSG consists of recyclable materials and that the scrap value of the system would exceed the removal cost. It has also offered to set aside a surety in the amount of \$50,000 available to Mr. Lenzen and Carver County if, upon cessation of operation, DG Minnesota CSG 2, LLC proves to be unwilling to commence with decommissioning activities within a reasonable period of time. The operational plan appears to satisfy the decommissioning standard.

16. A copy of the interconnection agreement (dated: December 18, 2015) has been provided as part of the application. The interconnection study for the Lenzen property project has been completed by Xcel Energy, and the allowable system capacity is 5MW AC (five 1MW projects). Xcel Energy provides the study results to inform the applicant of the engineering indicative cost estimate, where it sits in the interconnection queue, and to identify the maximum generation capacity (in MW) that can be accommodated at the site location. The next step in the interconnection process is for Xcel Energy to assign a design/construction engineer for the project and to move into detailed design, procurement, and construction for the interconnection work. The applicant states that once the project receives its land use permit through the County, the project would be fully ready for pre-construction. The applicant has indicated that the point of interconnection would include construction of a maximum of five (5) utility poles. The original request identified the need for fifteen (15) utility poles at the interconnection point. A condition should be placed on the permit requiring the interconnection infrastructure to be installed underground as much as allowed by Xcel Energy.
17. The 2030 Carver County Comprehensive Plan (Agricultural Policy Area) identifies a land use summary table (similar to all township land use tables), which was required by the Metropolitan Council. It is for informational purposes only, and it is not a land use policy. Under County Policy LU-19, the "Other Uses" (Non-Agricultural, Non-Residential Land Use) language states, in part, that "certain other uses of land may be necessary or appropriate in the policy area." Policy LU-19A further addresses Essential Services and Public Services, which would include quasi-public uses such as utilities. Policy LU-16 (Service Development Standards) identifies standards to ensure that land uses in the unincorporated area are compatible with a rural, agricultural area and the level of services available. One of the standards states that "undue restrictions on solar access and renewable energy should be avoided." The use of agricultural land is temporary in nature, and the impervious areas would be minimal. The amount of long-term agricultural land used for the large SES is small in relation to the total acreage of the Xcel Energy service area. These factors are compatible with the 2030 Comprehensive Plan.
18. The Carver County Zoning Code includes a standard that requires foundation posts to be installed using noise mitigating equipment such as a vibrating post driver or any other noise reduction method as may be stipulated by the CUP, with which the applicant would need to comply. The applicant has stated that a vibrating post driver method would be used for the installation of the steel posts for this project.
19. The applicant has submitted a Glare Study (dated: May 24, 2016), which identified only a low potential for glare. Panels are specifically designed with an anti-reflective coating to absorb sunlight and to reduce the potential for glare. The applicant states that the low level of glare is an acceptable level for airports. The applicant also states that the proposed screening, and slats in the fencing, would mitigate any glare concerns on Hwy 7 and the potential for any medium glare impacts.
20. The applicant has indicated that the proponents for the project would be responsible for maintaining existing tile lines (identified prior to construction) and would be responsible for repairing any damaged lines during construction and decommissioning. Any existing drain tile servicing the site would need to be identified and avoided during construction to ensure that drainage would not be negatively affected. The proponents would coordinate with the landowner to undertake appropriate mitigation to ensure continuous functioning of the site drainage. The proponents would be responsible for the maintenance and/or replacement of any and all drain tile servicing this site (if problems were to occur) for the duration of the CUP.



21. The applicant submitted an appraisal report (dated: July 18, 2016) conducted by Daniel Boris of The Appraisal Group, a Division of Klein International. The report's conclusion is, "No negative impact of value shall be resulting from the construction of a solar farm relating to surrounding land parcels."
22. Public testimony was received at every Planning Commission meeting (June 21<sup>st</sup>, July 19<sup>th</sup> and August 16<sup>th</sup>), and any written documentation presented prior to the meeting or during the public hearing(s), has been entered into the public record. Members of the public and the applicant also spoke at County Board meetings on September 6<sup>th</sup>, 2016, September 20, 2016, and November 10, 2016. There have been approximately nine (9) letters and/or supporting documents (in support) and one (1) resolution of support, which have been entered into the record. Information in support of the request has been submitted from neighbors, interest group(s) such as pollinator advocates and a conservative energy policy group, and legal counsel for the applicant.
23. Attorney Todd Guerrero, representing the applicant, stated that, under the applicable laws, when applicants meet the conditions enumerated in law, they are entitled to a CUP, and the County's recourse should be to impose conditions rather than to deny the project. He stated that generalized neighborhood opposition is not enough to deny the permit. He said that after all of the details and modifications made by the applicant, it would be very difficult to find that it has not met its burden to demonstrate compliance with the criteria.
24. The Watertown Town Board has reviewed the request during several town board meetings; during a special meeting held on June 15, 2016, the Town Board voted to recommend denial. The County Board considered the Town Board's recommendation for denial, and has ruled otherwise because the applicant meets the Zoning Code requirements for a Large Solar Energy System.
25. The County Board has considered all of the factors required by Section 152.251 of the Carver County Code and finds that all are either true, in this case, or that they can be mitigated by conditions placed on the permit.

**IT IS HEREBY ORDERED THAT THE CARVER COUNTY ZONING ADMINISTRATOR SHALL ISSUE CONDITIONAL USE PERMIT #PZ20160033. THIS PERMIT IS ISSUED PURSUANT TO THE CARVER COUNTY CODE FOR A RENEWABLE ENERGY - LARGE SOLAR ENERGY SYSTEM (SES), ON PROPERTY LEGALLY DESCRIBED IN EXHIBIT "A". THE FOLLOWING CONDITIONS SHALL BE ATTACHED TO THE PERMIT:**

1. The permit is subject to Compliance Review. The permit allows for a community solar garden on the subject property (approx. 22± acres) and it is not transferable to another parcel and/or another area of the parcel subject to the permit. Upon notice to the Carver County Land Management Department, the permit, including all rights and obligations therein, may be assigned, in whole or in part, to any Permittee affiliate and any party with experience owning and operating energy generation facilities. Any other proposed change in facility ownership shall be cause for the permit to be reviewed by the Carver County Land Management Department for a determination as to whether an application for an amendment or similar consideration is necessary, and any such proposed owners and/or operators of the solar site are encouraged to contact Land Management as early on in the timeline of the proposed change as possible.
2. Permittee shall operate in accordance with the submitted CSG Application and Supporting Documentation (submittal date: May 26, 2016) and all subsequent modifications presented during the June 21, 2016, July 19, 2016 and August 16, 2016 Planning Commission meetings, as well as any modifications presented during the November 10, 2016 County Board meeting. These plans and any new revisions shall supersede previously submitted versions and shall be considered requirements of this permit. The CSG shall be installed and maintained in accordance with Section 152.039 of the County Code.
3. All structures used in conjunction with the facility shall meet the applicable requirements of the Carver County Zoning Code and State Building Code. Any required building permits must be obtained prior to construction. The hours of operation for construction and/or deliveries shall be from sunrise to sunset, not to exceed 7:30 am to 6:00 pm, and with no operations on Sundays.

4. The permit is subject to any and all MN Hwy 7 – MnDOT standards pertaining to access requirements. The appropriate permit(s) shall be obtained before any work commences within the road right-of-way. The designated haul route, for construction and deliveries, shall be right turn in (from the east) and right turn out (to the west), which shall be a requirement of this permit.
5. Any grading and/or filling activity on the property shall be completed in accordance with the Carver County Water Management Rules and the Wetland Conservation Act (WCA), if applicable. Any and all site improvements shall be completed pursuant to Chapter 153 – Water Resource Management. Stormwater Management review and approvals are required prior to the issuance of construction and/or building permits.
6. Permittee shall not damage or interfere with the use of, or otherwise diminish the functionality of existing field tiles. Any damage to existing field tile caused by Permittee and/or its representatives shall be repaired or replaced or rerouted at the sole expense of Permittee.
7. The screening plan shall be implemented in accordance with the landscaping plan (dated: June 9, 2016) and final site plan (dated: 10/28/2016). These plans shall be considered a requirement of this permit. The Permittee shall be responsible for maintaining any and all vegetative screening as well as the slats in the fencing for the duration of the CUP.
8. The vegetative cover shall be implemented in accordance with the operational plan (May 26, 2016), landscaping plan (dated: June 9, 2016) and final site plan (dated: 10/28/2016) and shall be considered a requirement of this permit. The project shall be planned and developed in a way that is beneficial to pollinators – meeting or exceeding the statewide standard for pollinator-friendly solar gardens for the areas specified in the operational/site plan(s). The Permittee shall be responsible for maintaining any and all vegetative ground cover for the duration of the CSG. Final implementation of the plan(s) shall be subject to the CCWMO review and approval.
9. The Permittee shall provide an escrow (for additional screening) in favor of adjacent landowner residences, as specified by the letter to the Carver County Board of Commissioners, dated October 31, 2016.
10. Permittee shall comply at all times with the County standards as detailed in Chapter 152 – Zoning Code and Chapter 154 – Sign Regulations.
11. The interconnection infrastructure shall be installed underground, as much as possible, as allowed by Xcel Energy.
12. Pursuant to the operational plan (dated: May 26, 2016) and summary update (dated: July 18, 2016), DG Minnesota CSG 2, LLC shall construct the facility according to the National Electrical Safety Code standards. The Permittee shall also provide stray voltage testing (according to the Minnesota Stray Voltage Guide) by an experienced third party electrical company prior to construction (to establish a baseline) and also within 90 days of commercial operation. Any stray voltage that is directly attributed to the solar project shall be remediated within 90 days of detection and verification.
13. Decommissioning of the solar PV system shall be implemented in accordance with the Decommission Plan process (date: May 26, 2016) at the end of the life of the community solar garden. The Carver County Land Management Department shall receive a copy of the security document. The Permittee shall be responsible for all of the decommission costs and shall list Carver County as having access to the security in the event that decommissioning was required. The Permittee & Property Owner shall maintain this agreement for the duration of the solar energy array. The Permittee shall also provide the list of contractors, including name(s), addresses and telephone numbers to the Land Management Department for the decommissioning, once the Renewable Energy – Large Solar Energy System was being staged for reclamation/restoration.

14. The Permittee shall provide the Carver Country Land Management Department with the Operation & Maintenance agreement documenting the emergency and response plan, containing contact name(s), addresses, and telephone number(s) for the responsible party(ies) as it pertains to drainage, weed maintenance, screening, site maintenance, stray voltage, etc. The list of contacts shall also be posted and identified by a placard sign at the site with the contact name(s), addresses, and telephone number(s). The completed emergency and response plan shall be submitted to the Carver County Land Management Department prior to the issuance of any building permit(s), and/or prior to beginning any construction activities on the subject parcel. Any change in the emergency contact information shall be submitted to the Land Management Department as well as posted at the site.
15. No later than the date that construction of the solar facility begins, the Permittee (including all Permittee affiliates) shall name Carver County as an additional insured on all policies of liability insurance. The Permittee shall annually file with the Carver County Land Management Department a certificate evidencing coverage. The certificate shall provide that the County must be given thirty (30) days' written notice of the cancellation of insurance.
16. No later than the date that construction of the solar facility begins, the Permittee (including all Permittee affiliates) shall submit a copy of Worker's Compensation Insurance to the Carver County Land Management Department.

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James Ische, Chair  
Carver County Board

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Dave Hemze  
County Administrator

# Carver County Board of Commissioners Request for Board Action



**Agenda Item:**  
**2017 Legislative Priorities**

Primary Originating Division/Dept: Administration (County)

Meeting Date: 11/22/2016

Contact: David Hemze  Title: County Administrator

Item Type:  
Work Session

Amount of Time Requested: 30  minutes

Attachments:  Yes  No

Presenter: David Hemze  Title: County Administrator

Strategic Initiative:  
Connections: Develop strong public partnerships and connect people to services and information

**BACKGROUND/JUSTIFICATION:**

Carver County Legislative Priorities are objectives that the County is seeking state legislative assistance to accomplish. Carver County Division Directors submitted recommendations for the 2017 Legislative Priorities and the Carver County Legislative Committee reviewed the attached priorities that will be presented at the work session.

**ACTION REQUESTED:**

Provide input on the 2017 Legislative Priorities.

FISCAL IMPACT: None

If "Other", specify:

**FUNDING**

County Dollars =

FTE IMPACT: None

Total  \$0.00

Insert additional funding source

Related Financial/FTE Comments:

Office use only:

RBA 2016 - 4395



# 2017 Legislative Platform

*Item numbering is not a priority listing*

**Top priorities:**

1. Transportation Revenue
2. Fund Local Road Wetland Replacement Program
3. Improve Eminent Domain Appraisal Process for Property Owners
4. Capital Improvement Funding for Regional Parks
5. Lake Waconia Regional Park Development
6. Authorization to Reprioritize Regional Park CIP, Parks and Trails Funding
7. Maintain Operations and Maintenance Funding for Regional Parks
8. Parks and Trails Legacy Funding
9. Support Election Technology Upgrades
10. Increase Infrastructure Funding and Transparency for Mental Health Care
11. Metropolitan Governance Reform



## Issue #1: Transportation Revenue

### **Background**

Building and maintaining a safe, efficient and effective transportation system is one of the most basic and vital services provided by all levels of government. Counties are a critical element of the state's transportation system. More than 45,000 miles of Minnesota's 143,000 miles of roads and highways are under county jurisdiction.

Counties and other local units of government oversee 14,700 bridges - 75% of all bridges in the state. The 2008 Legislature enacted a comprehensive transportation funding bill that provided new, dedicated revenues for bridges, roads and transit at both the state and local levels of government. However, the Minnesota Department of Transportation's projections make clear that much of that new funding is exhausted.

There are three major transportation priorities in Carver County that require an increase in transportation funding. Two out of the three priorities involve the state Trunk Highway system which is clearly underinvested in Carver County.

#### **1. Address County Turnback Account shortfall.**

Five percent of the Minnesota Highway Users Tax Distribution Fund (HUTDF), or approximately \$97 million annually, is allocated to the Town Bridge, Town Road, and Flexible Highway Account. The Flexible Highway Account is allocated 53.5%, or approximately \$53 million annually, which is used for the restoration of former Trunk Highways turned back to Counties or Cities. The problem is there is not enough funding in the County Turnback Account (part of Flexible Highway Account) to restore these highways, which typically become the most travelled county highways and have the most safety and congestion issues. This is a significant problem in Carver County where there are many projects waiting for funding including portions of TH101 (now CSAH 101) and TH212 (now CSAH 61).

The County was the lead agency for the 101 Bridge and 61 "Y" reconstruction project, also known as the Southwest Reconnection Project, and was responsible for financing \$18 million of the State share of the project since the County Turnback Account did not have available funding. The next segment of Highway 61 east of the "Y" is funded; however, there remains \$70 million in unfunded Turnback projects on Highways 101 and 61.

#### **2. Improve deficient MnDOT A-Minor Arterials (TH 212, TH 5, TH 41)**

These highways are the most significant trunk highways in Carver County. They carry the most vehicular and freight traffic, yet all are deficient in geometry, which has caused significant congestion and safety

issues. However, not of these highways have been identified for expansion in the 2040 Transportation Policy Plan (TPP) or the State Highway Investment Plan (MnSHIP).

**3. Increase funding to the Local Bridge Bonding Program**

Carver County estimates \$2 million in annual bridge replacement funds are needed over the next five years. The local bridge bonding program augments the budgets of counties and cities statewide by supplying between 50% and 100% of bridge replacement construction costs for deficient structures. The program is first-come, first-serve which rewards project readiness. There are more than 100 projects on the waiting list, but the program has no funding left.

**Requested Position**

Carver County urges the legislature to pass a transportation funding bill that includes the following provisions:

- A. Provide one-time funding to the county turnback account to adequately address high priority projects like TH 101 from CSAH 61 to Pioneer and CSAH 61 from CR 140 to Bluff Creek Drive. Oppose any bill that redirects funding from the 5% flex account to other programs.
- B. Provide trunk highway bonding for the Corridors of Commerce program to fund projects like TH 212 between Chaska and Norwood Young America. Develop criteria that measure potential projects in a fair manner throughout the state.
- C. Provide general obligation bonds for the local bridge replacement program at a level to fund all project ready local bridges.
- D. Distribute all the proceeds from the Leased Motor Vehicle Sales Tax 50-50 between Greater Minnesota Transit and the five Metropolitan Suburban Counties.
- E. Retain the half-cent Local Option Sales Tax for transportation purposes for the non-CTIB Counties.
- F. Oppose any legislation imposing a sales tax for transit only on all Metro Counties without approval of the County Board.



## **Issue #2: Fund the Local Road Wetland Replacement Program**

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### **Background**

There is urgent need to fund the Board of Water and Soil Resources (BWSR) 2016 request for \$14.64 million for wetland mitigation relating to local road projects. Without immediate funding, local road projects will be delayed, possibly in some instances cancelled altogether. In the meantime, improvements necessary to address safety and capacity issues would go unmet.

In 1996, the Legislature established the Local Road Wetland Replacement Program. Under this program, local road authorities are required to report wetlands lost due to local road improvements and reconstruction. The wetland impacts of new local roads are not covered by the program and have to be funded locally. The wetlands are replaced by the state through BWSR. BWSR has been borrowing credits from MnDOT's wetlands bank to meet its statutory obligation to mitigate local road project's wetlands impacts. The "borrowed" MnDOT wetland credits must be repaid at the same time wetland credits are provided for new local road improvement and reconstruction projects. Without a continued state commitment to this funding, local governments face paying for this work out of their transportation budgets which will delay completion of local government road projects; increase local property taxes; negate an agreement with the U.S. Army Corps of Engineers that allow this program to meet federal regulatory requirements; and result in another unfunded state mandate.

### **Requested Position**

Carver County urges the legislators to immediately fund the local road wetland replacement program.





### **Issue #3: Improve the Eminent Domain Appraisal Process for Property Owners**

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#### **Background**

Carver County requests revisions to Chapter 117, Eminent Domain, to mitigate the unintended consequences of the legislation which provides procedures, definition, remedies and limitations for condemning authorities when exercising the power of eminent domain for public use or public purpose.

The 2006 revisions to the eminent domain law has resulted in a significant cost increase related to attorney fees and interest payments incurred by agencies implementing public transportation improvements which has put an unreasonable and unintended burden on transportation funding. Wholesale rewrites or challenges will likely be unsuccessful given the political sensitivity with the law. However, discussion and controversy remains in several areas including: attorney's fees, owner appraisals, land commissioner qualifications, response to offers, and timing and schedules. The modest changes proposed below would give condemning authorities a chance to respond to new information that may come to light in the owner's appraisal, possibly totally avoiding the need acquire the property through the exercise of eminent domain authority.

#### **Requested Position**

Carver County recommends changing the deadline for an owner to provide their appraisal from 5 to 45 days before the Commissioners Hearing. The Condemning Authority shall then have 30 days from the receipt of the Owner's appraisal to provide the Owner a revised last written offer. Carver County also recommends revising Section 117.195 to determine the annual interest on the award based on the secondary market yield of one year U.S. Treasury bills rounded to the nearest one percent.



## Issue #4: Capital Improvement Funding for Regional Parks

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### **Background**

The 2016-17 portion of the Metropolitan Council's Regional Park Capital Improvement Plan (CIP) is based on the issuance of up to \$7.33 million of Metropolitan Council bonds to provide a 40% match to a 2016 State bond request of \$11 million. This results in a 2016-17 CIP total of \$18.33 million.

### **Requested Position**

Support legislation which provides \$17.5 million for the Regional Park CIP for 2016-17. Match \$11 million of State Bonds with \$7.33 million of Metropolitan Council Bonds for a combined total of \$18.33 million for the Regional Parks System. It is anticipated that Carver County will receive \$498,000 for previous land acquisition expenses for Waconia Regional Park.

*Note: The above requested position is consistent with the current request by the Metropolitan Council. The Implementing Regional Park Agencies often support another request after the proposed budget is announced.*



## Issue #5: Lake Waconia Regional Park Development

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### **Background**

Lake Waconia Regional Park is a 159-ace, minimally developed park in the Metropolitan area. It is on the second largest lake in the Twin Cities area and is planned to provide regional recreation opportunities for this area of the state.

MN Statute 473.147 provided legislation to create an Open Space System Policy Plan and in part reads, "The policy plan shall identify generally the areas which should be acquired by a public agency to provide a system of regional recreation open space comprising park district, county and municipal facilities which, together with state facilities, reasonably will meet the outdoor recreation needs of the people of the metropolitan area..."

Land has been assembled for Lake Waconia Regional Park. Financial resources available through traditional funding of the Metropolitan Regional Park system allocated by formula to Carver County are insufficient to reasonably develop facilities and meet the outdoor recreation needs of the people of the metropolitan area.

### **Benefits**

- Delivers recreation services for an underserved area of the state
- Utilizes the investment in land
- Provides a regional destination
- Provides health, social, economic benefits.

### **Requested Position**

Carver County requests \$6 million in state bonds to be matched with \$4 million of County Bonds (or 60/40 ratio as would be determined) to implement the master plan for Lake Waconia Regional Park.



## **Issue #6: Authorization to Reprioritize Regional Park CIP, Parks and Trails Funding**

### **Background**

Metropolitan Regional Park Implementing Agencies request the ability to reprioritize projects funded with and Parks and Trails Legacy Funds, State and Metropolitan Council bonds. The current lack of legislation requires Regional Park Implementing Agencies to seek legislative approval before projects can be reprioritized. The existing process to reprioritize projects is not responsive to changes in circumstance which dictate consideration to reprioritize funded projects, and the process is extremely onerous.

The Metropolitan Council is a governing body of the Regional Park System. Upon submittal of a request by an Implementing Regional Park Agency to reprioritize Parks and Trails Legacy Funds, State and Council bonded projects; the Metropolitan Council would review the request for consistency with approved regional park master plans, the agencies circumstance warranting reprioritization of projects and act on the request.

### **Benefits**

- Responsive to changes in circumstance warranting consideration for a project(s) to be reprioritized.
- Removes a layer of bureaucracy in administering changes to projects services creating efficiencies at multiple levels of government.
- Utilizes an existing system at the Metropolitan Council to vet Implementing Regional Park Agency requests for changes to approved regional park project .

### **Requested Position**

Support legislation which would allow Metropolitan Regional Park Implementing Agencies to request reprioritization of Parks and Trails Legacy Funds, State and Metropolitan Council bonded projects through the Metropolitan Council.



## **Issue #7: Maintain Operations and Maintenance Funding for Regional Parks**

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### **Background**

Carver County receives a portion of its operations and maintenance (O&M) funding for the regional parks it administers. O &M funding comes from funding sources of the State General Fund and Metropolitan Council.

Carver County supports the request of the Metropolitan Council of \$20,000,000 in State Funds for O & M of Regional Parks. The amount is an increase over previous years and moves funding towards the stated legislation of providing 40% of O&M expenses for Regional Park Implementing Agencies as provided in Minnesota Statutes 473.351, sub 3.

In past years, Regional Park Implementing Agencies received approximately 9% of it O & M expenditures. The stated request of \$20,000,000 in State funds matched with Metropolitan Council Funds represents approximately 18% of operations and maintenance expenditures for the Regional System.

#### **Benefits:**

- Reduces County property tax to maintain its regional parks
- Continues a satisfactory levels of park services
- Helps off-set cost of by users outside of Carver County

### **Requested Position**

Support Legislation to increase State funding to \$20,000,000 for Operations and Maintenance expenditures for Regional Parks.



## Issue #8: Parks and Trails Legacy Funding

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### **Background**

In April of 2012, the Minnesota Department of Natural Resources contracted with the Environmental Initiative to manage and facilitate a nine-member working group to develop consensus recommendations and accompanying rationale to serve as a model for parks and trails funding allocations for the FY 2014-2015 biennium and beyond. The Parks and Trails Legacy Funding Committee has reached consensus on an interim agreement for parks and trails legacy funding allocations to the majority state and regional providers.

The proposed funding breakdown for Parks and Trail legacy funding is for FY 2014-2019.

The breakdown is as follows:

- .25% off the top for coordination among partners for marketing and promotional efforts for all parks and trails of state or regional significance.
- .25% off the top to fund resources to establish criteria to allocate Legacy funding.

The remainder to be split:

- 40% Minnesota Department of Natural Resources
- 40% Metropolitan Regional Parks and Trails
- 20% Greater Minnesota Regional Parks

### **Requested Position**

Funding from 2017 legacy funding shall be no less than 40% to Metro Regional Parks and Trails after the .5% allocation for coordinated marketing and establishment of criteria to allocated Legacy Funding. It is preferred that the allocation of Parks and Trails Legacy Funding for Metro Regional Parks and Trails be equal to the amount of sales tax proceeds generated in the Metropolitan area.



## Issue #9: Support Election Technology Upgrades

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### **Background**

Carver County's election equipment is nearing the end of its usefulness and needs to be replaced. The cost is estimated at \$1 million. Federal funding was previously available to purchase election equipment, but it does not appear that federal funding will be available during this cycle. The State is the logical option to provide funding for all counties to maintain the integrity of the state's voting process.

### **Requested Position**

Support the Minnesota Association of County Auditors, Treasurers, and Finance Officers (MACATFO) legislative platform to support the creation of a dedicated election equipment funding source to continue election technology upgrades through the counties.



## **Issue #10: Increase Infrastructure Funding and Transparency for Mental Health Care**

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### **Background**

Minnesota counties partner with the state and federal government to provide critical health and human services to children, the elderly, the disabled and vulnerable adults. Minnesota's heavy reliance on local financing and delivery of these services is relatively unique. Minnesota is one of only nine states with a county-administered human services system. The funding and infrastructure to serve Minnesota's mentally ill is sadly lacking and getting worse. The absence of adequate resources is particularly acute for those suffering a mental health crisis.

Under the current system, Carver County officials have a difficult time determining the anticipated costs of services. In 2015, the County budgeted \$220,000 and spent \$410,000. In 2016, \$400,000 was budgeted, and if nothing changes, we are on track to spend about \$380,000. We are hoping the budgeted amount of \$350,000 will be adequate for 2017. However, just the cost of one unanticipated client could exceed the budget as the cost for inpatient care can be over \$1,800 per day once their stay is determined to not meet medical necessity for that level of care. Stays are many times much longer than necessary as there is often no place for the client to be discharged to.

Children are also affected by this situation. Carver County Human Services worked with a family who had a child who due to developmental, emotional and behavioral issues could not be maintained in the parents' home. After a numerous failed placements, the child was admitted to a Child and Adolescent Behavioral Health Services inpatient program. Once the child was stabilized, it was determined that this setting was not medically necessary. There was no place for this child to be discharged to. While Carver County Human services worked to develop a unique and supported placement for this child, the County had to pay 100% of the cost for this child to stay in the community behavioral health hospital at \$2,248 per day! No other option or payment source was available. Working hard with private providers, it took 34 days to create a placement for this child. This led to an unanticipated cost to Carver County taxpayers of over \$76,000.

### **Requested Position**

The Carver County Board of Commissioners urges the Legislature to provide funding to address infrastructure needs for community mental health services. Greater transparency and an appeals process must be established to enable a county's ability to determine a client's readiness, based on "hospitalization criteria," to be returned to the community. Additionally, for planning purposes, adequate notice of a decision leading to a client's release from hospitalization must be given to counties.

#### **1. Increase Mental Health Funding for Community Mental Health Services.**

The Legislature's response to the absence of adequate resources at the state level has been to shift the costs of mental health residential services to counties. Compounding the cost shift, the Department of



Human Services increased the rate for community behavioral health hospitals (CBHHs) at the same time to \$1,866 per day, a **54% increase**. Counties have no viable alternatives for the placement of the affected individuals, and the only options are taking up psychiatric beds in local hospitals long after the patient had been stabilized or, worse, the patient languishes in county jails. The State must either provide additional beds at state institutions or financially incent the creation of additional beds at facilities operated by the for-profit or non-profit sectors. In addition, to minimize the utilization of expensive inpatient treatment, additional resources must be provided for community services for the mentally ill

**2. Provide Greater Transparency for Counties in Determining Hospital Level of Care**

With regard to Anoka Regional Treatment Center (AMRTC) and CBHHs, counties struggle with the lack of transparency regarding decisions applying hospitalization criteria that result in the client's release to alternative placement. Because there is no appeals process, individuals are often released, only to be returned soon thereafter, when it is determined that a less-restrictive community option is not an appropriate placement. Allowing counties a second opinion by a qualified professional would help to alleviate that situation. Finally, counties do not receive adequate notice of the decision to change a client's hospitalization status. There have been many instances where counties do not receive information until days, or even weeks, after an alternative community placement determination has been made.



## Issue #11: Metropolitan Governance Reform

### **Background**

A coalition of local governments throughout the metropolitan area has joined together to develop a position statement and a set of principles for improving metropolitan governance in the Twin Cities. The Coalition supports the need for regional planning, collaboration and coordination, but seeks to expand local government representation on the Metropolitan Council.

Cities in Carver County that have formally adopted this position include Chanhassen, Chaska, Cologne, Hamburg, Mayer, New Germany, Norwood Young America, Watertown, and Victoria. Other metropolitan local governments formally supporting this position include Andover, Anoka County, Bethel, Blaine, Coates, Columbus, Centerville, Crystal, Dakota County, Elko New Market, Farmington, Forest Lake, Greenwood, Ham Lake, Hampton, Jordan, Lino Lakes, Loretto, Mendota Heights, Mound, New Prague, Nowthen, Oak Grove, Plymouth, Prior Lake, St. Francis, Scott County, and Shakopee. And this list is growing as we continue to discuss this critical issue with others.

The Coalition's objectives for its collective effort to improved governance are:

1. To articulate a vision of responsive and effective metropolitan governance—as represented by a Statement of Belief and Principles for Reform of the Metropolitan Council.
2. To align local government interests behind a reform effort—through formation of a broad coalition of metropolitan Cities and Counties —and a common position.
3. To be prepared for any efforts—legislative and otherwise—to reform the governance structure and functioning of the Metropolitan Council.

The Metropolitan Council, due to its taxing and policy authority, should be accountable to a regional constituency of those impacted by its decisions. It should not operate as a state agency – as it does in its current form – answerable to only one person, the Governor.

### **Requested Position**

Carver County supports changes to legislation which follow the below principles for Metropolitan Council Reform. Specific legislation is currently being drafting by the local government coalition and will be provided at a later date.

1. A majority of the members of the Metropolitan Council shall be elected officials, appointed from cities and counties within the region.
2. Metropolitan cities shall directly control the appointment process for city representatives to the Metropolitan Council.
3. Metropolitan counties shall directly appoint their own representatives to the Metropolitan Council.
4. The terms of office for any Metropolitan Council members appointed by the Governor shall be staggered and not coterminous with the Governor.

5. Membership on the Metropolitan Council shall include representation from every metropolitan county government.
6. The Metropolitan Council shall represent the entire region, therefore voting shall be structured based on population and incorporate a system of checks and balances.

# Carver County Board of Commissioners Request for Board Action



**Agenda Item:**  
**2018 Long Term Financial Plan**

Primary Originating Division/Dept:  ▼

Meeting Date:

Contact:  Title:

Item Type:  
 ▼

Amount of Time Requested:  minutes

Attachments:  Yes  No

Presenter:  Title:

Strategic Initiative:  
 ▼

**BACKGROUND/JUSTIFICATION:**

The 2018 Long Term Financial Plan (the "Plan") fulfills the County Board's direction to connect financial strategies to the County's long-term strategic goals and objectives. This Plan is not a budget but rather a non-binding assertion of future intent to allocate future County resources. Individual elements of the Plan will be systematically rolled forward until they are brought into the Annual Budget for approval and implementation.

**ACTION REQUESTED:**

Board review and direction only - Formal Board approval will be requested at the December 13th Board meeting.

**FISCAL IMPACT:**  ▼

*If "Other", specify:*

**FUNDING**

County Dollars =

**FTE IMPACT:**  ▼

**Total**

Insert additional funding source

**Related Financial/FTE Comments:**

The Plan is a long range planning tool so projects listed in the Plan are financial placeholders only. Projects are not approved until they are included in the Annual Budget process.

*Office use only:*

RBA 2016 - 4399



# **2018 Long Term Financial Plan**

*Expected to be Adopted December 13, 2016*

**BOARD OF COUNTY COMMISSIONERS  
CARVER COUNTY, MINNESOTA**

Date: December 13, 2016  
Motion by Commissioner: \_\_\_\_\_

Resolution: \_\_\_\_\_  
Seconded by Commissioner: \_\_\_\_\_

**COUNTY BOARD ADOPTION OF THE  
2018 LONG TERM FINANCIAL PLAN  
FOR CARVER COUNTY**

WHEREAS, the Long Term Financial Plan (the "Plan") fulfills the County Board's direction to "connect financial strategies to the County's long-term strategic goals and objectives"; and

WHEREAS, the Plan which has been prepared by division directors and reviewed by the County Board of Commissioners provides the basis for determining the non-binding intent to allocate future County resources; and

NOW, THEREFORE, BE IT RESOLVED by the Carver County Board of Commissioners 2018 Long Term Financial Plan is hereby adopted and placed on the County's website.

BE IT FINALLY RESOLVED, that copies of this resolution be forwarded to division directors of Carver County.

YES	ABSENT	NO
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

STATE OF MINNESOTA  
COUNTY OF CARVER

I, David Hemze, duly appointed and qualified County Administrator of the County of Carver, State of Minnesota, do hereby certify that I have compared the foregoing copy of this resolution with the original minutes of the proceedings of the Board of County Commissioners, Carver County, Minnesota, at its session held on the 13<sup>th</sup> day of December, 2016, now on file in the Administration office, and have found the same to be a true and correct copy thereof.

Dated this 13th day of December, 2016.

David Hemze  
County Administrator

## EXECUTIVE SUMMARY

This 2018 Long Term Financial Plan, (the “Plan”) along with the 2017 Annual Budget, fulfills the County Board’s direction to “connect financial strategies to the County’s short and long-term strategic goals and objectives.” The Plan is not a budget but rather a non-binding assertion of future intent. Ideally, individual elements of the Plan will systematically be rolled forward each year until they are brought into the Annual Budget process for approval and implementation.

The Plan focuses on the four areas which will significantly impact future property tax levy and budgets:

- A. Capital Improvement Plans (CIPs) for New Capital Projects
- B. Five Year Replacement Schedule for Facilities, Vehicles and Equipment
- C. Bond Sales and Debt Service
- D. Personnel Costs

### A. Capital Improvement Plans (CIPs) for New Capital Projects:

#### CIP Revenue Summary – New Considerations:

**County Wheelage Tax:** In 2013, the County Board approved a \$10 wheelage tax which currently generates \$860K annually from auto and motorcycle license renewals. Starting in 2018, the State Legislature now allows a County to collect a \$20 wheelage tax which would annually generate an additional \$880K for County road & bridge projects

**½ cent Sales Tax:** The State Legislature allows all counties that are not in the County Transportation Improvement Board (CTIB) taxing district to collect a ½ cent sales tax for transportation and transit capital projects and transit operating costs. This would generate approximately \$3.5 million annually for County road and bridge projects.

**Request for State Bonding:** A County Board 2017 Legislative Priorities that is being considered is a request for \$6 million in State Bonds that would be matched by \$4 million in County bonds to pay for a \$10 million Phase I Development Project for Lake Waconia Regional Park. The debt service for the County bond sale would be approximately \$330K per year for the next 15 years.

#### CIP Revenue Summary - Existing:

**Road & Bridge Tax Levy:** The County Board has directed that the \$1.8M tax levy for road and bridge annual maintenance be increased \$100K for the next 8 years to finance the Road Preservation Plan. New road and bridge construction projects are financed from the Highway Users Tax Distribution Fund (Fuel Tax, License Fees and Motor Vehicle Sales Tax), Sales Tax on Leased Vehicles, Federal, State, Regional and Local grants and contributions along with a \$4.5M debt service levy for bond sales.

**State County Program Aid (“CPA”):** The Recommended 2017 Budget has approximately \$320K in unallocated 2017 CPA which will be directed to the CIPs according to the percentages below:

50%	Road & Bridge CIP
25%	Park & Trail CIP
<u>25%</u>	Building CIP
100%	Total State CPA

**State Sales Tax “Legacy Funds”:** The 2008 State Legislature increased the State sales tax and allocated a portion of the new revenue to expand parks and trails throughout the State. The County’s share of these new funds is expected to be approximately \$350,000. These funds commonly referred to as “Parks and Trails Legacy Funds,” are being used for the local match to Federal Grants for the Extension of the MN River Bluffs Regional Trail and trail pavement resurfacing.

**Metropolitan Council Reimbursement for Park Land Acquisition:** The County is currently reimbursed 100% from the Metropolitan Council for parkland acquisitions that are included in the County’s Regional Park Master Plan. The reimbursement formula is currently up to \$1.7M of the purchase price reimbursed at the land acquisition closing and then a biannual reimbursement of up to \$498K. Based on the current reimbursement formula, the County will be waiting until 2026 for full reimbursement from the Met Council for previous land acquisitions.

CIP Project Summary:

**Buildings CIP:** Building projects related to ongoing maintenance, increasing security and expanding square footage are included in the Building CIP. These projects include:

- A new library being furnished in Chaska.
- 6<sup>th</sup> Courtroom being added to the Justice Center
- Public Works headquarters expansion in Cologne
- Building Space Plan Study

Funding for these building projects has not been identified at this time.

**Roads & Bridges CIP:** The County completed a 2014 amendment to the 2030 Road system Plan (RSP). The RSP identifies \$860 million of road and bridge projects to meet the needs of the projected growth in population and employment by 2040. This includes \$670 million for County road and bridges and \$190 million for critical State highway projects.



Road and bridge needs include preservation (overlays), bridge replacement, safety enhancements (turn lanes, traffic signals, roundabouts, etc.), system expansion (added lanes), system connectivity (new roads and bridges), and reconstruction (rebuilding existing roads without adding lanes). A 6 year Road and Bridge Plan was developed to fund traditional preservation, bridge replacement and safety enhancement goals as well as partially fund high priority expansion, connectivity and other emerging regionally significant projects. The CIP identifies projects that are traditional and development driven as the County has a cost participation policy that differs for each.

**Parks and Trails CIP:** This CIP focuses on sustainability projects to maintain the County's existing park and trail system as well as the next round of park and trail development projects. Additional resources may need to be identified in order to complete park and trail development projects on a timely basis. Options to address this potential financing gap are being developed by the Park Board and County staff.

#### B. Five Year Replacement Schedule for Facilities, Vehicles and Equipment

The Administrator Recommended 2017 Budget includes \$1.4 million in levy funding to replace facilities, vehicles and equipment. This Plan includes a five year replacement schedule for Facilities, Vehicles and Equipment based on division requests for 2018 thru 2022. These capital replacement requests will be rolled forward each year until they become part of current year Budget process. The five year replacement schedule relies on a \$100,000 a year increase to the \$1.4 million levy over the next five years. The County Board has been supportive of this \$100K a year increase in levy dollars to create an orderly and scheduled replacement of County facilities, vehicles and equipment.

#### C. Bond Sales and Debt Service

Pay-as-you-go financing is the Board's preference for financing Building and Park & Trail projects. Thus, there are no current plans to issue debt in either the Building CIP or the Park & Trail CIP.

The 2018-2022 Road and Bridge CIP currently identifies \$5 million in bonding needs. All other projects in the CIP are funded provided external funding sources are secured.

County staff is evaluating the need for additional Road & Bridge bond sales for unfunded high priority projects that are not listed in the 2018-2022 CIP.

Funding sources for the debt service on a bond sale include reallocating debt service levy from expiring debt in 2021 and could include an increase in the Wheelage Tax and/or approving the ½ cent Sales Tax.

#### D. Personnel Costs

Personnel costs are the largest and have been the fastest growing portion of the County's operating budget. This Plan identifies strategies for addressing the three major drivers of personnel costs:

1. Requests for Additional Levy Funded Staffing
2. Employee Health Insurance
3. Other Post-Employment Benefits (OPEB)

The County Board carries the ultimate budget authority. The 2017 Annual Budget and the 2018 Long Term Financial Plan are expected to be approved at the December 13, 2016 County Board meeting.

# Carver County Board of Commissioners Request for Board Action



**Agenda Item:**

**Funding Future High Priority Road and Bridge Projects**

Primary Originating Division/Dept: <input type="text" value="Public Works"/>	Meeting Date: <input type="text" value="11/22/2016"/>
Contact: <input type="text" value="Lyndon Robjant"/> Title: <input type="text" value="Public Works Director/County E"/>	Item Type: <input type="text" value="Work Session"/>
Amount of Time Requested: <input type="text" value="30"/> minutes Presenter: <input type="text" value="Lyndon Robjant"/> Title: <input type="text" value="Public Works Director/County E"/>	Attachments: <input type="radio"/> Yes <input checked="" type="radio"/> No
Strategic Initiative: <input type="text" value="Growth: Manage the challenges and opportunities resulting from growth and development"/>	

**BACKGROUND/JUSTIFICATION:**

Carver County's long term Roadways System Plan (part of the Carver County Comprehensive Plan) identifies future road and bridge improvements needed to meet the projected growth in the County and preserve the system. This includes investment on the county highway system (County State Aid Highways and County Roads) as well as on the state highway system (Trunk Highways). It is estimated that approximately **\$860 Million** (2015 \$s) is **needed** to fund these improvements. This includes **\$190 Million** for some critical state highway expansions including the Highway 212 gaps and portions of Highway 5 and 41. It does not include all Trunk Highway needs.

Expected highway and bridge **revenue** between 2017 and 2040 is estimated to be approximately **\$470 Million**. This assumes projected funding from historic sources like gas tax, license tabs fees, motor vehicle sales tax, sales tax on leased vehicles, county levy, wheelage tax (\$10 per vehicle), county program aid, and other known one time funds. This also assumes the county will receive some federal funding based on historical values, county turnback funds and cost share from cities. This does not include any funding from the State (MnDOT) for Trunk Highway expansion.

Similar to other metropolitan counties, there is a significant funding **shortfall** for transportation. (Approximately **\$390 Million** in Carver County by 2040 without inflation)

State Statute 297A.993 authorizes County Boards (of non-CTIB Counties) to implement a sales tax up to 1/2 percent for transportation purposes and \$20 excise tax on vehicle purchases. The proceeds must be dedicated exclusively to transportation purposes including highway and transit capital projects and transit operations. This will generate approximately **\$3.5 Million** per year in Carver County. In addition, any County Board can implement a wheelage tax **up to \$20** per year on registered vehicles in the county beginning in 2018. Carver County implemented a \$10 wheelage tax in 2014. An additional \$10 will generate approximately **\$880,000** per year.

Staff will present additional information on the Local Option Sales Tax and Wheelage Tax and provide a list of high priority, regionally significant transportation projects in Carver County that are unfunded but are critical to the safety and mobility of county residents.

These projects cannot happen without additional revenue and receiving federal funding through the Metropolitan Council Regional Solicitation and state funding from MnDOT is extremely unlikely. Staff will show how these projects could get constructed over time by implementing the sales and additional wheelage tax while leveraging other funding.

**ACTION REQUESTED:**

Board direction on pursuing implementation of transportation system funding options including ½ cent Sales Tax and /or an increase in the Wheelage Tax up to \$20

<b>FISCAL IMPACT:</b> <input type="text" value="None"/>	<b>FUNDING</b>
If "Other", specify: <input type="text"/>	<b>County Dollars =</b> <input type="text"/>
<b>FTE IMPACT:</b> <input type="text" value="None"/>	<b>Total</b> <input type="text" value="\$0.00"/>
<input checked="" type="checkbox"/> Insert additional funding source	

Related Financial/FTE Comments:

Office use only: