

Board of Commissioners Resolution

B2020-201

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-83506

Sponsor: Public Health

Meeting Date: 10/20/2020

Item Number: 2020-428

Title: Financing Enhancements at the Recycling & Energy Center

Background:

The Ramsey/Washington Recycling & Energy (R&E) Board has been engaged in policy development to achieve environmental, economic and social benefits through the Recycling & Energy Center (R&E Center) since 2013. To achieve these goals, the R&E Center will require expansion and system improvements. At its May 2019 meeting, the board stated its intent to move forward with the enhancements. This triggered a series of actions, including approval of financing and procurement plans at its August 2019 meeting, pursuit of partial state funding, and authorization to proceed with development of construction-ready engineering documents.

The R&E Joint Leadership Team (JLT), working with the two county finance departments, the counties' financial advisors and bond counsel, the R&E financial advisor Ehlers, and county attorneys, completed a Financing Report to move forward the R&E Board's plans for R&E Center enhancements. That report on was presented at the May 28, 2020 R&E Board meeting. The R&E Board discussed the report, and the approach recommended for the local match was met with favorable comments. The R&E Board also discussed the status of R&E's request for state bonding, and the timing of action by the R&E Board to move forward with local funding.

The legislature adjourned on May 18 without approving a bonding bill. A first special session was held in June 2020, with the result that no bonding bill was advanced. On July 13, 2020 and August 12 special sessions were again called, with no bonding bill being advanced.

At its meeting on August 20, 2020 the R&E Board approved resolution REB-2020-09 which approved the R&E Center Enhancements Financing Report, and took action to implement that report, including recommendations for the two County Boards to implement the financing structure in that report.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the financing structure for the Recycling & Energy (R&E) Center enhancements in which the Ramsey County Board shall issue general obligation bonds on behalf of both counties (the "County Bonds") in an amount not to exceed \$43 million to fund the aggregate County Enhancement Loan ("County Enhancement Loans") amount for the R&E Center enhancement and in which Ramsey and Washington counties shall each loan a proportionate share to the R&E Board sufficient to cover its share of total financing, including all financing costs, for the R&E Center enhancements, according to the percentages set forth in the joint powers agreement: Ramsey County – 73%, Washington County – 27%.
2. Agree to enter into an agreement with Washington County in which Ramsey County will issue bonds on behalf of both counties, and that Washington County shall provide its general obligation pledge to

Ramsey County for its share of the financing and pay its share of the total financing of the R&E Center Enhancements through its loan agreement with the R&E Board.

3. Agree to enter into a loan agreement with the R&E Board in which Ramsey County shall loan its proportionate amount of the County Loans and the R&E Board shall be obligated to and is hereby authorized to repay the County Enhancements Loans from facility revenues, CEC funds and other available revenues on terms and conditions that match, or are otherwise consistent with, any terms and conditions of any other loans outstanding and owed to the counties, and additional covenants required by the counties and the County Bonds issued to fund R&E Board's County Enhancements Loans.
4. Authorize the Chair and Chief Clerk to execute the two agreements upon approval as to form by the County Attorney's Office.

A motion to approve was made by Commissioner Reinhardt, seconded by Commissioner MatasCastillo. Ayes – 7: Frethem, MatasCastillo, McDonough, McGuire, Ortega, Reinhardt, Carter. Motion passed.

By: _____
Janet M. Guthrie, Chief Clerk – County Board