

## Request for Board Action Details

<b>File #:</b>	2020-428	<b>Status:</b>	Passed
<b>Type:</b>	Administrative Item	<b>In control:</b>	Board of Commissioners
<b>On agenda:</b>	10/20/2020	<b>Final action:</b>	10/20/2020
<b>Title:</b>	Financing Enhancements at the Recycling & Energy Center		
<b>Sponsors:</b>	Public Health		
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Recycling & Energy Financing Report.pdf, 2. Recycling & Energy Board Resolution REB-2020-09.pdf, 3. Resolution		

Date	Ver.	Action By	Action	Result
10/20/2020	1	Board of Commissioners	approved	Pass

**Sponsor:** Public Health

### Title

Financing Enhancements at the Recycling & Energy Center

### Recommendation

1. Approve the financing structure for the 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.

### 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.

#### County Goals (Check those advanced by Action)

☒ Well-being      ☒ Prosperity      ☒ Opportunity      ☒ Accountability

#### Racial Equity Impact

With regard to the durable compostable bag (also known as "food scrap bags") project, and recognizing that previous recycling services frequently do not provide equitable access, the proposed enhancements to the R&E Center have been designed to provide all county residents with access to organics recycling at no direct cost to the resident. Access to services is being designed to allow for multiple ways to register for service (on-line, by phone, in person) in multiple languages.

#### Community Participation Level and Impact

Prior to purchase of the R&E Center by the two counties there was significant community engagement. This has continued as the enhancements were considered and designed. Waste haulers and facilities, municipalities, advocacy organizations, and individual residents have been engaged through direct conversations, surveys, and focus groups.

☒ Inform      ☒ Consult      ☒ Involve      ☐ Collaborate      ☐ Empower

#### Fiscal Impact

The recommended actions would result in Ramsey County issuing general obligation bonds on behalf of Ramsey and Washington Counties, with a pledge by Washington County to pay its share based on the Joint Powers Agreement. The two counties would each approve loans to Ramsey/Washington Recycling & Energy (R&E), which would pay back the loans to the counties using revenue from tipping fees at the R&E Center. There would be no direct cost to Ramsey County for this arrangement.

#### County Manager Comments

County board approval is required to enter into intergovernmental agreements. These enhancements are a significant step in fulfilling the purpose for the purchase of the R&E Center by the two counties, and the financing methods are the best fit for this work.

#### Last Previous Action

None

**Attachments**

1. Recycling & Energy Financing Report
2. Recycling & Energy Board Resolution REB-2020-09