COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: December 9, 2016
AGENDA NUMBER: 3
ITEM: Withdrawal of District from Bonding Legislation (HF2271 & SF2140)

AGENDA: Discussion

REQUEST
Discuss and review the above legislation and remove the District affiliation with these proposals.

BACKGROUND
On November 24, 2015 Staff met with Commissioners Rhonda Sivarajah and Julie Braastad; Jerry Soma, County Administrator and Jon VonDeLinde, Parks Director.

The meeting was initiated Friday, November 20, by the County to discuss concerns about the District’s:
1. Increase in proposed levy
2. Plans to build a new building

The meeting started with a direct question and concern about involvement with HF 2271 & SF 2140 and the statement that the County was very concerned about the proposed legislation and implications of bonding.

ISSUES/CONCERNS
1. Legislation: There are two versions of the bill (House and Senate) and they are identical as follows:

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Author</th>
<th>Introduced</th>
<th>Status</th>
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<tbody>
<tr>
<td>SF 22140</td>
<td>Sen Hoffman (36)</td>
<td>5/1/15</td>
<td>Referred to Capital Investment</td>
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<tr>
<td></td>
<td>Sen. Johnson (37)</td>
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A bill for an act
relating to capital investment; appropriating money for an office and meeting
room facility for the Coon Creek Watershed District in Anoka County;
authorizing the sale and issuance of state bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
Section 1. COON CREEK WATERSHED DISTRICT; BOND
APPROPRIATION.

Subdivision 1. Appropriation.
$2,000,000 is appropriated from the bond proceeds fund to the
commissioner of employment and economic development for a grant to the
Coon Creek Watershed District to predesign, design, construct, furnish,
and equip a LEED-certified learning center with a community and
public meeting room on land owned by and to be leased from Anoka
County. This appropriation is not available until the commissioner of
management and budget determines that at least an equal amount is
committed to the project from nonstate sources.

Subd. 2. Bond sale.
To provide the money appropriated in this section from the bond proceeds
fund, the commissioner of management and budget shall sell and issue
bonds of the state in an amount up to $2,000,000 in the manner, upon the
terms, and with the effect prescribed by Minnesota Statutes, sections
16A.631 to 16A.675, and by the Minnesota Constitution, article XI,
sections 4 to 7.

EFFECTIVE DATE. This section is effective the day following final
enactment.

2. No District Authorization or Position: A review of the District’s minutes and
Board packets from December 2014 through June 2015 indicates that the District
Board has neither discussed nor authorized any kind of action on legislation.

3. County Concerns: At the November 24 meeting the County expressed concern when
discovering these bills, that the project involved county land and the potential for
bonding.

Nature of the Concerns: Discovering legislation involving their land is, without
a doubt, an unpleasant surprise.

Clarification: The District was not involved at all in this legislation. The District
has never proceeded in any manner, let alone pursued legislation, without
informing, seeking to gain consensus, if not endorsement, by all parties involved
and/or affected. The 1991 legislative authorization of the operations and maintenance levy and amendments to the Wetland Conservation Act were all conducted with the prior consent and collaboration of all of the cities within the watershed as well as Anoka County.

**Involvement with County Land:** The legislation does mention County Land. At the meeting November 24, concern was expressed that the legislation specifically targeted the Coon Rapids Dam Visitor Center and involved the tear down and reconstruction of that building.

**Clarification:** There is no proposal from the District to tear down and reconstruct the visitor center.

There was, however, informal musings of a ‘tear down’ option. That alternative was carefully couched with several assumptions that was dismissed during first contact with John VonDeLinde, Anoka County Parks and clarification of use of the current building. However, this ‘tear down option’ may have become locked in by Mr. VonDeLinde and promoted as the District’s preferred alternative.

4. **Financial Ramification of State Bonds:** The County was understandably concerned that legislation might obligate the County to bond payments, as they should be. However, the legislation contains several safe guards:
   a. One in the form of a leaseback by the County for potential construction (No lease, no building, no money, no bonds).
   b. Second in the form of sale of the bonds for the project described. (No project as described, no bond sale, no funds)

5. **Notes:**
   a. **Outside Funds:** Funds gained through the sale of State Bonds do constitute “outside funds” which is one of the District’s standing financing principles.
   
   b. **Caution:** There is always the potential that should the state adopt the above bill, that they may not sell the bonds

**OPTIONS**

1. **Remove District from HF 2271 & SF 2140:** The District neither sought, requested or approved inclusion in these bills.

2. **Contact Authors to Explore Modifying Described Project to not include County Land:** This option is intended to preserve the “outside funding” aspect of being included in a State Bond Sale
RECOMMENDATION
Remove District from HF 2271 & SF 2140