

C Community Development Committee

Meeting date: June 18, 2007

ADVISORY INFORMATION

Date:	June 6, 2007
Subject:	Evaluating Land Acquisition Opportunity Fund Distribution Rules
District(s), Member(s):	All Districts
Policy/Legal Reference:	MS 473.315
Staff Prepared/Presented:	Arne Stefferud, Planning Analyst– Parks (651-602-1360)
Division/Department:	Community Development/Regional Systems Planning and Growth Strategy, Parks

Proposed Action/Motion

That the Metropolitan Council extend the timeline for the rules used to distribute grants from the Park Acquisition Opportunity Fund beyond June 30, 2007 until such time as any changes to the rules are adopted by the Metropolitan Council. With regard to the amount an agency can receive from the fund and the time period that rule applies, the fifth rule is changed as follows:

5. No more than \$1 million may be granted from the Fund to a regional park agency from July 1, 2007 to whenever any change in the amount and the timeline of the revised rules are adopted by the Metropolitan Council.

Issue(s)

- Should existing rules for awarding grants from the Park Acquisition Opportunity Fund be extended until new rules if any are adopted by the Metropolitan Council?

Overview and Funding

The Metropolitan Council has granted \$6,654,672 to date from the Park Acquisition Opportunity Fund to help regional park agencies acquire land within the boundaries of Council approved park master plans.

There is currently \$2,449,001 not obligated under Council authorized grant agreements in the Park Acquisition Opportunity Fund. On or shortly after July 1, 2007 an additional \$2.5 million of Environmental Trust Funds appropriated from the Minnesota Legislature will be added to the Fund for a total of \$4,949,001.

The current rules used for awarding grants from the Park Land Acquisition Opportunity Fund will expire on June 30. However, the timeline on the existing rules should be extended to allow grants to be awarded from the Fund until new rules--if any--are considered and adopted.

Five rules currently govern the distribution of grants from the Park Acquisition Opportunity Fund as follows:

1. The land in question is consistent with a Council approved park/trail master plan.
2. The land is under threat of loss for park uses because it is for sale. Action is needed now to acquire it versus waiting for future State appropriations/matching Council funds to acquire it later.
3. The park agency that wants to buy the land has no other park CIP grants available to buy it.
4. The grant from the Park Acquisition Opportunity Fund may finance up to 40% of the fair market value of the parcel and related acquisition costs (appraisals, tax equivalency payments, relocation, and stewardship costs—well capping, demolition/removal of hazardous structures, etc.) The remaining 60% match can be either provided by the park agency in cash, or other matching funds such as a watershed district grant, or the land seller can reduce the sale price of the parcel by 60%. A combination of park agency cash, matching funds and a reduced sale price can be used to finance the remaining 60%. The park agency can request to be considered for reimbursement of its cash contribution in a future regional parks CIP.
5. No more than \$1 million may be granted from the Fund to a regional park agency from July 1, 2005 to June 30, 2007.

In order to evaluate new rules on distributing grants from the Park Acquisition Opportunity Fund, the following process is proposed:

Step 1. Collect from the park agencies the projected purchase price, associated costs to acquire the land, and the timing of those expenditures (cash flow) for land currently not financed with an existing grant for the period from July 1, 2007 to June 30, 2009.

Step 2. Evaluate the projected costs and cash flow data with Fiscal Services Division staff in order to determine what amount of Council bonds can be issued for the Fund within fiscal policies and actions of the Metropolitan Council regarding bond debt costs, associated property tax limits and the 2008-09 Parks CIP. Develop options on rules for spending the Acquisition Opportunity Fund which include, but are not limited to the following issues:

- 1) The percent of an acquisition cost a grant could finance
- 2) The maximum amount an agency could receive from the Fund
- 3) The time line these rules should be in effect.

Step 3. Review options on rules for spending the Fund with the Metropolitan Parks and Open Space Commission and park agencies to develop a recommendation for the Metropolitan Council on this matter.

The Metropolitan Parks and Open Space Commission considered this matter on June 5th. In response to questions from regional park agency staff and Commissioners, the Commission concluded that the evaluation process was sound and should proceed. In the interim the existing rules should remain in force. With regard to the fifth rule that addresses the amount a park

agency could receive from the fund and the timing of that rule, the amount of \$1 million should remain in effect but the timing should begin anew on July 1, 2007 and be in effect until any change to the amount and the timeline of the revised rules are adopted by the Metropolitan Council.

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, MN 55101
Phone (651) 602-1000 TDD (651) 291-0904

DATE: May 25, 2007
TO: Metropolitan Parks and Open Space Commission
FROM: Arne Stefferud, Planning Analyst-Parks (651-602-1360)
SUBJECT: (2007-207) Evaluating Land Acquisition Opportunity Fund Distribution Rules

Introduction

The current rules used for awarding grants from the Park Land Acquisition Opportunity Fund will expire on June 30. However, the timeline on the existing rules should be extended to allow grants to be awarded from the Fund until new rules--if any--are considered and adopted.

Background

The Metropolitan Council has granted \$6,654,672 to date from the Park Acquisition Opportunity Fund. A list of grants awarded from the Fund is shown on **Table 1: Park Acquisition Opportunity Fund Grants approved as of May 23, 2007.**

Five rules currently govern the distribution of grants from the Park Acquisition Opportunity Fund as follows:

1. The land in question is consistent with a Council approved park/trail master plan.
2. The land is under threat of loss for park uses because it is for sale. Action is needed now to acquire it versus waiting for future State appropriations/matching Council funds to acquire it later.
3. The park agency that wants to buy the land has no other park CIP grants available to buy it.
4. The grant from the Park Acquisition Opportunity Fund may finance up to 40% of the fair market value of the parcel and related acquisition costs (appraisals, tax equivalency payments, relocation, and stewardship costs—well capping, demolition/removal of hazardous structures, etc.) The remaining 60% match can be either provided by the park agency in cash, or other matching funds such as a watershed district grant, or the land seller can reduce the sale price of the parcel by 60%. A combination of park agency cash, matching funds and a reduced sale price can be used to finance the remaining 60%. The park agency can request to be considered for reimbursement of its cash contribution in a future regional parks CIP.
5. No more than \$1 million may be granted from the Fund to a regional park agency from July 1, 2005 to June 30, 2007.

Status of Park Acquisition Opportunity Fund

There is currently \$2,449,001 that is not obligated under Council authorized grant agreements in the Fund. On or shortly after July 1, 2007 an additional \$2.5 million of Environmental Trust Funds appropriated from the Minnesota Legislature will be added to the Fund for a total of \$4,949,001.

Process for evaluating rules to distribute grants from the Fund

In order to evaluate new rules on distributing grants from the Park Acquisition Opportunity Fund, the following process is proposed:

Step 1. Collect from the park agencies the projected purchase price, associated costs to acquire the land, and the timing of those expenditures (cash flow) for land currently not financed with an existing grant for the period from July 1, 2007 to June 30, 2009.

Step 2. Evaluate the projected costs and cash flow data with Fiscal Services Division staff in order to determine what amount of Council bonds can be issued for the Fund within fiscal policies and actions of the Metropolitan Council regarding bond debt costs, associated property tax limits and the 2008-09 Parks CIP. Develop options on rules for spending the Acquisition Opportunity Fund which include, but are not limited to the following issues:

- 4) The percent of an acquisition cost a grant could finance
- 5) The maximum amount an agency could receive from the Fund
- 6) The time line these rules should be in effect.

Step 3. Review options on rules for spending the Fund with the Metropolitan Parks and Open Space Commission and park agencies to develop a recommendation for the Metropolitan Council on this matter.

RECOMMENDATION

That the Metropolitan Council extend the timeline for the rules used to distribute grants from the Park Acquisition Opportunity Fund beyond June 30, 2007 until such time as any changes to the rules are adopted by the Metropolitan Council.

Table 1: Park Acquisition Opportunity Fund Grants approved as of May 23, 2007

Amount Granted	Park Agency	Project Description
\$99,966	Dakota County	Acquire Wasserman and Klink parcels at Spring Lake Park Reserve. Dakota County eligible for reimbursement consideration up to \$180,882 in a future regional parks CIP. Approved November 15, 2001.
\$521,000	Mpls. Park & Rec. Board	Acquire 3.3 acres (Parcel B of Riverview Supper Club site) as part of "Above the Falls—Master Plan for the Upper River in Minneapolis". Other matching funds were from federal grant and watershed district. Approved April 24, 2002.
\$731,200	Three Rivers Park District	Fund a portion of the costs to acquire Silver Lake SRF, which was acquired in September 2001 after 2002-03 CIP was adopted. Remaining costs eligible for reimbursement consideration in future regional parks CIP. Approved April 24, 2002.
\$140,000	Ramsey County	Acquire permanent trail easement on Burlington Northern/Santa Fe railroad right of way for the Bruce Vento Regional Trail. Ramsey County eligible for reimbursement consideration up to \$35,000 in a future regional parks CIP. That reimbursement is part of the funded 2004-05 CIP. Approved August 14, 2002.
\$500,000	Washington County	Acquire three parcels totaling 27.4 acres at an estimated cost of \$1.87 million in Big Marine PR. Grant is 40% of the projected \$1.25 million gap after other Council acquisition grants were spent. Washington County eligible for reimbursement consideration of up to \$750,000 in a future regional parks CIP. Approved December 12, 2002.
\$126,638	Dakota County	Acquire 1.1-acre Medin parcel in Lebanon Hills RP. Dakota County eligible for reimbursement consideration of up to \$189,957 in a future regional parks CIP. Approved January 29, 2003.
\$135,200	Anoka County	Acquire 579 acres from St. Paul Water Utility for addition to Rice Creek Chain of Lakes Park Reserve. Grant financed 40% of market value (not sale price) of land. Water Utility discounted the sale price, which was counted as part of the 60% match to this grant. Approved April 23, 2003.
\$153,703	Three Rivers Park District	Acquire 5 acre Rask parcel in Lake Rebecca Park Reserve. Park District eligible for reimbursement consideration of up to \$235,200 in a future regional park CIP. Approved Dec. 17, 2003.
\$26,479	Anoka County	Acquire 80-acre Birkeland parcel in Rice Creek Chain of Lakes Park Reserve. Balance of costs financed with watershed district grant and partial donation. Approved February 2004.
\$370,000	Three Rivers Park District	Acquire 17-acre Brakemeier parcel in Lake Minnetonka Regional Park. Balance of funds (\$810,000) provided by MN Dept. of Transportation. Approved May 12, 2004.
\$83,060	Carver County	Acquire 39.04 acres related to Lake Waconia Regional Park. Grant finances 40% of the \$207,649 funding gap remaining to buy the land. Rest of the costs financed with a previously authorized Metro Council grant (\$456,130) and County funds (\$124,589). Carver County eligible for reimbursement consideration in a future regional parks CIP. Approved August 11, 2004.
\$184,109	City of Bloomington	Acquire .5 acre residential lot 9625 E. Bush Lake Road for Hyland-Bush-Anderson Lakes Park Reserve. Bloomington and Three Rivers Park District eligible for reimbursement consideration of up to \$138,081 each in a future regional parks CIP. Approved September 22, 2004
\$49,435	Washington County	Acquire 0.81 acre parcel within the boundary of Big Marine Park Reserve. Washington County eligible for reimbursement consideration of up to \$74,152 in a future regional parks CIP. Approved September 22, 2004.

Amount Granted	Park Agency	Project Description
\$433,333	Scott County	Acquire 80 acres within the Doyle-Kennefick Regional Park as a match to a DNR Metro Greenways grant of \$650,000. Approved Nov. 10, 2004.
\$950,000	Anoka County	Acquire 115 acres within Rice Creek Chain of Lakes Park Reserve from St. Paul Water Utility. Land cost discounted 79% from market value and thus grant finances remaining 21%. Approved April 13, 2005.
\$41,080	Ramsey County	Acquire 3.5 acre Duell parcel in Battle Creek Regional Park. Ramsey County eligible for reimbursement consideration of up to \$61,620 in a future regional parks CIP. Approved May 25, 2005
\$279,431	Dakota County	Acquire 2.5 acre Pryor parcel in Lebanon Hills Regional Park. Dakota County eligible for reimbursement consideration of up to \$419,146 in a future regional parks CIP. Approved June 29, 2005.
\$154,124	Washington County	Acquire 5 acre Goossen parcel in Big Marine Park Reserve. Washington County eligible for reimbursement consideration of up to \$231,185 in a future regional parks CIP. Approved July 27, 2005
\$151,093	Dakota County	Acquire 0.68 acre Skoglund parcel in Lebanon Hills Regional Park. Dakota County eligible for reimbursement consideration of up to \$226,639 in a future regional parks CIP. Approved September 28, 2005
\$149,069	Washington County	Acquire 5-acre Melbostad parcel in Big Marine Park Reserve. Washington County eligible for reimbursement consideration of up to \$223,603 in a future regional parks CIP. Approved October 26, 2005.
\$20,953	Washington County	Acquire .45-acre Taylor parcel in Big Marine Park Reserve. Washington County eligible for reimbursement consideration of up to \$31,430 in a future regional parks CIP. Approved August 23, 2006.
\$9,023	Washington County	Acquire 1.5 acre Hohlt parcel in Big Marine Park Reserve. Washington County eligible for reimbursement consideration of up to \$13,534 in a future regional parks CIP. Approved May 9, 2007.
\$354,799	Three Rivers Park District	Acquire 20-acre Weinkauff parcel in Lake Rebecca Park Reserve. Three Rivers Park District eligible for reimbursement consideration of up to \$532,199 in a future regional parks CIP. Approved May 23, 2007
\$1,000,000	Scott County	Acquire 61-acre Cedar Lake Farm Day Resort parcel as part of Cedar Lake Farm Regional Park. Scott County eligible for reimbursement consideration of up to \$3,526,192 of the acquisition costs of the Cedar Lake Farm Resort parcel in a future regional parks CIP. The reimbursement amount will be reduced by any DNR Metro Greenways grant provided for this parcel.
\$6,663,695	Total funds granted as of May 23, 2007	