

C Community Development Committee

Item: 2007-126

For the Metropolitan Council meeting of June 13, 2007

ADVISORY INFORMATION

Date Prepared: May 21, 2007

Subject: 2008-13 Regional Parks CIP Structure

Summary of Committee Discussion:

The Committee discussed the following topics:

1. The parks capital improvement (CIP) structure would prevent park agencies from seeking to replace projects proposed for funding on their CIP prioritized list if additional funds for that same park project were appropriated as a line item appropriation outside the parks CIP. The CIP structure recognized that park agencies may request and receive line item appropriations beyond what was proposed for a particular park in the Parks CIP. Those additional line appropriations should complement—not replace what was granted for that park in the CIP.
2. The Metropolitan Parks and Open Space Commission (MPOSC) considered and ultimately recommended weighting park agency population and non-local visits to the existing regional park system by 70% and 30% respectively as the basis for splitting the CIP among the regional park agencies. This weighting resulted in the smallest reduction in agency shares of the CIP compared to what agencies were proposed to receive in the 2006-07 CIP. The MPOSC and Metropolitan Council could reconsider these factors and how much weight to give them in preparing the 2010-15 Parks CIP in 2009 and every two years thereafter.
3. The distribution of Park Acquisition Opportunity Fund grants among park agencies was also considered by the MPOSC when it recommended how to determine park agency shares of the Parks CIP. The MPOSC decided that the Acquisition Opportunity Fund and the Parks CIP should remain separate. The Acquisition Opportunity Fund was intended to help park agencies buy land. Grants were awarded on a need basis when land within Council approved park master plan boundaries was available to purchase from willing sellers. However, the amount an agency could receive from the Fund was limited. Meanwhile the CIP appropriation distribution among park agencies was based on how the existing park system benefited the region and State based on park agency population and non-local visitation data. The MPOSC would consider and recommend how to distribute grants from the Acquisition Opportunity Fund for Council consideration in the future.
4. About 1.5% to 2% of all Council capital debt service costs are for regional parks capital and land acquisition grants. About 10% of the Council debt financed with property tax levies is used for regional park capital and land acquisition grants.

The Committee unanimously approved the following recommendations.

Recommendations:

1. That the Metropolitan Council prepare a 2008-13 regional parks CIP that divides the amount proposed for each regional park agency by weighting the most recent population data for that

park agency by 70% and by weighting the percentage of non-local visits that agency hosted from the 1998-99 parks visitor study by 30% as shown on Table 1.

2. That the regional park agencies submit a prioritized list of funding requests for projects for the 2008-13 parks CIP within the amount proposed for that agency as determined by the formula in recommendation 1 and shown on Table 1. Funding requests for projects from each agency's prioritized list must be consistent with Metropolitan Council approved master plans, and in the case of reimbursement requests the Council must have approved consideration of the reimbursement in a former action of the Council. If those funding requests for projects are not consistent with a Council approved master plan or past Council action on a reimbursement, the Council will return the list to the agency for resubmittal of a new list.
3. That appropriations of State funds and matching Metropolitan Council bonds for the 2008-13 parks CIP be granted among the park agencies as determined from the formula in recommendation 1 and shown on Table 1, and that the agencies be required to spend the grants on the Council approved prioritized list of CIP projects. If the CIP funding request is not fully funded the park agency must spend its grant on projects in priority order of the CIP list of projects for that agency.
4. That the 2008-09 portion of the CIP is based on the issuance of up to \$7 million of Metropolitan Council bonds to provide a 40% match to a 2008 State bond request of \$10.5 million. This results in a 2008-09 CIP total of \$17.5 million. And that Council staff receive prioritized funding requests from each park agency consistent with the amount shown for that agency in Table 1 by June 18 in order that a preliminary 2008 State bonding request of \$10.5 million can be prepared and submitted to the Minnesota Dept. of Finance by June 25. For planning purposes, a \$10.5 million State bond request matched with \$7 million of Council bonds for the 2010-11 and 2012-13 biennium's should also be submitted on June 25. The Metropolitan Council and park agencies may revise the park agency prioritized lists within the amounts shown on Table 1 via formal review and approval such that a final bonding request composed of Council-approved projects is submitted to the Minnesota Dept. of Finance by October 10.

C Community Development Committee

Meeting date: May 21, 2007

ADVISORY INFORMATION

Date: May 9, 2007

Subject: 2008-13 Regional Parks CIP Structure

District(s), Member(s): All Districts

Policy/Legal Reference: MN Statute 473.147, Subd. 1

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

1. That the Metropolitan Council prepare a 2008-13 regional parks CIP that divides the amount proposed for each regional park agency by weighting the most recent population data for that park agency by 70% and by weighting the percentage of non-local visits that agency hosted from the 1998-99 parks visitor study by 30% as shown on Table 1.
2. That the regional park agencies submit a prioritized list of funding requests for projects for the 2008-13 parks CIP within the amount proposed for that agency as determined by the formula in recommendation 1 and shown on Table 1. Funding requests for projects from each agency's prioritized list must be consistent with Metropolitan Council approved master plans, and in the case of reimbursement requests the Council must have approved consideration of the reimbursement in a former action of the Council. If those funding requests for projects are not consistent with a Council approved master plan or past Council action on a reimbursement, the Council will return the list to the agency for resubmittal of a new list.
3. That appropriations of State funds and matching Metropolitan Council bonds for the 2008-13 parks CIP be granted among the park agencies as determined from the formula in recommendation 1 and shown on Table 1, and that the agencies be required to spend the grants on the Council approved prioritized list of CIP projects. If the CIP funding request is not fully funded the park agency must spend its grant on projects in priority order of the CIP list of projects for that agency.
4. That the 2008-09 portion of the CIP is based on the issuance of up to \$7 million of Metropolitan Council bonds to provide a 40% match to a 2008 State bond request of \$10.5 million. This results in a 2008-09 CIP total of \$17.5 million. And that Council staff receive prioritized funding requests from each park agency consistent with the amount shown for that agency in Table 1 by June 18 in order that a preliminary 2008 State bonding request of \$10.5 million can be prepared and submitted to the Minnesota Dept. of Finance by June 25. For planning purposes, a \$10.5 million State bond request matched with \$7 million of Council bonds for the 2010-11 and 2012-13 biennium's should also be submitted on June 25. The Metropolitan Council and park agencies may revise the park agency prioritized lists within the amounts shown on Table 1 via formal review and approval such that a final bonding

request composed of Council-approved projects is submitted to the Minnesota Dept. of Finance by October 10.

Issue(s)

- How should funds proposed for the 2008-13 Regional Parks Capital Improvement Program (CIP) be split among the 10 regional park agencies that receive capital improvement grants from the CIP?
- How should the 2008-13 Regional Parks Capital Improvement Program be structured such that funding requests for capital projects are prioritized to meet regional park agency as well as Metropolitan Council priorities?
- How should State appropriations and matching Metropolitan Council bonds for the 2008-13 Regional Parks CIP be distributed to reflect regional park agency and Council priorities and assure that the percentage share proposed for an agency in the CIP is distributed to that agency?

Overview and Funding

MN Statute 473.147, Subdivision 1 requires the Metropolitan Council, after consultation with the Metropolitan Parks and Open Space Commission, municipalities, park districts and counties in the metropolitan area to prepare and adopt a system policy plan for regional recreation open space as part of the Council's development guide. The law also requires the Council to include a five year capital improvement program (CIP) in the parks policy plan, which should be revised periodically, and to establish criteria and priorities for the allocation of funds from the capital improvement program.

In compliance with the law cited above, the Metropolitan Parks and Open Space Commission in consultation with the 10 regional park agencies that receive capital improvement grants from the parks CIP undertook a thorough review of the CIP's structure. Through six meetings between January and May, the Commission conducted the following analysis which led to the recommendations shown above. Following is a summary of the rationale for the recommendations.

1. How should funds in the 2008-13 Parks CIP be split among the 10 park agencies?

The Commission concluded that funds in the 2008-13 Parks CIP should be split among the 10 park agencies by considering the agency's population relative to the region's total population and by considering the amount of use its parks and trails receive from persons residing outside its jurisdiction (non-local visits). The population data used in this analysis was the Council's 2005 population estimate for the region. The data illustrating the use parks and trails received by persons residing outside the park agency's jurisdiction (non-local visits) came from a Council study on regional park/trail visitors conducted in 1998-99. The premise for using these factors is that they recognize the need to provide funds for park capital improvements to serve every person in the region relatively equally. And, that since these parks/trails served a regional and state-wide population that funds should be disbursed in part on the amount of non-local visitors agencies served in the park system currently developed and open for public use.

The Commission considered seven formulas that gave different weights to these two factors. Their recommendation to weight population of an agency by 70% and the non-local visits by 30% was based on minimizing the negative impact the results of this formula would have on each agency in

relation to the share the agency had been proposed to receive in the 2006-07 CIP. With the exception of Three Rivers Park District and Scott County, all other park agency shares remained the same or went up compared to the share proposed for that agency in the 2006-07 CIP.

However, it should be noted that the CIP share proposed for each park agency in the 2006-07 CIP was not the share it received from the CIP appropriation. For example, the City of St. Paul's proposed CIP share in 2006-07 was 14.6% but it received 23.2% of the CIP appropriation, while Ramsey County's proposed share was 8.9% but it only received 5% of the CIP appropriation. The disconnect between the share the agency was proposed to receive versus the share of the CIP appropriation it actually received was due to ranking individual funding requests of agencies in three project categories of land acquisition, rehabilitation and development. The CIP appropriation of State and Metropolitan Council funds was distributed proportional to the percentage requested for each category—not the percentage of the CIP proposed for a park agency. When less funds were appropriated than what was requested, some projects were cut and others received partial financing in each category. If an agency's projects were ranked low in these categories they received no funding. For example, in the 2006-07 CIP no funds were granted for capital projects in Scott County.

2. How should funding requests for the 2008-13 Parks CIP from the park agencies be prioritized?

The Commission concluded that funding requests for the CIP should be prioritized by accepting the priority of projects in each park agency's request as long as the projects were consistent with a Metropolitan Council approved master plan as required by law and Council policy. In the cases where an agency was requesting reimbursement for spending local funds on a regional park capital improvement, the Metropolitan Council should have approved reimbursement consideration of that project as required by Council policy. The premise for this recommendation is that each park agency has unique capital spending priorities for its part of the Regional Park System. By allowing agencies to prioritize Council approved projects for their share of the CIP, and distributing CIP appropriations for each agency's share, the highest priority projects in each agency can be financed.

3. How should funds appropriated for the 2008-13 Parks CIP be distributed in a way that assures the park agency receives the percentage share it was proposed to receive and that funds are spent on projects in priority order of the CIP?

The Commission concluded that funds appropriated for the 2008-13 Parks CIP should be distributed to the park agencies equal to the share proposed for that agency in the CIP. Furthermore, that the park agencies must then spend their CIP distribution on their prioritized list of funding requests in priority order of their request. Thus partial funding of the CIP would result in partial funding of each agency's prioritized project list with the lowest priority project of each agency receiving reduced or no funding at all. This reinforces the other recommendations and assures that each agency receives its share of a CIP appropriation and that the CIP appropriation is spent on Council approved and agency prioritized projects.

Consequences

Submitting preliminary and final State bond requests to finance a portion of the 2008-13 Regional Parks Capital Improvement Program

The parks CIP is the basis for requesting State funds to partially finance it. Since 1994, State funds have financed 60% of the CIP with the remaining 40% financed with Metropolitan Council bonds. The Metropolitan Council has submitted State funding requests for the CIP based on the amount it

chose to issue of Council bonds. Once State funds are appropriated, and a 40% match of Metropolitan Council bonds authorized for the CIP, grants are awarded for projects in priority order of their ranking in the CIP.

The amount of Council bonds proposed for the 2008-09 biennial portion of the 2008-13 Parks CIP is \$7 million based on past decisions of the Council. Since the Council bonds are proposed to finance 40% of the CIP, the 60% remainder of State funds is \$10.5 million. Therefore \$10.5 million of State bonds should be requested for 2008.

Assuming \$10.5 million of State funds is appropriated for the 2008-09 portion of the Parks CIP and those funds are matched with \$7 million of Council bonds a total of \$17.5 million would be distributed to park agencies for capital projects. **Table 1: \$17.5 million 2008-09 Parks CIP based on 70% weight for population and 30% weight for non-local visits** illustrates the percent of the CIP appropriation each agency would receive and the amount each agency would receive if a total of \$17.5 million was appropriated.

The preliminary State bonding request for 2008 is due on June 25. Park agencies should submit their funding requests of prioritized projects within their share shown on Table 1 as part of the preliminary State bonding request by June 18 to help the Council comply with the June 25 deadline. Since park agency boards may not have sufficient time to approve their prioritized funding request, and the Council won't have time to review and approve those requests to meet the June 25 deadline, the park agencies and Council can consider and modify the preliminary request list—not the requested dollar amount per agency--during the months of July, August and September in order to submit a final request consisting of Council approved projects by October 10.

State law requires a 5-year regional parks CIP for planning purposes. The 2008 State bonding request requires projected bonding requests for three bienniums or six years for planning purposes. To be compliant with current Council principles on spending, the outlying 2010-11 and 2012-13 bienniums should propose \$10.5 million of State funds matched with \$7 million of Council bonds.

Table 1: \$17.5 million 2008-09 Parks CIP based on 70% weight for population and 30% weight for non-local visits

Park Agency	2005 Park Agency Population and Percent of Total Population	Percent of Total 2005 Non-Local Visits to Agency's Parks/ Trails based on 1998-99 visitor origin study	70 percent weighting of population percent	30 percent weighting of Non-Local Visits percent	CIP Share based on 70% weighted population and 30% non-local visits	2006-07 CIP share proposed for that agency. <u>Note:</u> This is not the share of CIP appropriation agency received	Comparison of this 70-30 formula to percent proposed in 2006-07 CIP	Dollar share for each agency of \$17.5 million CIP (\$thousands) based on 70% population and 30% non-local visits
Anoka County	(000's) 326.393	(000's) 1,247.7						
	11.6%	9.0%	8.1%	2.7%	10.8%	9.2%	1.6%	\$ 1,894
City of Bloomington	84.347	365.8						
	3.0%	2.6%	2.1%	0.8%	2.9%	2.2%	0.7%	\$ 506
Carver County	85.204	145.7						
	3.0%	1.0%	2.1%	0.3%	2.4%	2.2%	0.2%	\$ 426
Dakota County	391.558	257.8						
	13.9%	1.9%	9.8%	0.6%	10.3%	8.7%	1.6%	\$ 1,804
Minneapolis Park Board	387.711	4,366.5						
	13.8%	31.4%	9.7%	9.4%	19.1%	19.1%	0.0%	\$ 3,339
Ramsey County	227.873	1,621.9						
	8.1%	11.7%	5.7%	3.5%	9.2%	8.9%	0.3%	\$ 1,606
City of St. Paul	287.385	3,446.4						
	10.2%	24.8%	7.2%	7.4%	14.6%	14.6%	0.0%	\$ 2,554
Three Rivers Park District excluding Bloomington	678.854	1,787.9						
	24.2%	12.9%	16.9%	3.9%	20.8%	25.5%	-4.7%	\$ 3,634
Three Rivers/Scott County	115.997	171.2						
	4.1%	1.2%	2.9%	0.4%	3.3%	3.4%	-0.1%	\$ 570
Washington County	224.857	494.8						
	8.0%	3.6%	5.6%	1.1%	6.7%	6.2%	0.5%	\$ 1,167
Totals	2,810.179	13,905.8						
Total Percent	100.0%	100.0%	70.0%	30.0%	100.0%	100.0%	0.0%	\$ 17,500

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