Committee Report

C Community Development Committee

Item: 2008-127

For the Metropolitan Council meeting of June 25, 2008

ADVISORY INFORMATION

Date Prepared: June 17, 2008

Subject: Proposed Park Acquisition Opportunity Grant Rules - July 1, 2008 to June 30, 2009

Proposed Action:

That the Metropolitan Council:

1. Drop Option 1 rules for distributing Park Acquisition Opportunity Fund Grants because it eliminates different acquisition financing schemes and thus treats all acquisitions funded under one set of rules.

2. Adopt the following rules for distributing grants from the Acquisition Opportunity Fund effective from July 1, 2008 to June 30, 2009:

   A. Grants from the Park Acquisition Opportunity Fund may only be awarded to finance a portion of the cost to acquire land within Metropolitan Council-approved master plan boundaries, and only after the requesting regional park implementing agency has used available acquisition grant funds previously provided by the Metropolitan Council.

   B. Any interest cost on a contract for deed or other timed payment plan is not eligible for grant funding. The value of a discounted sale (i.e. the difference between the appraised value and a reduced sale price) is not counted as part of the cost to acquire land and is not included as part of a local match to the grant.

   C. Grants from the Park Acquisition Opportunity Fund may finance a portion of the actual cost to acquire land after deducting any Metropolitan Council grants and other grants used to finance a portion of the cost as follows:

   The Park Acquisition Opportunity Fund Grant finances 75% of the net cost of acquiring the land which is defined as the purchase price—not the appraised value; legal fees, appraisal costs and other closing costs incurred by the park agency; the property tax equivalency payment due to the city or township; and stewardship costs.

   A contribution of 25% of the net cost of acquiring the land up to $567,000 that is financed by regional park implementing agency funds or other sources is not eligible for reimbursement consideration by the Metropolitan Council. Seventy-five percent (75%) of a contribution above $567,000 that is financed with regional park implementing agency funds only is eligible for reimbursement consideration by the Metropolitan Council.

   The maximum grant(s) available to a park agency is $1.7 million during this time period.

Summary of Committee Discussion / Questions:

The Committee had no questions on this matter. They unanimously approved the recommendations.

Business Item

Item: 2008-127

C Community Development Committee

Meeting date: June 16, 2008

ADVISORY INFORMATION	
Date:	June 4, 2008
Subject:	Proposed Park Acquisition Opportunity Grant Rules - July 1, 2008 to June 30, 2009
District(s), Member(s):	All
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

That the Metropolitan Council:

1. Drop Option 1 rules for distributing Park Acquisition Opportunity Fund Grants because it eliminates different acquisition financing schemes and thus treats all acquisitions funded under one set of rules.

2. Adopt the following rules for distributing grants from the Acquisition Opportunity Fund effective from July 1, 2008 to June 30, 2009:

    A. Grants from the Park Acquisition Opportunity Fund may only be awarded to finance a portion of the cost to acquire land within Metropolitan Council-approved master plan boundaries, and only after the requesting regional park implementing agency has used available acquisition grant funds previously provided by the Metropolitan Council.

    B. Any interest cost on a contract for deed or other timed payment plan is not eligible for grant funding. The value of a discounted sale (i.e. the difference between the appraised value and a reduced sale price) is not counted as part of the cost to acquire land and is not included as part of a local match to the grant.

    C. Grants from the Park Acquisition Opportunity Fund may finance a portion of the actual cost to acquire land after deducting any Metropolitan Council grants and other grants used to finance a portion of the cost as follows:

    The Park Acquisition Opportunity Fund Grant finances 75% of the net cost of acquiring the land which is defined as the purchase price—not the appraised value; legal fees, appraisal costs and other closing costs incurred by the park agency; the property tax equivalency payment due to the city or township; and stewardship costs.

    A contribution of 25% of the net cost of acquiring the land up to $567,000 that is financed by regional park implementing agency funds or other sources is not eligible for reimbursement consideration by the Metropolitan Council. Seventy-five percent (75%) of a contribution above $567,000 that is financed with regional park implementing agency funds only is eligible for reimbursement consideration by the Metropolitan Council.

    The maximum grant(s) available to a park agency is $1.7 million during this time period.

Background

Since 2001, the Metropolitan Council has authorized about $10.5 million in grants to regional park agencies to partially finance the cost of acquiring land for the Regional Park System under the Park Acquisition Opportunity Fund ("Fund").

The current rules for distributing Park Acquisition Opportunity Grants went into effect on January 9, 2008 and expire on June 30. There are two options for agencies to request a grant:

Option 1: Up to 40% grant with minimum 60% CIP reimbursable match. An agency can request up to $1 million and must apply this option for any additional grants.

Option 2: 75% grant with 25% non-reimbursable match. An agency can request up to $1.7 million and must apply this option for any additional grants. Consequently the park agency would have to provide a $567,000 non-reimbursable match to $1.7 million in grants for a total of $2,267,000. Agenda item 2008-74 recommends that 75% of the acquisition costs above $2,267,000 would be eligible for CIP reimbursement consideration if those costs were financed by the park agency.

An analysis of the rules currently in effect, plus projected revenue and projected demand for grants was done. A recommendation to drop Option 1 and continue Option 2 effective July 1, 2008 to June 30, 2009 is recommended. On June 3rd, the Metropolitan Parks and Open Space Commission disagreed with the staff recommendation. Instead, the Commission recommended that both Option 1 and Option 2 Rules should be continued, and that all (100%) of the acquisition cost above $2,267,000 if funded by the park agency should be eligible for reimbursement consideration in future Regional Parks CIPs under the Option 2 Rules.

Rationale

The staff recommendation results in all agencies having their Regional Parks System acquisitions financed at the same ratio of Metropolitan Council grants and potential Metro Parks CIP reimbursement grants (75%) with the remaining 25% financed by the park agency from its own funds, or other sources such as watershed district grants. The ratio of financing sources is constant regardless of acquisition costs. Plus eliminating Option 1 reduces the Council's future liability for CIP reimbursements for land acquisition.

Funding

An analysis of the staff recommendation on each park agency's projected acquisitions for the period from July 1, 2008 to June 30, 2009 is shown in Table 1 on pages 7-12. In all cases 75% of the acquisition costs are financed by Park Acquisition Opportunity grants, or a combination of Park Acquisition Opportunity grants and the potential for Metro Parks CIP reimbursement grants for an agency's costs which exceeded $2,267,000. This approach can be applied equitably to all acquisitions regardless of their costs.

Known Support / Opposition

<u>Support</u>

The following park agencies represented at the June 3rd MPOSC meeting either supported the staff recommendation or had no position on it:

Ramsey County

City of St. Paul

Three Rivers Park District

<u>Opposition</u>

As noted above the Metropolitan Parks and Open Space Commission disagreed with the staff recommendation. Instead the Commission recommended that both Option 1 and Option 2 Rules be continued for the period from July 1, 2008 to June 30, 2009. And, that 100% of acquisition costs above $2,267,000 financed by a park agency should be eligible for CIP reimbursement consideration under the Option 2 Rules. The following park agencies represented at the June 3rd Commission meeting supported or preferred the Commission's recommendation:

Carver County

Dakota County

Minneapolis Park & Recreation Board

Scott County

Washington County

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

DATE: May 19, 2008

TO: Metropolitan Parks and Open Space Commission

FROM: Arne Stefferud, Planning Analyst-Parks (651-602-1360)

SUBJECT: (2008-127) Proposed Park Acquisition Opportunity Grant Rules - July 1, 2008 to June 30, 2009

INTRODUCTION

On May 6, the Metropolitan Parks and Open Space Commission considered a proposal for distributing Park Acquisition Opportunity Grants for the period from July 1, 2008 to June 30, 2009. The proposal was to:

a. Drop Option 1 Rules, which could fund up to 40% of acquisitions costs and allowed park agencies to be eligible for reimbursement consideration of their local matching funds to the Park Acquisition Opportunity Grant. The amount an agency could receive was $1 million. Dropping this option and only applying Option 2 Rules eliminates different acquisition financing schemes and thus treats all acquisitions under one set of rules.

b. Continue using Option 2 Rules, which could fund 75% of acquisition costs and required a 25% non-reimbursable match from the park agency--up to $567,000 for acquisition costs that totaled $2,267,000. For acquisitions that cost more than $2,267,000 it was proposed that 50% of those additional costs that were financed by the park agency would be eligible for Metro Parks CIP reimbursement consideration. The amount an agency could receive was $1.7 million (See **Attachment 1)**.

The Commission received input from regional park agency staff regarding the proposal. This memorandum analyzes that input and proposes that for the period from July 1, 2008 to June 30, 2009 that only Option 2 Rules be continued, but for costs above $2,267,000 a park agency could request Metro Parks CIP reimbursement consideration on 75% of those costs if they were financed by the park agency. This change in the proposal results in all agencies having their Regional Parks System acquisitions financed at the same ratio of Metropolitan Council grants and potential Metro Parks CIP reimbursement grants (75%) with the remaining 25% financed by the park agency from its own funds, or other sources.

ANALYSIS

Input from regional park agencies and discussion by the Commission on this matter covered the following proposals:

1. Continue Option 1 and Option 2 rules for the July 1, 2008 to June 30, 2009 period. The premise for this proposal was that higher cost acquisitions placed a disproportionately greater burden on park agencies that had smaller property tax bases to finance the acquisitions. Retaining Option 1 allowed park agencies to get a smaller grant now ($1 million under Option 1 versus $1.7 million under Option 2) in exchange for the potential to be reimbursed for costs above $1 million through the Metro Parks CIP if those costs were initially financed by the park agency. The weakness in this proposal is that if an agency provided local funds to qualify for obtaining a Park Acquisition Opportunity Grant under Option 1, the agency has already levied a property tax to finance that local share. Therefore claims that property taxes would rise if agencies must provide a non-reimbursable local match as called for under Option 2 is not true.

2. Modify Option 2 Rules by allowing 75% of the costs above $2,267,000 financed by the park agency to be eligible for Metro Parks CIP reimbursement consideration. This change in the proposal results in all agencies having their Regional Parks System acquisitions financed at the same ratio of Metropolitan Council grants and potential Metro Parks CIP reimbursement grants (75%) with the remaining 25% financed by the park agency or other sources. An analysis of proposal 2 on each park agency's projected acquisitions for the period from July 1, 2008 to June 30, 2009 is shown in Table 1 on pages 7-12. Note that in all cases 75% of the acquisition costs are financed by Park Acquisition Opportunity grants, or a combination of Park Acquisition Opportunity grants and the potential for Metro Parks CIP reimbursement grants for an agency's costs which exceeded $2,267,000. This approach can be applied equitably to all acquisitions regardless of their costs.

The 25% non-reimbursable match to the Council's grant that is provided by the park agency can come from sources other than the park agency's local property tax levy. For example, the match could be financed from a watershed district grant, or from a grant from a parks foundation. The Management Committee of the Metropolitan Council has recommended establishing a Regional Parks Foundation, which will be considered by the Metropolitan Council at its June 11th meeting. As noted in past discussions on this matter, the match must be based on actual costs—not any discounted value from a partial donation by the seller.

CONCLUSIONS

1. Dropping Option 1 rules for distributing Park Acquisition Opportunity Fund Grants eliminates different acquisition financing schemes and thus treats all acquisitions funded under one set of rules.

2. Continued use of Option 2 rules would fund 75% of acquisition costs for acquisitions at or below $2,267,000 per agency and allows 75% of costs above $2,267,000 financed by the park agency with its own funds to be eligible for Metro Parks CIP reimbursement consideration. These rules maximize the amount of grants available to all park agencies from the Fund within the Fund's fiscal limits, and can be applied equitably to all regional park agencies because the ratio of financing sources is constant regardless of acquisition costs.

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RECOMMENDATIONS

That the Metropolitan Council:

1. Drop Option 1 rules for distributing Park Acquisition Opportunity Fund Grants because it eliminates different acquisition financing schemes and thus treats all acquisitions funded under one set of rules.

2. Adopt the following rules for distributing grants from the Acquisition Opportunity Fund effective from July 1, 2008 to June 30, 2009:

   A. Grants from the Park Acquisition Opportunity Fund may only be awarded to finance a portion of the cost to acquire land within Metropolitan Council-approved master plan boundaries, and only after the requesting regional park implementing agency has used available acquisition grant funds previously provided by the Metropolitan Council.

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The maximum grant(s) available to a park agency is $1.7 million during this time period.

Table 1: Projections if MC grant finances 75% of acquisition costs up to $1.7 million with 25% non-reimbursable match up to $567,000. And, for acquisition costs above $2.26 million 75% is eligible for reimbursement consideration in Metro Parks CIP and 25% is not eligible for reimbursement consideration

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M per agency	$567,000 non-reimbursable 25% local match to $1.7 million	75% above $2.26 million eligible for reimburse-ment considera-tion	25% above $2.26 million not eligible for reimburse-ment considera-tion
Carver County	Lake Waconia Regional Park	70181100	1.5	$ 483,000	$ 17,000	$ 500,000	$ 375,000	$ 125,000	$ -	$ -
Carver County	Lake Waconia Regional Park	70181000	19.25	$ 3,400,000	$ 15,000	$ 3,415,000	$ 1,325,000	$ 442,000	$ 1,236,000	$ 412,000
					Carver County Subtotals	**$ 3,915,000**	**$ 1,700,000**	**$ 567,000**	**$ 1,236,000**	**$ 412,000**
						Percentage by revenue source	**43%**	**14%**	**32%**	**11%**
Dakota County	Miesville Ravine Regional Park	9-03600-010-76 and 9-03600-010 77	8.6	$ 499,290	$ 4,026	**$ 503,316**	**$ 377,487**	**$ 125,829**	$ -	$ -
						Percentage by revenue source	**75%**	**25%**	**0%**	**0%**

Table 1 *continued*: Projections if MC grant finances 75% of acquisition costs up to $1.7 million with 25% non-reimbursable match up to $567,000. And, for acquisition costs above $2.26 million 75% is eligible for reimbursement consideration in Metro Parks CIP and 25% is not eligible for reimbursement consideration

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Minneapolis Park & Rec. Board	Above The Falls Regional Park	5-029-241-30001	0.11	$ 50,000	$ 11,199	**$ 61,199**	**$ 45,899**	**$ 15,300**	$ -	$ -
						Percentage by revenue source	**75%**	**25%**	**0%**	**0%**
Saint Paul	Harriet Island Regional Park	07-28-22-21-0009	0.74	$ 380,000	$ 165,581	$ 545,581	$ 409,186	$ 136,395	$ -	$ -
Saint Paul	Trout Brook RT	19-29-22-43-0027	1.17	$ 305,800	$ 14,416	$ 320,216	$ 240,162	$ 80,054	$ -	$ -
					St. Paul Subtotals	**$ 865,797**	**$ 649,348**	**$ 216,449**	$ -	$ -
						Percentage by revenue source	**75%**	**25%**	**0%**	**0%**

Table 1 *continued*: Projections if MC grant finances 75% of acquisition costs up to $1.7 million with 25% non-reimbursable match up to $567,000. And, for acquisition costs above $2.26 million 75% is eligible for reimbursement consideration in Metro Parks CIP and 25% is not eligible for reimbursement consideration

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Scott County	Doyle-Kennefick RP	St. Catherine Lake west shoreline in negotiation now	46.67	$ 1,200,000	$ 10,000	$ 1,210,000	$ 907,500	$ 302,500	$ -	$ -
Scott County	Cedar Lake Farm RP	59240080	7.82	$ 135,600	$ 3,200	$ 138,800	$ 104,100	$ 34,700	$ -	$ -
Scott County	Cedar Lake Farm RP	59240030	12	$ 120,533	$ 5,953	$ 126,486	$ 94,865	$ 31,622	$ -	$ -
Scott County	Cedar Lake Farm RP	50280030 and 50280040	8	$ 200,342	$ 8,200	$ 208,542	$ 156,407	$ 52,136	$ -	$ -
Scott County Subtotals						**$ 1,683,828**	**$ 1,262,871**	**$ 420,957**	**$ -**	**$ -**
Percentage by revenue source							**75%**	**25%**	**0%**	**0%**

Table 1 *continued:* Projections if MC grant finances 75% of acquisition costs up to $1.7 million with 25% non-reimbursable match up to $567,000. And, for acquisition costs above $2.26 million 75% is eligible for reimbursement consideration in Metro Parks CIP and 25% is not eligible for reimbursement consideration

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M	$567,000 non-reimbursable 25% local match to $1.7 million	75% above $2.26 million eligible for reimburse-ment considera-tion	25% above $2.26 million <u>not</u> eligible for reimburse-ment considera-tion
Three Rivers Park District	Lake Rebecca PR	Laidlaw parcel. Grant request expected for June action	7	$ 400,000	$ 20,000	$ 420,000	$ 315,000	$ 105,000	$ -	$ -
Three Rivers Park District	Assume 7.3 acres (5% of inholdings) are acquired per year.	List of parcels on file.	7.3	$ 1,062,999	$ 74,410	$ 1,137,409	$ 853,057	$ 284,352	$ -	$ -
Three Rivers Park District Subtotals						**$ 1,557,409**	**$ 1,168,057**	**$ 389,352**	**$ -**	**$ -**
Percentage by revenue source							**75%**	**25%**	**0%**	**0%**

Table 1 *continued*: Projections if MC grant finances 75% of acquisition costs up to $1.7 million with 25% non-reimbursable match up to $567,000. And, for acquisition costs above $2.26 million 75% is eligible for reimbursement consideration in Metro Parks CIP and 25% is not eligible for reimbursement consideration

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M	$567,000 non-reimbursable 25% local match to $1.7 million	75% above $2.26 million eligible for reimburse-ment considera-tion	25% above $2.26 million not eligible for reimburse-ment considera-tion
Washington County	Cottage Grove Ravine RP	In negotiation now. Half of land is replacment for county service center land. Grant shown is for land beyond that replacement.	2	$ 100,000	$ 4,400	$ 104,400	$ 78,300	$ 26,100	$ -	$ -
Washington County	St.Croix Regional Trail	Only portion of larger parcel that will be used for trail	2	$ 125,000	$ 4,000	$ 129,000	$ 96,750	$ 32,250	$ -	$ -
Washington County	Big Marine PR	In negotiation now.	79.74	$ 600,000	$ 7,000	$ 607,000	$ 455,250	$ 151,750	$ -	$ -
Washington County	Big Marine PR	0603120440001 and 0503120330001	79	$ 782,800	$ 6,500	$ 789,300	$ 591,975	$ 197,325	$ -	$ -
Washington County	Big Marine PR	0503120430001, 0503120440001, 0503120410002, 0803120110001	85.09	$ 1,413,100	$ 8,200	$ 1,421,300	$ 477,725	$ 159,575	$ 588,000	$ 196,000
Washington County Subtotals						**$ 3,051,000**	**$ 1,700,000**	**$ 567,000**	**$ 588,000**	**$ 196,000**
Percentage by revenue source							**56%**	**19%**	**19%**	**6%**

Table 1 *continued*: Projections if MC grant finances 75% of acquisition costs up to $1.7 million with 25% non-reimbursable match up to $567,000. And, for acquisition costs above $2.26 million 75% is eligible for reimbursement consideration in Metro Parks CIP and 25% is not eligible for reimbursement consideration

Grand Totals	Acres		Total Acq. Cost	MC grant 75/25 up to $1.7 M	$567,000 non-reimbursable 25% local match to $1.7 million	75% above $2.26 million eligible for reimburse-ment considera-tion	25% above $2.26 million not eligible for reimburse-ment considera-tion
	248		$ 11,637,549	$ 6,903,662	$ 2,301,887	$ 1,824,000	$ 608,000
			Percentage by revenue source	59%	20%	16%	5%

Attachment 1: April 28 MPOSC memorandum on agenda item (2008-127) Proposed Park Acquisition Opportunity Grant rules to be effective from July 1, 2008 to June 30, 2009

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

DATE: April 28, 2008

TO: Metropolitan Parks and Open Space Commission

FROM: Arne Stefferud, Planning Analyst-Parks (651-602-1360)

SUBJECT: (2008-127) Proposed Park Acquisition Opportunity Grant Rules - July 1, 2008 to June 30, 2009

INTRODUCTION

Since 2001, the Metropolitan Council has authorized about $10.5 million in grants to regional park agencies to partially finance the cost of acquiring land for the Regional Park System under the Park Acquisition Opportunity Fund ("Fund").

The current rules for distributing Park Acquisition Opportunity Grants went into effect on January 9, 2008 and expire on June 30. There are two options for agencies to request a grant:

Option 1: Up to 40% grant with minimum 60% CIP reimbursable match. An agency can request up to $1 million and must apply this option for any additional grants.

Option 2: 75% grant with 25% non-reimbursable match. An agency can request up to $1 .7 million and must apply this option for any additional grants. Consequently the park agency would have to provide a $567,000 non-reimbursable match to $1.7 million in grants for a total of $2,267,000. Half (50%) of the acquisition costs above $2,267,000 would be eligible for CIP reimbursement consideration if those costs were financed by the park agency—not from other grants.

An analysis of the rules currently in effect, plus projected revenue and projected demand for grants was done. A recommendation to drop Option 1 and continue Option 2 effective July 1, 2008 to June 30, 2009 is presented. This treats all acquisition requests with the same set of rules that can be applied consistently regardless of the acquisition's cost. Plus eliminating Option 1 reduces the Council's future liability for CIP reimbursements for land acquisition.

ANALYSIS

<u>Grants awarded and pending under current rules</u>

Four grants have been authorized since the rules went into effect on January 9, 2008 and an additional grant is being considered for a total of five grants. Four of the five grant requests used "Option 2" Rules". Of these four requests under Option 2, all but one was for land that cost less than $2,267,000. Consequently, the Council's grants financed 75% of acquisition costs. The one case where the costs exceeded $2,267,000 –for Empire Wetlands Regional Park--- the Council's Park Acquisition Opportunity grant of $1.7 million (the maximum), plus an $800,000 Metro Council grant, plus a $6 million State bond appropriation and the potential reimbursement of $1,436,667 in future regional parks CIP results in State and Metro Council financing 83.1% of that acquisition's costs, while the park agency finances 16.9%.

One request used the "Option 1: Rules"—a request for $1 million (the maximum) to finance a $2.53 million acquisition. The remaining $1.53 million minus any lease revenue generated from continued use of that land as the

Lakeside Ballroom was eligible for Metro Parks CIP reimbursement consideration. In this case, the Council's grant financed 39.5% of the costs with the potential that the Council may reimburse the park agency for its matching funds via the Parks CIP. Thus the entire costs of the acquisition may be financed with Metropolitan Council grants and lease revenue.

Recommendation to drop Option 1

For the period July 1, 2008 to June 30, 2009, it is recommended that only Option 2 rules be used. This treats all acquisition requests with the same set of rules that can be applied consistently regardless of the acquisition's cost. Plus eliminating Option 1 reduces the Council's future liability for CIP reimbursements for land acquisition.

Furthermore, no set of Park Acquisition Opportunity Grant rules can finance every acquisition at the same percentage (i.e. 75% State/Metro Council funds and 25% local funds) since the cost of land can exceed the Metro Council's limited ability to finance each acquisition. Under Option 2, a base amount at the time the land is acquired is provided (i.e. up to $1.7 million) that can finance 75% for land costs up to $2,267,000. And it allows half of the costs beyond $2,267,000 to be eligible for reimbursement consideration via the Metro Parks CIP if those costs are initially financed with park agency money—not other grants. This approach can be applied equitably to all acquisitions that cost more than $2,267,000 as well as those that cost less than $2,267,000.

Projected Acquisition Opportunity Fund Revenue and Grant Demand

Staff used data provided by regional park agencies to project the demand for Acquisition Opportunity Grants for the period from July 1, 2008 to June 30, 2009 and then ran a projection on financing those acquisitions using the Option 2 Rules. Table 1 below shows the projected revenues of $8,514,873 during this time period for the Fund. A projected demand for grants of $6,903,662 and a projected balance in the Fund on June 30, 2009 of $1,611,211 is also shown on Table 1.

Table 1: Existing and projected revenue for Park Acquisition Opportunity Fund for July 1, 2008 to June 30, 2009 using Option 2 Rules

	State Funds	Metro Council Bonds	Total
Unobligated State Acquisition Account	$ 170,744	$ 113,162	$ 283,906
Unobligated Land Acqusition Opportunity Acct.	$ -	$ 3,230,967	$ 3,230,967
Projected additional State funds to be added 7-1-08	$ 1,500,000	$ 1,000,000	$ 2,500,000
Transfer MC bonds from Land Acquisition Account to State Acquisition account for required match to 2008 State appropriation above on 7-1-08			$ (1,000,000)
Projected Metro Council bonds to be added January 2009			$ 3,500,000
Projected Revenue from April 23, 2008 to June 30, 2009 (No assumption made on obtaining additional State money in 2009)			**$ 8,514,873**
Projected Grants from Metro Council (see Table 4)			**$ 6,903,662**
Projected Acquisition Opportunity Fund Balance on June 30, 2009			**$ 1,611,211**

Further analysis of the data indicates that 59% of the projected acquisition costs –projected to be $6.9 million--would be financed with Park Acquisition Opportunity grants during this time period. Twenty percent, or about $2.3 million would be non-reimbursable 25% matches to the Park Acquisition Opportunity grants. The remaining $2.43 million needed to fully fund the projected costs would be split in half, and consequently $1.2 million would be eligible for Metro Parks CIP reimbursement consideration and the other $1.2 million would not be eligible for CIP reimbursement. This is shown in Table 2.

Table 2: Projected park land acquisition costs and associated revenue sources for the July 1, 2008 to June 30, 2009 under Option 2 Park Acquisition Opportunity Grant Rules

		% of Costs
Total MC grants 75/25 up to $1.7 M per agency (See Table 4)	$ 6,903,662	59%
Total $567,000 non-reimbursable 25% local matches to $1.7 million MC grants (See Table 4)	$ 2,301,887	20%
Total of 50% above $2.26 million per agency that is not eligible for reimbursement from Metro Parks CIP (See Table 4)	$ 1,216,000	10%
Total of 50% above $2.26 million per agency that is eligible for reimbursement from Metro Parks CIP (See Table 4)	$ 1,216,000	10%
Total Projected acquisition costs (See Table 4)	$11,637,549	100%

A consolidation of the data from Table 2 that combines the Park Acquisition Opportunity Grants with the CIP reimbursable amount results in 70% of the projected acquisition costs financed with Metropolitan Council Park Acquisition Opportunity grants and potential future reimbursements from the Metro Parks CIP. The remaining 30% would be financed with non-reimbursable matches from park agencies. This is shown in Table 3 below.

Table 3: Projected percentage of revenue sources for park land acquisition costs for the July 1, 2008 to June 30, 2009 under Option 2 Park Acquisition Opportunity Grant Rules

		% of Costs
Total MC grants and reimbursement eligible amount from Table 2	$ 8,119,662	70%
Total Non-reimbursable amounts from Table 2	$ 3,517,887	30%
Total MC grants, reimbursement eligible amount and non-reimbursable	$11,637,549	

Finally, the analysis of park agency data that was combined into the results in Tables 1 to 3 is shown in Table 4. This illustrates the projected impact of the Option 2 Rules on each agency that had projected acquisitions during this time period. Please note that when acquisition costs for an agency are less than $2,267,000 the Park Acquisition Opportunity Grant finances 75% of those costs. When an agency's costs exceed $2,267,000 then the Park Acquisition Opportunity grant(s) plus potential future reimbursements finance less than 75% of costs due to the limits of $1.7 million per agency from the Park Acquisition Opportunity Fund and limiting half of the costs above $2,267,000 to be eligible for future CIP reimbursement consideration. This occurs for Carver and Washington Counties. No set of Park Acquisition Opportunity Grant rules can finance every acquisition at the same percentage (i.e. 75% State/Metro Council funds and 25% local funds) since the cost of land can exceed the Metro Council's limited ability to finance each acquisition. This proposal grants a base amount at the time the land is acquired (i.e. up to $1.7 million that can finance 75% for land costs up to $2,267,000) and reimburses half of the costs beyond $2,267,000 via the Metro Parks CIP if those costs are initially financed with park agency money—not other grants. This approach can be applied equitably to all acquisitions.

Table 4: Projected acquisition costs and revenue sources under Option 2 Park Acquisition Opportunity Grant rules for July 1, 2008 to June 30, 2009

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M per agency	$567,000 non-reimbursable 25% local match to $1.7 million	50% above $2.26 million not reimbursable	50% above $2.26 million that is eligible for reimburse--ment
Carver County	Lake Waconia Regional Park	70181100	1.5	$ 483,000	$ 17,000	$ 500,000	$ 375,000	$ 125,000	$ -	$ -
Carver County	Lake Waconia Regional Park	70181000	19.25	$ 3,400,000	$ 15,000	$ 3,415,000	$ 1,325,000	$ 442,000	$ 824,000	$ 824,000
Carver County Subtotals						**$ 3,915,000**	**$ 1,700,000**	**$ 567,000**	**$ 824,000**	**$ 824,000**
Percentage by revenue source							**43%**	**14%**	**21%**	**21%**
Dakota County	Miesville Ravine Regional Park	9-03600-010-76 and 9-03600-010 77	8.6	$ 499,290	$ 4,026	**$ 503,316**	**$ 377,487**	**$ 125,829**	$ -	$ -
Percentage by revenue source							**75%**	**25%**	**0%**	**0%**
Minneapolis Park & Rec. Board	Above The Falls Regional Park	15-029-241-30001	0.11	$ 50,000	$ 11,199	**$ 61,199**	**$ 45,899**	**$ 15,300**	$ -	$ -
Percentage by revenue source							**75%**	**25%**	**0%**	**0%**

Table 4 *continued*: Projected acquisition costs and revenue sources under Option 2 Park Acquisition Opportunity Grant rules for July 1, 2008 to June 30, 2009

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M	$567,000 non-reimbursable 25% local match to $1.7 million	50% above $2.26 million not reimbursable	50% above $2.26 million that is eligible for reimburse-ment
Saint Paul	Harriet Island Regional Park	07-28-22-21-0009	0.74	$ 380,000	$ 165,581	$ 545,581	$ 409,186	$ 136,395	$ -	$ -
Saint Paul	Trout Brook RT	19-29-22-43-0027	1.17	$ 305,800	$ 14,416	$ 320,216	$ 240,162	$ 80,054	$ -	$ -
					St. Paul Subtotals	**$ 865,797**	**$ 649,348**	**$ 216,449**	**$ -**	**$ -**
					Percentage by revenue source		**75%**	**25%**	**0%**	**0%**
Scott County	Doyle-Kennefick RP	St. Catherine Lake west shoreline in negotiation now	46.67	$ 1,200,000	$ 10,000	$ 1,210,000	$ 907,500	$ 302,500	$ -	$ -
Scott County	Cedar Lake Farm RP	59240080	7.82	$ 135,600	$ 3,200	$ 138,800	$ 104,100	$ 34,700	$ -	$ -
Scott County	Cedar Lake Farm RP	59240030	12	$ 120,533	$ 5,953	$ 126,486	$ 94,865	$ 31,622	$ -	$ -
Scott County	Cedar Lake Farm RP	50280030 and 50280040	8	$ 200,342	$ 8,200	$ 208,542	$ 156,407	$ 52,136	$ -	$ -
					Scott County Subtotals	**$ 1,683,828**	**$ 1,262,871**	**$ 420,957**	**$ -**	**$ -**
					Percentage by revenue source		**75%**	**25%**	**0%**	**0%**

Table 4 *continued*: Projected acquisition costs and revenue sources under Option 2 Park Acquisition Opportunity Grant rules for July 1, 2008 to June 30, 2009

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M	$567,000 non-reimbursable 25% local match to $1.7 million	50% above $2.26 million not reimbursable	50% above $2.26 million that is eligible for reimburse--ment
Three Rivers Park District	Lake Rebecca PR	Laidlaw parcel. Grant request expected for June action	7	$ 400,000	$ 20,000	$ 420,000	$ 315,000	$ 105,000	$ -	$ -
Three Rivers Park District	Assume 7.3 acres (5% of inholdings) are acquired per year.	List of parcels on file.	7.3	$ 1,062,999	$ 74,410	$ 1,137,409	$ 853,057	$ 284,352	$ -	$ -
Three Rivers Park District Subtotals						**$1,557,409**	**$ 1,168,057**	**$ 389,352**	**$ -**	**$ -**
Percentage by revenue source							**75%**	**25%**	**0%**	**0%**

Table 4 *continued*: Projected acquisition costs and revenue sources under Option 2 Park Acquisition Opportunity Grant rules for July 1, 2008 to June 30, 2009

Park Agency	Park or Trail Unit	Parcel ID # or other notes	Acres	Estimated Acq. Cost	Estimated related costs	Total Acq. Cost	MC grant 75/25 up to $1.7 M	$567,000 non-reimbursable 25% local match to $1.7 million	50% above $2.26 million not reimbursable	50% above $2.26 million that is eligible for reimburse-ment
Washington County	Cottage Grove Ravine RP	In negotiation now. Half of land is replacment for county service center land. Grant shown is for land beyond that replacement.	2	$ 100,000	$ 4,400	$ 104,400	$ 78,300	$ 26,100	$ -	$ -
Washington County	St.Croix Regional Trail	Only portion of larger parcel that will be used for trail	2	$ 125,000	$ 4,000	$ 129,000	$ 96,750	$ 32,250	$ -	$ -
Washington County	Big Marine PR	In negotiation now.	79.74	$ 600,000	$ 7,000	$ 607,000	$ 455,250	$ 151,750	$ -	$ -
Washington County	Big Marine PR	0603120440001 and 0503120330001	79	$ 782,800	$ 6,500	$ 789,300	$ 591,975	$ 197,325	$ -	$ -
Washington County	Big Marine PR	0503120430001, 0503120440001, 0503120410002, 0803120110001	85.09	$ 1,413,100	$ 8,200	$ 1,421,300	$ 477,725	$ 159,575	$ 392,000	$ 392,000
Washington County Subtotals						**$ 3,051,000**	**$ 1,700,000**	**$ 567,000**	**$ 392,000**	**$ 392,000**
Percentage by revenue source							**56%**	**19%**	**13%**	**13%**

CONCLUSIONS

1. Rules for distributing grants from the Park Acquisition Opportunity Fund should be evaluated to best distribute revenue in the Fund to meet demand for grants for the period from July 1, 2008 to June 30, 2009.

2. Based on an analysis of demand for grants from the Fund against revenue in the Fund for the July 1, 2008 to June 20, 2009 period, deleting Option 1 Rules and continued use of Option 2 rules can maximize the use of grants from the Fund, can be applied equitably to all regional park agencies. Plus eliminating Option 1 reduces the Council's future liability for CIP reimbursements for land acquisition.

3. No set of Park Acquisition Opportunity Grant rules can finance every acquisition at the same percentage (i.e. 75% State/Metro Council funds and 25% local funds) since the acquisition costs can exceed the Metro Council's limited ability to finance each acquisition.

4. This proposal grants a base amount at the time the land is acquired (i.e. up to $1.7 million that can finance 75% for acquisition costs up to $2,267,000) and reimburses half of the costs beyond $2,267,000 via the Metro Parks CIP if those costs are initially financed with park agency money—not other grants.

RECOMMENDATIONS

That the Metropolitan Council adopt the following rules for distributing grants from the Acquisition Opportunity Fund effective from July 1, 2008 to June 30, 2009:

A. Grants from the Park Acquisition Opportunity Fund may only be awarded to finance a portion of the cost to acquire land within Metropolitan Council-approved master plan boundaries, and only after the requesting regional park implementing agency has used available acquisition grant funds previously provided by the Metropolitan Council.

B. Any interest cost on a contract for deed or other timed payment plan is not eligible for grant funding. The value of a discounted sale (i.e. the difference between the appraised value and a reduced sale price) is not counted as part of the cost to acquire land and is not included as part of a local match to the grant.

C. Grants from the Park Acquisition Opportunity Fund may finance a portion of the actual cost to acquire land after deducting any Metropolitan Council grants and other grants used to finance a portion of the cost as follows:

The Park Acquisition Opportunity Fund Grant finances up to 75% of the net cost of acquiring the land which is defined as the purchase price—not the appraised value; legal fees, appraisal costs and other closing costs incurred by the park agency; the property tax equivalency payment due to the city or township; and stewardship costs.

A maximum contribution of 25% of the net cost of acquiring the land up to $567,000 that is financed by regional park implementing agency funds—not grants from other sources--is not eligible for reimbursement consideration by the Metropolitan Council. Half (50%) of a contribution above $567,000 that is financed with regional park implementing agency funds is eligible for reimbursement consideration by the Metropolitan Council.

The maximum grant(s) available to a park agency is $1.7 million.