

**METROPOLITAN COUNCIL**  
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**DATE:** January 14, 2007  
**TO:** Metropolitan Parks and Open Space Commission (MPOSC)  
**FROM:** Arne Stefferud, Planning Analyst-Parks (651-602-1360)  
**SUBJECT: Discussion on 2008-2013 Regional Parks CIP Structure**

**INTRODUCTION:**

As a follow up from the January 9 meeting the park agencies and Commission discussed the need to consider changing the structure of the Parks CIP for 2008-13. This paper analyzes the existing Parks CIP structure and proposes a change to that structure that insures each agency receives a percentage share of a Parks CIP appropriation based on the percentage share proposed for that agency in the Parks CIP.

The analysis addresses the following policy issues:

1. How should projects be ranked and appropriations for the Parks CIP distributed?
2. What should be the basis for determining a park agency's share in the Parks CIP?

The MPOSC needs to develop a recommendation to the Council by the end of May 2007 that:

1. Proposes how projects in the 2008-13 Parks CIP are ranked (either by park agencies under a new CIP structure, or by the MPOSC and Metro Council under the current CIP structure) and how funds appropriated for the 2008-13 Parks CIP will be distributed to the park agencies.
2. Proposes the percentage allocation of funds proposed for each park agency in each biennium of the 2008-13 Parks CIP.
3. Proposes how Acquisition Opportunity Grants will be distributed for eligible acquisition projects and the limit each agency can receive (assuming \$2.5 million of LCCMR funds are appropriated in 2007 to match \$1.67 million of existing Council bonds to finance these grants).
4. Proposes how line item appropriations for identical projects in the 2008-13 Parks CIP will affect the distribution of Parks CIP funds to that park agency.
5. Proposes how line item appropriations for specific regional park projects can complement the Parks CIP if the Governor and Legislature appropriate State funds beyond what is proposed in the Parks CIP.

## ANALYSIS

### 1. How should projects be ranked and appropriations for the Parks CIP be distributed?

The Parks CIP currently ranks projects within acquisition, rehabilitation and development categories. Projects are then ranked using a series of priority criteria. Finally, the funds appropriated for the CIP are then split among the acquisition, rehabilitation and development categories in proportion to what was requested for that category. The end result is that some agencies have received significantly more or less funds on a percentage basis compared to what they were proposed to receive for that biennium under this CIP structure.

Following is an example of this disparity:

The 2006 State bonds (\$7 million) and matching Metro Council bonds (\$4.667 million) for a total of \$11.667 million were distributed as follows:

- 19.6% (\$2.29 million) for land acquisition projects
- 54.2% (\$6.32 million) for rehabilitation projects
- 26.3% (\$3.07 million) for development projects

Those funds were then granted to projects (funding requests by park agencies) that were ranked by the MPOSC within acquisition, rehabilitation and development categories. Table 1 on the next page compares the amount each agency received in dollars and percentage terms for 2006-07 Parks CIP projects compared to what was proposed for that agency in the 2006-07 Parks CIP. Note the disparity between what the agency received versus what it was proposed to receive.

**Table 1: What Metro Parks Agencies Received for 2006-07 CIP Projects in Dollar and Percentage Terms versus Percentage of CIP Park Agencies Were Proposed to Receive**

<b>Park Agency</b>	<b>Dollars Received for 2006-07 Parks CIP Projects<sup>1</sup></b>	<b>Percent of Dollars Received for 2006-07 Parks CIP</b>	<b>Percent of Dollars Proposed for that Park Agency in 2006-07 Parks CIP</b>	<b>Disparity Between Percent Received vs. Percent Proposed</b>
Anoka County	\$ 957,000	8.2%	9.2%	-1%
Bloomington	\$ 327,000	2.8%	2.2%	+0.6%
Carver County	\$ 285,000	2.4%	2.2%	+0.02%
Dakota County	\$ 1,523,000	13.1%	8.7%	+4.4%
Three Rivers Park Dist. excluding Bloomington	\$ 3,037,000	26.0%	25.5%	+0.5%
Mpls. Park & Rec. Bd. (does not include additional funds appropriated for Lake of the Isles)	\$ 1,731,000	14.8%	19.1%	-4.3%
Ramsey County excluding St. Paul	\$ 580,000	5.0%	8.9%	-3.9%
St. Paul	\$ 2,705,000	23.2%	14.6%	+8.6%
Scott County	\$ -	0.0%	3.4%	-3.4%
Washington County	\$ 522,000	4.5%	6.2%	-1.7%
<b>Totals</b>	<b>\$11,667,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

The 2006-07 Parks CIP proposed that \$21 million be appropriated in State funds and matched with \$14 million of Council bonds for a total of \$35 million. Since only \$11.667 million was granted, park agencies did not receive on a percentage basis the amount they were proposed to receive in the Parks CIP. Although the unfunded projects in the Parks CIP have rolled over and been ranked ahead of new funding requests in future CIPs, the park agencies would not receive their proposed CIP percentage until an additional \$14 million of State funds were appropriated and matched with \$9.33 million of Council bonds. That may take two or more years to achieve.

Park agencies have suggested that the MPOSC and Council distribute Park CIP funds in proportion to what was proposed for each park agency in the CIP. Table 2 below illustrates the amount each agency would have received for 2006-07 CIP projects if this distribution proposal had been used. Note that no agency receives more or less than what they were proposed to receive on a percentage basis.

<sup>1</sup> Grant data based on grant agreement files shown in **Appendix A: 2006-07 Metro Regional Parks CIP Data and Other Grants Awarded in 2006**

**Table 2: What Metro Parks Agencies Would Have Received for 2006-07 CIP Projects in Dollar and Percentage Terms If Dollars Were Distributed Based on Percentage of CIP the Park Agencies Were Proposed to Receive**

<b>Park Agency</b>	<b>Dollars Agencies Would Have Received for 2006-07 Parks CIP Projects</b>	<b>Percent of Dollars Agencies Would Have Received for 2006-07 Parks CIP</b>	<b>Percent of Dollars Proposed for that Park Agency in 2006-07 Parks CIP</b>	<b>Disparity Between Percent Received vs. Percent Proposed</b>
Anoka County	\$ 1,073,364	9.2%	9.2%	0.0%
Bloomington	\$ 256,674	2.2%	2.2%	0.0%
Carver County	\$ 256,674	2.2%	2.2%	0.0%
Dakota County	\$ 1,015,029	8.7%	8.7%	0.0%
Three Rivers Park Dist. excluding Bloomington	\$ 2,975,085	25.5%	25.5%	0.0%
Mpls. Park & Rec. Bd. (does not include additional funds appropriated for Lake of the Isles)	\$ 2,228,397	19.1%	19.1%	0.0%
Ramsey County excluding St. Paul	\$ 1,038,363	8.9%	8.9%	0.0%
St. Paul	\$ 1,703,382	14.6%	14.6%	0.0%
Scott County	\$ 396,678	3.4%	3.4%	0.0%
Washington County	\$ 723,354	6.2%	6.2%	0.0%
<b>Totals</b>	<b>\$ 11,667,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

In order to distribute funds to park agencies based on the percentage proposed for that agency, and be compatible with the CIP enabling law (MS 473.147), grants to each park agency would need to fund ranked projects submitted by each park agency. The MPOSC and Metropolitan Council could accept each agency's prioritized project list as long as projects were consistent with Council approved park and trail master plans, the Council had agreed to fund such projects in the Parks CIP, and the total amount requested by the park agency for its list was the amount the Council had agreed to consider in that biennial CIP.

Distributing Parks CIP funds based on the percentage proposed for that agency and granting those funds to finance agency-prioritized project lists that have been approved by the MPOSC and Metropolitan Council resolves the following problems:

- A. Every agency can be assured of receiving its share of funds appropriated for the CIP. There would be no disparities between what was proposed versus what an agency

received. All agencies would be motivated to support the CIP since they would be assured of receiving funds from it.

- B. By allowing the agencies to prioritize their projects within their Council established allocation, the highest priority projects for each part of the regional system are funded, or at least partially funded if it's a very large project that can't be fully funded in one CIP. There is no incentive for park agencies to try to improve the ranking of their projects since all agencies are treated equally.

## **2. What should be the basis for determining a park agency's share in the Parks CIP?**

Currently, the basis for determining a park agency's share (percentage allocation) in the Parks CIP is the result of averaging the allocation using three factors:

- A. How much each agency has received in State and Council bonds relative to the other agencies in the past—including line item appropriations beyond the CIP.
- B. How much each agency received in the most recent distribution of operations and maintenance funds using the formula in MS 473.351.
- C. How much each agency's residential property tax capacity is relative to the other agencies.

Arguments raised by park agencies about the bias of this approach are as follows:

- A. Agencies that received line item State appropriations, North Mississippi RP grants financed with Council interest earnings mandated by State law, and Acquisition Opportunity Grants in addition to the funds they received from the regional parks CIP would continue to get a larger share in the next biennial CIP. Even if these non-CIP grants were not counted, those agencies that received large shares in past CIPs are assured to be allowed to request large shares in future CIPs regardless of changes in growth patterns in the region over time.
- B. Agencies that have mature-developed parks that serve millions of visitors would continue to be allowed to request a larger share in the next biennial CIP while agencies with few parks now and thus low visitation--though they have growing populations and are putting more tax dollars into financing the CIP--continue to be restricted to a small share. These agencies not only need a larger share of the CIP, but their residents are also paying a larger share of taxes that fund the CIP.
- C. Agencies that have a relatively wealthy residential property tax base would continue to get a larger share in the next biennial CIP. Parks funding should not be biased towards any socio-economic class.

The basis for determining the percentage share each park agency should receive in the Parks CIP needs to address these arguments. Determining an agency share in the Parks CIP based on its population addresses those arguments as follows:

- A. The spending per capita of Parks CIP funds is the same for each individual in the region.

- B. As the region grows, the share that is growing relative to other parts of the region will receive more funds, but the per capita spending for each person through the parks CIP remains constant for everyone regardless of where they live. Many other State and Federal grants are distributed based on per capita plans. There is a solid basis to apply this same practice here.
  
- C. This proposal acknowledges the negotiation rights of the Governor and the Legislature in adopting a bonding appropriation, and an LCCMR fund appropriation. If park agencies request additional funds for projects from their legislative delegations because the Parks CIP doesn't propose enough funds for a project, the Legislature and Governor decide whether or not to add additional funds. The CIP becomes the base or floor for negotiations in flush fiscal years and the ceiling in lean times. But in both cases, each agency is assured of some funds--at least in proportion to its population--for its CIP projects. Any additional funds added by Legislative/Governor agreement are added because they typically serve a State-wide audience--such as funds for Como Zoo. Those additional State funds are in effect benefiting the Region and State—not just the park agency. And those additional State funds are not matched with Council bonds.

Table 3 illustrates what each agency was proposed to receive from the 2006-07 Parks CIP, versus what it received on a percentage basis, and all funds the agency received from all sources--the 2006-07 Parks CIP, line item appropriations, North Mississippi grants, and Acquisition Opportunity Grants under the current approach of ranking and distributing funds in the 2006-07 CIP described earlier in this paper. Note that other funding beyond the Parks CIP funding has a significant effect on the percent of all funds an agency received. Scott County received no funds, while the City of St. Paul received 40.9% of all funds granted. Distributing Parks CIP funds on a population basis would reduce this level of funding disparity, and still respect non-CIP funding decisions made by the Governor and Legislature. Those line item appropriations could complement State funding for the Parks CIP.

**Table 3: Comparison of Percentages Proposed for Park Agencies in 2006-07 CIP Versus What Agency Received from CIP, and Percent of all Park Grants Agency Received in 2006**

Park Agency	Percent Proposed for Park Agency in 2006-07 Parks CIP	Percent of Dollars Received for 2006-07 Parks CIP	Percent Agency received of all Park Grants (CIP, Acq. Grants, line item appropriations) in 2006 <sup>2</sup>
Anoka County	9.2%	8.2%	2.8%
Bloomington	2.2%	2.8%	1.8%
Carver County	2.2%	2.4%	0.8%
Dakota County	8.7%	13.1%	21.7%
Three Rivers Park Dist. excluding Bloomington	25.5%	26.0%	8.8%
Mpls. Park & Rec. Bd.	19.1%	14.8%	18.5%
Ramsey County excluding St. Paul	8.9%	5.0%	3.1%
St. Paul	14.6%	23.2%	40.9%
Scott County	3.4%	0.0%	0.0%
Washington County	6.2%	4.5%	1.6%
<b>Totals</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 4 illustrates the population of each park agency in 2005 in number and percentage basis. It illustrates what the 2008-13 Parks CIP agency percentages could be. Since the population data is updated annually, the 2006 population data could be used in preparing the 2008-13 Parks CIP. That data will be published in April 2007.

**Table 4: Park Agency 2005 Population**

Park Agency	2005 Population	Percent
Anoka County	326,393	11.6%
Bloomington	84,347	3.0%
Carver County	85,204	3.0%
Dakota County	391,558	13.9%
Three Rivers Park Dist. excluding Bloomington	678,854	24.2%
Mpls. Park & Rec. Bd.	387,711	13.8%
Ramsey County excluding St. Paul	227,873	8.1%
St. Paul	287,385	10.2%
Scott County	115,997	4.1%
Washington County	224,857	8.0%
<b>Totals</b>	<b>2,810,179</b>	<b>100.0%</b>

<sup>2</sup> Grant data based on grant agreement files shown in **Appendix A: 2006-07 Metro Regional Parks CIP Data and Other Grants Awarded in 2006**

## CONCLUSIONS

Structuring the 2008-13 Parks CIP by distributing appropriations for the CIP based on the population of each park agency and spending those funds on park agency-prioritized lists that have been approved by the Metropolitan Parks and Open Space Commission and the Metropolitan Council is feasible, because:

1. It meets the requirements of applicable statutes governing the regional parks CIP based on a review by Metropolitan Council legal staff.
2. It acknowledges and respects the principles of per capita spending of State and Regional funds applied for other government grant programs. Every citizen is treated the same on a per capita spending basis. As the region grows, the per capita spending from the CIP may go up or down, but each citizen receives the same amount.
3. It allows regional park agencies to set its CIP priorities for projects that the MPOSC and Metropolitan Council has approved. The highest priority CIP project(s) of each park agency receive Parks CIP funding to meet the unique needs of that agency.
4. It respects the roles of the Governor and Legislature in determining capital spending for the State's share of the regional parks CIP, and for appropriating additional State funds for individual projects. If additional funds are needed for a project that can't be fully funded in the Parks CIP, those additional funds complement State funding for the Parks CIP instead of compete against it. Duplicative funding requests for the same project via the Parks CIP and a line item appropriation should end since a park agency is assured of some funding from the Parks CIP and can continue to request additional funds for the project if necessary via a line item appropriation.



### Appendix A: 2006-07 Metro Regional Parks CIP Data and Other Grants Awarded in 2006

Park Agency	2006-07 CIP Agency allocation proposed (%)	Grants received from CIP (Grant No.)	Grant Amount	CIP Agency allocation received (%)	Other Funds passed-through Metro Council to that Agency via line item appropriations- includes North Miss. RP grants (Grant No.)	Grant Amount	Acq. Opportunity Grants Received (Grant No.)	Grant Amount	All Grants to Agency	% All Grants Total
Anoka County	9.2%	SG2006-100	\$ 905,000	8.2%	None	\$ -	None	\$ -		2.8%
		SG2006-131	\$ 52,000							
		<b>CIP Subtotal</b>	<b>\$ 957,000</b>		<b>Line item subtotal</b>	<b>\$ -</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$ 957,000</b>	
Bloomington	2.2%	SG2006-118	\$ 82,000	2.8%	SG2006-115	\$ 300,000	None	\$ -		1.8%
		SG2006-116	\$ 58,000							
		SG2006-135	\$ 187,000							
		<b>CIP Subtotal</b>	<b>\$ 327,000</b>		<b>Line item subtotal</b>	<b>\$ 300,000</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$ 627,000</b>	
Carver County	2.2%	SG2006-122	\$ 285,000	2.4%	None	\$ -	None	\$ -		0.8%
		<b>CIP Subtotal</b>	<b>\$ 285,000</b>		<b>Line item subtotal</b>	<b>\$ -</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$ 285,000</b>	

Park Agency	2006-07 CIP Agency allocation proposed (%)	Grants received from CIP (Grant No.)	Grant Amount	CIP Agency alloca- tion received (%)	Other Funds passed- through Metro Council to that Agency via line item appropriations- includes North Miss. RP grants (Grant No.)	Grant Amount	Acq. Opportun- ity Grants Received (Grant No.)	Grant Amount	All Grants to Agency	% All Grants Total
Dakota County	8.7%	SG2006-123	\$ 863,000	13.1%	SG2006-138	\$6,000,000	None	\$ -		21.7%
		SG2006-105	\$ 200,000							
		SG2006-130	\$ 460,000							
		<b>CIP Subtotal</b>	<b>\$ 1,523,000</b>		<b>Line item subtotal</b>	<b>\$6,000,000</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$7,523,000</b>	
Three Rivers Park Dist. excluding Bloomington	25.5%	SG2006-128	\$ 100,000	26.0%	None	\$ -	None	\$ -		8.8%
		SG2006-126	\$ 235,000							
		SG2006-125	\$ 225,000							
		SG2006-127	\$ 442,000							
		SG2006-134	\$ 792,000							
		SG2006-104	\$ 206,000							
		SG2006-134	\$ 739,000							
		SG2006-132	\$ 298,000							
		<b>CIP Subtotal</b>	<b>\$ 3,037,000</b>		<b>Line item subtotal</b>	<b>\$ -</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$3,037,000</b>	

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Mpls. Park & Rec. Bd.	19.1%	SG2006-119	\$ 390,000	14.8%	SG2006-145	\$1,800,000	None	\$ -		18.5%
		SG2006-117	\$ 700,000		SG2006-114	\$ 250,000				
		SG2006-129	\$ 641,000		SG2006-113	\$2,500,000				
					SG2006-149	\$ 154,000				
		<b>CIP Subtotal</b>	<b>\$ 1,731,000</b>		<b>Line item subtotal</b>	<b>\$4,704,000</b>	<b>Acq. Grants subtotal</b>	\$ -	<b>\$6,435,000</b>	
Ramsey County excluding St. Paul	8.9%	SG2006-107	\$ 75,000	5.0%	SG2006-112	\$ 321,000	None	\$ -		3.1%
		SG2006-136	\$ 55,000		SG2006-109	\$ 191,000				
		SG2006-133	\$ 450,000							
		<b>CIP Subtotal</b>	<b>\$ 580,000</b>		<b>Line item subtotal</b>	<b>\$ 512,000</b>	<b>Acq. Grants subtotal</b>	\$ -	<b>\$1,092,000</b>	

Park Agency	2006-07 CIP Agency allocation proposed (%)	Grants received from CIP (Grant No.)	Grant Amount	CIP Agency alloca- tion received (%)	Other Funds passed- through Metro Council to that Agency via line item appropriations- includes North Miss. RP grants (Grant No.)	Grant Amount	Acq. Opportun- ity Grants Received (Grant No.)	Grant Amount	All Grants to Agency	% All Grants Total
St. Paul	14.6%	SG2006-106	\$ 213,000	23.2%	SG2006-111	\$9,000,000	None	\$ -		40.9%
		SG2006-101	\$ 620,000		SG2006-124	\$2,500,000				
		SG2006-102	\$ 355,000							
		SG2006-103	\$ 1,142,000							
		SG2006-108	\$ 375,000							
		<b>CIP Subtotal</b>	<b>\$ 2,705,000</b>		<b>Line item subtotal</b>	<b>\$11,500,000</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$14,205,000</b>	
Scott County	3.4%	None	\$ -	0.0%	None	\$ -	None	\$ -		0.0%
		<b>CIP Subtotal</b>	<b>\$ -</b>		<b>Line item subtotal</b>	<b>\$ -</b>	<b>Acq. Grants subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	
Washington County	6.2%	SG2006-121	\$ 280,000	4.5%	None	\$ -	SG2006- 143	\$ 20,953		1.6%
		SG2006-137	\$ 242,000							
		<b>CIP Subtotal</b>	<b>\$ 522,000</b>		<b>Line item subtotal</b>	<b>\$ -</b>	<b>Acq. Grants subtotal</b>	<b>\$ 20,953</b>	<b>\$ 542,953</b>	
<b>Totals</b>	<b>100.0%</b>	<b>CIP Total</b>	<b>\$ 11,667,000</b>	<b>100.0%</b>	<b>Line Item Total</b>	<b>\$23,016,000</b>	<b>Acq. Grants Total</b>	<b>\$ 20,953</b>	<b>\$34,703,953</b>	<b>100.0%</b>

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