

METROPOLITAN COUNCIL
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Phone (651) 602-1000 TDD (651) 291-0904

DATE: January 23, 2007

TO: Metropolitan Parks and Open Space Commission

FROM: Jan Youngquist, Senior Planner -Parks (651-602-1029)

SUBJECT: (2007-59) Acquisition Opportunity Grant Request for the Weinkauff Parcel in Lake Rebecca Park Reserve and reimbursement consideration for funding in a future CIP, Three Rivers Park District

INTRODUCTION:

Three Rivers Park District has negotiated the purchase of a 20-acre parcel within the boundary of Lake Rebecca Park Reserve, hereafter referred to as the Weinkauff property. The cost to purchase the property and to finance related costs for the appraisal, tax equivalency and other items is estimated to be up to \$886,998. The Park District has requested that up to \$354,799 be granted from the Metropolitan Council's Park Acquisition Opportunity Fund to finance 40% of the cost to acquire the Weinkauff parcel. The Park District also requested that up to \$532,199 financed with Park District funds be eligible for reimbursement consideration in a future regional parks CIP. (See **Attachment 1**, letter from Jonathan Vlaming, Three Rivers Park District Planning Manager)

This memorandum analyzes the request against the criteria for granting acquisition opportunity funds and recommends approving a grant of up to \$354,799. It also analyzes the request for reimbursement consideration and recommends that up to \$532,199 be eligible for reimbursement consideration in a future regional parks CIP.

If \$354,799 of acquisition opportunity funds were granted for the Weinkauff parcel, there would be \$3,458,024 remaining in the Fund for future land acquisitions.

This is the first grant awarded to Three Rivers Park District under the \$1 million per agency limit for acquisition opportunity funds granted from July 1, 2005 to June 30, 2007 policy. If \$354,799 is granted to Three Rivers Park District, it could request an additional \$645,201 until June 30, 2007.

AUTHORITY TO REVIEW:

Minnesota Statute Section 473.315 authorizes the, "Metropolitan Council, with the advice of the Metropolitan Parks and Open Space Commission, to make grants from any funds available to it for recreation open space purposes to any municipality, county or Park District located wholly or partially within the metropolitan area to cover the cost, or any portion of the cost, of acquiring or developing regional recreation open space in accordance with the *Regional Recreation Open Space Policy Plan*".

ANALYSIS:

The Weinkauff property consists of 20 acres. This parcel is one of thirteen inholding properties identified for acquisition in the Lake Rebecca Park Reserve Development Master Plan. (See **Attachment 2** for the location of the Weinkauff parcel in relation to the remainder of the park reserve). The Park District is currently developing a system-wide draft acquisition plan, which evaluates inholdings based on their impact to natural

resource goals, recreational development goals, and the interior integrity of the park. Each inholding parcel is assigned a rating of critical benefit, significant benefit, or low benefit. The draft acquisition plan recognizes the Weinkauff parcel as a critical acquisition.

The Weinkauff parcel has approximately 2,500 feet of frontage on the Crow River. The confluence of Sarah Creek and the Crow River is also located on the site. The property is characterized by heavily wooded bluff lands overlooking the Crow River and lowlands along the river. Protection in perpetuity of the land's natural resources and the Crow River's natural and recreational resources are the primary benefits of the acquisition. A section of the Crow River Regional Trail may also be located on this parcel. The property includes a house, which Three Rivers Park District is evaluating for recreational, educational and/or administrative uses. The house is too large to be moved, and acquisition of the property without the house is not possible.

Three Rivers Park District negotiated a purchase price of \$ 862,500 for the Weinkauff parcel. The Park District also anticipates additional grant eligible costs related to the purchase of the property of up to \$24,498. Therefore, the total estimated cost to purchase the property is \$886,998 as shown below.

Purchase Price:	\$862,500
Appraisal:	\$3,900
Attorney Fees:	\$8,000
Tax Equivalency Payment:	\$4,457
2007 Remaining Taxes:	\$6,041
Closing Costs:	\$2,100
TOTAL:	\$886,998

Three Rivers Park District proposes to finance the Weinkauff parcel acquisition with the following revenue sources:

Metropolitan Council Acquisition Opportunity Fund (40%)	\$ 354,799
Park District funds requested to be eligible for reimbursement (60%)	\$ 532,199
Total	\$ 886,998

Background on acquisition opportunity funds:

The Metropolitan Council has granted \$5,299,873 to date from the Park Acquisition Opportunity Fund as shown in Table 1.

Table 1: Park Acquisition Opportunity Fund Grants approved as of February 6, 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.

Amount Granted	Park Agency	Project Description
\$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). County amount 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 would be eligible for reimbursement consideration of up to \$74,152 in a future regional parks CIP. Approved September 22, 2004.
\$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 would be 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 would be eligible for reimbursement consideration of up to \$419,146 in a future regional parks CIP. Approved June 29, 2005.

Amount Granted	Park Agency	Project Description
\$154,124	Washington County	Acquire 5 acre Goossen parcel in Big Marine Park Reserve. Washington County would be 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 would be 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 would be 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 would be eligible for reimbursement consideration of up to \$31,430 in a future regional parks CIP. Approved August 23, 2006.
\$5,299,873	Total funds granted or disbursed as of February 6, 2007	

Based on the grants approved to-date, the updated balance of the fund is \$3,812,823 as shown in Table 2 below.

Table 2: Updated Balance to Park Acquisition Opportunity Fund prior to grant for Weinkauff parcel in Big Marine Park Reserve

\$2,400,000	Original amount in park acquisition opportunity fund
\$3,357,000	Additional Council bonds added to fund in June 2003
\$340,334	Additional Council bonds added that were not needed to match State funds for natural resource restoration grants added in December 2003
\$15,362	Additional funds added from closed grants as part of amendment to 2005 Unified Capital Budget on May 11, 2005
\$3,000,000	Additional Council bonds added to fund in July 2006
\$9,112,696	Total funds available
-\$5,299,873	Granted as of February 6, 2007 (For details see Table 1 above)
\$3,812,823	Balance of acquisition opportunity fund (Before granting any funds for the Weinkauff parcel in Lake Rebecca Park Reserve)

Based on the 2006-07 regional parks CIP, five conditions govern the use of the Park Acquisition Opportunity Fund, which are indicated below in bold. The following findings indicate that these conditions are met for the Three Rivers Park District request to acquire the Weinkauff parcel in Lake Rebecca Park Reserve.

1. The land in question is consistent with a Council approved park/trail master plan.

The Weinkauff parcel is within the Council approved boundary for Lake Rebecca Park Reserve

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.**

The Weinkauff parcel would be under threat of loss for park uses if Three Rivers Park District did not acquire it. This park reserve is “officially mapped”, which means that Three Rivers Park District must make its best efforts to acquire land within the park reserve when it becomes available for purchase. Action to acquire the land now is needed instead of waiting for additional funds to be appropriated to the Park District.

3. **The park agency that wants to buy the land has no other park CIP grants available to buy it.**

There are no other funds in the regional parks CIP available to Three Rivers Park District to acquire the property. Other 2006-07 regional parks CIP grants to the Park District are obligated for non-acquisition projects.

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.**

Three Rivers Park District has requested \$354,799 for the Weinkauff parcel, which is 40% of the total acquisition costs. The Park District is financing the remaining 60% with District funds and has requested consideration of reimbursement of these funds 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.**

This is the first grant awarded to Three Rivers Park District under the \$1 million per agency limit for acquisition opportunity funds granted from July 1, 2005 to June 30, 2007 policy. If \$354,799 is granted to Three Rivers Park District, it could request an additional \$645,201 until June 30, 2007.

Status of remaining acquisition opportunity funds.

If \$354,799 was granted, there would be \$3,458,024 remaining for future acquisition opportunities as shown in Table 3.

Table 3: Updated Balance to Park Acquisition Opportunity Fund if a grant is awarded for Weinkauff parcel in Big Marine Park Reserve

\$3,812,823	Balance of acquisition opportunity fund before granting any funds for the Weinkauff parcel in Lake Rebecca Park Reserve (For details see Table 2 above.)
-\$ 354,799	Proposed funding for 20-acre Weinkauff parcel in Lake Rebecca Park Reserve
\$3,458,024	Updated balance of Park Acquisition Opportunity Fund if funds are granted to acquire the 20-acre Weinkauff parcel in Lake Rebecca Park Reserve

Reimbursement eligibility for Park District funding of the acquisition.

As noted above, Three Rivers Park District has requested eligibility for reimbursement consideration of up to \$532,199 in a future regional parks CIP to acquire this parcel. The request must comply with the terms of Strategy 2(f) of the *2030 Regional Parks Policy Plan* regarding reimbursement eligibility to acquire land. The applicable excerpts from that policy states:

Strategy 2(f): Reimbursement

Reimbursement will be considered for early acquisition of land currently designated as regional recreation open space by the Metropolitan Council in the *2030 Regional Parks Policy Plan* if the acquisition is in full agreement with a Council-approved master plan as required under MN Statutes 473.313 and the regional park implementing agency received Council approval prior to undertaking the acquisition.

...

If these conditions are met as required by MN Statutes 473.147, and 473.313 the Council will consider reimbursing the park agency via a grant as permitted under MN Statutes 473.315 for the following costs:

- a) Appraisal costs incurred by the acquiring park agency or entity under contract with the agency**
- b) Surveying costs incurred by the acquiring park agency or entity under contract with the agency**
- c) Legal fees incurred by the acquiring park agency or entity under contract with the agency**
- d) Fees for service provided by an entity under contract by the park agency to negotiate and purchase the land or obtain an option to purchase**
- e) Principal payments made towards the purchase price including principal payments on a contract for deed or bond, or payments made on an option to purchase**
- f) 180% of township or city taxes due on the parcel at the time of closing as required by MN Statute 473.341**

...

The Metropolitan Council will use best efforts to implement this reimbursement policy as described above. However, the Council does not, under any circumstances, represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

This acquisition is consistent with the terms of Strategy 2(f) because the parcel is consistent with a Council-approved master plan and is consistent with the 2006-07 parks CIP criteria for acquisition opportunity funds.

As noted in Strategy 2(f), approval of this project at this time does not commit the Council to finance the requested reimbursement in the regional parks CIP.

CONCLUSIONS:

1. Three Rivers Park District's request of \$354,799 in Park Acquisition Opportunity Funds to acquire the Weinkauf parcel in Lake Rebecca Park Reserve is consistent with the conditions for receiving a grant from the Park Acquisition Opportunity Fund.
2. Three River's Park District's request to be eligible for reimbursement consideration of up to \$532,199 in a future regional parks CIP is consistent with the conditions of Strategy 2(f) Reimbursement, in the *2030 Regional Parks Policy Plan*.

RECOMMENDATIONS:

That the Metropolitan Council:

1. Authorize a grant of up to \$354,799 from the Park Acquisition Opportunity Fund to Three Rivers Park District to partially fund the acquisition of the Weinkauf parcel in Lake Rebecca Park Reserve as shown on Attachments 2 and 3.
2. Allow up to \$532,199 of the acquisition costs of the Weinkauf parcel to be eligible for reimbursement consideration in a future regional parks CIP. However, the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.



ATTACHMENT 1

Administrative Center
3000 Xenium Lane • Plymouth, MN 55441-1299
Telephone 763/559-9000 • TTY 763/559-6719 • Fax 763/559-3287
www.threeriversparkdistrict.org • an equal opportunity employer

January 30, 2007

Ms. Jan Youngquist
Senior Parks Planner
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

Dear Jan:

Three Rivers Park District requests that Metropolitan Council authorize a grant of up to 40 percent of the total acquisition and related costs for the Weinkauff property in Lake Rebecca Park Reserve from the Council's Park Acquisition Opportunity Fund. Three Rivers Park District additionally requests that the Metropolitan Council allow up to 60 percent of the remaining acquisition and related costs for the Weinkauff parcel to be eligible for reimbursement consideration in a future regional parks CIP.

The Weinkauff property is located at 8450 Rebecca Lake Trail in the City of Greenfield and is entirely within the approved Master Plan boundary of Lake Rebecca Park Reserve. The property totals 20.0 acres in size with approximately 2,500 feet of frontage along the Crow River. Sarah Creek flows through the property and confluences with the Crow River within the property. The property is characterized by heavily wooded bluff lands overlooking the Crow River and lowlands along the river. Protection in perpetuity of the land's natural resources and the Crow River's natural and recreational resources are the primary benefits of the acquisition. A section of the Crow River Regional Trail may also be located on this parcel.

Three Rivers Park District is currently developing a system-wide draft acquisition plan. The draft acquisition plan recognizes the value of individual inholding parcels within a park varies and that a variety of strategies should be employed to meet specific Master Plan goals while recognizing and minimizing acquisition costs. Criteria that assess the impact on natural resource goals, recreational development goals, and the park's interior integrity are applied and each inholding parcel is assigned a rating of critical benefit, significant benefit, or low benefit. Three Rivers Park District's draft acquisition plan recognizes the Weinkauff property as a critical acquisition.

Three Rivers Park District is currently studying options regarding use of the home on the property for recreational, educational, and/or administrative uses. That study may recommend conversion to park-based use or demolition of the home to enhance the natural resource value of the property. The home is too large to be moved and it was not possible to purchase the property without purchasing the home.

Promoting environmental stewardship through recreation and education in a natural resources-based park system

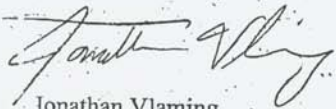
Three Rivers Park District has completed the appraisal process and based upon that appraisal, has offered \$862,500 for the property. The additional costs, associated with the purchase of the property, are as follows:

Purchase price	\$ 862,500
Appraisal	\$ 3,900
Attorney fees	\$ 8,000
Tax Equivalency payment	\$ 4,457
2007 remaining taxes	\$ 6,041
Closing costs	\$ 2,100
Total estimated acquisition costs	\$ 886,998
40 percent request Parks Acquisition Opportunity Fund	\$ 354,799
60 percent remainder for reimbursement consideration	\$ 532,199

Three Rivers Park District will fund acquisition of 60 percent as the match to the Park Acquisition Opportunity Fund grant of 40 percent.

If you need further information, please contact me at (763) 694-7632.

Sincerely,



Jonathan Vlaming
Planning Manager

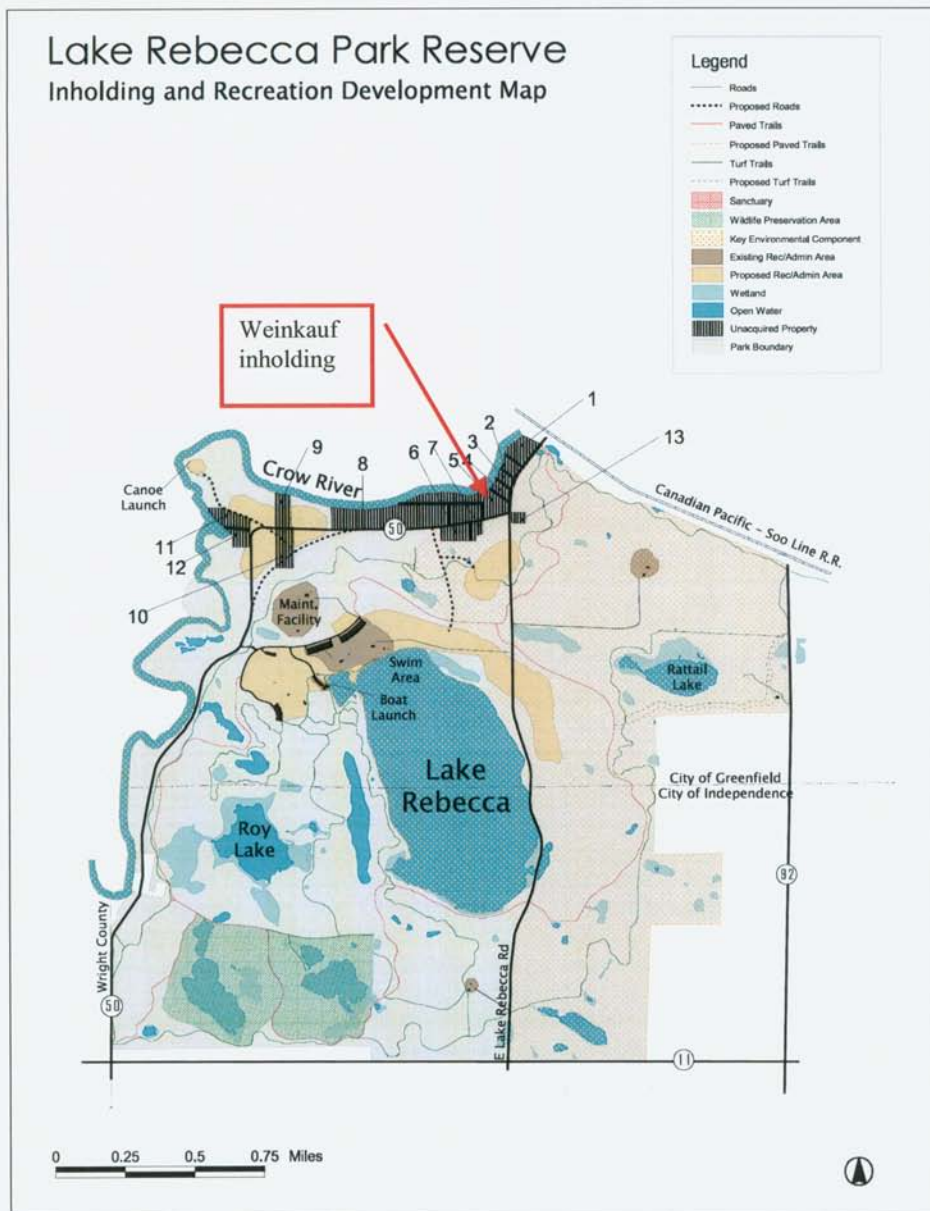
JV:lcl

C: Douglas F. Bryant, Superintendent and Secretary to the Board
Boe R. Carlson, Governmental Relations Administrator
Donald J. DeVeau, Planning and Development Administrator

Enclosure.

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ATTACHMENT 2



ATTACHMENT 3

