

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

DATE: March 20, 2008

TO: Metropolitan Parks and Open Space Commission

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

SUBJECT: (2008-73) Request to broaden scope of acquisition grant SG-05-83 to match Federal trail grant for Rice Creek North Regional Trail and Rice Creek Chain of Lakes Park Reserve, Anoka County

INTRODUCTION

In 2005, the Metropolitan Council granted Anoka County \$800,000 from its 2004-05 regional parks capital improvement program to acquire 610 acres from the St. Paul Water Utility for Rice Creek Chain of Lakes Park Reserve (Grant SG-05-83). The land was acquired with a portion of this grant and other revenue. There is \$524,895 remaining in the grant. The grant expires on June 30, 2008.

The County has submitted a request for the Metropolitan Council to:

- 1) Amend grant SG-05-83 by expanding its scope to allow the balance of the grant to be used for partially matching a \$1,050,000 Federal Transportation Enhancement grant to construct a section of the Rice Creek North Regional Trail that would link Rice Creek Chain of Lakes Park Reserve to Central Anoka County Regional Trail. A total of \$2,334,000 of match must be provided to keep the Federal grant. Anoka County has asked for a 2008 State bond appropriation to finance the remaining match needed for this trail project. If those State bonds are not appropriated, the County requests that the balance in grant SG-05-83 be used to acquire more land for Rice Creek Chain of Lakes Park Reserve.
- 2) Extend the duration of grant SG-05-83 from June 30, 2008 to June 30, 2010. This aligns the timeline of this grant with the Federal trail grant, or provides time for the County to obtain land from other willing sellers. (See **Attachment 1**, a letter from John VondeLinde, Anoka County Parks Director and **Attachment 2**, Trail location and land acquisition map).

This memorandum contains a review of these requests under applicable terms in the *2030 Regional Parks Policy Plan* and recommends their approval.

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, park district or county 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

This grant was financed with \$617,000 of Environment and Natural Resources Trust Fund revenue and \$183,000 of State bonds. A work program describing how the grant would be used was filed with the Legislative Citizens Commission on Minnesota Resources (LCCMR). The requested change in scope of the grant was submitted to the LCCMR which approved the changes contingent upon approval by the Metropolitan Council. Extension of the grant's duration to align with the Federal grant timeframe is already consistent with 2005 legislation appropriating the Environment and Natural Resources Trust Fund revenue for this grant. However, if the grant balance is used instead to purchase more land, additional legislative action this session is needed to extend the appropriation for that purpose (See **Attachment 3**: Email correspondence from John Velin, LCCMR)

In order to consider this request for a change in scope of the grant, Section 8.06 of the grant agreement states:

8.06 Amendments. The provisions of this agreement may be changed by mutual agreement of the Council and Grantee [Anoka County]. Changes shall be effective only upon execution of written amendment(s) signed by authorized representatives of the Council and Grantee. In addition, amendments to the Work Program or work products must be in writing and be formally approved by the LCMR [now LCCMR] Director or Commission before they are effective. These will include changes in planned activities in the Results section of the Work Program or changes in budgeted line items.

The proposed change in scope of Grant SG-05-83 to partially fund the match to a \$1,050,000 Federal Transportation Enhancement grant for constructing a portion of Rice Creek North Regional Trail, or to acquire additional land for Rice Creek Chain of Lakes Park Reserve, and extension of the grant period to June 30, 2010 would maximize use of the \$524,895 remaining in the grant. These expanded uses of the grant proceeds also are consistent with Council-approved master plans for Rice Creek North Regional Trail and Rice Creek Chain of Lakes Park Reserve. Therefore it is reasonable to approve an amendment to change the scope of Grant SG-05-83 and extend its duration to June 30, 2010 as requested by the County.

CONCLUSION

The requested change in scope of Grant SG-05-83 to partially fund the match to the \$1,050,000 Federal Transportation Enhancement grant for constructing a portion of Rice Creek North Regional Trail, or to acquire additional land for Rice Creek Chain of Lakes Park Reserve, and extension of the grant period to June 30, 2010 is consistent with Council-approved master plans for Rice Creek North Regional Trail and Rice Creek Chain of Lakes Park Reserve..

RECOMMENDATION

That the Metropolitan Council authorize a change in scope of Grant SG-05-83 that allows the balance in the grant to be used to partially fund the match to a \$1,050,000 Federal Transportation Enhancement grant for constructing a portion of Rice Creek North Regional Trail, or to acquire additional land for Rice Creek Chain of Lakes Park Reserve and to extend the duration of the grant to June 30, 2010.

Attachment 1: Letter from John VondeLinde, Anoka County Parks Director



Anoka County Parks and Recreation

550 Bunker Lake Boulevard NW, Andover, MN 55304

March 11, 2008

Mr. Arne Stefferud
Planning Analyst-Parks
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Re: Request for Scope Change and Extension – Grant SG-05-083

Dear Mr. Stefferud:

This letter is provided as a follow-up to our recent conversation regarding the above referenced grant. Please consider this letter as a formal request to change the scope of Grant Agreement SG-05-083 to include the use of grant funds for the development of regional trails and support facilities, to extend the grant deadline, and to broaden the area eligible for land acquisition.

As you are aware, Anoka County has been awarded \$1,050,000 in a federal Transportation Enhancement (TE) grant for the completion of the Rice Creek North Regional Trail, connecting to Rice Creek Chain of Lakes Park Reserve and the Central Anoka County Regional Trail. This is a long awaited project that has been in the regional park system policy plan for well over two decades. The attached map further depicts the location of the trail project.

The federal grant comes with a stipulation of \$2,334,000 in matching funds. To that end, Anoka County has been working with its legislative delegation to seek state bond funds for the matching portion of the TE grant. We are pleased that funding is currently included in both the House and Senate bonding bills, but this situation could change in the process of marking up the final bill for adoption.

In conversation with legislators, we have suggested that a portion of Grant SG-05-083 could be a source of funds for a portion of the federal matching requirement. In 2005, the Metropolitan Council issued this grant to acquire 610 acres in Rice Creek Chain of Lakes Park Reserve from the St. Paul Water Utility. We have since completed the acquisition as originally proposed. Of the original grant amount of \$800,000, there remains a balance of \$524,894.84.

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In order to keep our options open, we are asking that the work plan for these remaining state grant dollars be amended to allow for the following scenarios:

1. Amend the grant to allow Anoka County to use of the balance of remaining funds as a match to the federal TE grant. This would have the effect of reducing the matching share (state bonds) from \$2,334,000 down to a new level of \$1,809,105. It does not change the original amount of the grant to the county, but does allow the funds to potentially be expedited in uses for the trail project. As you know, the Legislative Citizens Commission on Minnesota Resources (LCCMR) staff have already agreed to making this change in the Trust Fund appropriation through an administrative amendment.
2. Amend the grant to extend the deadline to June 30, 2010; a two year extension. In the event that the state decides to fund the balance of the TE grant match, it allows enough time to get through the design, engineering, bidding and construction process. Our intent is to have the project at substantial completion by fall 2009. If the project is not funded in this legislative session, it additionally gives the county more time to seek willing sellers for other acquisition at Rice Creek Chain of Lakes Park Reserve.
3. Amend the work program associated with the grant to allow the acquisition of additional property beyond the 610 acres. As described above, the county has fulfilled the obligation of the grant, but would like to pursue more acquisition if the trail project is not funded. The attached map shows what has been purchased to date and the additional properties under consideration. All of these properties are located in an area rich with high quality pre-settlement vegetation and are included on the state MCBS data base.

In summary, these amendments will allow for more options in the use of the grant funds, potentially expedite the use of the funds, and serve to leverage the federal funds. These changes would not affect the amount of the original grant and the investments would remain in the same open space area.

I appreciate your willingness to process this request through the Metropolitan Parks and Open Space Commission and the LCCMR. Please let me know if you should need any additional information. I will also be available for questions at the April 1st meeting of the Commission.

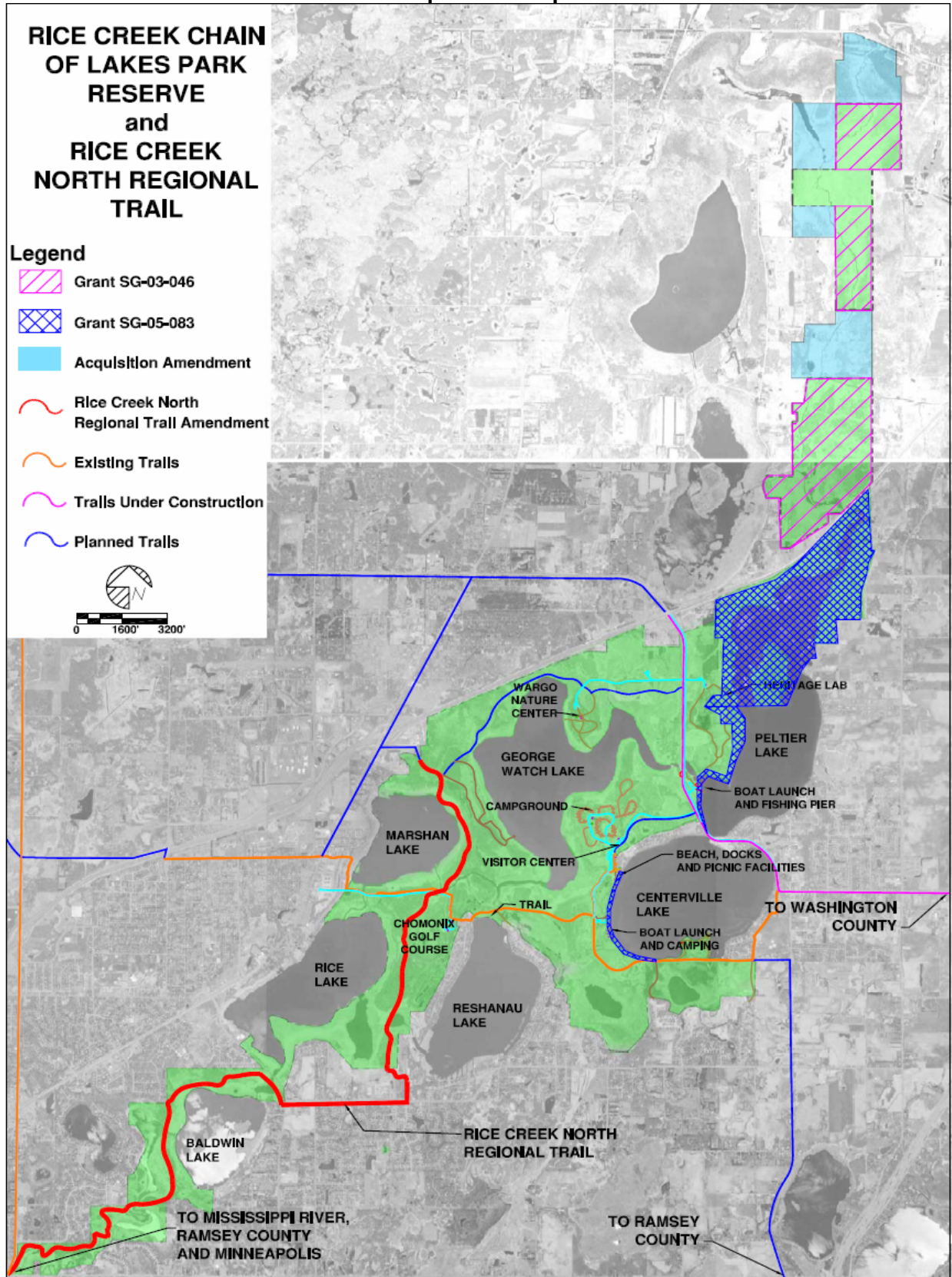
Sincerely,



John K. VonDelinde
Director of Parks and Recreation

attachment

Attachment 2: Trail location and land acquisition map



Attachment 3: Correspondence from Legislative Citizens Commission on Minnesota Resources conditionally approving change in work program for Grant SG-05-83

Message From: John Velin [john.velin@lccmr.leg.mn]

Sent: Wednesday, February 27, 2008 1:24 PM

To: Stefferud, Arne

Cc: Beckman, Ann; John VonDeLinde; Susan Thornton; John Velin; Diana Griffith; Michael McDonough; Mike Banker

Subject: FW: 2005 LCMR Workprogram Update and Amendment Feb. 26, 2008 for Metro Parks Acquisition, Rehabilitation and Development- approval

Attachments: 2005 LCMR Workprogram Update and Amendment Feb. 26, 2008 for Metro Parks Acquisition, Rehabilitation and Development

Dear Arne:

Contingent upon approval through your metro council process, I approve the proposed change to switch the balance (\$525,000) of the 2005 Special Session Session Ch 1 section 11 subd 6 e, for Anoka County parks from acquisition to development for the Rice Creek Chain of Lakes Park Reserve and North Regional Trail project. I understand the project has an approved federal TEA grant for over \$1 million, so the non state match requirement is easily met. That federal approval triggers the automatic extension language in the above law for projects with a federal grant :.. " the availability of the financing from this paragraph for that project is extended to equal the period of the federal grant."

This approval includes the potential for use of the money for acquisition in Rice Creek Chain of lakes park preserve, the original work program plan, through June 30 2008. A binding purchase agreement dated by then would bind the money involved for such an acquisition(s) until closing beyond June 30, according to accepted state practice. Please notify us immediately with appropriate amendments to effect such an additional change.

Any extension of the deadline for spending beyond what is articulated herein would require legislative action. That legislative action should be premised upon advice from the LCCMR.