

METROPOLITAN COUNCIL
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DATE: May 7, 2009

TO: Metropolitan Parks and Open Space Commission

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

SUBJECT: **(2009-116)** 2010-15 Regional Parks Capital Improvement Program (CIP)
Structure and Timeline

Introduction

On April 7, the Metropolitan Parks and Open Space Commission was briefed on the attached March 26 memorandum regarding the structure and timeline for preparing the 2010-15 Regional Parks Capital Improvement Program (CIP). This memorandum summarizes the discussion from the April 7 meeting on this topic and includes recommendations for action at the May 18 meeting based on that discussion.

April 7 meeting discussion summary

The Metropolitan Parks and Open Space Commission (MPOSC) and representatives from regional park implementing agencies considered the 2010-15 Parks CIP Structure and Timeline at the MPOSC meeting on April 7. The park agencies, with one exception liked the formula used to determine the share of the CIP each park agency would receive as shown in Table 1 of the March 26 memorandum.

The Carver County Parks Director suggested that the CIP formula did not adequately take into account funding needed for park agencies that had few developed parks to serve visitors at this time. He suggested that the formula be changed by adding a factor that measured the amount of an agency's park system that was developed and open for use compared to other park agencies.

The members of the MPOSC and the other park implementing agency representatives felt that the current CIP formula was an appropriate way to structure the CIP because it insured that each park agency would receive its percentage share of any State and Metropolitan Council funds appropriated for the CIP. They felt that no changes should be considered to the formula at this time because it had only been used once—for the 2008-09 CIP. To change the CIP formula now would negate the credibility and effort made two years ago when six alternative formulas were considered in creating the formula.

Conclusions

1. The 2010-15 Parks CIP should be modeled after the 2008-13 Parks CIP with its formula which proportionally distributes grants from the CIP to park agencies based on park agency population and visits to each agency's part of the Regional Park System by non-local residents (non-local visits). The most recent population and non-local visits data should be used in the formula to reflect current conditions and changes from the past two years as shown in Table 1 of the March 26 memorandum.

2. The total size of the 2010-15 Parks CIP should be modeled after the 2008-13 Parks CIP which proposed that \$10.5 million of State funds and \$7 million of Metropolitan Council bonds finance each two year portion of the CIP. This is consistent with the Council's policies on issuing park bonds for the CIP.
3. The 2010-11 portion of the Parks CIP is the basis for requesting \$10.5 million of State bonds to finance the State's share of the 2010-11 CIP.

Recommendations

That the Metropolitan Council direct Council staff to:

1. Prepare a Preliminary 2010-15 Parks Capital Improvement Program (CIP) that is modeled after the 2008-13 Parks CIP using the same CIP formula as shown in Table 1 of this memorandum and with the park agency amounts shown in Table 4 of March 26 memorandum.
2. Prepare a Preliminary 2010 State bond request of \$10.5 million that is proposed to finance the State's portion of the 2010-11 Parks CIP.
3. Prepare a Final 2010-15 Parks CIP and Final 2010 State bond request for the 2010-11 Parks CIP and coordinate that with the preparation of the Council's 2010-15 Unified CIP using the timeline shown in Table 5 of the March 26 memorandum.

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SUBJECT: **(2009-116)** 2010-15 Regional Parks Capital Improvement Program (CIP)
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INTRODUCTION

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

This memorandum outlines the structure and timeline for preparing the 2010-15 Parks CIP. It focuses on the 2010-11 portion of the 2010-15 period of the CIP since that is the time frame that will be considered for funding in the 2010 legislative session.

PARKS CIP STRUCTURE

The Parks CIP must, in accordance with the law cited above, include "criteria and priorities for the allocation of funds". For the 2010-15 CIP as with past CIP's, capital projects proposed for funding must be consistent with Metropolitan Council approved regional park or trail master plans. Projects proposed by each regional park implementing agency are prioritized by that agency. Each park agency has unique capital needs, which that park agency can best determine.

For the 2010-11 Parks CIP, a formula balances two factors:

1. The population of each park implementing agency compared to the region's population. This factor was weighted 70%.
2. The amount of visits a park agency hosted from persons who live outside the park agency's jurisdiction (non-local visits). This factor was weighted 30%.

The population factor recognizes the need to provide funds for park capital improvements to serve every person in the region relatively equally. The non-local visits factor recognizes that these regional parks serve a regional and state-wide population. Therefore a combination of both factors is accounted for in the CIP formula.

Table 1 illustrates the park agency share for the 2010-11 Parks CIP using the CIP formula. Population data from 2007 and non-local visits data derived from the 2008 Parks Visitor Study and applied to the 2007 park system visit estimate for each park agency was used in the formula.

Table 1: 2010-11 Parks CIP Share by Agency weighting 2007 population share by 70% and weighting 2007 non-local visits share from 2008 visitor origin data by 30%

Park Agency	2007 Population by Park Agency	% of 2007 Population by Park Agency	% of Non-local Visits to Park Agency's parks/trails (2008 data)	2007 visits Regional Parks, Trails, SRFs (thousands)	Number of 2007 Non-local Visits by Park Agency (thousands)	% of 2007 Non-local Visits by Park Agency	70% weight to % of 2007 Total Population	30% weight to % of 2007 Non-local Visits	2010-11 Parks CIP Share by Agency
Anoka County	331,246	11.6%	43%	2,593.7	1,115.3	7.44%	8.14%	2.23%	10.37%
Bloomington	85,504	3.0%	45%	415.0	186.8	1.25%	2.10%	0.37%	2.47%
Carver County	88,384	3.1%	52%	237.5	123.5	0.82%	2.17%	0.25%	2.42%
Dakota County	398,177	14.0%	36%	756.4	272.3	1.82%	9.78%	0.55%	10.33%
Mpls. Park Board	388,020	13.6%	48%	13,065.3	6,271.3	41.85%	9.53%	12.56%	22.09%
Ramsey County ex. St. Paul	229,405	8.1%	47%	2,883.9	1,355.4	9.05%	5.64%	2.71%	8.35%
Saint Paul	287,669	10.1%	50%	6,330.7	3,165.4	21.12%	7.07%	6.34%	13.40%
Scott County (1)	124,151	4.4%	31%	358.3	111.1	0.74%	3.05%	0.22%	3.27%
Three Rivers Park District ex. Bloomington	683,759	24.0%	37%	5,233.8	1,936.5	12.92%	16.80%	3.88%	20.67%
Washington County	233,104	8.2%	45%	992.8	446.8	2.98%	5.73%	0.89%	6.62%
Totals	2,849,419	100.0%		32,867.4	14,984.3	100.00%	70.00%	30.00%	100.00%

(1) Scott County visits data includes visits to parks managed by Three Rivers Park District located in Scott County in order to align agency population part of formula with non-local visits part of formula

Table 2 illustrates the park agency share for the 2008-09 Parks CIP using the same formula. However, population data from 2005 and non-local park visits data derived from the 1998 Parks Visitor Study and applied to the 2005 park system visit estimate for each park agency was applied to the formula. That was the most up-to-date data available when the 2008-09 CIP was prepared in the Spring of 2007.

Table 2: 2008-09 Parks CIP Share by Agency weighting 2005 population share by 70% and weighting 2005 non-local visits share from 1998 visitor origin data by 30%

Park Agency	2005 Population by Park Agency	% of 2005 Population by Park Agency	% of Non-local Visits to Park Agency's parks/trails (1998 data)	2005 visits Regional Parks, Trails, SRFs (thousands)	Number of 2005 Non-local Visits by Park Agency (thousands)	% of 2005 Non-local Visits by Park Agency	70% weight to % of 2005 Total Population	30% weight to % of 2005 Non-local Visits	2008-09 Parks CIP Share by Agency
Anoka County	326,393	11.6%	45%	2,773.5	1,242.0	8.97%	8.13%	2.69%	10.82%
Bloomington	84,347	3.0%	61%	601.7	364.2	2.63%	2.10%	0.79%	2.89%
Carver County	85,204	3.0%	58%	251.1	145.1	1.05%	2.12%	0.31%	2.44%
Dakota County	391,558	13.9%	29%	886.9	256.7	1.85%	9.75%	0.56%	10.31%
Mpls. Park Board	387,711	13.8%	31%	14,125.6	4,346.4	31.40%	9.66%	9.42%	19.08%
Ramsey County ex. St. Paul	227,873	8.1%	51%	3,154.3	1,614.7	11.66%	5.68%	3.50%	9.18%
Saint Paul	287,385	10.2%	61%	5,630.8	3,430.9	24.78%	7.16%	7.44%	14.59%
Scott County (1)	115,997	4.1%	64%	265.0	170.4	1.23%	2.89%	0.37%	3.26%
Three Rivers Park District ex. Bloomington	678,854	24.2%	38%	4,660.3	1,779.8	12.86%	16.91%	3.86%	20.77%
Washington County	224,857	8.0%	53%	921.8	492.6	3.56%	5.60%	1.07%	6.67%
Totals	2,810,179	100.0%		33,271.1	13,842.8	100.00%	70.00%	30.00%	100.00%

(1) Scott County visits data includes visits to parks managed by Three Rivers Park District located in Scott County in order to align agency population part of formula with non-local visits part of formula

A park agency's share of the 2010-11 CIP may have increased compared to its share of the 2008-09 CIP due to the following factors:

1. A park agency's share of the region's population in 2007 was larger than its share of the region's population in 2005. This factor explains why the 2010-11 CIP share to Dakota and Scott County increased compared to their shares of the 2008-09 CIP.
2. A park agency's share of non-local visits in 2007 was larger than its share of non-local visits in 2005. This factor explains why the 2010-11 CIP share to the Minneapolis Park & Recreation Board increased compared to its 2008-09 CIP share.

Conversely, a park agency's share of the 2010-11 CIP may have decreased compared to its share of the 2008-09 CIP due to the following factors:

1. A park agency's share of the region's population in 2007 was smaller than its share of the region's population in 2005. This factor explains why the 2010-11 CIP share to Three Rivers Park District decreased compared to its share of the 2008-09 CIP.
2. A park agency's share of non-local visits in 2007 was smaller than its share of non-local visits in 2005. This factor explains why the 2010-11 CIP shares to Anoka County, Bloomington, Carver County and Washington County decreased compared to their 2008-09 CIP shares.
3. A combination of a park agency's share of the region's population and its share of non-local visits were smaller in 2007 compared to 2005. This explains why the 2010-11 CIP shares to the City of St. Paul and Ramsey County decreased compared to their 2008-09 CIP shares.

The CIP shares for each park agency will increase or decrease every two years when the CIP is prepared because up to date population and non-local visits data applied to the formula take into account changes in each park agency's population and share of non-local visits.

Concerns were raised two years ago that the CIP formula doesn't prioritize regional park land acquisition. The Park Acquisition Opportunity Grants are awarded when land becomes available to purchase based upon acquisition opportunities. Park Agencies are limited to \$1.7 million for these grants per year. This maximizes land acquisition throughout the park system. Half of the Metropolitan Council's park bonds are allocated to the Parks CIP and half to the Park Acquisition Opportunity Grant Program to balance investments for both land acquisition and park facility rehabilitation/development purposes.

Table 3 illustrates the amount of Park Acquisition Opportunity Grants awarded to each park agency since these grants have been awarded (2001) to the present. Although Park Acquisition Opportunity Grants are not disbursed on a formula basis, Table 3 shows that park agencies that receive relatively small shares of the CIP have received and are likely to receive larger shares of Park Acquisition Opportunity Grants in the future because these agencies are acquiring land for their portion of the Regional Park System.

Table 3: Park Acquisition Opportunity Grants Awarded 2001-Present		
Park Agency	Total Park Acquisition Opportunity Grants Awarded to Park Agency	Percent of Park Acquisition Opportunity Grants
Anoka County	\$ 1,111,679	8.1%
Bloomington	\$ 523,498	3.8%
Carver County	\$ 1,483,901	10.9%
Dakota County	\$ 2,374,528	17.4%
Mpls. Park Board	\$ 660,670	4.8%
Ramsey County	\$ 297,689	2.2%
Saint Paul	\$ 695,195	5.1%
Scott County	\$ 2,281,702	16.7%
Three Rivers Park District	\$ 2,759,227	20.2%
Washington County	\$ 1,480,995	10.8%
Totals	\$13,669,084	100.0%

Revenue Sources and Size of the 2010-15 Parks CIP

The CIP is the basis for spending capital improvement grants for the Regional Park System financed with State and Metropolitan Council revenues. Since 1994, 60% of the CIP has been financed with State appropriations and 40% with bonds issued by the Metropolitan Council. The combination of State and Regional revenue sources acknowledges the local, regional and statewide benefits to taxpayers. Metropolitan Area residents pay Regional and State taxes that finance the CIP. Residents from outside the Metropolitan Area pay State taxes for a portion of the State’s appropriation to the CIP.

The Metropolitan Council has the authority to issue up to \$40 million in general obligation bonds to finance the Parks CIP at any point in time. Since 1994, the Council has issued on average \$7 million per year of short term bonds, which have been used as the match to State appropriations to finance the Parks CIP, and when applicable be used as a match to State appropriations for Park Acquisition Opportunity Grants.

Continuing the Council’s commitment to issue \$7 million of bonds per year of which half (\$3.5 million) are for the CIP and the other half (\$3.5 million) are for Park Acquisition Opportunity Grants; using Council bonds to finance 40% of the CIP; and preparing CIPs in two year increments results in a 2010-11 CIP that totals \$17.5 million and is comprised of:

- \$ 7 million of Metropolitan Council bonds (\$3.5 million per year for two years) and
- \$10.5 million of State appropriations (60% of CIP)
- \$17.5 Million Total

Applying the CIP formula shown in Table 1 to \$17.5 million results in the following amount for each park agency (Table 4).

Table 4: Proposed Park Agency Amounts for 2010-11 Parks CIP		
Park Agency	2010-11 Parks CIP Share from CIP formula in Table 1	Park Agency Amount of \$17.5 million (\$thousands)
Anoka County	10.37%	\$ 1,815
Bloomington	2.47%	\$ 433
Carver County	2.42%	\$ 423
Dakota County	10.33%	\$ 1,807
Mpls. Park Board	22.09%	\$ 3,865
Ramsey County	8.35%	\$ 1,461
Saint Paul	13.40%	\$ 2,346
Scott County	3.27%	\$ 573
Three Rivers Park District	20.67%	\$ 3,618
Washington County	6.62%	\$ 1,159
Totals	100.00%	\$ 17,500

2010-15 Parks CIP Preparation Timeline

The CIP is a proposed spending plan. It is used to request State appropriations to finance the State's portion of the CIP and to allocate grants from the CIP to each park agency in proportion to that park agency's CIP share. By prioritizing projects for each regional park agency, the State and Metropolitan Council appropriations to the CIP can be granted in proportion to each park agency's share of the CIP and the highest priority project(s) of each park agency can be funded.

The 2010-11 portion of the 2010-15 CIP would be proposed for funding in 2010-11. State appropriations to the CIP authorized in 2010 would finance the State's share of the CIP for 2010-11. To meet deadlines for requesting State bonds in 2010 and to coordinate the preparation and adoption of the Parks CIP with the Metropolitan Council's Unified CIP later in 2009, the following preparation timeline is proposed in Table 5 below:

Table 5: 2010-15 Regional Parks CIP Preparation Timeline

Date	Activity
April 7	MPOSC review 2010-15 Parks CIP Structure and Timeline (this memorandum) Regional Park Agencies begin to prepare their preliminary prioritized project lists for 2010-11 based on amount shown for each agency in Table 4.
May 18	MPOSC and Community Development Committee recommend 2010-15 Parks CIP Structure and Timeline.
May 27	Metropolitan Council review/approves 2010-15 Parks CIP Structure and Timeline.
May 28-June 19	Regional Park Agencies submit preliminary prioritized 2010-11 CIP project list to Metropolitan Council based on amounts shown in Table 4. This is the basis for a Preliminary 2010 State bond request of \$10.5 million.
Late June	Submittal of 2010 Preliminary State bond request of \$10.5 million containing the Preliminary 2010-11 Parks CIP.
July-August 14	Park Agencies may reconsider and revise their prioritized CIP project list for 2010-11 and submit a final prioritized project list to the Metropolitan Council. Park Agencies must also submit to the Metropolitan Council their prioritized CIP project lists for 2012-13 and 2014-15 that total the amount proposed for 2010-11 shown in Table 4.
August 15-31	Prepare the Final 2010 State bond request of \$10.5 million containing the Final 2010-11 Parks CIP Add the Final 2010-11, plus 2012-13 and 2014-15 Parks CIP to Metropolitan Council's 2010-15 Unified CIP.
September	Submit Final 2010 State bond request of \$10.5 million containing Final 2010-11 Parks CIP.
October	Public Hearing on Metropolitan Council's 2010-15 Unified CIP.
November/Dec.	Metropolitan Council adopts 2010-15 Unified CIP.

Conclusions

4. The 2010-15 Parks CIP should be modeled after the 2008-13 Parks CIP with its formula which proportionally distributes grants from the CIP to park agencies based on park agency population and visits to each agency's part of the Regional Park System by non-local residents (non-local visits). The most recent population and non-local visits data should be used in the formula to reflect current conditions and changes from the past two years as shown in Table 1.
5. The total size of the 2010-15 Parks CIP should be modeled after the 2008-13 Parks CIP which proposed that \$10.5 million of State funds and \$7 million of Metropolitan Council bonds finance each two year portion of the CIP. This is consistent with the Council's policies on issuing park bonds for the CIP.
6. The 2010-11 portion of the Parks CIP is the basis for requesting \$10.5 million of State bonds to finance the State's share of the 2010-11 CIP.

Recommendation

That the Metropolitan Council direct Council staff to:

4. Prepare a Preliminary 2010-15 Parks Capital Improvement Program (CIP) that is modeled after the 2008-13 Parks CIP using the same CIP formula as shown in Table 1 of this memorandum and with the park agency amounts shown in Table 4 of this memorandum.
5. Prepare a Preliminary 2010 State bond request of \$10.5 million that is proposed to finance the State's portion of the 2010-11 Parks CIP.
6. Prepare a Final 2010-15 Parks CIP and Final 2010 State bond request for the 2010-11 Parks CIP and coordinate that with the preparation of the Council's 2010-15 Unified CIP using the timeline shown in Table 5 of this memorandum.