

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

DATE: May 11, 2009

TO: Metropolitan Parks and Open Space Commission

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

SUBJECT: (2009-172) Acquisition Opportunity Grant request to purchase one parcel for Rush Creek Regional Trail, Three Rivers Park District

INTRODUCTION

Since 2001, the Metropolitan Council has established a Park Acquisition Opportunity Fund grant program to assist regional park agencies in acquiring land for the Metropolitan Regional Park System. Land that is acquired must be within Metropolitan Council approved master plan boundaries for that particular park or trail unit. To-date, \$13.67 million has been granted to assist in the acquisition of 1,742 acres. The total related acquisition costs and market value of this land is \$50.4 million. (See **Attachment 1** for a list of all grants awarded to-date).

Three Rivers Park District has negotiated the acquisition of a 9.42 acre parcel within the master plan boundary for Rush Creek Regional Trail. The Park District requests Park Acquisition Opportunity Fund grant of \$407,400 to finance 75% of the \$543,200 cost to acquire this parcel.

This memorandum analyzes this request against the rules for Park Acquisition Opportunity Fund grants. It recommends approving the grants cited above. If this grant and the grants to Ramsey County are awarded in agenda item 2009-171, there would be \$6,043,262 remaining for future land acquisitions.

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*”.

BACKGROUND

The Park Acquisition Opportunity Fund is comprised of two accounts:

The first account is called the State Acquisition Grant Account, which is used to purchase land with high quality natural resource characteristics. No residential structures can be acquired with this account. The account has a current balance of \$2,342,930 comprised of \$1,405,758 of Environment and Natural Resources Trust Fund (ENRTF) revenue appropriated in the 2008 Legislative Session and \$937,172 of bonds issued by the Metropolitan Council as a 40% match to the State appropriation.

The second account is called the Metropolitan Council Acquisition Grant Account, which is used to purchase land and any related structures –typically a parcel with a house or other buildings. This account is financed with bonds issued by the Metropolitan Council. On May 13, the Council will consider adding \$4.7 million of bonds to this account as recommended by the Community Development Committee and the Management Committee. If this additional revenue is added to this account its balance would be \$4,800,682. The analysis for this grant request is based on the assumption that this revenue is added to the account and that \$692,950 is granted to Ramsey County under agenda item 2009-171. Therefore the balance in this account is \$4,107,732.

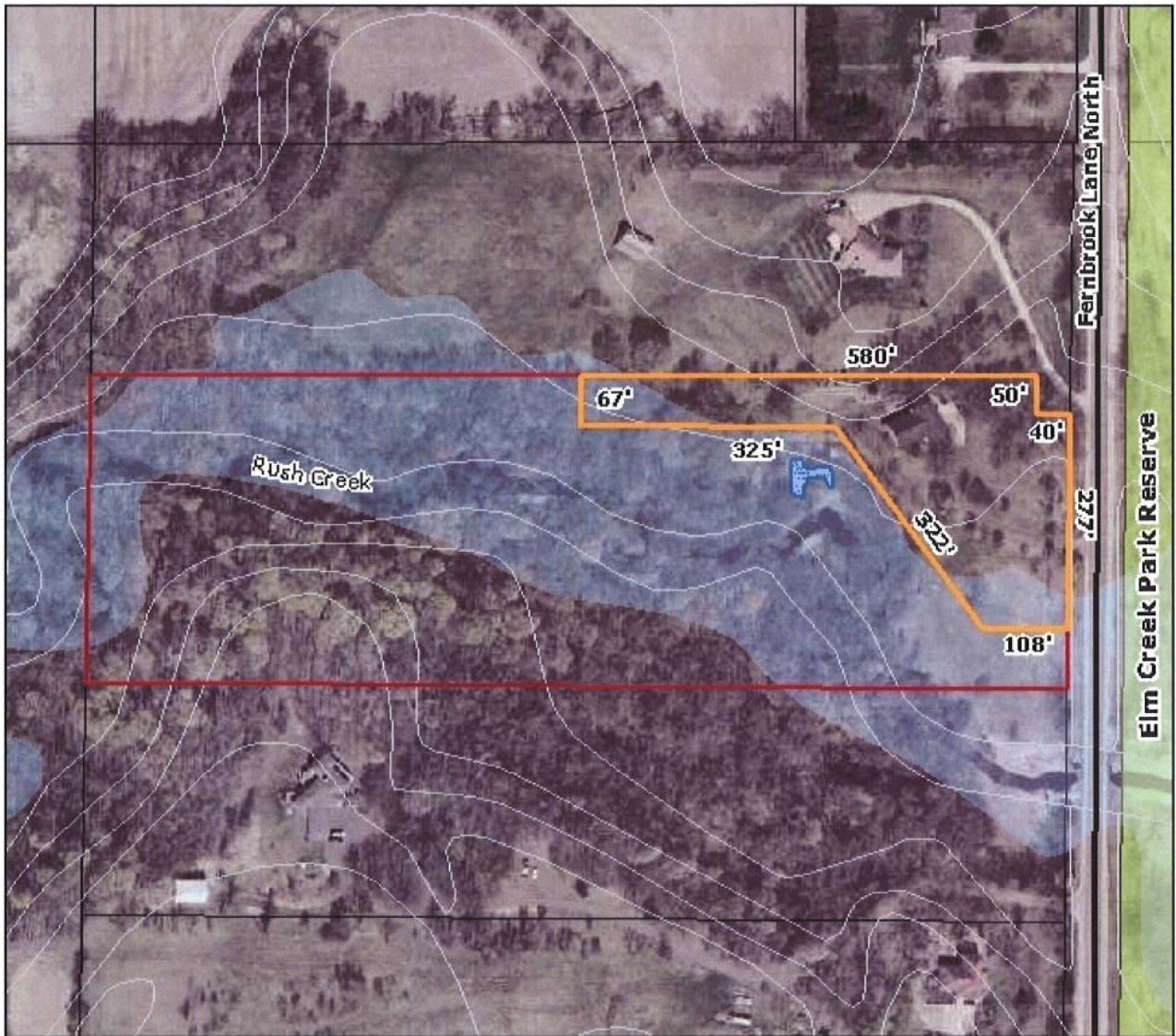
The combined balance of both accounts under this assumption is \$6,450,662. If a \$407,400 grant to Three Rivers Park District is awarded, there would be \$6,043,262 remaining for future land acquisitions.

Grants from the Park Acquisition Opportunity Fund are awarded under a set of rules. The rules currently in effect for the period which ends June 30, 2009 allow a grant or grants totaling \$1.7 million to a park agency to finance up to 75% of the purchase price of the property plus related costs.

The Ganzer parcel acquisition is based on subdividing an 11.55 acre parcel in which 9.42 acres will be acquired by the Park District for the trail, and the remaining 2.13 acres including the Ganzer home will be retained by the Ganzer's. This provides the right of way needed for the regional trail and allows the existing home site to remain as shown in **Figure 1**.

Acquiring the 9.42 acre parcel including frontage on Rush Creek makes this parcel eligible for funding from the State Acquisition Grant Account because high quality natural resource land is being acquired.

Fig. 1: Ganzer parcel proposed for acquisition at Rush Creek Regional Trail, Three Rivers Park District



Ganzer Property

Parcel ID: 04-119-22-11-0008
 Property Type: Residential
 10825 Fernbrook Lane North
 Maple Grove, MN 55369

11.55 Total Acres
 2.13 Acres Ganzer
 9.42 Acres Subdivide

.03 Acres Approx. Wetland (all within Subdivide)

6.42 Total Acres 100 YR Floodplain
 .38 Acres 100 YR Floodplain within Ganzer
 6.04 Acres 100 YR Floodplain within Subdivide

Legend

-  Ganzer Proposed Subdivide
-  Ganzer Property
-  10' Contours
-  Approx Wetland
-  100 YR Floodplain



ANALYSIS

The costs associated with the purchase of the Ganzer parcel are:

Purchase Price	\$ 520,000
Appraisal	\$ 7,000
Subdivision and closing	\$ 3,000
Pro-rated share of property taxes due at closing	\$ 6,000
180% of city taxes on parcel (property tax equivalency payment) due at closing	\$ 7,200
Total:	\$ 543,200

As noted in the Park District's letter, subdividing the 11.55 acre parcel to allow 9.42 acres to be acquired for the trail led to higher than normal appraisal and closing costs. Three Rivers Park District requests that the acquisition be financed with the following revenue sources:

Metropolitan Council Park Acquisition Opportunity Fund (75%)	\$ 407,400
Three Rivers Park District funds (25%)	\$ 135,800
Total:	\$ 543,200

The Park Acquisition Opportunity Fund grant would be financed from the State Acquisition Grant Account:

State Environment and Natural Resources Trust Fund (60% of grant)	\$ 244,440
Metropolitan Council bonds (40% of grant)	\$ 162,960
Total	\$ 407,400

Rules for distributing grants from Park Acquisition Opportunity Fund

On June 25, 2008 the Metropolitan Council adopted rules that govern the distribution of grants from the Fund for the period July 1, 2008 to June 30, 2009. Those rules are indicated below in italic font. The following findings indicate that these rules have been met for Three Rivers Park District's request to acquire the Ganzer parcel for Rush Creek Regional Trail..

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.

Three Rivers Park District's request is consistent with this rule because the parcel is within the Metropolitan Council-approved master plan boundary for Rush Creek Regional Trail. Plus, Three Rivers Park District does not have acquisition grant funds previously provided by the Metropolitan Council to finance this acquisition.

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.

There is one transaction proposed to purchase this parcel. The purchase price is the negotiated price between buyer and seller based on a certified appraisal for the land.

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.

Three Rivers Park District's request of \$407,400 is 75% of the cost to acquire this parcel as shown on page 4. Three Rivers Park District will provide \$135,800 as a 25% non-reimbursable match to the Council's grants. The grant requests and match to the Council's grants are consistent with this rule.

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

Three Rivers Park District received \$797,475 for two other acquisition grants since July 1, 2008. Assuming \$407,400 is granted, Three Rivers Park District could request other grants totaling \$495,125 from the Fund for other acquisitions prior to June 20, 3009.

CONCLUSIONS

1. Three Rivers Park District's request of \$407,400 from the Park Acquisition Opportunity Fund to purchase the 9.44 acre Ganzer parcel for Rush Creek Regional Trail is consistent with the rules for receiving grants from the Fund.
2. The State Acquisition Grant Account in the Park Acquisition Opportunity Fund should be used to finance this grant because high quality natural resource lands including frontage on Rush Creek is being acquired with the grant. No residential structures are being acquired.

RECOMMENDATION

That the Metropolitan Council authorize a grant of \$407,400 from the State Acquisition Grant Account in the Park Acquisition Opportunity Fund to Three Rivers Park District to partially finance the acquisition of the 9.44 acre Ganzer parcel as part of Rush Creek Regional Trail. The grant should be financed with \$244,440 of State Environment and Natural Resources Trust Funds and \$162,960 of Metropolitan Council bonds.

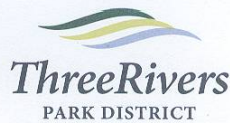
Attachment 1: Park Acquisition Opportunity Fund Grants approved (2001-May 7, 2009)

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.
\$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 was 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 Harriet Island-Lilydale 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 City funds (\$124,589). City amount eligible for reimbursement consideration in a future regional park 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 park 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 park CIP. Approved September 22, 2004.
\$433,333	Scott	Acquire 80 acres within the Doyle-Kennefick Regional Park as a match to a DNR Metro

	County	Greenways grant of \$650,000. Approved Nov. 10, 2004.
Amount Granted	Park Agency	Project Description
\$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 park 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 park CIP. Approved June 29, 2005.
\$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 park 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 park 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 park 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 park CIP. Approved August 23, 2006.
\$354,799	Three Rivers Park District	Acquire 20-acre Weinkauff parcel in Lake Rebecca Park Reserve. Three Rivers Park District would be eligible for reimbursement consideration of up to \$532,199 in a future regional park CIP. Approved May 23, 2007.
\$9,023	Washington County	Acquire 1.5 acre Hohlt parcel in Big Marine Park Reserve. Washington County would be eligible for reimbursement consideration of up to \$13,534 in a future regional park CIP. Approved April 25, 2007.
\$1,000,000	Scott County	Acquire 61-acre Cedar Lake Farm Resort parcel in Cedar Lake Farm Regional Park. Scott County would be eligible for reimbursement consideration of up to \$3,526,192 in a future regional park CIP. Approved May 23, 2007.
\$400,841	City of St. Paul	Partially finance acquisition of 43.94 acres for Harriet Island-Lilydale Regional Park. City of St. Paul would be eligible for reimbursement consideration of up to \$601,263 in a future regional park CIP. Approved August 8, 2007
\$182,094	Washington County	Partially finance acquisition of 8.19 acre Katarik parcel for Grey Cloud Island Regional Park. Washington County would be eligible for reimbursement consideration of up to \$273,141 in a future regional park CIP. Approved October 24, 2007
\$116,609	Ramsey County	Partially finance acquisition of 3 acre Parcel #6 for Battle Creek Regional Park. Ramsey County would be eligible for reimbursement consideration of up to \$174,913 in a future regional park CIP. Approved December 12, 2007.
\$1,000,000	Carver County	Partially finance acquisition of 2.94 acres of lakeshore land associated with Lakeside Ballroom in Lake Waconia Regional Park. Carver County would be eligible for reimbursement consideration of up to \$1,530,000 minus lease revenue from parcel in a future regional park CIP. Approved February 27, 2008.

Amount Granted	Park Agency	Project Description
\$122,726	City of St. Paul	Partially finance acquisition of 0.74 acre at 350 Water Street for Harriet Island-Lilydale Regional Park. Grant financed 75% of acquisition cost. The remaining 25% financed by City of St. Paul (\$40,909) is not eligible for reimbursement consideration in a future regional park CIP. Approved February 27, 2008
\$339,389	City of Bloomington	Partially finance acquisition of 0.568 acre at 9633 East Bush Lake Road for Hyland-Bush-Anderson Lakes Park Reserve. Grant financed 75% of acquisition cost. The remaining 25% (\$113,130) financed by City of Bloomington and Three Rivers Park District is not eligible for reimbursement consideration in a future regional parks CIP. Approved on April 9, 2008
\$1,700,000	Dakota County	Partially finance acquisition of 456-acre Empire Wetlands Regional Park. Grant financed 14.2% of the \$11.94 million acquisition cost. Rest of costs financed with \$800,000 Metro Council grant SG-2006-123, \$6 million from 2006 State bond pass through grant, and \$3,440,000 of Dakota County funds of which \$2,155,000 is eligible for reimbursement in a future regional parks CIP. Grant approved on April 23, 2008. Reimbursement approved for consideration on May 28, 2008.
\$572,469	City of St. Paul	Partially finance acquisition of 1.85 acre for Bruce Vento Nature Sanctuary as part of Bruce Vento Regional Trail. Grant financed 75% of acquisition cost. The remaining 25% financed by City of St. Paul (\$190,823) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved June 11, 2008
\$848,369	Scott County	Partially finance acquisition of 47.08 acres for Doyle-Kennefick Regional Park (Adelmann parcel). Grant financed 75% of acquisition cost. The remaining 25% financed by Scott County (\$282,789) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved June 25, 2008
\$352,050	Three Rivers Park District	Partially finance acquisition of 6.46 acres for Baker Park Reserve (Laidlaw parcel). Grant financed 75% of acquisition cost. The remaining 25% financed by Three Rivers Park District (\$117,350) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved June 25, 2008
\$416,297	Washington County	Partially finance acquisition of 19 acres for Big Marine Park Reserve (Grundhofer parcel). Grant financed 75% of acquisition cost. The remaining 25% financed by Washington County (\$138,766) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved August 27, 2008
\$304,725	Three Rivers Park District	Partially finance acquisition of 1.5 acres for Lake Rebecca Park Reserve (Bauduin parcel). Grant financed 75% of acquisition cost. The remaining 25% financed by Three Rivers Park District (\$101,575) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved November 12, 2008
\$492,750	Three Rivers Park District	Partially finance acquisition of 9.5 acres for Lake Rebecca Park Reserve (Westerlund parcel). Grant financed 75% of acquisition cost. The remaining 25% financed by Three Rivers Park District (\$164,250) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved November 12, 2008
\$139,670	Mpls. Park & Rec. Bd.	Partially finance acquisition of 0.5 acres for Above the Falls Regional Park (Galka parcels). Grant financed 75% of acquisition cost. The remaining 25% financed by Mpls. Park & Rec. Bd. (\$46,557) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved December 10, 2008
\$17,400	Dakota County	Partially finance acquisition of 1.1 acres for Lebanon Hills Regional Park (Urban parcel). Grant financed 75% of acquisition cost. The remaining 25% financed by Dakota County (\$5,800) is not eligible for reimbursement consideration in a future regional park CIP. Grant approved January 28, 2009
\$13,669,084	Total funds granted as of May 7, 2009	

Attachment 2: Letter from Boe Carlson



May 11 2009

Three Rivers
Park District
Board of
Commissioners

Mr. Arne Stefferud
Metropolitan Council
390 North Robert Street
Saint Paul, Minnesota 55101

Sara Wyatt
District 1

Re: Rush Creek Regional Trail
Ganzer Property
Land Acquisition Opportunity Grant

Marilynn Corcoran,
Vice Chair
District 2

Dear Mr. Stefferud,

At the March 19, 2009 Three Rivers Park District Board of Commissioners approved the purchase of the Ganzer Property for the Rush Creek Regional Trail.

Mark Haggerty
District 3

The Park District was able to negotiate the subdivision of the parcel in order to acquire 9.42 acres of wooded, creek frontage for the Regional Trail. Mr. Ganzer will retain 2.13 acres as the home site. Because of this unique property split some associated costs are higher than a traditional acquisition costs for the parcel.

Dale Woodbeck
District 4

\$520,000	Purchase price
\$ 7,000	Appraisal fee
\$ 3,000	Subdivision and closing cost
\$ 6,000	Share of 2008 property taxes
<u>\$ 7,200</u>	<u>180% of local property tax</u>
\$543,200	TOTAL

Rosemary Franzese
District 5

The Park District is requesting reimbursement of 75% of these costs, or \$407,400. The Park District will provide the remaining funds needed for this acquisition.

Larry Blackstad, Chair
Appointed

This property is an important parcel of the Rush Creek Regional Trail acquisition process. Thank you for your consideration of this item. Please let me know if you have any questions.

Barbara Kinsey
Appointed

Sincerely,
Boe R. Carlson

Boe Carlson
Associate Superintendent
Division of Administration

Cris Gears
Superintendent

C: Cris Gears, Superintendent
Jeff Brauchle, Legal Counsel
Don DeVeau, Director of Planning & Development
Howard Koolick, Director of Finance

tc1/wp/correspondence/letters/2009/0504 to AStefferud re Rush Creek Rg Trail from BRC
Administrative Center, 3000 Xenium Lane North, Plymouth, MN 55441-1299
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