

METROPOLITAN COUNCIL

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DATE: July 25, 2012

TO: Metropolitan Parks and Open Space Commission

FROM: Arne Stefferud, Acting Manager—Regional Parks and Natural Resources Unit
(651-602-1360)

SUBJECT: (2012-xxx) Park Acquisition Opportunity Fund Grant Request for Big Marine Park Reserve, Washington County
Metropolitan Parks & Open Space Commission District F: Daniel Schlaferman

INTRODUCTION

In 2001, the Metropolitan Council 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, about \$25.9 million has been granted for the acquisition of 2,112 acres. The total related acquisition costs and market value of this land is about \$66.8 million. (See Attachment 2 at the end of this memorandum that summarizes all grants awarded by Park Agency and sorted by MPOSC District as of July 25, 2012).

Washington County has submitted a grant request of \$353,996 to finance up to 75% of the projected costs to acquire 2.58 acres for Big Marine Park Reserve (Croone parcel). (See Attachment 1: Letter from John Elholm, Washington County)

This memorandum analyzes the request against the rules for Park Acquisition Opportunity Fund grants. The memorandum recommends approving the grant. The parcel includes shoreline on Big Marine Lake and does not include structures. Consequently it could be financed from the Environment and Natural Resources Trust Fund Acquisition Account, which is one of two accounts in the Park Acquisition Opportunity Fund. If \$353,996 is awarded for this parcel there would be \$3,488,263 for future land acquisitions that qualify from the Environment and Natural Resources Trust Fund Acquisition Account.

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".

BACKGROUND

The Park Acquisition Opportunity Fund is comprised of two accounts:

The first account is called the Environment and Natural Resources Trust Fund Acquisition Account, which is used to purchase land with high quality natural resource characteristics. No residential structures can be acquired with this account. This account has a balance of \$3,842,258 at this time. The account is comprised of \$2,199,704 of Environment and Natural Resources Trust Fund revenue appropriated in State Fiscal Years 2012 and 2013 and \$1,642,555 of bonds issued by the Metropolitan Council as a 40% match to the State appropriation. If \$353,996 is awarded for this request, there would be \$3,488,263 for future land acquisitions that qualify from the Environment and Natural Resources Trust Fund Acquisition Account.

The second account is called the Parks and Trails Legacy Fund Acquisition Account, which is used to purchase land that has low natural resource characteristics and any related structures –typically a parcel with a house or other buildings. This account is financed with Parks and Trails Legacy Fund appropriations from the Land and Legacy Amendment plus bonds issued by the Metropolitan Council. This account has a balance of \$5,124,641 at this time comprised of \$1,968,561 of Parks and Trails Legacy Fund appropriations from State Fiscal Years 2012 and 2013 and \$3,156,080 Metro Council bonds.

Assuming the requested \$353,996 grant is awarded for this parcel, the combined balance of both accounts would be \$8,612,904.

Grants from the Park Acquisition Opportunity Fund are awarded under a set of rules that were approved by the Council on June 24, 2009 and amended on December 14, 2011. The rules allow a grant or grants totaling \$1.7 million per year (July 1 to June 30) from each account to a park agency to finance up to 75% of the purchase price of the property plus related costs.

The 2.58 acres proposed for acquisition, hereafter called the Croone parcel is depicted in Figure 1 – a map of the parcel in context of the park reserve's boundary.

Figure 1: Aerial map of 2.58 acre Croone parcel in Big Marine Park Reserve

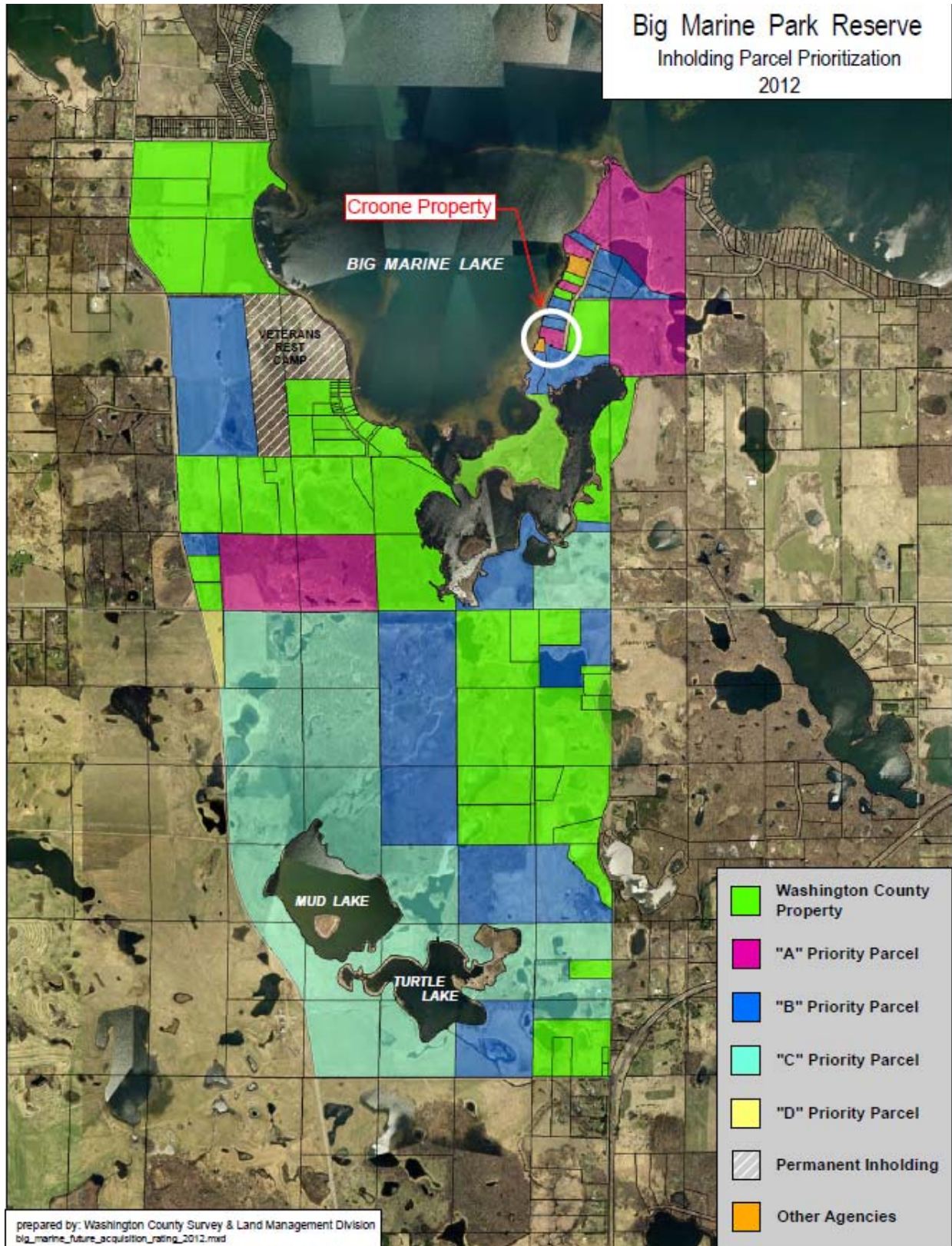
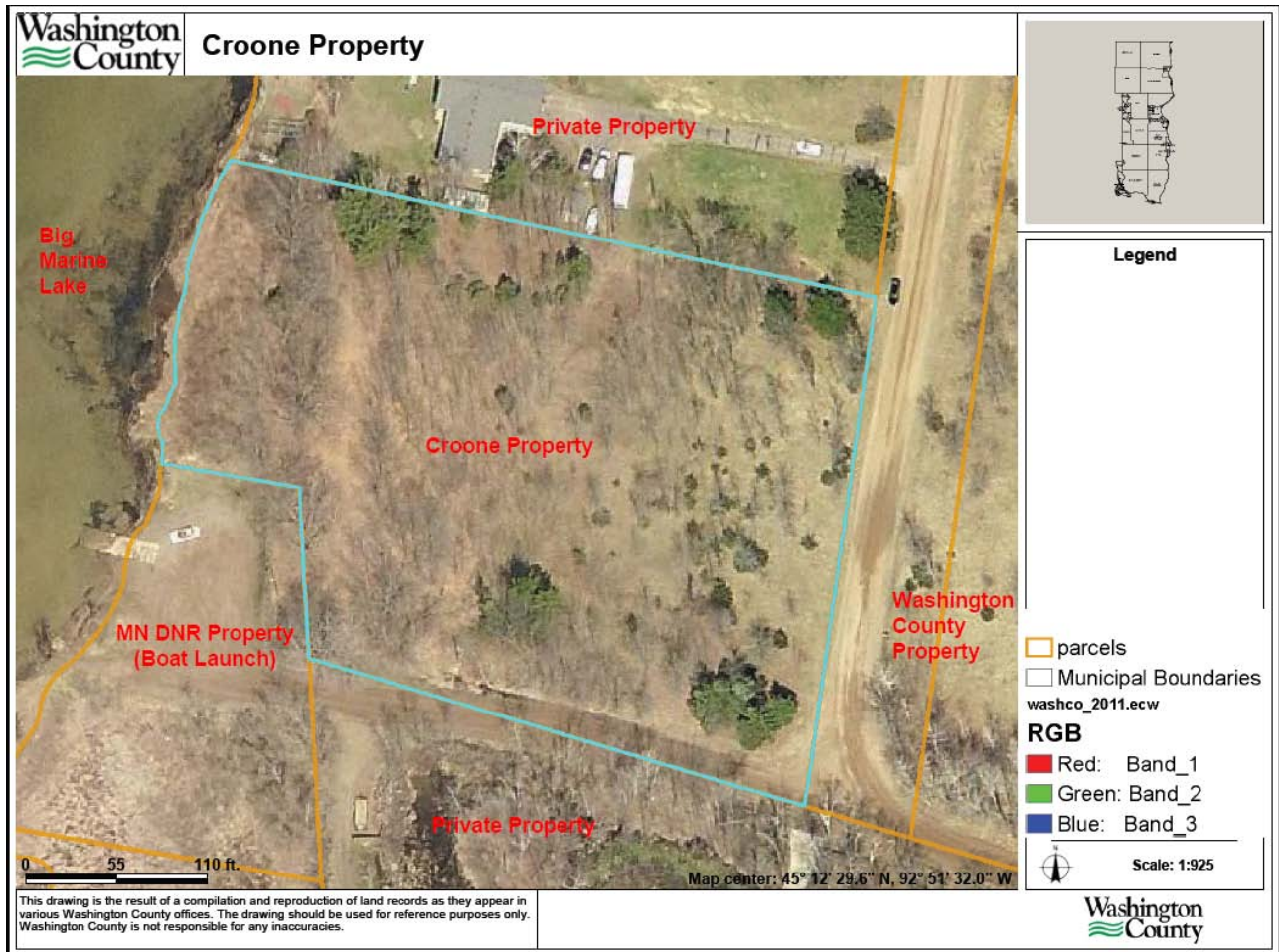


Figure 2 depicts the parcel in more detail showing existing vegetation on the land.

Figure 2: Croone parcel



ANALYSIS

Acquisition cost analysis

The total estimated costs for the Croone parcel is \$471,995 as shown in Table 1:

Table 1: Estimated costs for acquisition of 2.58 acre Croone parcel for Big Marine Park Reserve, Washington County

Cost Items	Cost
Purchase price	\$ 465,000
Appraisal	\$ 1,200
Phase 1 Environmental Study	\$ 2,100
State Deed Tax/Conservation Fee	\$ 1,540
Payment in Lieu of Property Taxes (180% of city or township taxes due at closing)	\$ 955
Pro-rated Property Tax	\$ 1,200
Total	\$ 471,995

Washington County requests that the acquisition be financed with the following revenue sources as shown in Table 2:

Table 2: Revenue Sources for acquisition of 2.58 acre Croone parcel for Big Marine Park Reserve, Washington County

Metropolitan Council Park Acquisition Opportunity Fund (75%)	\$ 353,996
Washington County (25%)	\$ 117,999
Total:	\$ 471,995

This acquisition qualifies for funding from the Environment and Natural Resources Trust Fund Acquisition Account because it does not include structures along with land, but does include shoreline to Big Marine Lake. The Park Acquisition Opportunity Fund grant would be financed as shown in Table 3.

Table 3: Park Acquisition Opportunity Grant Revenue Sources for acquisition of 2.58 acre Croone parcel for Big Marine Park Reserve, Washington County

Revenue Sources	Amount
FY 2012 Environment and Natural Resources Trust Fund appropriation	\$ 212,398
Metropolitan Council bonds	\$ 141,598
Total Grant	\$ 353,996

Rules for distributing grants from Park Acquisition Opportunity Fund

On June 24, 2009 the Metropolitan Council adopted rules that govern the distribution of grants from the Fund on a state fiscal year basis--July 1 to June 30. The rules were amended on December 14, 2011. Those rules are indicated below in italic font. The following findings indicate that these rules have been met for Washington County's grant request.

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.

Washington County's request is consistent with this rule because the parcels are within the Metropolitan Council-approved master plan boundary for Big Marine Park Reserve. Plus, the park agency 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.

The grant proposed here would be the only transaction for the parcel.

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.

Washington County's request is 75% of the costs to acquire fee title to this parcel. Washington County will provide a 25% non-reimbursable match to the Council's grant. The grant request and match to the Council's grant is consistent with this rule.

The maximum grant(s) available to a park agency is \$1.7 million from the Environment and Natural Resources Trust Fund Acquisition Account and \$1.7 million from the Parks and Trails Legacy Fund Acquisition Account during the July 1 to June 30 time period.

The grant is within the \$1.7 million limit from the Environment and Natural Resources Trust Fund Acquisition Account during this time period.

CONCLUSION:

The Environment and Natural Resources Trust Fund Acquisition Account in the Park Acquisition Opportunity Fund should be used to finance this grant because it is consistent with the utilization of this account.

RECOMMENDATION:

That the Metropolitan Council authorize a grant of up to \$353,996 from Environment and Natural Resources Trust Fund Acquisition Account in the Park Acquisition Opportunity Fund to Washington County to finance 75% of the acquisition costs to acquire the 2.58 acre Croone parcel as depicted in Figure 1 for Big Marine Park Reserve. The grant should be financed with:

\$212,398 from the FY 2012 Environment and Natural Resources Trust Fund appropriation
\$141,598 from Metropolitan Council bonds



Public Works Department
Parks Division

Donald J. Theisen, P.E.
Public Works Director

John D. Elholm, CPRP
Parks Director

July 12, 2012

Arne Stefferud
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

REQUEST FOR ACQUISITION OPPORTUNITY GRANT FUNDS FOR PURCHASE OF THE CROONE PROPERTY IN BIG MARINE PARK RESERVE

Dear Arne:

Washington County requests that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Croone property; a 2.58 acre property located within May Township and the boundary of Big Marine Park Reserve. Please see attached maps.

The landowner has signed the purchase agreement, which was also approved by the Washington County Board of Commissioners on July 10, 2012. The parcel contains shoreline on Big Marine Lake and is adjacent to land owned by Washington County. There are no residences on the site. Washington County considers this property an 'A' priority parcel for parkland acquisition.

Estimated Acquisition Costs:

Purchase Price	\$ 465,000
Appraisal	\$ 1,200
Phase I Environmental Study	\$ 2,100
State Deed Tax / Conservation Fee	\$ 1,540
Payment in Lieu of Property Tax (180%)	\$ 955
Pro-rated Property Tax	\$ 1,200
Total Estimated Acquisition Costs	\$ 471,995

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$ 353,996
Washington County (25%)	\$ 117,999
Total Proposed Revenue Sources	\$ 471,995

Thank you for your consideration of this request. If you have any questions or need further information, please let me know.

Respectfully,

A handwritten signature in black ink, appearing to read "John D. Elholm".

John D. Elholm
Parks Director

C: Don Theisen, Public Works Director
Sharon Price, Acquisition Manager
Jane Harper, Land and Water Legacy Program Manager

Encl.

11660 Myeron Road North, Stillwater, Minnesota 55082
Phone: 651-430-4300 • Fax: 651-430-4350 • TTY: 651-430-6246
www.co.washington.mn.us
Equal Employment Opportunity / Affirmative Action

Attachment 2:

Park Acquisition Opportunity Fund Grant Totals and Percent Grants Awarded by Park Agency (2001-July 2012)

Park Agency	Total Park Acq. Opp. Grants	% of Park Acq. Opp. Grants	Acres Acquired	% of Acres Acquired
Anoka County Subtotal	\$ 1,379,751	5.31%	859	40.67%
Bloomington Subtotal	\$ 500,244	1.92%	1.07	0.05%
Carver County Subtotal	\$ 2,574,281	9.90%	67.10	3.18%
Dakota County Subtotal	\$ 3,460,848	13.31%	532.01	25.19%
Mpls. Park & Rec. Bd. Subtotal	\$ 2,626,419	10.10%	7.74	0.37%
Ramsey County Subtotal	\$ 990,639	3.81%	13.69	0.65%
Scott County Subtotal	\$ 3,601,185	13.85%	301.56	14.28%
St. Paul Subtotal	\$ 2,221,918	8.55%	5.09	0.24%
Three Rivers Park Dist. Subtotal	\$ 5,163,949	19.86%	209.86	9.94%
Washington County Subtotal	\$ 3,479,234	13.38%	114.80	5.44%
Grand Total	\$25,998,467	100%	2,111.92	100%

Park Acquisition Opportunity Fund Grant Totals and Percent Grants Awarded by MPOSC District (2001-July 2012)

MPOSC District	Total Park Acq. Opp. Grants	%of Park Acq. Opp. Grants	Acres Acquired	% of Acres Acquired
District A Subtotal	\$ 3,343,349	12.86%	64	3.04%
District B Subtotal	\$ 7,264,865	27.94%	394.55	18.68%
District C Subtotal	\$ 500,244	1.92%	1.07	0.05%
District D Subtotal	\$ 2,626,419	10.10%	7.74	0.37%
District E Subtotal	\$ 731,200	2.81%	119.80	5.67%
District F Subtotal	\$ 5,691,935	21.89%	980.99	46.45%
District G Subtotal	\$ 2,379,607	9.15%	11.59	0.55%
District H Subtotal	\$ 3,460,848	13.31%	532.01	25.19%
Grand Total	\$25,998,467	100%	2,111.92	100%

