

METROPOLITAN COUNCIL

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DATE: August 30, 2012

TO: Metropolitan Parks and Open Space Commission

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

SUBJECT: (2012-xxx) Change in scope of Grant SG-2010-025 and \$40,000 grant authorized in June 2012, Dakota County
Metropolitan Parks & Open Space Commission District H: Barbara Schmidt

INTRODUCTION

Dakota County has submitted a letter requesting that \$340,000 in two grants the Metropolitan Council has approved be re-allocated so that those dollars along with \$148,000 provided by Dakota County be used to finance a "Greenway Flex Fund". This would match \$2 million of federal grants and supplement \$1,039,000 of Parks and Trails Legacy Fund financed grants for the engineering, acquisition and construction of portions of the following regional trails: North Urban, Mississippi River, Big Rivers and Minnesota River. The Greenway Flex Fund would assure that sufficient matching funds are provided to retain the federal grants for these trail projects. (See Attachment 1: Letter from Steve Sullivan, Dakota County along with Attachments A and B).

The two grants are Grant SG-2010-025 for \$300,000 and a \$40,000 grant approved on June 27 under Agenda Item 2012-183. This grant agreement has not been executed. Since these grants have already been approved, the appropriate way to re-allocate the grants to this new purpose is to change the scope of the grants.

This staff report contains a review of this request under applicable terms of grant agreement SG-2010-025 and recommends approving the scope change and revising the scope of the recently approved \$40,000 grant.

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

Grant SG-2010-025's initial scope was to finance final design and construction of Echo Point improvements, including public pier, transient boat dock, picnic shelter and area, drinking water, lakeshore trail, access drive and parking lot (approximately 20 cars), plus ecological restoration efforts at Lake Byllesby Regional Park. The initial scope of the \$40,000 grant approved on June 27th was to partially finance a backlog of park redevelopment projects, such as buildings, structures, utilities and roads, for purposes of

continuing public service, addressing safety, and preserving infrastructure. In this case the County wanted to repave the Jensen Lake parking lot at Lebanon Hills Regional Park. But \$120,000 was needed to finance that project. With this request, both the Jensen Lake parking lot project and the Lake Byllesby Regional Park development at Echo Point would be deferred to a future time when funds become available to finance them.

Grant SG-2010-025 and the recently approved \$40,000 grant are financed with a combination of State bonds and Metropolitan Council bonds.

In order to consider this request for a change in scope of the grant, Section 6.06 of the agreement for grant SG-2010-025 states:

6.06 Changes in the Development Project. *If the Grantee [Dakota County], for any reason, determines that the Development Project or any portion of it should not be undertaken, or that there should be a change in the scope or costs of the Development Project or any portion of it, the Grantee shall submit to the Council's Regional Administrator a statement describing the situation and giving the reasons for the Grantee's determination. The Grantee may, simultaneously with the submission of the statement or within a reasonable time thereafter, recommend alternative projects, activities, uses, expenditures, or allocations of grant funds. ...*

If the Regional Administrator determines that the Grantee's recommendations may not be immediately approved according to criteria established by the Council, the Grantee and the Council may execute a written amendment to this agreement only as provided in paragraph 6.07 of this article, following appropriate authorization by the Council and the Grantee.

... In determining whether to approve the Grantee's recommendations, the Council shall give full regard to legislative determinations concerning development funding and to the general position that the total grant award herein should ultimately be made available to the Grantee for development.

The proposed change in scope of Grant SG-2010-025 and the \$40,000 grant are consistent with the conditions of section 6.06 because:

1. Dakota County has submitted a statement to the Council describing the situation and giving reasons for the change in scope, as shown in **Attachment 1**.
2. The projects being funded are consistent with Metro Council approved master plans and in this case supplements grants already approved by the Metropolitan Council.
3. The change in scope of Grant SG-2010-025 and the \$40,000 grant approved on June 27th does not change Dakota County's share of the funded portion of the Metropolitan Council's 2010-11 Regional Parks CIP used to finance grant SG-2010-025 or the 2012-13 Regional Parks CIP used to finance the \$40,000 grant approved on June 27th. Therefore the change in scope, "gives full regard to legislative determinations" of the Metropolitan Council, "and to the general position that the total grant award ... should ultimately be made available to the Grantee [Dakota County]".

CONCLUSION

The proposed change in scope of Grant SG-2010-025 and the recently approved \$40,000 grant to Dakota County to be used to match \$2 million of federal grants and supplement \$1,039,000 of Parks and Trails Legacy Fund financed grants for the engineering, acquisition and construction of portions of the North Urban, Mississippi River, Big Rivers and Minnesota River Regional Trails is consistent with the conditions in section 6.06 of Grant SG-2010-025.

RECOMMENDATION

That the Metropolitan Council:

1. Authorize a second amendment to Grant SG-2010-025 to Dakota County which changes the scope of the grant to partially fund the match to \$2 million of federal grants and supplement \$1,039,000 of Parks and Trails Legacy Fund financed grants for the engineering, acquisition and construction of portions of the North Urban, Mississippi River, Big Rivers and Minnesota River Regional Trails.
2. Revise the scope of the \$40,000 grant to Dakota County approved on June 27, 2012 (Agenda item 2012-183) to partially fund the match to \$2 million of federal grants and supplement \$1,039,000 of Parks and Trails Legacy Fund financed grants for the engineering, acquisition and construction of portions of the North Urban, Mississippi River, Big Rivers and Minnesota River Regional Trails.

Attachment 1: Letter from Steve Sullivan, Dakota County



Physical Development Division
Lynn Thompson, Director

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Environmental Management Dept.
Office of GIS
Parks and Open Space Department
Surveyor's Office
Transit Office
Transportation Department
Resources Department

August 27, 2012

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

Dear Mr. Stefferud:

On July 31, 2012, per Resolution 12- 364, the Dakota County Board of Commissioners approved a Parks Capital Improvement Program (CIP) amendment to augment funding to Dakota County projects not funded with the reduced allocation from the Metropolitan Regional Parks 2012 State Bonding. The Board further approved the reallocation of Lake Byllesby Regional Park Echo Point Grant SG-2010-025 for this purpose. Dakota County requests Metropolitan Council's (MC) consideration to amend the MC CIP as resolved.

As background, the Metropolitan Parks implementing agencies requested \$10.5 million in 2012 State bond funds to be matched with \$7 million of MC bonds for a total of \$17.5 million to fund regional park improvements. The approved 2012-2013 Dakota County Parks CIP reflects a State bonding target of \$1.808 million for four projects. However, the approved 2012 State bonding bill resulted in \$7.643 million rather than \$17.5 million, providing a Dakota County share of \$790,000 rather than \$1.808 million, and resulting in a Dakota County Parks CIP shortfall of \$1.018 million (Attachment A: State Bonding).

The County Board evaluated and approved the following to augment the 2012 State Bonding shortfall (Attachment B):

- Fund project 1- Mississippi River Regional Trail (MRRT) in Spring Lake Park Reserve at \$750,000 and project 3 - greenway flex fund at \$488,000 because it augments all Dakota County Park CIP greenway projects and protects the associated Federal grants.
- Fund project 4 - MRRT trailhead in Heritage Village Park at \$450,000 because it provides needed facilities such as parking, restrooms and drinking water to a recently opened Mississippi River Regional Trail segment.

•Not fund project 2 - park facility upkeep at \$120,000. The funds are for overlaying the Jensen parking lot and the project can be delayed without impact to the park use.

Revenues for covering the shortfall are derived as follows: Projects 1 and 3 from 2012 State bonds (\$790,000) and Park fund balance (\$148,000). This approach also approves that a lower priority MC grant for Echo Point improvements in Lake Byllesby Regional Park (\$300,000) be reallocated to project 3. Project 4 would be financed with Dakota County Park Fund balance (\$200,000) and Dakota County General Fund balance (\$250,000). Dakota County will request eligibility of reimbursement of County financing Project 4 as a separate request.

Please contact me at 952.891.7088 with any questions. Thank you for considering the request.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Sullivan", written in a cursive style.

Steve Sullivan RLA
Parks Director
Dakota County Operations Management Department

CC: Taud Hoopingarner, Operations Management Director
Stacy Reilly, Financial Analyst

Attachments

2012 STATE BOND REQUEST vs. STATE BOND ALLOCATION

Regional Park Implementing Agency	Project Number	Project Location/ Name	Project Description	State Bond Request (\$000s)	State Bond Allocation (\$000's)
Dakota County	1	Mississippi River Regional Trail In Spring Lake Park Reserve	Partial match to a \$922,000 Federal Transportation grant for the final design, acquisition and construction of 1.6 miles of the Mississippi River Regional Trail within the eastern portion of Spring Lake Park Reserve.	\$750	\$750
Dakota County	2	Park Facility Upkeep For Parks In Dakota County	Fund significant backlog of park redevelopment projects, such as buildings, structures, utilities and roads, for purposes of continuing public service, addressing safety, and preserving infrastructure. Examples of need include replacing/upgrading utility systems (e.g. septic systems, electrical needs), redevelopment to improve access and safety (e.g. ADA), addressing storm water management issues, and bituminous overlays.	\$120	\$40
Dakota County	3	Greenway Flex Funding For Regional Trails In Dakota County	Match to \$2 million of federal grants and supplement \$1.039 million of Parks and Trails Legacy Funding for the engineering, acquisition and construction priorities of regional trail development for portions of the following regional trails: North Urban, Mississippi River, Big Rivers, and Minnesota River.	\$488	\$0
Dakota County	4	Mississippi River Regional Trailhead In Heritage Village Park	Final design, site improvements and construction of a trailhead building with restrooms within the City of Inver Grove Height's Heritage Village Park as a trailhead for the Mississippi River Regional Trail.	\$450	\$0
			Dakota County Total	\$1,808	\$790

APPROVED AMENDED CIP OPTION by DAKOTA COUNTY BOARD

Attachment B

Project Number	Project Location	Project Description	Proposed 2012 CIP Project Amount (\$000s)	Recommended Revenue Source (\$000s)
1	Mississippi River Regional Trail In Spring Lake Park	Partial match to a \$922,000 Federal Transportation grant for the final design, acquisition and construction of 1.6 miles of the Mississippi River Regional Trail within the eastern portion of Spring Lake Park Reserve.	\$750	State and Met Council Bonds \$750
2	Facility Upkeep For Parks In Dakota County	Fund significant backlog of park redevelopment projects, such as buildings, structures, utilities and roads, for purposes of continuing public service, addressing safety, and preserving infrastructure. Examples of need include replacing/upgrading utility systems (e.g. septic systems, electrical needs), redevelopment to improve access and safety (e.g. ADA), addressing storm water management issues, and bituminous overlays.	\$0	Delay Jensen parking lot overlay project to future CIP (\$120)
3	Greenway Flex Funding For Regional Trails In Dakota County	Match to \$2 million of federal grants and supplement \$1.039 million of Parks and Trails Legacy Funding for the engineering, acquisition and construction priorities of regional trail development for portions of the following regional trails: North Urban, Mississippi River, Big Rivers, and Minnesota River.	\$488	Reallocate State and Met Council Bonds \$40 Reallocate Echo Point - LBRP Met Council Grant \$300 Park Fund Balance \$148
4	Mississippi River Regional Trailhead In Heritage Village Park	Final design, site improvements and construction of a trailhead building with restrooms within the City of Inver Grove Height's Heritage Village Park as a trailhead for the Mississippi River Regional Trail.	\$450	General Fund Balance \$250 Park Fund Balance \$200
		Dakota County Total	\$1,688	\$ 750 State and Met Council Bonds \$ 250 General Fund Balance \$ 348 Park Fund Balance <u>\$ 340 Reallocate Met Council Grants</u> \$1,688

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