

C Community Development Committee

Meeting date: April 16, 2007

ADVISORY INFORMATION

Date:	April 11, 2007
Subject:	Acquisition Opportunity Grant Request for the Hohlt Parcel in Big Marine Park Reserve and reimbursement consideration for County funding, Washington County
District(s), Member(s):	District 12, Chris Georgacas
Policy/Legal Reference:	MN Statute 473.313
Staff Prepared/Presented:	Jan Youngquist, Senior Planner– Parks (651-602-1029)
Division/Department:	Community Development/Regional Systems Planning and Growth Strategy, Parks

Proposed Action/Motion

That the Metropolitan Council:

1. Authorize a grant of up to \$9,023 from the Park Acquisition Opportunity Fund to Washington County to partially fund the acquisition of the Hohlt parcel in Big Marine Park Reserve.
2. Allow up to \$13,534 of the acquisition costs of the Hohlt parcel to be eligible for reimbursement consideration in a future regional parks CIP. However, the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

Issue(s)

- Should the Metropolitan Council approve a grant of up to \$9,023 from the Council's "Acquisition Opportunity Funds" to Washington County to acquire the 1.5 acre Hohlt property in Big Marine Park Reserve?
- Is \$13,534 of regional park acquisition costs eligible for reimbursement with a Metropolitan Council grant in a future regional parks capital improvement program?

Overview and Funding

The 1.5 acre property is within the boundaries of Big Marine Park Reserve. Acquisition of the property is consistent with the Council approved master plan for the park reserve and is consistent with the Council's *2030 Regional Parks Policy Plan*.

Washington County negotiated a purchase price of \$20,000 for the Hohlt parcel. The County also anticipates additional grant eligible costs related to the purchase of the property of up to \$2,557. Therefore, the total estimated cost to purchase the property is \$22,557. The *2006-07 Regional Parks CIP* allows for funding of up to 40% of the purchase costs of a property in the Regional Park System through the Park Acquisition

Opportunity Fund. The County's request for up to \$9,023 reflects 40% of the grant eligible purchase costs. Washington County also requested that up to \$13,534 financed with County funds be eligible for reimbursement consideration in a future regional parks CIP.

The Metropolitan Council has granted \$5,654,672 to-date from the Park Acquisition Opportunity Fund, with one pending grant included in that total amount. The balance in the Fund prior to granting any funds for acquisition of the Hohlt parcel is \$3,458,024. If \$9,023 of acquisition opportunity funds were granted for the Hohlt parcel, there would be \$3,449,001 remaining in the Fund for future land acquisition.

The Metropolitan Parks and Open Space Commission reviewed the acquisition opportunity grant and reimbursement consideration requests at its April 10, 2007 meeting. The Commission unanimously approved the recommendations.

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

DATE: March 23, 2007

TO: Metropolitan Parks and Open Space Commission

FROM: Jan Youngquist, Senior Planner -Parks (651-602-1029)

SUBJECT: (2007-98) Acquisition Opportunity Grant Request for the Hohlt Parcel in Big Marine Park Reserve and reimbursement consideration for County funding, Washington County

INTRODUCTION:

Washington County is under contract to purchase a 1.5 acre parcel within the boundary of Big Marine Park Reserve, hereafter referred to as the Hohlt property. The cost to purchase the property and to finance related costs for the appraisal, tax equivalency and other items is estimated to be up to \$22,557. The County has requested that up to \$9,023 be granted from the Metropolitan Council's Park Acquisition Opportunity Fund to finance 40% of the cost to acquire the Hohlt parcel. The County has also requested that up to \$13,534 financed with County funds be eligible for reimbursement consideration in a future regional parks CIP. (See **Attachment 1**, letter from James Luger, Washington County Parks Director)

This memorandum analyzes the request against the criteria for granting acquisition opportunity funds and recommends approving a grant of up to \$9,023. It also analyzes the request for reimbursement consideration and recommends that up to \$13,534 be eligible for reimbursement consideration in a future regional parks CIP.

If \$9,023 of acquisition opportunity funds were granted for the Hohlt parcel, there would be \$3,449,001 remaining in the Fund for future land acquisitions. Washington County has received three grants totaling \$324,146 under the policy limit of \$1 million per agency for acquisition opportunity funds granted from July 1, 2005 to June 30, 2007. If \$9,023 is granted to Washington County, the County could request an additional \$666,831 until June 30, 2007.

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*".

ANALYSIS:

The Hohlt property consists of 1.5 acres and is located in the north-central portion of the park reserve to the west of Big Marine Lake. The purchase of the Hohlt property will complete the acquisition of the necessary acreage for the proposed Phase 1 development project at the park reserve. (See **Attachment 2** for a map showing an aerial photograph of the location of the Hohlt parcel).

Washington County has negotiated a purchase price of \$20,000 for the Hohlt parcel. The County also anticipates additional grant eligible expenses related to the purchase of the property of up to \$2,557. Therefore, the total estimated cost to purchase the property is \$22,557 as shown below.

Proposed Purchase Price	\$20,000
Appraisal	\$ 1,200
Tax Equivalency Payment	\$ 4
Phase 1 Environmental Assessment	\$ 1,300
<u>State Deed Tax</u>	<u>\$ 53</u>
TOTAL:	\$22,557

Washington County proposes to finance the Hohlt parcel acquisition with the following revenue sources:

Metropolitan Council Acquisition Opportunity Fund (40%)	\$ 9,023
<u>County funds requested to be eligible for reimbursement (60%)</u>	<u>\$ 13,534</u>
Total	\$ 22,557

Background on acquisition opportunity funds:

The Metropolitan Council has granted \$5,654,672 to date from the Park Acquisition Opportunity Fund as shown in Table 1.

Table 1: Park Acquisition Opportunity Fund Grants approved as of April 10, 2007

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 is 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.

Amount Granted	Park Agency	Project Description
\$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 Lake Waconia 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 County funds (\$124,589). County amount eligible for reimbursement consideration in a future regional parks 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 parks 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 parks CIP. Approved September 22, 2004.
\$433,333	Scott County	Acquire 80 acres within the Doyle-Kennefick Regional Park as a match to a DNR Metro Greenways grant of \$650,000. Approved Nov. 10, 2004.
\$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 parks 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 parks 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 parks 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 parks 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 parks 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 parks 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 parks CIP. APPROVAL PENDING
\$5,654,672		**Total funds granted or disbursed as of April 10, 2007

****PLEASE NOTE:** The Metropolitan Park and Open Space Commission recommended approval of an Acquisition Opportunity Fund grant to Three Rivers Park District of up to \$354,799 for the Weinkauff property purchase at its February 6, 2007 meeting. The grant is currently on hold pending approval from the City of Greenfield for the sale of the property and subsequent Metropolitan Council approval of the grant request. All tables in this memo have been prepared with the assumption that the acquisition of the property and the Council grant will be approved.

Based on the grants approved to-date, the updated balance of the fund is \$3,458,024 as shown in Table 2 below.

Table 2: Updated Balance to Park Acquisition Opportunity Fund prior to grant for Hohlt parcel in Big Marine Park Reserve

\$2,400,000	Original amount in park acquisition opportunity fund
\$3,357,000	Additional Council bonds added to fund in June 2003
\$340,334	Additional Council bonds added that were not needed to match State funds for natural resource restoration grants added in December 2003
\$15,362	Additional funds added from closed grants as part of amendment to 2005 Unified Capital Budget on May 11, 2005
\$3,000,000	Additional Council bonds added to fund in July 2006
\$9,112,696	Total funds available
-\$5,654,672	Granted as of April 10, 2007 (For details see Table 1 above)
\$3,458,024	Balance of acquisition opportunity fund (Before granting any funds for the Hohlt parcel in Big Marine Park Reserve)

Based on the 2006-07 regional parks CIP, five conditions govern the use of the Park Acquisition Opportunity Fund, which are indicated below in bold. The following findings indicate that these conditions are met for the Washington County request to acquire the Hohlt parcel in Big Marine Park Reserve.

1. The land in question is consistent with a Council approved park/trail master plan.

The Hohlt parcel is within the Council approved boundary for Big Marine Park Reserve

2. The land is under threat of loss for park uses because it is for sale. Action is needed now to acquire it versus waiting for future State appropriations/matching Council funds to acquire it later.

The Hohlt parcel would be under threat of loss for park uses if Washington County did not acquire it. This park reserve is “officially mapped”, which means that Washington County must make its best efforts to acquire land within the park reserve when it becomes available for purchase. Action to acquire the land now is needed instead of waiting for additional funds to be appropriated to the County.

3. The park agency that wants to buy the land has no other park CIP grants available to buy it.

Washington County has used the \$280,000 recently granted to it from the 2006-07 parks CIP (SG2006-121) to reimburse County costs incurred in acquiring other land for the park that was partially financed with grant SG-00-31. Consequently, the County has no other acquisition funds to acquire this parcel.

4. **The grant from the Park Acquisition Opportunity Fund may finance up to 40% of the fair market value of the parcel and related acquisition costs (appraisals, tax equivalency payments, relocation, and stewardship costs—well capping, demolition/removal of hazardous structures, etc.) The remaining 60% match can be either provided by the park agency in cash, or other matching funds such as a watershed district grant, or the land seller can reduce the sale price of the parcel by 60%. A combination of park agency cash, matching funds and a reduced sale price can be used to finance the remaining 60%. The park agency can request to be considered for reimbursement of its cash contribution in a future regional parks CIP.**

Washington County has requested \$9,023 for the Hohlt parcel, which is 40% of the total estimated acquisition costs. The County is financing the remaining 60% with County funds and has requested consideration of reimbursement of these funds in a future regional parks CIP.

5. **No more than \$1 million may be granted from the Fund to a regional park agency from July 1, 2005 to June 30, 2007.**

Washington County has received three grants totaling \$324,146 under the policy limit of \$1 million per agency for acquisition opportunity funds granted from July 1, 2005 to June 30, 2007. If \$9,023 is granted to Washington County, it could request an additional \$666,831 until June 30, 2007.

Status of remaining acquisition opportunity funds.

If \$9,023 was granted, there would be \$3,449,001 remaining for future acquisition opportunities as shown in Table 3.

Table 3: Updated Balance to Park Acquisition Opportunity Fund if a grant is awarded for the Hohlt parcel in Big Marine Park Reserve

\$3,458,024	Balance of acquisition opportunity fund before granting any funds for the Hohlt parcel in Big Marine Park Reserve (For details see Table 2 above.)
-\$ 9,023	Proposed funding for 1.5-acre Hohlt parcel in Big Marine Park Reserve
\$3,449,001	Updated balance of Park Acquisition Opportunity Fund if funds are granted to acquire the 1.5-acre Hohlt parcel in Big Marine Park Reserve

Reimbursement eligibility for County funding of the acquisition.

As noted above, Washington County has requested eligibility for reimbursement consideration of up to \$11,134 in a future regional parks CIP to acquire this parcel. The request must comply with the terms of Strategy 2(f) of the *2030 Regional Parks Policy Plan* regarding reimbursement eligibility to acquire land. The applicable excerpts from that policy states:

Strategy 2(f): Reimbursement

Reimbursement will be considered for early acquisition of land currently designated as regional recreation open space by the Metropolitan Council in the *2030 Regional Parks Policy Plan* if the acquisition is in full agreement with a Council-approved master plan as required under MN Statutes 473.313 and the regional park implementing agency received Council approval prior to undertaking the acquisition.

...

If these conditions are met as required by MN Statutes 473.147, and 473.313 the Council will consider reimbursing the park agency via a grant as permitted under MN Statutes 473.315 for the following costs:

- a) Appraisal costs incurred by the acquiring park agency or entity under contract with the agency
 - b) Surveying costs incurred by the acquiring park agency or entity under contract with the agency
 - c) Legal fees incurred by the acquiring park agency or entity under contract with the agency
 - d) Fees for service provided by an entity under contract by the park agency to negotiate and purchase the land or obtain an option to purchase
 - e) Principal payments made towards the purchase price including principal payments on a contract for deed or bond, or payments made on an option to purchase
 - f) 180% of township or city taxes due on the parcel at the time of closing as required by MN Statute 473.341
- ...

The Metropolitan Council will use best efforts to implement this reimbursement policy as described above. However, the Council does not, under any circumstances, represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

This acquisition is consistent with the terms of Strategy 2(f) because the parcel is consistent with a Council-approved master plan, the County is seeking approval prior to closing on the transaction, and the request is consistent with the 2006-07 parks CIP criteria for acquisition opportunity funds.

As noted in Strategy 2(f), approval of this project at this time does not commit the Council to finance the requested reimbursement in the regional parks CIP.

CONCLUSIONS:

1. Washington County's request of \$9,023 in Park Acquisition Opportunity Funds to acquire the Hohlt parcel in Big Marine Park Reserve is consistent with the conditions for receiving a grant from the Park Acquisition Opportunity Fund.
2. Washington County's request to be eligible for reimbursement consideration of up to \$13,534 in a future regional parks CIP is consistent with the conditions of Strategy 2(f) Reimbursement, in the *2030 Regional Parks Policy Plan*.

RECOMMENDATIONS:

That the Metropolitan Council:

1. Authorize a grant of up to \$9,023 from the Park Acquisition Opportunity Fund to Washington County to partially fund the acquisition of the Hohlt parcel in Big Marine Park Reserve.
3. Allow up to \$13,534 of the acquisition costs of the Hohlt parcel to be eligible for reimbursement consideration in a future regional parks CIP. However, the Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

**ATTACHMENT 1: LETTER FROM WASHINGTON COUNTY
ELECTRONIC COPY—ORIGINAL ON FILE AT METROPOLITAN COUNCIL**



**Department of Transportation
and Physical Development
Parks Division**

Donald J. Theisen, P.E.
Director/County Engineer

James D. Luger, RLA
Parks Director

March 13, 2007

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

**REQUEST FOR EMERGENCY ACQUISITION FUNDS AND REIMBURSEMENT OF
PROPERTY ACQUISITION COSTS**

Dear Arne:

Washington County requests the Metropolitan Council consider providing emergency acquisition funds for the purchase of the Hohlt property. We also request that the costs associated with the proposed acquisition of this property be considered for future reimbursement. The property is located in May Township within the boundary of the Big Marine Park Reserve.

Washington County has a signed purchase agreement with the landowner for purchasing the property, which is approximately 1.5 acres. The purchase of the Hohlt property will complete the acquisition of the necessary acreage for the proposed Phase 1 development project for Big Marine Park Reserve.

The purchase agreement for the property is \$20,000. Additional costs associated with the purchase of the property are as follows:

Appraisal	\$ 1,200.00
Tax Equivalency Payment	\$ 4.00
Phase 1 Environmental Study	\$ 1,300.00
State Deed Tax	\$ 53.00
Total additional costs	\$ 2,557.00

The total acquisition cost is \$22,557.00, Washington County requests the Metropolitan Council provide up to \$9,023.00 in emergency acquisition funds for acquisition of this parcel. Washington County will fund the remaining \$13,534.00 from fund balance.

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

Letter to Mr. Arne Stefferud
Page 2
February 23, 2007

It is my understanding that this request will require action by the MPOSC. Therefore, I am requesting this item be placed on the next MPOSC meeting agenda.

Enclosed are a legal description and map showing the location of the Hohlt parcel.

If you have any questions or need further information, please call.

Respectfully,

James Luger
Parks Director

C: Don Theisen, Director, County Engineer, Transportation and Physical
Development
Sharon Price, Property Manager

Enc

N:\WORD\Metro\Hohlt property.doc

Legal Description

Lot B, Oak Lane Addition, Washington County, Minnesota

