

# C Community Development Committee

**Business Item**  
Item: 2009-7

Meeting date: January 20, 2009

## ADVISORY INFORMATION

<b>Date:</b>	January 8, 2009
<b>Subject:</b>	Change in scope of Grant SG-2006-125 to purchase land for Eagle Lake Regional Park, Three Rivers Park District
<b>District(s), Member(s):</b>	District 1, Roger Scherer, ph. 651-485-3214
<b>Policy/Legal Reference:</b>	MS 473.315
<b>Staff Prepared/Presented:</b>	Arne Stefferud, Planning Analyst—Parks (651-602-1360)
<b>Division/Department:</b>	Community Development/Regional Systems Planning and Growth Strategy, Parks

## Proposed Action

That the Metropolitan Council authorizes a change in the scope of grant SG-2006-125 to partially finance the acquisition of the Weegman property for Eagle Lake Regional Park and directs Council staff to execute an amendment to the grant agreement that reflects this change in scope.

## Background

On July 12, 2006 the Metropolitan Council approved a grant of \$225,000 as a partial reimbursement for Three Rivers Park District's acquisition of Silverwood Special Recreation Feature. The Park District intended to use the grant for design/engineering of a visitor center at French Regional Park (SG-2006-125). Due to a significant amount of additional infrastructure replacement needed at French Regional Park, plans for the visitor center have been delayed outside the time frame of this grant, which is programmed to end on December 31, 2009. The Park District has asked that the scope of this grant be changed to partially finance the acquisition of 0.37 acres (the Weegman property) for Eagle Lake Regional Park.

## Rationale

Section 6.06 of the grant agreement allows changes in scope of the grant. The proposed change in scope of grant SG-2006-125 to partially fund acquisition of the Weegman property for Eagle Lake Regional Park is consistent with the conditions of section 6.06 because:

1. The Park District has notified the Council why a change should be made.
2. The use of the grant to acquire land at Eagle Lake Regional Park instead of funding design/engineering costs for a visitor center at French Regional Park does not change the Park District's share of the funded portion of the Metropolitan Council's 2006-07 Regional Parks CIP. 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 [Three Rivers Park District]".

## Funding

The purchase price and related costs to acquire the property is \$375,000. The Park District would use the \$225,000 from grant SG-2006-125 and \$150,000 of its own funds to finance these costs. The Park District is not asking the Metropolitan Council to consider reimbursing the District in a future Metropolitan Council Regional Parks Capital Improvement Program (CIP) for its \$150,000 contribution on this acquisition.

### **Known Support / Opposition**

On January 6, the Metropolitan Parks and Open Space Commission unanimously approved the recommendation to approve the change in scope of the grant. There is no known opposition to this request.

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

**DATE:** December 19, 2008

**TO:** Metropolitan Parks and Open Space Commission

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

**SUBJECT:** (2009-7) Change in scope of Grant SG-2006-125 to purchase land for Eagle Lake Regional Park, Three Rivers Park District

**INTRODUCTION**

On July 12, 2006 the Metropolitan Council approved a grant of \$225,000 as a partial reimbursement for Three Rivers Park District's acquisition of Silverwood Special Recreation Feature. The Park District intended to use the grant for design/engineering of a visitor center at French Regional Park (SG-2006-125). Due to a significant amount of additional infrastructure replacement needed at French Regional Park, plans for the visitor center have been delayed outside the time frame of this grant, which is programmed to end on December 31, 2009. The Park District has asked that the scope of this grant be changed to partially finance the acquisition of the Weegman property for Eagle Lake Regional Park. (See **Attachment 1**, letter from Boe Carlson, Three Rivers Park District).

This memorandum contains a review of this request under applicable terms of the grant agreement and recommends changing the scope of the grant.

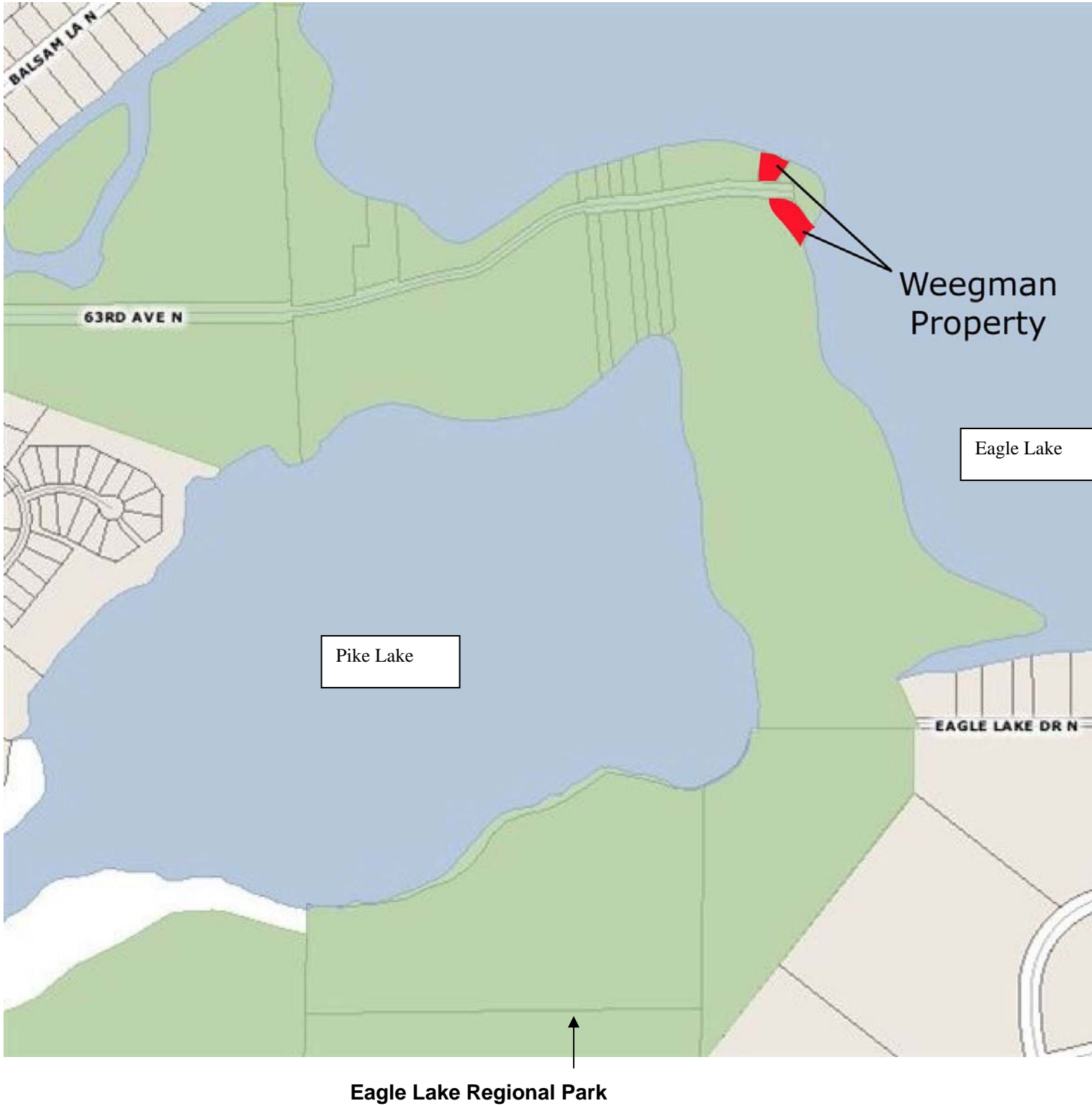
**AUTHORITY TO REVIEW**

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**

The Weegman property is the last privately owned parcel on a peninsula of Eagle Lake in Eagle Lake Regional Park. The property includes two parcels with shoreline on Eagle Lake that totals 0.37 acres in size. The smaller parcel (0.16 acres) includes a small home constructed in 1941 which was appraised with a value of \$20,000. The negotiated purchase price of \$345,000 was based primarily on the lakeshore value of the land. **Figure 1** illustrates its location in relation to the rest of the park.

Figure 1: Weegman property in Eagle Lake Regional Park



Following is a table illustrating the purchase price and related costs to acquire the property, remove the structure and restore the site for a total of \$375,000.

\$	345,000	Purchase price
\$	2,000	Appraisal fee
\$	700	Share of 2009 property taxes
\$	1,300	180% of local property taxes (tax equivalency payment)
\$	2,000	Closing costs
		<b>Site Restoration</b>
\$	15,000	Structure removal
\$	9,000	Site work/Restoration
\$	<b>375,000</b>	<b>TOTAL</b>

The Park District would use the \$225,000 from grant SG-2006-125 and \$150,000 of its own funds to finance these costs. As noted in the Park District’s letter, the District is not asking the Metropolitan Council to consider reimbursing the District in a future Metropolitan Council Regional Parks Capital Improvement Program (CIP) for its \$150,000 contribution on this acquisition.

Grant SG-2006-125 was part of the Metropolitan Council’s 2006-07 Regional Parks Capital Improvement Program (CIP) that was funded with \$7 million of State bond appropriations and \$4,667,000 of matching Metropolitan Council bonds.

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

**6.06 Changes in the Development Project.** If the Grantee [Three Rivers Park District], 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-2006-125 to partially fund acquisition of the Weegman property for Eagle Lake Regional Park is consistent with the conditions of section 6.06 because;

3. The Park District has notified the Council why a change should be made in **Attachment 1**.

4. The use of the grant to acquire land at Eagle Lake Regional Park instead of funding design/engineering costs for a visitor center at French Regional Park does not change the Park District's share of the funded portion of the Metropolitan Council's 2006-07 Regional Parks CIP. 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 [Three Rivers Park District]".

## **CONCLUSION**

The proposed change in scope of grant SG-2006-125 to partially fund acquisition of the Weegman property for Eagle Lake Regional Park is consistent with the conditions in section 6.06 of the grant agreement.

## **RECOMMENDATION**

That the Metropolitan Council authorizes a change in the scope of grant SG-2006-125 to partially finance the acquisition of the Weegman property for Eagle Lake Regional Park and directs Council staff to execute an amendment to the grant agreement that reflects this change in scope.

Attachment 1: Letter from Boe Carlson, Three Rivers Park District



December 19, 2008

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: Eagle Lake Regional Park  
Weegman Property  
**Land Acquisition Opportunity Grant**

Marilynn Corcoran,  
Vice Chair  
District 2

Dear Mr. Stefferud,

At the December 18<sup>th</sup> 2008 Three Rivers Park District Board Meeting, the purchase of the Weegman In-holding Property was approved. Detailed below are the estimated acquisition costs for the Weegman parcel.

Mark Haggerty  
District 3

\$ 345,000	Purchase price
\$ 2,000	Appraisal fee
\$ 700	Share of 2009 property taxes
\$ 1,300	180% of local property taxes
\$ 2,000	Closing costs
	<b>Site Restoration</b>
\$ 15,000	Structure removal
\$ 9,000	Site work/Restoration
<hr/>	
\$ 375,000	TOTAL

Dale Woodbeck  
District 4

Currently the Park District has a Metropolitan Council grant for the planning and design of a new visitor center at French Regional Park; (SG 2006-125). Due to a significant amount of additional infrastructure replacement needed at that park, plans for the visitor center have been delayed outside the window of this grant.

Rosemary Franzese  
District 5

The Park District is requesting this grant amount of \$225,000 be transferred to the Weegman Property Acquisition. The Park District would provide the remainder of funds needed to complete this acquisition and would not be seeking future reimbursement consideration.

Larry Blackstad, Chair  
Appointed

This property is a significant in-holding at Eagle Lake Regional Park. Thank you for your consideration of this item. Please let me know if you have any questions.

Joan Peters,  
Appointed

Sincerely,

Cris Gears  
Superintendent

Boe Carlson  
Associate Superintendent  
Division of Administration

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