

METROPOLITAN COUNCIL
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DATE: February 22, 2011

TO: Metropolitan Parks and Open Space Commission

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

SUBJECT: (2011-xxx) Amend scope of Grant SG-2008-055 and Future CIP Reimbursement Request for Como Pool Replacement Project, City of St. Paul

INTRODUCTION

On April 28, 2010 the Metropolitan Council approved a \$1.8 million grant to the City of St. Paul financed from 2010 State bonds and Metropolitan Council bonds to partially finance replacement of the Como Park Pool, which includes design and construction of a new state of the art aquatics facility at the site of the former pool, plus constructing new parking area to meet current environmental standards. (Grant SG-2010-040).

During construction, the City encountered unstable soils which required them to be removed and replaced with stable soils that could support a building. This unforeseen soil problem did not show up when soil borings were done prior to construction. It has escalated costs beyond the project's current budget.

The pool replacement project is funded with the Metropolitan Council grant SG-2010-040 and \$5,280,000 of City bonds. The City wants to keep the project on schedule and open the aquatics facility in 2012. To address the cost over-run described above, the City has asked to amend the scope of another grant (SG-2008-055) to allow up to \$240,567 of that grant's \$503,000 amount be used to supplement funding for the aquatics facility. The rest of grant SG-2008-055 would be used for its initial purpose to finance design and engineering costs to replace portions of two roads within Como Park— Estabrook Drive and Nason Place.

The City also has asked that the Metropolitan Council consider allowing the \$5,280,000 of City funding for the aquatics facility project become eligible for reimbursement consideration through future Metropolitan Council regional parks capital improvement programs. (See **Attachment 1**, letter from Jody Martinez, City of St. Paul).

This memorandum contains a review of these requests under applicable terms of the appropriation legislation and grant agreement SG-2008-055, and the Council's reimbursement policy in the updated 2030 Regional :Parks Policy Plan. Staff found both requests to comply with applicable terms and conditions and recommends that they be approved.

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

Change in Scope of Grant SG-2008-055

Grant SG-2008-055 was funded with a portion of the 2008 State bond appropriation and Metropolitan Council bonds as part of the 2008-09 Metropolitan Council Regional Parks Capital Improvement Program. The \$503,000 grant was intended to finance the design and construction to replace portions of two roads within Como Regional Park--Estabrook Drive and Nason Place.

In this case, the City of St. Paul wants to use up to \$240,567 of this grant to partially finance the aquatics facility at Como Regional Park.

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 [City of St. Paul], 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-2008-050 to allow up to \$240,567 be used for the aquatics facility at Como Regional Park is consistent with the conditions of section 6.06 because;

1. The City of St. Paul has notified the Council why a change should be made in **Attachment 1**.
2. The use of a portion of Grant SG-2008-055 for the aquatics facility does not change the City of St. Paul's share of the funded portion of the Metropolitan Council's 2008-09 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 [City of St. Paul]".

Reimbursement consideration of City of St. Paul funding for Como Aquatics Facility project through future Metro Council Regional Parks Capital Improvement Programs

Finance Strategy 6 of the *Updated 2030 Regional Parks Policy Plan* states:

Finance Strategy 6: Reimbursement

“...Reimbursement will be considered for development provided the project in question is consistent in timing, scale, type and cost with an approved master plan, that all information required for a development grant is submitted to the Council prior to the regional park implementing agency undertaking the project and that the Council approves the project...”

This request is consistent with the terms of Finance Strategy 6 for the following reasons:

1. The timing, scale and cost of the Como Regional Park aquatics facility project is consistent with the Council-approved development master plan for the park. As noted in the City’s letter, the cost over-run is due to unstable soils that were not found during soil bore testing prior to construction. The Council has financed a portion of the aquatics facility under Grant SG-2010-040.
2. Enough information has been submitted in this request regarding what would be financed with a Council grant to meet the requirements of Finance Strategy 6. In this case, that information is contained in the City’s letter **Attachment 1**.
3. The City of St. Paul is requesting Metropolitan Council approval for City financed expenditures spending on this project prior to undertaking them.

Status of reimbursement consideration requests

At this time there are about \$43.6 million of projects that the Metropolitan Council has approved for regional parks CIP reimbursement consideration. Such approval only allows the applicable regional park agency to seek reimbursement funding for such projects as part of that agency’s share of future regional parks capital improvement programs. Table 2 at the end of this memorandum lists all projects that may be considered for reimbursement in future regional parks capital improvement programs as of February 22, 2011.

CONCLUSIONS

1. The proposed change in scope of grant SG-2008-055 to allow up to \$240,567 to be used to partially fund replacement of the Como Park Pool, which includes design and construction of a new state of the art aquatics facility at the site of the former pool, plus constructing new parking area to meet current environmental standards is consistent with the conditions in section 6.06 of the grant agreement.
2. The *Updated 2030 Regional Parks Policy Plan* requires that requests for CIP reimbursement consideration are consistent with the terms of Finance Strategy 6. This review concludes that the City of St. Paul’s request for reimbursement consideration of up to \$5,280,000 for city financing of the Como aquatics facility is consistent with the terms of Finance Strategy 6. The timing of when the City of St. Paul is reimbursed for any portion of the \$5,280,000 is dependent on when funds are provided in future regional parks capital improvement programs. However, the Council does not under any circumstances represent or guarantee that a reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.

RECOMMENDATIONS

That the Metropolitan Council:

1. Authorize an amendment to grant SG-2008-055 to allow up to \$240,567 to be used to partially fund replacement of the Como Park Pool, which includes design and construction of a new state of the art aquatics facility at the site of the former pool, plus constructing new parking area to meet current environmental standards.
2. Consider reimbursing the City of St. Paul in future regional parks capital improvement programs up to \$5,280,000 for City bond funding to partially finance replacement of the Como Park Pool, which includes design and construction of a new state of the art aquatics facility at the site of the former pool, plus constructing new parking area to meet current environmental standards. 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 Jody Martinez, City of St. Paul

DEPARTMENT OF PARKS AND RECREATION



CITY OF SAINT PAUL
Mayor Christopher B. Coleman

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January 26th, 2011

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

Re: Como Regional Park Aquatics Facility Project

Dear Arne:

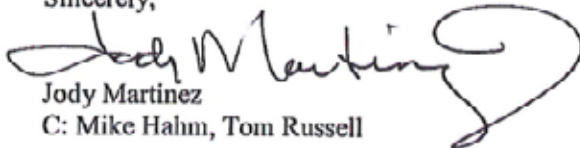
The Como Regional Park Aquatics Facility is funded in part with Metro Council grant SG-2010-040 and construction is well underway. However, we have encountered unforeseen unstable soil conditions that require removal and replacement with stable soils that will support a building. We now believe the old 'work house' was buried here and are encountering bricks to a 30' depth. This unforeseen condition, which did not show up on our soil boring report, has caused construction costs to escalate beyond our current budget. It is critical that the pool be opened in 2012, so to keep construction going and avoid delays, it was determined to proceed with construction as quickly as possible.

The city is funding the pool project through local Build America Bonds (\$5,280,000); plus we request revising the scope of Grant SG-2008-055 to allow up to \$240,567 be available for the pool project and \$1,800,000 from grant SG-2010-040. The project is underway, however the majority of work has not yet been accomplished and the majority of funds have not yet been spent. The project funding is insufficient due to the unforeseen soil issues and therefore, to help offset a portion of these additional costs, this letter requests:

1. Revising the scope of grant SG-2008-055 to allow up to \$240,567 to be used for the design/construction of a new state of the art aquatics facility at the site of the former Como Pool, plus constructing new parking area to meet current environmental standards.
2. That the Metropolitan Council consider reimbursing up to \$5,280,000 financed by the city for consideration in future regional park capital improvement programs under the terms of Finance Strategy 6 of the updated 2030 Regional Parks Policy Plan.

Thank you for your consideration.

Sincerely,


Jody Martinez
C: Mike Hahn, Tom Russell



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Table 2: List of Outstanding Regional Park CIP Reimbursement Consideration Requests as of Feb. 22, 2011

Park Agency Name	Outstanding amount <u>per project</u> for Metro Parks CIP reimbursement consideration	Project Description (Includes park or trail name, amount of land acquired or a description of development/rehabilitation project)	Year Met Council authorized reimbursement consideration prior to project start
Anoka County	\$ -		
City of Bloomington	\$ -	Hyland-Bush-Anderson Lakes Park Reserve: Reimbursement for site restoration of 6101-84th Street parcel paid off with \$37,000 in 2010-11 Parks CIP grant	2005
Carver County	\$ 100,000	Lake Waconia Regional Park-Demolition of Buildings	2007
Caver County	\$ 2,288,361	Lake Waconia Regional Park - Acquisition of land for park including Lake Waconia ballroom after \$423,000 deduction from 2010-11 Parks CIP reimbursement grant	2004 and 2008
Caver County	\$ 1,072,000	Financing local match for a \$1,976,000 federal grant to develop the Dakota Rail Regional Trail	2008
	\$ 3,460,361	Carver County Total	
Dakota County	\$ 198,634	Lake Byllesby Regional Park road project after \$225,000 deduction from 2008-09 CIP reimbursement grant	1997
Dakota County	\$ 62,195	Lebanon Hills Regional Park campground expansion	2000
Dakota County	\$ 70,222	Lebanon Hills Regional Park acquisition (Schultz property)	2000
Dakota County	\$ 20,282	Miesville Ravine Park Reserve picnic shelter construction	2000
Dakota County	\$ 280,530	Miesville Ravine Park Reserve acquisition (Banks property)	2001
Dakota County	\$ 180,882	Spring Lake Park Reserve acquisition (Klink property)	2001
Dakota County	\$ 200,000	Lebanon Hills Regional Park visitor center construction after \$445,000 deduction from 2010-11 Parks CIP reimbursement grant	2002
Dakota County	\$ 220,793	Lebanon Hills Regional Park acquisition (Morotzke/Damann property)	2002
Dakota County	\$ 201,060	Lebanon Hills Regional Park acquisition (Medin property)	2003
Dakota County	\$ 362,400	North Urban Regional Trail Phase 1 construction	2003
Dakota County	\$ 226,639	Lebanon Hills Regional Park acquisition (Skogland property)	2005
Dakota County	\$ 419,146	Lebanon Hills Regional Park acquisition (Pryor property)	2005
Dakota County	\$ 158,269	Lake Byllesby Regional Park acquisition (Wackendorf property)	2005
Dakota County	\$ 741,000	Miesville Ravine Park Reserve acquisition (Nelson property)	2006

Park Agency Name	Outstanding amount <u>per project</u> for Metro Parks CIP reimbursement consideration	Project Description (Includes park or trail name, amount of land acquired or a description of development/rehabilitation project)	Year Met Council authorized reimbursement consideration prior to project start
Dakota County	\$ 1,443,500	Spring Lake Park Reserve acquisition (Wicker property)	2008
Dakota County	\$ 2,155,000	Vermillion Highlands Regional Park acquisition (Butler property)	2008
Dakota County	\$ 550,000	Miss. River Regional Trail (North) acquisition and construction match to \$837,264 Federal Trans. Enhancement grant	2009
Dakota County	\$ 150,000	Miss. River Regional Trail (Central) acquisition and construction match to \$772,800 Federal Trans. Enhancement grant.	2009
Dakota County	\$ 50,665	Miss. River Regional Trail (Pine Bend) final engineering and construction match to \$943,312 Federal Trans. Enhancement grant.	2009
Dakota County	\$ 325,000	Miss. River Regional Trail (East) acquisition and construction match to \$842,533 Federal Trans. Enhancement grant.	2009
Dakota County	\$ 400,000	Miss. River Regional Trail general project budget assistance to projects listed above if needed	2009
Dakota County	\$ 125,000	System-wide signage	2009
Dakota County	\$ 100,000	Schaars Bluff Gathering Center in Spring Lake Park Reserve for site landscaping, ecological improvements, signage and other site amenities	2009
Dakota County	\$ 1,100,000	Match to a \$1,000,000 federal Transportation Enhancement grant to develop 3.7 miles of the Mississippi River Regional Trail in the City of Rosemount from the City of Inver Grove Heights/Rosemount border to Spring Lake Park Reserve.	2010
Dakota County	\$ 415,000	Match to a \$709,000 federal Transportation Enhancement grant for acquisition and construction of 1.1 miles of the North Urban Regional Trail through Dodge Nature Center in the City of West St. Paul	2010
Dakota County	\$ 172,000	System-wide signage including primary and secondary entrance signs, directional, regulatory and interpretive signs.	2010
	\$ 10,328,217	Dakota County Total	

Park Agency Name	Outstanding amount <u>per project</u> for Metro Parks CIP reimbursement consideration	Project Description (Includes park or trail name, amount of land acquired or a description of development/rehabilitation project)	Year Met Council authorized reimbursement consideration prior to project start
Mpls. Park & Rec. Bd.	\$ 300,000	North Mississippi RP development at boat launch area when sufficient interest earnings are provided	2009
Ramsey County	\$ -	Battle Creek Regional Park - Acquisition parcel No. 6 reimbursement paid off with \$35,000 in 2010-11 Parks CIP reimbursement grant	2007
City of St. Paul	\$ 195,000	Phalen Regional Park: construction of a new children's play area in the picnic grounds. Replaced play area built in 1978 adjacent to the picnic pavilion, which did not meet ADA requirements or CPSC safety guidelines. Constructed on 2005.	2005
City of St. Paul	\$ 611,000	Como Regional Park: Complete construction of Hamm's Waterfall, including pools, walkways, and landscaping, mechanical and electrical systems. Completed 2005 / 06	2005
City of St. Paul	\$ 283,000	Lilydale-Harriet Island Regional Park: Connection of existing bike/ ped trail in Lilydale Park to Dakota county's Big Rivers Trail. Completed in 2007	2005
	\$ 1,089,000	City of St. Paul Total	
Scott County	\$ 2,963,667	Doyle-Kennefick Regional Park, ~400-acre Doyle Acquisition after deduction from 2010-11 Parks CIP reimbursement grant	2004
Scott County	\$ 3,526,192	Cedar Lake Farm Regional Park, ~60 acre Fun on the Farm Site acquisition	2007
	\$ 6,489,859	Scott County Total	
Three Rivers Park Dist.	\$ 12,056,000	Silverwood Special Recreation Feature - Phase I Development	2008
Three Rivers Park Dist.	\$ (1,531,000)	Change in scope of grants SG-2006-134 and SG-2006-172 to use them for Phase 1 development at Silverwood Special Recreation Feature	2008
Three Rivers Park Dist.	\$ 2,415,000	Dakota Rail Regional Trail Development	2008
Three Rivers Park Dist.	\$ 532,199	Lake Rebecca Park Reserve - Acquisition of Weinkauff parcel	2007
Three Rivers Park Dist.	\$ 648,644	Dakota Rail Regional Trail Design	2006
Three Rivers Park Dist.	\$ 235,000	Lake Rebecca Park Reserve - Acquisition of Rask parcel	2004

Park Agency Name	Outstanding amount <u>per project</u> for Metro Parks CIP reimbursement consideration	Project Description (Includes park or trail name, amount of land acquired or a description of development/rehabilitation project)	Year Met Council authorized reimbursement consideration prior to project start
Three Rivers Park Dist.	\$ 1,327,000	Elm Creek Winter Recreation Area Development	2004
Three Rivers Park Dist.	\$ 1,547,470	Silverwood Special Recreation Feature - Acquisition after \$3,618,000 deduction from 2010-11 Parks CIP reimbursement grant	2001
	\$ 17,230,313	Three Rivers Park District Total	
Washington County	\$ 540,000	Lake Elmo Park Reserve - Maintenance Facility	1993
Washington County	\$ -	St. Croix Bluffs Regional Park - acquisition of 'Parcel 'A' reimbursement paid off with \$560,000 in 2010-11 Parks CIP reimbursement grant	1996
Washington County	\$ 19,000	Big Marine Park Reserve - Carlson Property (remainder of SG-00-31 & 06-121)	2000
Washington County	\$ 368,299	Big Marine Park Reserve - Richardson Property (remainder of SG-02-184)	2003
Washington County	\$ 381,701	Big Marine Park Reserve - Albrecht (resort) Property (remainder of SG-03-82)	2003
Washington County	\$ 74,152	Big Marine Park Reserve - Larson Property (remainder of SG-04-110)	2004
Washington County	\$ 25,275	Big Marine Park Reserve - Melbostad Property (remainder of SG-05-98 & 05-80)	2005
Washington County	\$ 31,430	Big Marine Park Reserve - Taylor Property (remainder of SG-06-143)	2006
Washington County	\$ 3,000,000	Big Marine Park Reserve - Phase I Development	2006
Washington County	\$ 13,534	Big Marine Park Reserve - Hohlt Property (remainder of SG-07-032)	2007
Washington County	\$ 273,141	Grey Cloud Island Regional Park - Kartarik Property (remainder of SG-07-114)	2007
	\$ 4,726,532	Washington County Total	
	\$ 43,624,282	Grand Total as of February 22, 2011	