

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

**DATE:** October 24, 2011

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

**FROM:** Arne Stefferud, Planning Analyst-Parks (651) 602-10360

**SUBJECT:** (2011-xxx) Reimbursement Consideration Request for Acquiring Land for Cottage Grove Ravine Regional Park, Washington County

**INTRODUCTION/BACKGROUND**

In 2004, Washington County, the City of Cottage Grove and the Metropolitan Council agreed to a land exchange for Cottage Grove Ravine Regional Park in which 38.5 acres of park land in the northwest corner of the park would be converted to County Service Center and City Hall uses in exchange for the County and City acquiring fee title to 38.5 acres of an amended boundary area for the park. The County is on the verge of completing acquisition of 17.7 acres it must acquire for its Service Center. However, the City has yet to acquire any replacement land (20.8 acres) for its City Hall; but it has until December 31, 2015 to do so under the terms of the land exchange. The City hopes to acquire its replacement land at no cost using its Park Land Dedication Ordinance powers.

The Washington County Parks Department has been approached by a willing seller to sell 4.86 acres for Cottage Grove Ravine Regional Park (hereafter referred to as the Anderson property). The total estimated cost of the acquisition is \$170,642. The County proposes to buy the Anderson property with its funds now and either sell it to the City to help the City meet its land exchange obligation, or seek reimbursement from the Metro Council for this cost in a future Regional Parks Capital Improvement Program (CIP) if the City is able to acquire other land to meet the exchange agreement terms. The County also requests that if a portion of the land is sold to the City to help it meet its exchange agreement terms that the pro-rated remaining costs are eligible for CIP reimbursement consideration. (See **Attachment 1**, letter from John Elholm, Washington County).

This memorandum concludes with a recommendation to conditionally approve the reimbursement to Washington County for the Anderson property. The reimbursement amount would be based on the pro-rated cost of the parcel the City of Cottage Grove does not acquire to meet its land exchange obligation.

**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”.

Costs incurred by a regional park agency to acquire land for the Metropolitan Regional Park System may be considered for future reimbursement from the Metropolitan Council’s regional parks capital improvement program under applicable conditions in Finance Strategy 6 of the Updated 2030 Regional Parks Policy Plan.

**ANALYSIS:**

The Anderson property is in the southwestern corner of the park. Figure 1 illustrates its location in relation to the rest of park and in context of the park's development master plan approved by the Metropolitan Council.

**Figure 1: Anderson Property in Context of Cottage Grove Ravine Regional Park Master Plan**

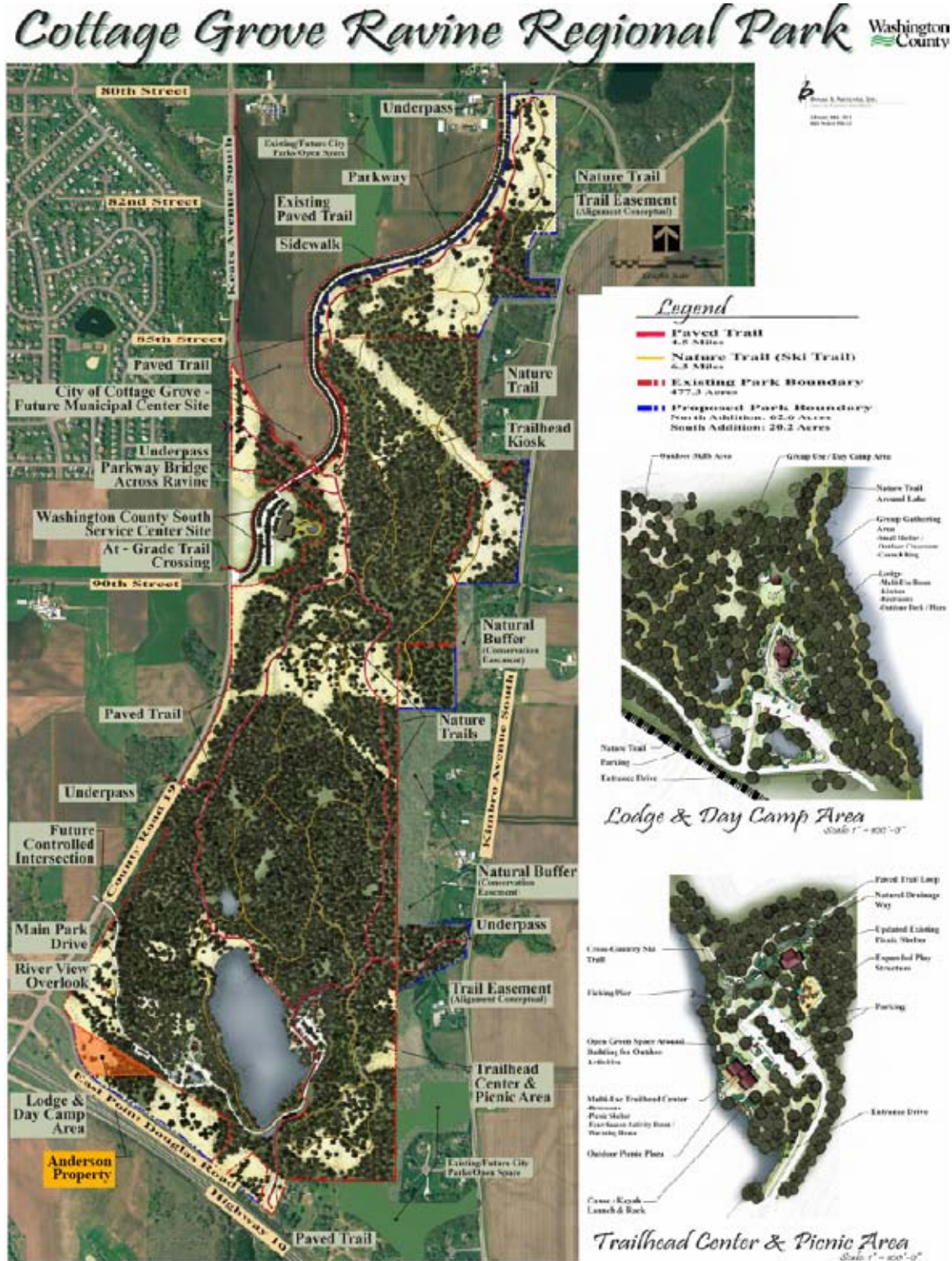
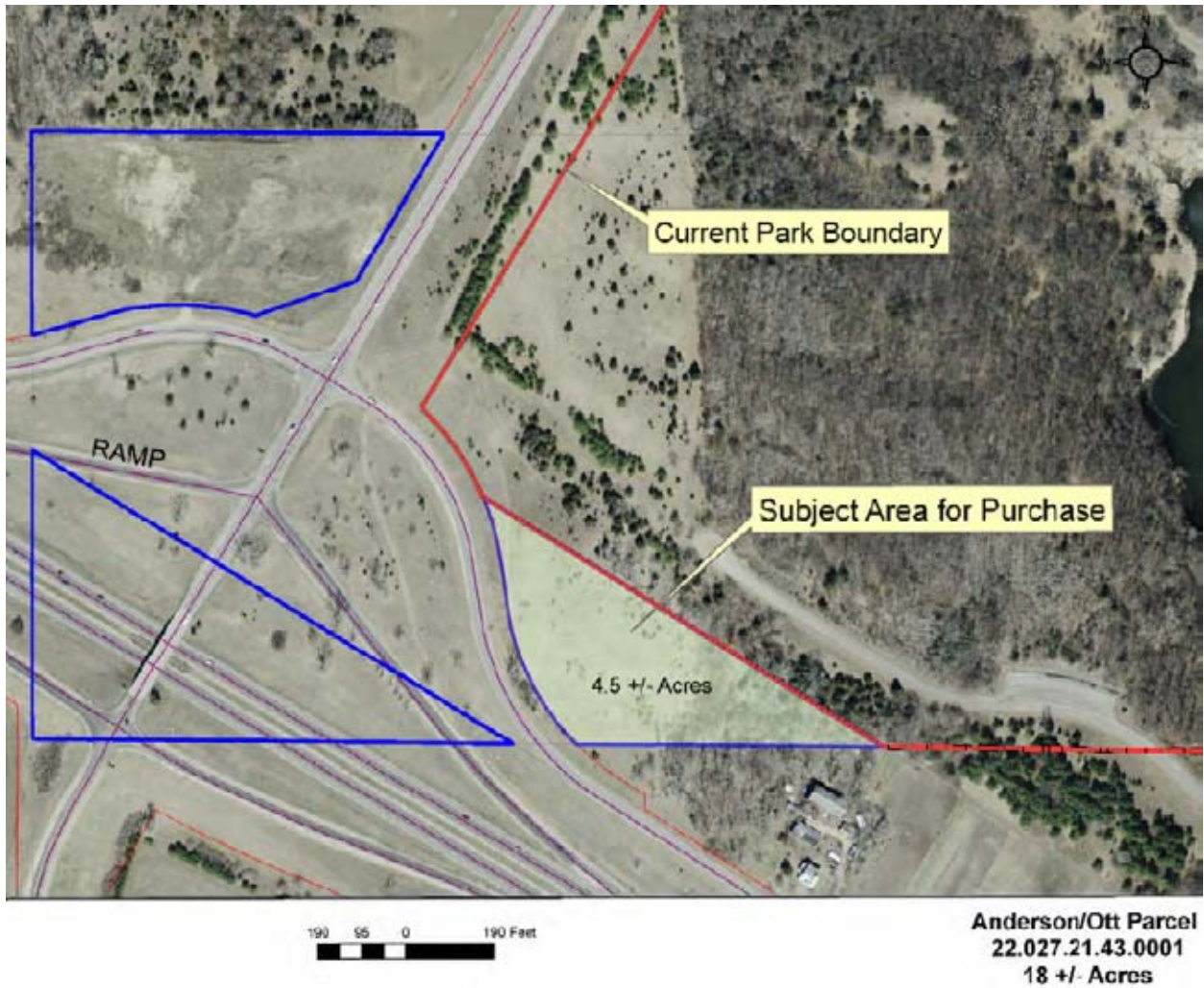




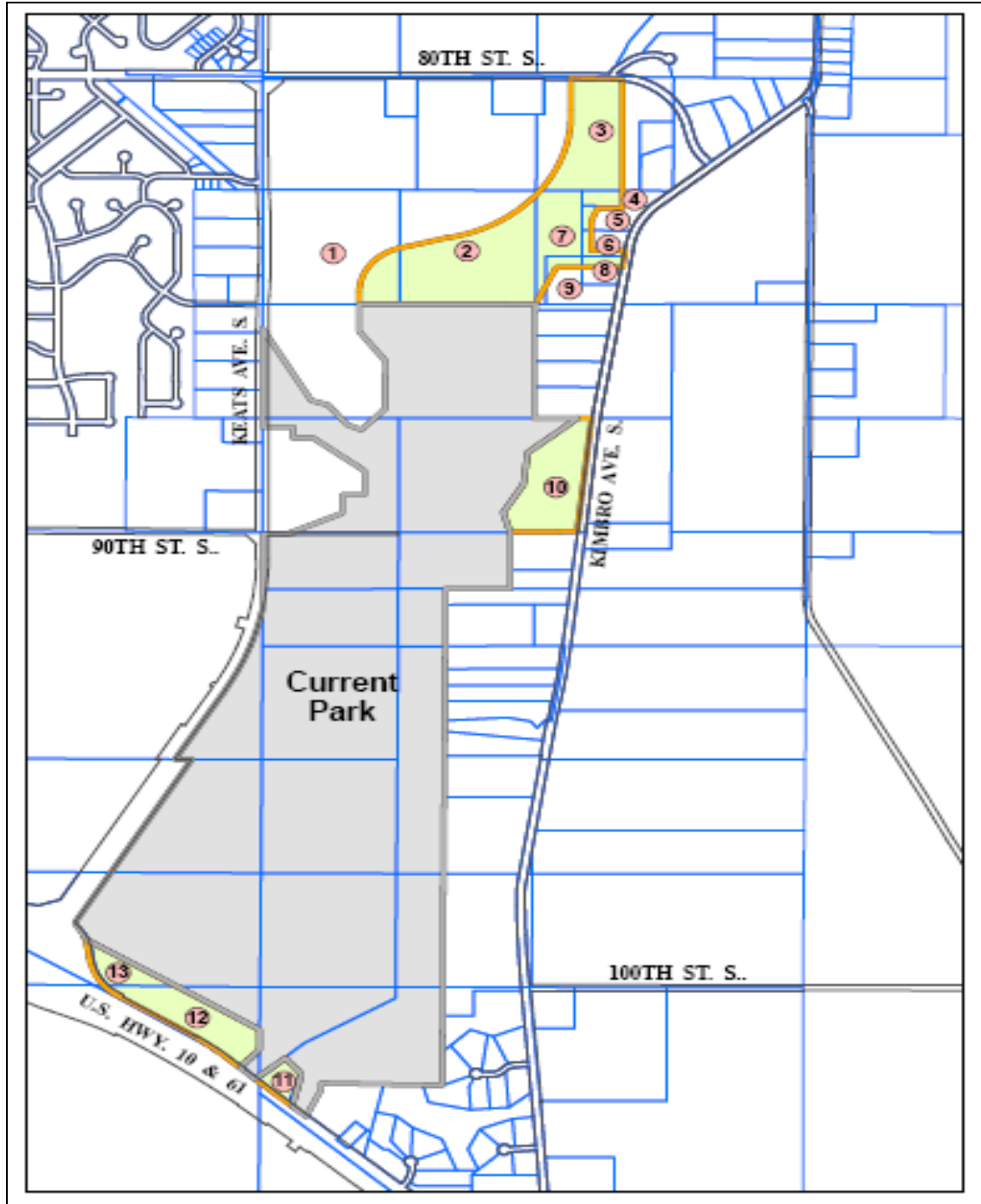
Figure 2 illustrates the Anderson property at a larger scale. The 4.86 acres proposed for acquisition is adjacent to existing park land. The other areas outlined in blue are not part of this acquisition proposal.

**Figure 2: Anderson property proposed for park acquisition**



The Anderson property is one of several parcels that are replacement land for the Washington County Service Center and Cottage Grove City Hall under the land exchange agreement with the Metropolitan Council. Figure 3 illustrates all of those replacement parcels based on an amendment to the land exchange agreement approved by the Metropolitan Council on May 25, 2011. The Anderson property is part of Parcel 13 in the southwest corner of the park.

**Figure 3: Cottage Grove Ravine Regional Park Replacement Parcels for Washington County Service Center and Cottage Grove City Hall**



As noted in the introduction to this memorandum, Washington County is completing the acquisition of 17.7 acres to replace that amount of land for the Washington County Service Center under the terms of the land exchange agreement. But, the City of Cottage Grove has not acquired any land yet to replace the 20.8 acres it needs for its City Hall. However, the City intends to acquire land through its park dedication ordinance powers and has until December 31, 2015 to accomplish that under the terms of the exchange agreement. All or a portion of the 4.86 acre Anderson property could be acquired by the City to partially meet its land exchange obligation.

To paraphrase, applicable portions of Finance Strategy 6 in the Updated 2030 Regional Parks Policy Plan, reimbursement will be considered for the acquisition of land currently designated as regional recreation open space by the Metropolitan Council in the 2030 Regional Parks Policy Plan if:

- 1) The acquisition is in full agreement with a Council approved master plan
- 2) And the regional park implementing agency received Council approval prior to undertaking its acquisition.

The County's request is consistent with this policy because the Anderson property is part of the Council approved master plan as shown in Figure 1 and the County has requested Council approval prior to undertaking the acquisition.

The unique situation in this case, is the land exchange agreement between Washington County, the City of Cottage Grove and the Metropolitan Council in which the County has met its obligation to replace 17.7 acres for the County Service Center, but the City has not yet acquired any land to meet its 20.8 acre obligation for the City Hall. The City has until December 31, 2015 to acquire the replacement land. The City may acquire replacement land in three ways:

- 1) By using its Park Land Dedication Ordinance powers to acquire land at no cost in return for approving residential development adjacent to these replacement parcels.
- 2) By acquiring land through fee title purchases.
- 3) By acquiring some land through park land dedication and some through fee title purchases.

Consequently, the City may need to acquire all or a portion of the Anderson property to meet its land exchange obligation.

It's therefore appropriate for the Metropolitan Council to approve the County's regional parks CIP reimbursement consideration request on the Anderson property under the following condition:

The regional park CIP reimbursement should be considered by the Metropolitan Council only if none or a portion of the Anderson property is acquired by the City of Cottage Grove to meet its land exchange agreement obligations under the Washington County/City of Cottage Grove/Metropolitan Council land exchange agreement for Cottage Grove Regional Park. The reimbursement amount should be based on the pro-rated cost of the net amount of the Anderson property acquired by Washington County minus any land acquired by Cottage Grove to meet its obligation under the land exchange agreement.

## **CONCLUSIONS:**

1. Washington County's request to be reimbursed for a portion of all of the costs to acquire the Anderson property for Cottage Grove Regional Park is consistent with applicable portions of Finance Strategy 6 in the Updated 2030 Regional Parks Policy Plan.

2. The reimbursement amount should be based on the cost of the net amount of land acquired by Washington County minus any land acquired by Cottage Grove to meet its obligation under the Washington County/City of Cottage Grove/Metropolitan Council land exchange agreement for Cottage Grove Regional Park.

**RECOMMENDATION:**

That the Metropolitan Council approve Washington County's regional parks capital improvement program(CIP) reimbursement consideration request for the costs to acquire the 4.86 acre Anderson property for Cottage Grove Ravine Regional Park under the following condition:

The regional park CIP imbursement will be considered by the Metropolitan Council only if none or a portion of the Anderson property is acquired by the City of Cottage Grove to meet its land exchange agreement obligations under the Washington County/City of Cottage Grove/Metropolitan Council land exchange agreement for Cottage Grove Regional Park. The reimbursement amount will be based on the pro-rated cost of the net amount of the Anderson property acquired by Washington County minus any land acquired by Cottage Grove to meet its obligation under the land exchange agreement.

## Attachment 1—Letter from John Elholm, Washington County



**Public Works Department**  
Parks Division

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

John D. Elholm, CPRP  
Parks Director

October 18, 2011

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

### **REQUEST TO ACQUIRE PROPERTY (ANDERSON) IN COTTAGE GROVE RAVINE REGIONAL PARK AS 'REPLACEMENT LAND' OR FOR REIMBURSEMENT IN A FUTURE CIP**

Dear Arne:

The Cottage Grove Ravine Regional Park Master Plan calls for up to 38.5 acres of land to be removed from the regional park for County and City service center / municipal purposes. The plan also identifies lands for inclusion in the park; all of which are eligible for use as 'replacement land' for property removed for the above purposes. An agreement between the County and the Met Council requires that all land removed from the regional park be replaced by December 31, 2015.

Washington County's service center is complete. The County project used 17.7 acres of regional park land; 15.8 of which was replaced in 2008. The remaining 1.9 acres will be replaced with the purchase of the 9.34 acre Austin property, scheduled to close by the end of October, 2011.

The City of Cottage Grove is currently building their City municipal site. The regional park's master plan allows for the City to use up to 20.8 acres for their project. Phase 1 of the project will use 11.64 acres of regional park land; 7.44 of which will be replaced with the purchase of the Austin property mentioned above. This leaves 4.2 acres remaining to replace for Phase 1 of the City's project. Phase 2 of their project hasn't begun, but could use up to 9.16 additional acres of regional park land.

A landowner within the planned boundary of the regional park (Anderson) has expressed an interest in selling their 4.86 acre parcel for inclusion in the park. While this land is identified as eligible for use as 'replacement land', the City and County would like to wait on using the property for this purpose until they've had an opportunity to secure suitable land through other means.

Since there's a willing seller, Washington County would like to go ahead and purchase the property now, and request that two options be available to Washington County for the property in the future.

1. Request to use the acquisition of the 4.86 acre Anderson property as 'replacement land' for property removed from the park for non-recreational purposes. This would occur in the future after other replacement options are explored.
2. If other replacement options do become available, Washington County requests that the acquisition of the Anderson property be eligible for reimbursement in a future Metropolitan Council Capital Improvement Program.

Washington County also requests that a combination of the two above options be available, so if a portion of the property is used for replacement the remainder would be eligible for reimbursement.

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The purchase agreement cost for the property is \$164,000. Estimated additional costs associated with the purchase of the property are as follows:

Appraisal	\$ 1,500
Phase I Environmental Study	\$ 1,800
State Deed Tax / Conservation Fee	\$ 546
Pro-rated Property Tax	\$ 203
Tax Equivalency Payment	<u>\$ 2,593</u>
Total additional costs	\$ 6,642

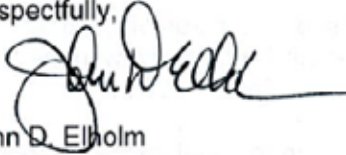
The total acquisition cost is estimated to be \$ 170,642.

If the property is not used as 'replacement land', Washington County requests that the Metropolitan Council make up to \$ 170,642 available to Washington County in a future Capital Improvement Program; or

If a percentage of the property is used as 'replacement land', Washington County requests that the remaining percentage be eligible for reimbursement in a future Capital Improvement Program.

If you have any questions or need further information, please let me know. I can be reached at (651) 430-4303 or at [john.elholm@co.washington.mn.us](mailto:john.elholm@co.washington.mn.us).

Respectfully,



John D. Elholm  
Parks Director

c: Don Theisen, Public Works Director  
Sharon Price, Property Manager