

Metropolitan Parks and Open Space Commission

Meeting date: July 9, 2013

For the Community Development Committee meeting of August 5 or 19, 2013

For the Metropolitan Council meeting of August 14 or 28, 2013

Subject: Park Acquisition Opportunity Fund Grant for Blakeley Bluffs Park Reserve (Albrecht-Hutchinson parcels), Scott County

District(s), Member(s): Metropolitan Parks & Open Space Commission District B, Robert Moeller

Policy/Legal Reference: Minnesota Statute Section 473.315

Staff Prepared/Presented: Tory Dupre, Senior Planner-Regional Parks and Natural Resources (651-602-1621)

Division/Department: Community Development Division

Proposed Action

Since there is much higher demand than available funding for Park Acquisition Opportunity Fund grants, the proposed action for this grant request will be prepared after the Metropolitan Parks and Open Space Commission develops its recommendations on "Status and Anticipated Demand for Regional Park Acquisition Opportunity Fund Grants". This will insure that consistent direction is provided on how Park Acquisition Opportunity Fund grant requests can be funded in a sustainable way under these new conditions.

In the meantime, this memorandum is prepared to address releasing a restrictive covenant on this land as part of the proposed acquisition.

Background

Scott County has submitted a request for a Park Acquisition Opportunity Fund grant to partially finance the acquisition of the 240 acre Albrecht-Hutchinson property for Blakeley Bluffs Park Reserve. The letter from Scott County (Attachment 1) requests the following:

1. A grant of \$1,059,474 to finance 75% of the estimated acquisition costs of the property. (See maps of the property in Attachments 2 and 3)
2. Reimbursement eligibility consideration in Scott County's share of future regional parks capital improvement programs for Scott County's local match of \$353,158.
3. Release of a restrictive covenant on 31.76 acres of land Scott County owns to allow the Albrecht-Hutchinson's to build a home designed to accommodate their health needs. This land would be exchanged for an equal value reduction in the sale price of their farm. The value of the 31.76 acres is \$256,167. It is part of an 84 acre acquisition acquired with a Park Acquisition Opportunity grant in 2012 (grant SG-2012-099 for \$429,859 which financed

75% of the \$573,145 costs to acquire the 84 acres). Under the terms of the purchase agreement, the Albrecht-Hutchinson's agree to give Scott County the right of first refusal (first opportunity to purchase) the 31.76 acres back with potentially a house on it in the future for the appraised value of the property when that sale occurs. The County has 45 days to respond to the right of first refusal and six months to close on the acquisition (See a map of the 31.76 acre parcel and the farm in Attachment 4).

Rationale

The acquisition of this property is consistent with the Metropolitan Council-approved master plan for Blakely Bluffs Park Reserve (Business Item 2012-67).

Releasing the restrictive covenant on 31.76 acres Scott County owns to allow it to be exchanged to the Albrecht-Hutchinson's to build a home designed to accommodate their health needs in exchange for an equal value reduction in the sale price of their farm must meet the requirements of System Protection Strategy 2: Release of restrictive covenants in the *2030 Regional Parks Policy Plan*. To quote from this strategy,

"...Under certain exceptional circumstances, the Metropolitan Council will release restrictive covenants on regional park land, if an equally valuable land or facility is added in exchange for the released park land."

"Equally valuable land" is defined as land that is contiguous to the regional parks system unit containing the land proposed to be exchanged (within the same park/trail unit) and the land has comparable or better natural resource characteristics and could provide comparable or better recreation opportunities than the land being released from the covenant."

Before releasing a restrictive covenant, the Metropolitan Council will make findings with respect to the existing park system unit which considers the following factors:

Will Blakeley Bluffs Park Reserve continue to meet Council site attributes for park reserves? Based on a review of the Blakely Bluffs Park Reserve master plan and Scott County's letter Blakeley Bluffs Park Reserve will continue to meet the Council site attributes for park reserves because the 31.76 acres is primarily agricultural land that does not contain high quality natural resources. As noted in Scott County's letter, they initially considered splitting a 40 acre parcel on the farm to provide a space for this home site. But doing so "would create a significant disruption to the high quality natural resources on the property and would have impacted future park reserve development efforts." They concluded that, "Since portions of the parcel [31.76 acres] are already in agricultural production, any additional development for residential uses would be less disruptive to the resources than those on the proposed purchase property."

Will Blakeley Bluffs Park Reserve continue to function as originally planned? Yes, based on the response to point 1 above the natural resources and the future planned development for the park reserve are protected under this land exchange.

Will environmental features (wildlife habitat, water quality) be adversely affected? No. This land exchange does not adversely affect environmental features in the park.

Will the loss of site or function be made up through acquisition of a site with comparable characteristics adjacent to or in the immediate area of the current location? Yes. In this case the land to be acquired contains comparable, and in many ways superior natural resource characteristics in the immediate area.

Is the need for the conversion (release of the restrictive covenant), as in the instance of transportation improvements, generated by the recreational park system unit? No. The Albrecht-Hutchinson's agreed to sell their farm in exchange for a reduced purchase price and 31.76 acres to potentially build a home on that would accommodate their health needs. Scott County has the first right of refusal to acquire the land back in the future. It is a mutually beneficial arrangement that allows the high quality natural areas on the farm to be acquired/protected in exchange for a temporary use of agricultural land for a potential home site that the County can acquire back for the park in the future.

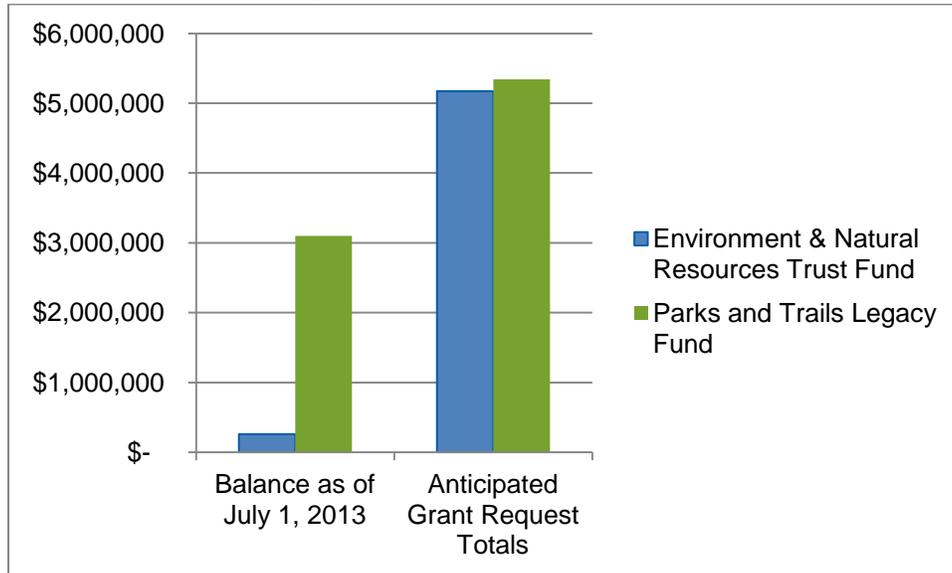
Based on these findings it is appropriate to release the restrictive covenant on the 31.76 acres.

Funding

In 2001, the Metropolitan Council established a Park Acquisition Opportunity Fund grant program to assist regional park agencies in acquiring land for the Metropolitan Regional Park System. Land that is acquired must be within Metropolitan Council approved master plan boundaries for that particular park or trail unit.

To-date, about \$32.6 million has been granted to acquire 2,408 acres. As noted in the agenda item labeled 2013-xxx Information Item: Status and Anticipated Demand for Park Acquisition Opportunity Fund Grants, based on the projected grant requests submitted by the park implementing agencies, a fiscal shortfall would be expected for FY14 (Figure 1). ***The projected shortfall for the Environment and Natural Resources Trust Fund is \$4,913,392. The projected shortfall for the Parks and Trails Legacy Fund is \$2,241,319.***

Figure 1: Park Acquisition Opportunity Fund Grant balances as compared to projected grant requests for FY14



Because the Metropolitan Council cannot finance this grant request out of context with other anticipated grant requests, it is reasonable to consider how to finance all grant requests in a sustainable way. Furthermore, following the existing Acquisition Opportunity Fund grant rules to finance 75% of the costs to acquire this property would consume the \$260,358 balance in the Environment and Natural Resources Trust Fund acquisition account and consume 25% of the \$3,101,226 balance in the Parks and Trails Legacy Fund acquisition account.

Therefore Metropolitan Council staff recommends tabling action on this grant request until after the Metropolitan Parks and Open Space Commission develops its recommendations on "Status and Anticipated Demand for Regional Park Acquisition Opportunity Fund Grants". This will insure that consistent direction is provided on how Park Acquisition Opportunity Fund grant requests can be funded in a sustainable way under these new conditions.

Known Support / Opposition

Approving the grant request under the rules for Park Acquisition Opportunity Fund grants as adopted on January 9, 2013 would have negative impacts on sustainably funding other acquisition grant requests. Consequently tabling action on this grant request until after the Metropolitan Parks and Open Space Commission develops its recommendations on "Status and Anticipated Demand for Regional Park Acquisition Opportunity Fund Grants" is appropriate.

Scott County Parks staff have contacted Metro Council staff and asked for the MPOSC to consider this grant request now since the grant request meets the existing grant rules. The MPOSC and Metro Council have the prerogative to change the rules but Scott County

Parks staff maintain that this should not hold up consideration of this grant request which complies with the rules.

Attachment 1: Letter from Scott County requesting grants to acquire Albrecht-Hutchinson Parcels for Blakeley Bluffs Regional Park



June 14, 2013

Mr. Arne Stefferud
Manager, Regional Parks and Natural Resources Unit
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101
(via email)

Subject: Acquisition Opportunity Grant Request for Albrecht-Hutchinson Property,
Blakeley Bluffs Park Reserve
Request for Release of Restrictive Covenant for Land Exchange

Dear Mr. Stefferud,

I am writing to submit an Acquisition Opportunity Grant Request for an acquisition associated with Blakeley Bluffs Park Reserve in Scott County, and to request that the Metropolitan Council release a restrictive covenant in place on an adjoining parcel as part of a land exchange associated with the acquisition and replace it on other land being acquired.

Acquisition Opportunity Grant Request

Proposed Land Purchase

The Albrecht-Hutchinson family owns approximately 240 acres of land in the heart of the planned Blakeley Bluffs Park Reserve, located north of CH51 and along Chatfield Drive in Blakeley Township (**Attachments A and B**). The land consists of Minnesota River frontage, floodplain, and uplands that contain bluffs and steep slopes, ravines, and high plateaus providing incredible vistas of the Minnesota River Valley. Scott County has been working with the land owners for many years as they considered options for their future, and they have decided to sell. The owners are pleased that the land will be protected, forever, as a Regional Park Reserve and part of the Metropolitan Park System.

Natural Lands vs. Land with Structures

The majority of the lands exist in their natural state, with some prior agriculture production areas now restored to native prairies. The circa 1926 homestead, built with local Blakeley clay brick, sits on a 10-acre parcel within the 240 acre complex. The home has been restored over time

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Information 952.496.8475 • Fax 952.496.8496 • www.ThreeRiversParks.org • www.co.scott.mn.us/parkstrails

and is in good condition. In our preliminary analysis, we believe the homestead will someday serve future park reserve purposes.

Grant Request

Scott County is requesting the Metropolitan Council's consideration of an acquisition opportunity grant in the amount of \$1,059,474 that would fund 75% of the acquisition and associated costs, with 25% local match coming from county funds. In addition, Scott County requests that the 25% local match (\$353,158) be eligible for reimbursement in future Regional Park CIP requests.

Release of Restrictive Covenant for Land Exchange

As part of the negotiations, Albrecht-Hutchinson initially wanted to subdivide a 40-acre parcel out of their 240 acre ownership for the potential future construction of a home. However, due to the topography, parcel shapes, and land cover, splitting a 40-acre parcel would have created a significant disruption to the high quality natural resources on the property, and would have impacted future park reserve development efforts.

Staff consulted with the land owners on numerous occasions to consider options that would be less disruptive to the integrity of the resources and the park. Through this process, we worked together to develop a proposed land exchange with an adjoining ~ 32 acre parcel that is owned by Scott County (**PID 29190032, see Attachment C**). This parcel was acquired as part of the Wells Fargo Bank property acquisition in 2012 and mostly consists of tilled fields with some ravines initiating on the property. Since portions of the parcel are already in agriculture production, any additional development for residential uses would be less disruptive to the resources than those of the proposed purchase property.

Under the land exchange concept, Albrecht-Hutchinson agree to decrease the purchase price of their lands proportionately in exchange for Scott County transferring the 32 acre parcel into their ownership. Albrecht-Hutchinson also agree to provide Scott County a "right of first refusal" to purchase the 32 acre parcel in the future. As noted previously, Albrecht-Hutchinson's desire to retain property ownership in the area is for the potential construction of a new home. They currently don't know if they will build a new home, and if they do they have indicated that it will be a modest residence.

As a result, Scott County is requesting that the Metropolitan Council release the restrictive covenant that was placed on the 32 acre parcel with PID29190032, in exchange for an equivalent reduction in the purchase price for the full 240 acre property.

Thank you for your consideration of this request, and I want to extend my thanks to the Metropolitan Parks and Open Space Commission and the Metropolitan Council for their continued support of our efforts. If you have any questions regarding the proposed acquisition, negotiations, or land exchange, please contact me directly at 952-496-8783.

Sincerely,

A handwritten signature in blue ink that reads "Mark Themig". The signature is fluid and cursive, with the first name "Mark" and last name "Themig" clearly distinguishable.

Mark Themig
General Manager Scott County Parks

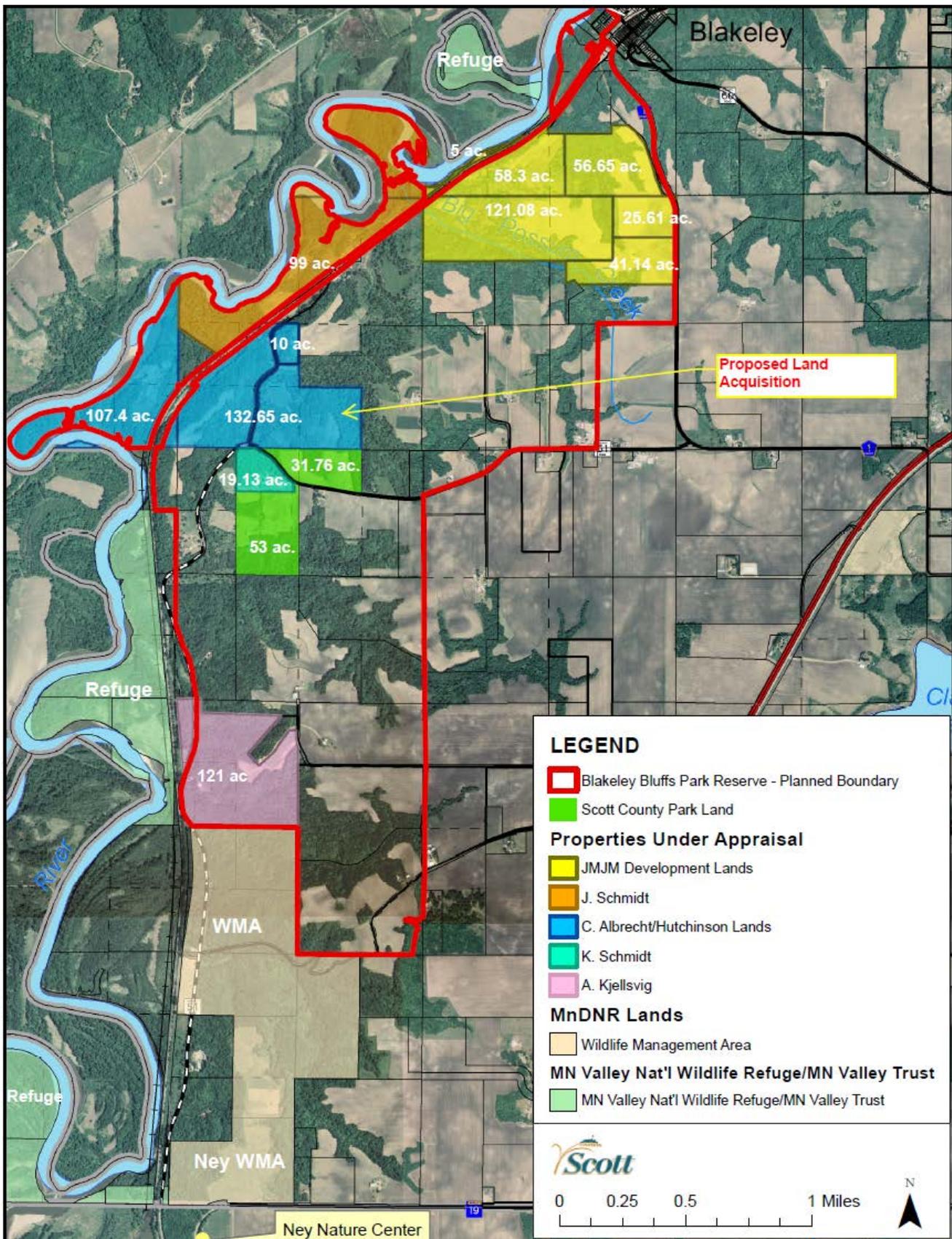
Attachments:

Attachment A, Property in Relation to Master Plan

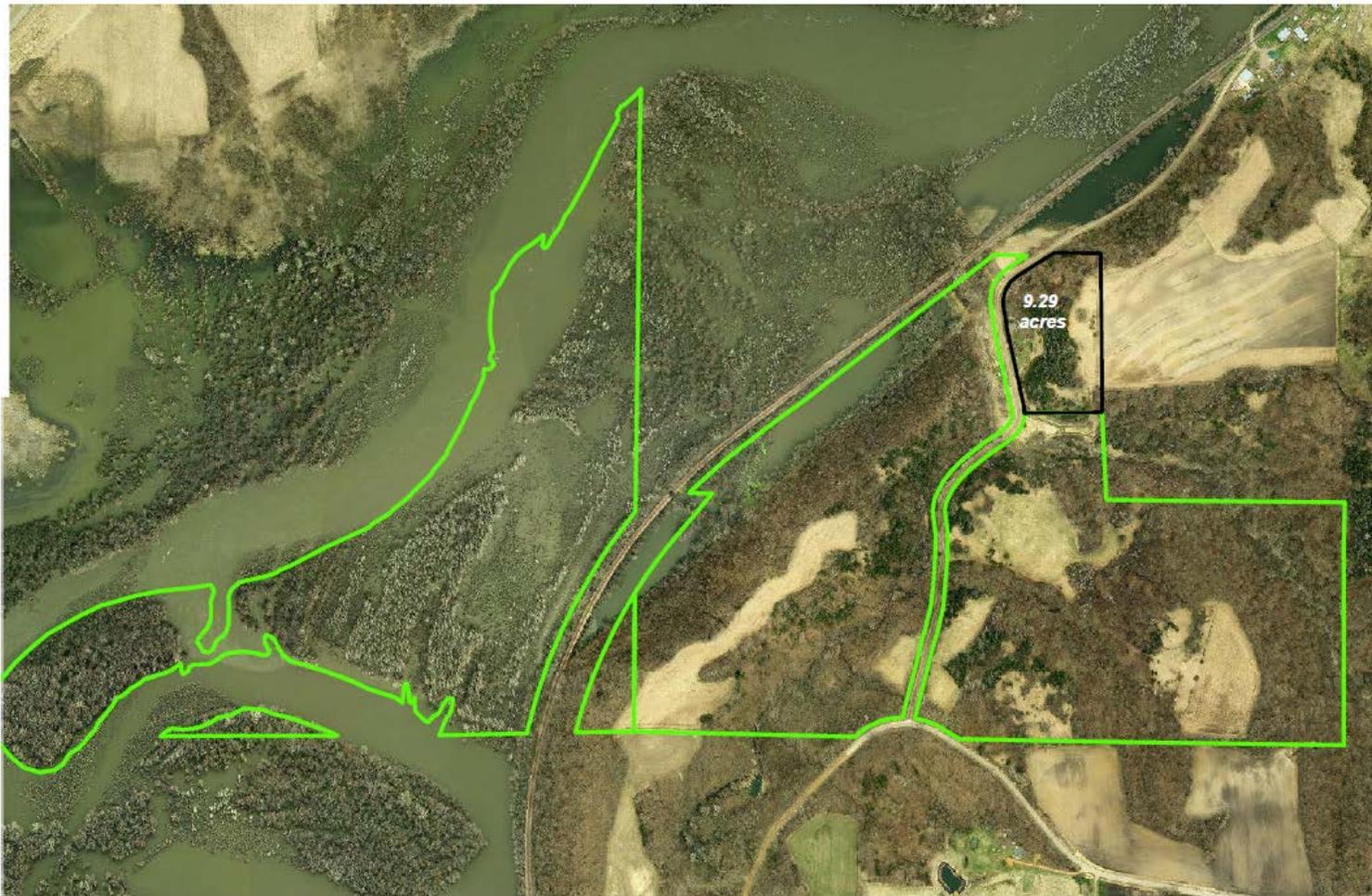
Attachment B, Aerial of Albrecht-Hutchinson Property

Attachment C, Land Exchange Property

Attachment 2: Scott County Property (Albrecht-Hutchinson) Acquisition for Blakely Bluffs Park Reserve



Attachment 3: Aerial map of Property (Albrecht-Hutchinson) Acquisition for Blakeley Bluffs Park Reserve



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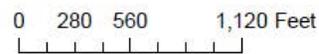
Albrecht - Hutchinson Property
Blakeley Bluffs Park Reserve



LEGEND

Generalized Land Cover

-  Natural (235.74 acres)
-  Residential (9.29 acres)



Attachment 4: Proposed Land Exchange for Albrecht-Hutchinson property acquisition

(Albrecht-Hutchinson receives 31.76 acres in exchange for equal value reduction of sale price for their 250 acre farm. Value of the 31.76 acres is \$256,167)

