

Community Development Committee

Meeting date: March 17, 2014

For the Metropolitan Council meeting of March 26, 2014

Subject: Park Acquisition Opportunity Fund Grant Request for Hyland-Bush-Anderson Lakes Park Reserve (7907 Lea Road), City of Bloomington

District(s), Member(s): District 5, Steve Elkins

Policy/Legal Reference: MN Statute Section 473.315

Staff Prepared/Presented: Tori Dupre, Senior Planner, Regional Parks & Natural Res. (651-602-1621)

Division/Department: Community Development, Regional Parks and Natural Resources

Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$187,029 from the Parks and Trails Legacy Fund Acquisition Account to the City of Bloomington to finance up to 75% of the costs to acquire 0.5 acres at 7907 Lea Road, Bloomington for Hyland-Bush-Anderson Lakes Park Reserve. The grant should be financed with:
 - \$112,217 from the FY2014 Parks and Trails Legacy Fund appropriation, and
 - \$74,812 from Metropolitan Council bondsThe grant will be matched with up to \$62,343 provided by the City of Bloomington.
2. Consider reimbursing the City of Bloomington up to \$62,343, its 25% share of the total acquisition costs, from a future Regional Park Capital Improvement Program. 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.
3. Authorize the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

Background

On February 12, 2014, the City of Bloomington requested a park acquisition opportunity fund grant of up to \$187,029 to acquire a property at 7907 Lea Road in the Hyland-Bush-Anderson Lakes Park Reserve (Attachment 1). The 0.5-acre property is a park reserve in-holding property, and is one of two remaining privately owned properties in the Park Reserve's North Corridor Park Unit. The City's acquisition of the property would eliminate use conflicts with the adjoining trail and would enhance the park reserve's natural resources (Attachment 2).

The proposed acquisition is consistent with the Hyland-Bush-Anderson Lakes Park Reserve master plan, which the Metropolitan Council approved on October 13, 2010. The purchase closing is contingent upon the Metropolitan Council's action on the City's grant request.

Rationale

The Metropolitan Council must consider and approve the two proposed grant amendments because each represents a substantial revision to the existing grant agreements and projects they fund. Both existing grant agreements specify a process for amendments, stating that the terms may be changed by mutual agreement of the parties, and that changes shall be effective only upon execution of written amendments signed by authorized representatives of the Council and Grantee.

The City's proposal to amend the Development Project/Grant Project for SG-2012-035 and SG-2012-049 is consistent with the grant agreement amendment conditions, and with the *2030 Parks Policy Plan* policies regarding minor amendments to grant agreements. The amendments do not change or increase the approved grant amounts. The City's request describes the need and rationale for the proposed project changes.

The proposed grant amendments are consistent with the Metropolitan Council approved master plan for Hyland-Bush-Anderson Lakes Park Reserve (MC action 10/31/2010; Business item 2010-317, Attachment 4).

Funding

The current balance in the Park Acquisition Opportunity Fund Parks and Trails Legacy Fund account is \$3,428,929. This includes \$564,875 from the fiscal year 2014 Parks and Trails Legacy Fund appropriation, plus \$2,864,054 from Metropolitan Council Bonds. The Metropolitan Council added \$1.5 million of Council bonds to this fund on September 25, 2013.

The City's estimated acquisition costs total \$249,372 which includes the purchase price, appraisal, demolition of the existing structure, closing costs, legal services and other costs, as shown in Table 1.

Table 1: Acquisition Costs

Cost Items	Amount
Purchase Price	\$215,000
Taxes, Closing costs, Title Insurance, Land Stewardship	\$34,372
Total Acquisition	\$249,372

The City's Park Acquisition Opportunity Fund grant will be financed with the following revenue sources, shown in Table 2. The City also requests reimbursement of its 25% share of the total project cost, or \$62,343 from a future regional parks capital improvement program. The Council may consider the request, but does not under any circumstances represent or guarantee that reimbursement will be granted, and the expenditure of local funds never entitles a park agency to reimbursement.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$249,372
Grant Request (up to 75% acquisition total)	\$187,029
FY2014 Parks and Trails Legacy Fund (60%)	\$112,217
Metropolitan Council bonds (40%)	\$74,812
Local Share (25%)	\$62,343

If the Metropolitan Council approves this grant to Bloomington, the Parks and Trails Legacy Fund Acquisition Account balance is \$3,241,900.

Known Support / Opposition

There is no known opposition to Bloomington's acquisition grant request. The Metropolitan Parks and Open Space Commission unanimously approved the report recommendations.

Metropolitan Parks and Open Space Commission

Meeting date: March 11, 2014

For the Community Development Committee meeting of: March 17, 2014

For the Metropolitan Council meeting of March 26, 2014

Subject: Park Acquisition Opportunity Fund Grant Request for Hyland-Bush-Anderson Lakes Park Reserve (7907 Lea Road), City of Bloomington

District(s), Member(s): MPOSC District C, William Weber

Policy/Legal Reference: MN Statute Section 473.315

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

Division/Department: Community Development, Regional Parks and Natural Resources

Proposed Action

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The proposed acquisition is consistent with the Hyland-Bush-Anderson Lakes Park Reserve master plan, which the Metropolitan Council approved on October 13, 2010. The purchase closing is contingent upon the Metropolitan Council's action on the City's grant request.

Rationale

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.

Currently, the cumulative amount of all Park Acquisition Opportunity Fund grants totals \$34,813,674 which acquired 2,841 acres.

All park acquisition opportunity grant agreements include an “agreement and restrictive covenant” that park agencies record to ensure that the property remains in regional recreation use. The Metropolitan Council’s action authorizes the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

Bloomington’s acquisition grant request for \$187,029 is consistent with the Park Acquisition Opportunity Fund Rules.

Funding

The current balance in the Park Acquisition Opportunity Fund Parks and Trails Legacy Fund account is \$3,428,929. This includes \$564,875 from the fiscal year 2014 Parks and Trails Legacy Fund appropriation, plus \$2,864,054 from Metropolitan Council Bonds. The Metropolitan Council added \$1.5 million of Council bonds to this fund on September 25, 2013.

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If the Metropolitan Council approves this grant to Bloomington, the Parks and Trails Legacy Fund Acquisition Account balance is \$3,241,900.

Known Support / Opposition

There is no known opposition to the City's grant request, or to the property acquisition.



February 12, 2014

Mr. Arne Stefferud
Manager, Regional Parks and Natural Resources
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101-1805

RE: Park Acquisition Opportunity Fund Request – 7907 Lea Road

Dear Mr. Stefferud:

The City of Bloomington requests 75% match funding from the Metropolitan Council Park Acquisition Opportunity Fund for the acquisition of an in-holding property for the Hyland-Bush-Anderson Lakes Regional Park Reserve. The City also requests that the 25% local match be eligible for reimbursement to the City of Bloomington in a future Metropolitan Regional Parks park capital improvement program allocation. The in-holding property is located at 7907 Lea Road, Bloomington, MN 55438 in the North Corridor Park Unit.

Acquisition of this property is proposed in the master plan for the Park Reserve which was approved by the Metropolitan Council on October 13, 2010. The property is listed in the master plan as providing a significant benefit to the Park Reserve. The property is one of two remaining privately held properties in the North Corridor Park Unit that are sandwiched between Park Reserve properties. The North Corridor Park Unit trail runs approximately 65 feet behind the house located on the property. Acquisition of the property would enhance the natural resources of the Park Reserve and eliminate the inherent conflicts with having a trail in such close proximity to a residential dwelling.

The City and property owner have reached agreement on the purchase price of the property and have executed a purchase agreement. The purchase agreement is contingent upon the approval of adequate contributory funding for the purchase by the Metropolitan Council. The agreed upon purchase price of \$215,000 is the appraised value of the property per an independent appraisal conducted by Elvestad Appraisal Company in November 2013. Other acquisition costs (demolition of the structure, closing costs, legal services, etc.) are estimated at \$34,372, resulting in a total acquisition cost of \$249,372 for the property.

PARKS AND RECREATION DIVISION
1800 W. OLD SHAKOPEE ROAD, BLOOMINGTON MN 55431-3027
PH 952-563-8877 FAX 952-563-8715 TTY 952-563-8740

AN AFFIRMATIVE ACTION/EQUAL
OPPORTUNITIES EMPLOYER

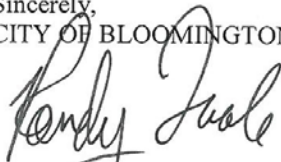


Enclosed is a spreadsheet which contains a list of documents and cost data as required for Park Acquisition Opportunity Fund grant requests. Copies of the documents listed in the spreadsheet (appraisal, maps of the property, purchase agreement, property tax statement, etc.) are also enclosed.

Based on the total acquisition cost estimate of \$249,372, the City of Bloomington requests a 75% match, up to \$187,029 from the Metropolitan Council Park Acquisition Opportunity Fund. The 25% local match (\$62,343) shall be funded initially by the City of Bloomington. The City of Bloomington also requests that the 25% local match be eligible for reimbursement to the City of Bloomington in a future Metropolitan Regional Parks park capital improvement program allocation.

Please contact me at 952-563-8876 or at rquale@ci.bloomington.mn.us if you have any questions or require additional information.

Sincerely,
CITY OF BLOOMINGTON



Randy Quale
Parks and Recreation Manager

RQ/rq
Enclosures
xc: Amy Schmidt, Assistant City Attorney
METCOUNCIL/ACQUISITIONS/7907 LEA ROAD/7907 LEA RD FUNDING REQ 2-12-14

SECTION V: Development Plan

Figure 18: Inholding and Boundary Expansion Plan

