

Community Development Committee

Meeting date: June 15, 2015

For the Metropolitan Council meeting of June 24, 2015

Subject: Park Acquisition Opportunity Fund Grant for Spring Lake Park Reserve, 13586 Fischer Avenue, Dakota County

District(s), Member(s): Council Districts 15 Steven Chavez and 16, Wendy Wulff

Policy/Legal Reference: MN Statute Section 473.315

Staff Prepared/Presented: Tori Dupre, Senior Planner (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 \$950,557 to reimburse Dakota County for acquisition of a 9.37-acre property for Spring Lake Park Reserve when funds are available in the Parks and Trails Legacy fund account of the Park Acquisition Opportunity Fund.
 - The Metropolitan Council will finance the grant through the Park Acquisition Opportunity Fund (PAOF) Parks and Trails Legacy fund account, providing up to 75 percent (\$950,557) of the total acquisition costs.
 - Dakota County will provide up to 25 percent (\$316,852) of the total acquisition costs.
2. Consider reimbursing Dakota County up to \$316,852, 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 including the restrictive covenant.

Background

Spring Lake Park Reserve is located in eastern Dakota County along the Mississippi River in the City of Rosemount and Nininger Township. The master planned Park Reserve boundary encompasses approximately 1,200 acres.

Dakota County has requested a Park Acquisition Opportunity Fund (PAOF) grant for up to \$950,557 to acquire a 9.37-acre inholding property within Spring Lake Park Reserve (Attachment 1).

The subject property is located at 13586 Fischer Avenue in Nininger Township. It is a residential property with a house and other structures on the south shore of Spring Lake, which is a backwater lake of the Mississippi River. The property's 435 feet of lake frontage, located within the Park Reserve's master planned boundary, make it a high priority inholding property for acquisition (Attachment 2).

The County's grant request is consistent with the 2003 Spring Lake Park Reserve master plan, which the Metropolitan Council approved on April 14, 2004 (MC business item 2004-53).

The County provided the required grant request information including the signed purchase agreement indicating that the purchase price of \$1,240,000 matches

the appraised value, and that the closing is scheduled no later than June 30, 2015.

Special Circumstances -Lack of available acquisition opportunity funds

The Metropolitan Council does not currently have funds available to fund this entire acquisition grant request. The 2040 Regional Parks Policy Plan (Policy Plan) park acquisition opportunity fund grant rules address this circumstance and states:

If funds are not available to fully fund a grant during a given fiscal year, up to 60% of the next fiscal year appropriation and matching Council bonds for Park Acquisition Opportunity Fund accounts will be used to reimburse park agencies for up to 75% of the grant-eligible acquisition costs or \$1.7 million--whichever is less-- the park agency incurred to buy land that would have qualified for a Park Acquisition Opportunity Fund grant under the rules.

The park agency must request reimbursement consideration from the Council by providing all data required for a Park Acquisition Opportunity Fund grant required by the rules and obtain Metropolitan Council approval before it acquires the land. The 25% match is not grant-eligible for reimbursement from the Park Acquisition Opportunity Fund accounts. However, the park agency may request reimbursement of that match as part of its share of future park capital improvement programs (CIP).

Therefore, Dakota County's acquisition grant request also requires action to reimburse the County for the property's acquisition when funds become available. The PAOF Parks and Trails Legacy fund account includes Parks and Trails Legacy Fund appropriations and Council bonds. The Parks and Trails Legacy Fund appropriation requires Legislative and Council action for the funds to be made available.

Additionally, with this acquisition grant request, Dakota County is requesting reimbursement for the required 25 percent match, or \$316,852, from a future regional park CIP.

Upon the Metropolitan Council's approval of a PAOF grant, staff prepares a grant agreement that includes an "agreement and restrictive covenant" which park agencies must 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.

Rationale

The County's grant request is consistent with the 2040 Regional Parks Policy Plan (adopted February 11, 2015), which contains the rules for PAOF grant requests. The PAOF rules specify that lands must be within Council-approved master plan boundaries to qualify for an acquisition grant. The PAOF rules define grant-eligible acquisition costs that the Council funds to the park agencies.

The request is also consistent with the special circumstances outlined in the policy plan that address when funds in the PAOF are not available. Dakota County provided the required acquisition data and requested that the Council reimburse the County for up to 75 percent of the grant eligible acquisition costs.

Funding

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the regional parks system. As of June 2015, the Park Acquisition Opportunity Fund has provided more than \$39,459,248 to acquire approximately 3,006 acres.

The Fund has two accounts, the Environment and Natural Resources Trust Fund and the Parks and Trails Legacy Fund. The Council's park bonds provide a 40 percent match to each state fund

appropriation. The funds available in the Parks and Trails Legacy Fund account will not cover the cost of this grant, so the special circumstances outlined in the policy plan must be followed. Dakota County's grant-eligible acquisition costs total \$950,557 and include the purchase price, the appraisal, legal services, closing costs, state taxes, title insurance and land stewardship costs, as shown in Table 1.

Table 1: Spring Lake Park Reserve Property Acquisition Costs

Cost Items	Amount
Purchase Price	\$1,240,000
Appraisal	\$2,000
Legal services, taxes, insurance, closing	\$9,009
Land Stewardship	\$16,400
Total Acquisition (Estimated)	\$1,267,409

Once PAOF appropriations become available, the County's grant will be financed with 60 percent state funds (Parks and Trails Legacy fund) and 40 percent Metro Council bonds as shown in Table 2.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$1,267,409
Grant Total (75% of acquisition)	\$950,557
State funds 60 percent	\$570,334
Metro Council Bonds 40 percent	\$380,223
Grant Local Match (25% of acquisition)	\$316,852

Known Support / Opposition

At its June 2, 2015 meeting, the Metropolitan Parks and Open Space Commission unanimously approved the staff report recommendations.

The Dakota County Board of Commissioners approved the purchase of the property and the acquisition grant request on April 21, 2015 (resolution 15-210). There is no known opposition to the County's acquisition or to the grant request.

Metropolitan Parks and Open Space Commission

Meeting date: June 2, 2015

For the Community Development Committee meeting of June 15, 2015

For the Metropolitan Council meeting of June 24, 2015

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District(s), Member(s): MPOSC District H, Vacant

Policy/Legal Reference: MN Statute Section 473.315

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Rationale

The County's grant request is consistent with the 2040 Regional Parks Policy Plan (adopted February 11, 2015), which contains the rules for PAOF grant requests. The PAOF rules specify that lands must be within Council-approved master plan boundaries to qualify for an acquisition grant. The PAOF rules define grant-eligible acquisition costs that the Council funds to the park agencies.

The request is also consistent with the special circumstances outlined in the policy plan that address when funds in the PAOF are not available. Dakota County provided the required acquisition data and requested that the Council reimburse the County for up to 75 percent of the grant eligible acquisition costs.

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Known Support / Opposition

The Dakota County Board of Commissioners approved the purchase of the property and the acquisition grant request on April 21, 2015 (resolution 15-210). There is no known opposition to the County’s acquisition or to the grant request.

Attachment 1: Dakota County Park Acquisition Opportunity Fund Grant Request



May 5, 2015

Jan Youngquist
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Physical Development Division

Dakota County
Western Service Center
14955 Galaxie Avenue
Apple Valley, MN 55124

952-891-7000
Fax 952-891-7031
www.dakotacounty.us

Environmental Resources
Land Conservation
Groundwater Protection
Surface Water
Waste Regulation
Environmental Initiatives

Office of Planning

Operations Management
Facilities Management
Fleet Management
Parks

Transportation Department
Highways
Surveyor's Office
Transit Office

Dear Jan:

Dakota County requests Metropolitan Council consideration authorizing an Acquisition Opportunity Fund (AOF) grant for the purchase of the Terrence and Margaret Flower (Flower) property in Spring Lake Park Reserve (SLPR).

The Spring Lake Park Reserve Master Plan recognizes acquisition of the 9.37-acre Flower property as a high priority for protecting natural resources and preventing additional residential development within the park boundaries that would detract from the park experience or make the property even more expensive.

The County completed, reviewed and accepted an independent appraisal to substantiate the purchase price. The Flowers have signed a waived of relocation benefits.

The Dakota County Board of Commissioners authorized acquisition of the Flower property and submission of an AOF grant request at its April 21, 2015, meeting (Resolution No. 15-210). The County and the Flowers executed the Purchase Agreement on May 1, 2015.

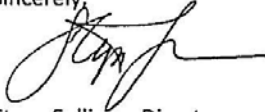
This AOF grant request is based on the following estimated expenses: \$1,240,000 for the property, \$16,400 for demolition of the existing structures and \$11,009 of other associated costs for a total project cost of \$1,267,409. The County's AOF request to the Metropolitan Council is \$955,557. The County will provide \$316,852 of matching funds. The County wishes to seek reimbursement eligibility for the 25 percent match.

Our understanding is that there are not sufficient funds in the Park to fully fund this grant request and that the Metropolitan Council cannot commit Park Acquisition Opportunity Funds until after the next fiscal year's appropriation on July 1, 2015. In accordance with the "Special Circumstances—Lack of Available Acquisition Opportunity Funds" section of the 2040 Regional Parks Policy Plan, Dakota County would like to request reimbursement consideration for up to 75% of the grant eligible costs. The County will not close on the property until the grant request has been approved by the Metropolitan Council.

Page 2

Thank you for considering this request.

Sincerely,



Steve Sullivan, Director
Operations Management-Parks



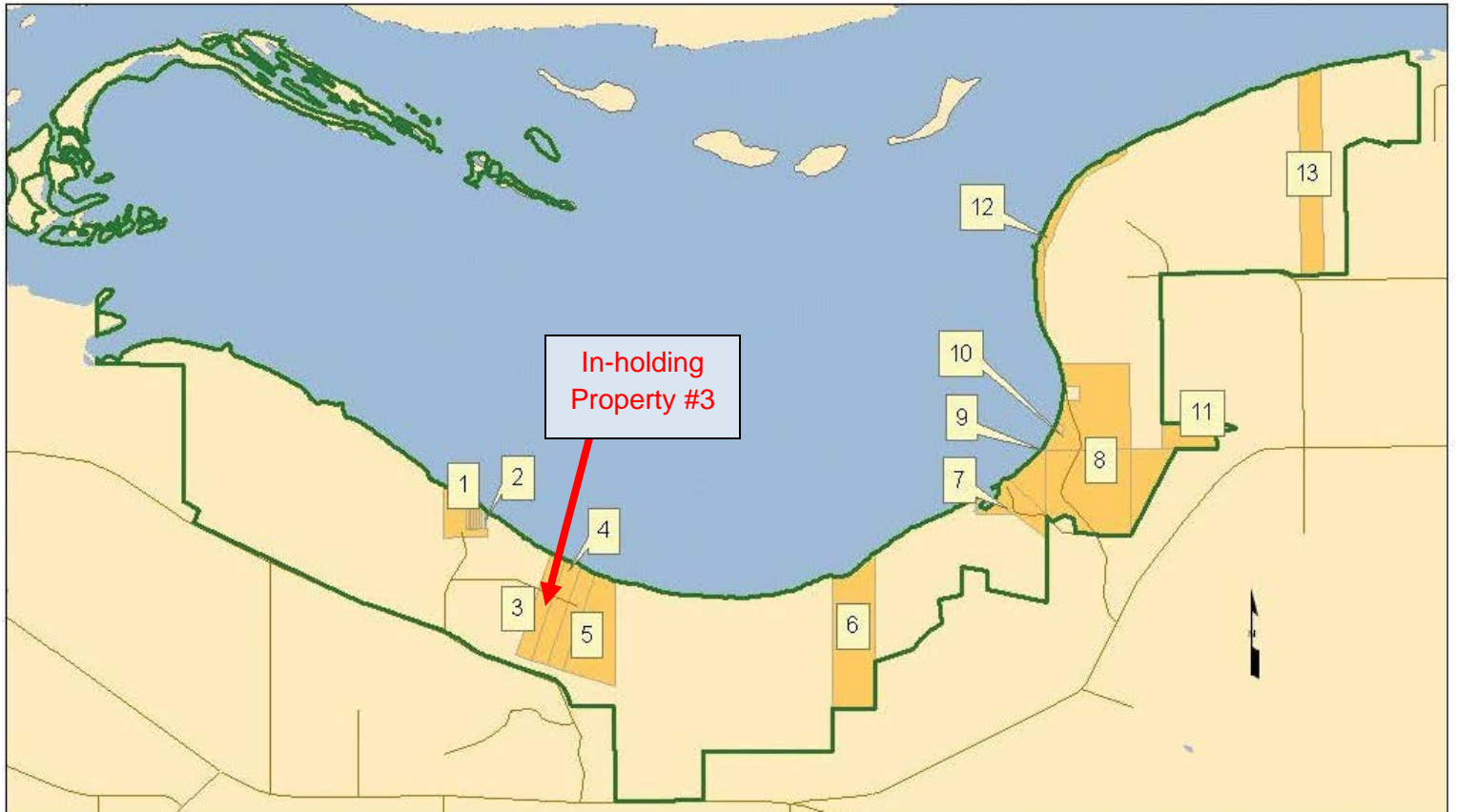
Al Sirger, Land Conservation Manager
Environmental Resources

Enc.

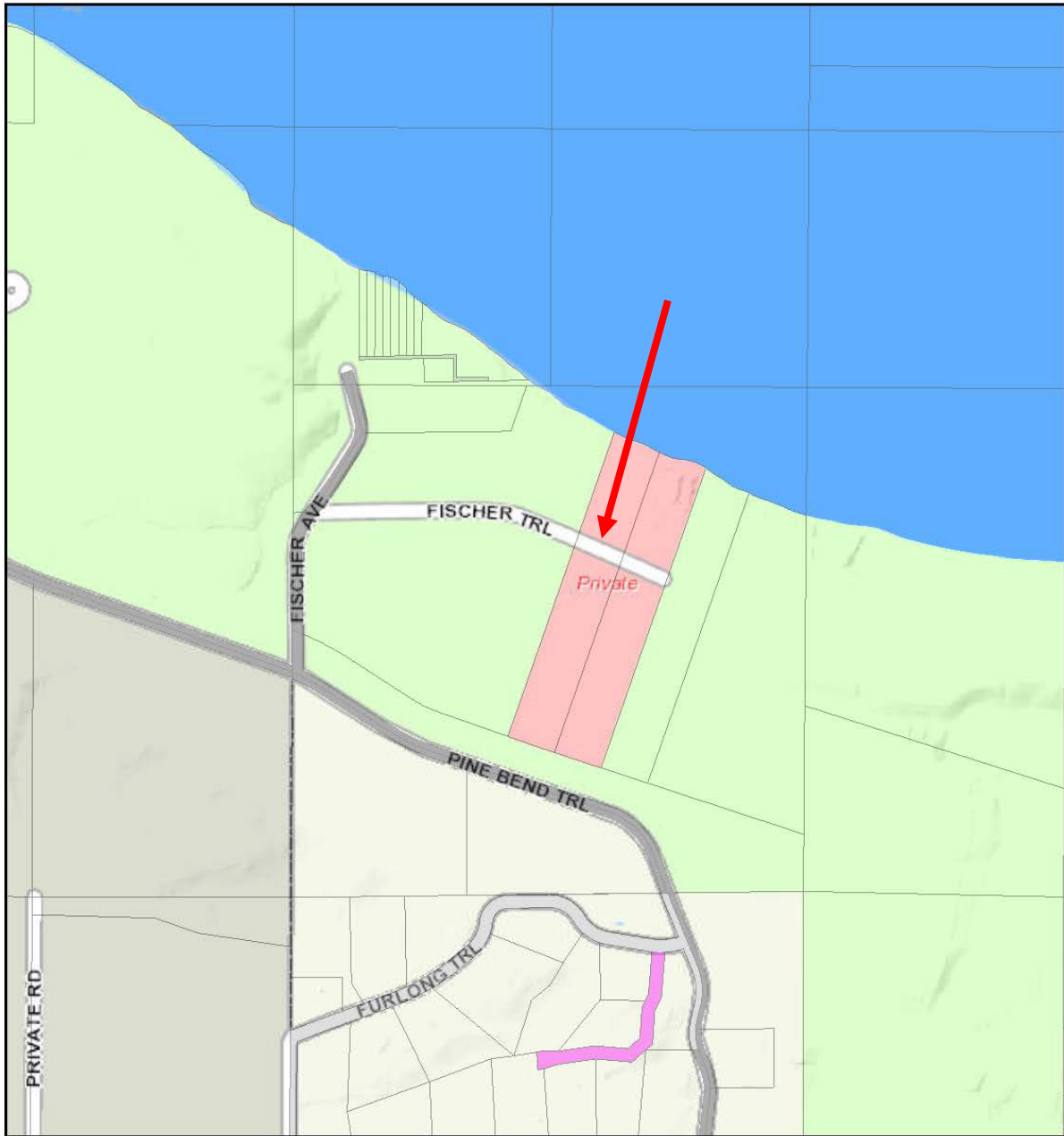
cc: Taud Hoopingarner, Operations Management Director
Tara Zgoda, Financial Analyst

Attachment 2: Spring Lake Park Reserve Master Plan showing in-holding property at 13586 Fischer Avenue, Hastings, MN 55033

Figure 4.2 – Inholdings within Spring Lake Park Reserve.

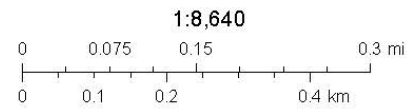


Attachment 3: Subject Property at 13586 Fischer Avenue



May 8, 2015

- | | |
|--|---|
|  Tax Parcels |  Water in Tax Parcel |
|  Tax Parcel |  Right of Way Easement |
|  Dedicated Right of Way |  Pending New |
|  Water | |
|  Multi-owner Parcel | |



Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed. This is not a legal document and should not be substituted for a title search, appraisal, survey or for zoning verification.

Attachment 4: Aerial Photos of Subject Property at 13586 Fischer Avenue

PLS Section 22, 115-18
Total Easement Acres 9.37



N
● Section Corner ● Quarter Corner □ Acquisition Area □ Parcels — Roads

Map Date: 4/22/2015 1 inch = 300 feet