

## Community Development Committee

Meeting date: October 19, 2015

For the Metropolitan Council meeting of October 28, 2015

**Subject:** Park Acquisition Opportunity Fund Grant for Lake Elmo Park Reserve, 1446 Lake Elmo Avenue North, Washington County

**District(s), Member(s):** Council District 12, Harry Melander

**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 \$194,479 to reimburse Washington County for acquisition of a 1.1-acre property for Lake Elmo Park Reserve when funds are available in the Parks and Trails Legacy fund account of the Park Acquisition Opportunity Fund.
  - The Metropolitan Council's grant finances up to 75 percent of the total acquisition costs from the Park Acquisition Opportunity Fund (PAOF) using the Fiscal Year 2017 Parks and Trails Legacy Fund account (60 percent) and Metropolitan Council Bonds (40 percent).
  - Washington County will finance at least 25 percent of the total acquisition costs. If the total acquisition costs are higher than estimated, Washington County is responsible for the difference.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

### Background

Washington County has requested a Park Acquisition Opportunity Fund (PAOF) grant of up to \$194,479 to acquire a 1.1-acre inholding property for the Park Reserve, located at 1446 Lake Elmo Avenue North in the City of Lake Elmo.

The County's acquisition of the subject property is consistent with the Lake Elmo Park Reserve master plan which the Metropolitan Council originally approved on August 23, 2006 (business item 2006-219), and amended on August 26, 2015 (business item 2015-190).

The grant amount requested exceeds the available balance in the park acquisition opportunity fund. The *2040 Regional Parks Policy Plan* provides guidance in special circumstances where there is a lack of available acquisition opportunity funds. Therefore, the grant request requires action to reimburse the County for the acquisition when funds become available.

### Rationale

Washington County's grant request is consistent with the *2040 Regional Parks Policy Plan* (adopted February 11, 2015), which contains the PAOF Rules that include special circumstances for a lack of funds to reimburse park agencies once funds become available.

### Funding

Table 1 summarizes the County's grant-eligible estimated costs to acquire the subject property which total \$259,305.

**Table 1:** Estimated Acquisition Costs - 1446 Lake Elmo Avenue No, Lake Elmo

Cost Items	Amount
Purchase Price	\$253,000
Appraisal	\$2,250
Phase 1 Environmental Assessment	\$2,000
Taxes and Closing Costs	\$2,055
<b>Total Acquisition (Estimated)</b>	<b>\$259,305</b>

The Council will finance this grant using Fiscal Year 2017 Parks and Trails Legacy Fund account once these funds become available after July 1, 2016. The Legacy account provides 60 percent of the grant amount and Metropolitan Council bonds provide 40 percent, as shown in Table 2.

**Table 2:** Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$259,305
Local Match Amount	\$64,826
<b>Grant Amount</b>	<b>\$194,479</b>
FY2017 Parks and Trails Legacy Fund (60%)	\$116,687
Metropolitan Council Bonds (40%)	\$77,792

**Known Support / Opposition**

The Washington County Board of Commissioners authorized the purchase of the Weeks property and the acquisition grant request on August 11, 2015. The Metropolitan Parks and Open Space Commission recommended approval of the proposed action, with one vote against, at its meeting on October 6, 2015. There is no known opposition to the County’s acquisition of the property or request for an acquisition grant.

## Metropolitan Parks and Open Space Commission

Meeting date: October 6, 2015

For the Community Development Committee meeting of October 19, 2015

For the Metropolitan Council meeting of October 28, 2015

**Subject:** Park Acquisition Opportunity Fund Grant for Lake Elmo Park Reserve, 1446 Lake Elmo Avenue North, Washington County

**District(s), Member(s):** MPOSC District F, Sarah Hietpas

**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 \$194,479 to reimburse Washington County for acquisition of a 1.1-acre property for Lake Elmo Park Reserve when funds are available in the Parks and Trails Legacy fund account of the Park Acquisition Opportunity Fund.
  - The Metropolitan Council's grant finances up to 75 percent of the total acquisition costs from the Park Acquisition Opportunity Fund (PAOF) using the Fiscal Year 2017 Parks and Trails Legacy Fund account (60 percent) and Metropolitan Council Bonds (40 percent).
  - Washington County will finance at least 25 percent of the total acquisition costs. If the total acquisition costs are higher than estimated, Washington County is responsible for the difference.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

### Background

Lake Elmo Park Reserve is located in central Washington County in the City of Lake Elmo, and the master planned Park Reserve boundary encompasses approximately 2,165 acres. Washington County has requested a Park Acquisition Opportunity Fund (PAOF) grant of up to \$194,479 to acquire a 1.1-acre inholding property for the Park Reserve. The property is located at 1446 Lake Elmo Avenue North in the City of Lake Elmo (Attachment 1).

The subject property is located along the eastern boundary of Lake Elmo Park Reserve, surrounded on three sides by the Park Reserve, and bordered by Lake Elmo Avenue (County Highway 17) to the east. The property is zoned single family residential and has an existing home that the County will demolish to integrate the property into the Park Reserve according to the master plan.

The appraised value is \$230,000 and the purchase price is \$253,000, or ten percent greater than the County's appraised value. The Washington County Board of Commissioners approved the purchase amount on August 11, 2015, finding that the acquisition of this property provided an opportunity to improve and protect habitat forever.

The County's acquisition of the subject property is consistent with the Lake Elmo Park Reserve master plan which the Metropolitan Council originally approved on August 23, 2006 (business item 2006-219), and amended on August 26, 2015 (business item 2015-190).

The County estimates the total acquisition costs to be \$259,305, including the purchase price (\$253,000) and other eligible costs totaling \$6,305 as outlined in Table 1. The closing is set to occur after the scheduled Metropolitan Council action on the grant request on October 28, 2015. While the County's request provides all data required by the PAOF Rules, the grant amount requested exceeds the available balance in the park acquisition opportunity fund. Therefore, the *2040 Regional Parks Policy Plan* provides guidance in special circumstances where there is a lack of available acquisition opportunity funds. It 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 to 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).*

Washington County's acquisition grant request also requires action to reimburse the County for the 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.

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. Therefore, the Metropolitan Council's action authorizes the Community Development Director to sign the grant agreement and the restrictive covenant.

## **Rationale**

Washington 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 also define grant-eligible acquisition costs that the Council funds through reimbursements to the park agencies.

## **Funding**

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the regional parks system. As of October 2015, the PAOF has provided more than \$39.5 million to acquire approximately 3,000 acres. The Council accepts PAOF grant requests on a first-come-first-serve basis, and the grant finances up to 75 percent of the total acquisition costs, with the park agency paying the remaining 25 percent as the required local match. If the actual total acquisition costs are higher than estimated, the park agency is responsible for the difference.

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

The ENRTF account is available only to acquisition projects that are included in the LCCMR-approved work plan, and meet LCCMR acquisition funding guidelines. The current fund balance is approximately \$4,167,000. Since this property does not qualify for acquisition using ENRTF, this grant will be financed through the Parks and Trails Legacy Fund account.

On June 14, 2015, the Legislature approved the Parks and Trails Legacy funding appropriation for fiscal years 2016 and 2017. On June 24, 2015, the Metropolitan Council approved the 2015 Capital Program and Budget Amendment (Business Item 2015-145) that acknowledged receipt of the \$1,723,700 fiscal year 2016 Parks and Trails Legacy Fund appropriation, plus the Metropolitan Council bond match of \$1,149,133, creating a new balance of \$2,872,833 in the PAOF Parks and Trails Legacy fund account. The fiscal year 2017 appropriation becomes available after the Council adopts a budget amendment that authorizes that appropriation and spending.

The PAOF Rules identify the grant-eligible acquisition costs, and Table 1 summarizes the County's grant-eligible estimated costs to acquire the subject property which total \$259,305. The requested grant amount (\$194,479) represents 75 percent of these estimated costs.

**Table 1:** Estimated Acquisition Costs - 1446 Lake Elmo Avenue No, Lake Elmo

Cost Items	Amount
Purchase Price	\$253,000
Appraisal	\$2,250
Phase 1 Environmental Assessment	\$2,000
Taxes and Closing Costs	\$2,055
<b>Total Acquisition (Estimated)</b>	<b>\$259,305</b>

The Council will finance this grant using Fiscal Year 2017 Parks and Trails Legacy Fund account once these funds become available after July 1, 2016. The Legacy account provides 60 percent of the grant amount and Metropolitan Council bonds provide 40 percent, as shown in Table 2.

**Table 2:** Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$259,305
Local Match Amount	\$64,826
<b>Grant Amount</b>	<b>\$194,479</b>
FY2017 Parks and Trails Legacy Fund (60%)	\$116,687
Metropolitan Council Bonds (40%)	\$77,792

**Known Support / Opposition**

The Washington County Board of Commissioners authorized the purchase of the Weeks property and the acquisition grant request on August 11, 2015. The Metropolitan Council has not received any opposition to the County’s acquisition of the property, or the grant request.





Public Works Department  
Parks Division

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

John D. Elholm, CPRP  
Parks Director

August 28, 2015

Tori Dupree  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN 55101

**REQUEST FOR ACQUISITION OPPORTUNITY GRANT FUNDS FOR PURCHASE OF THE WEEKS PROPERTY IN LAKE ELMO PARK RESERVE**

Dear Tori:

Washington County requests that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Weeks property; a 1.1 acre property located within the City of Lake Elmo. This property is bordered by Lake Elmo Park Reserve on 3 sides and has a county highway on the 4<sup>th</sup> side. The property includes a small home that we anticipate will be removed within a year of purchase. No rental revenue will be generated from this acquisition. Because the parcel has parkland on 3 sides, and due to opportunities it provides to improve and protect habitat forever, the agreed upon price is 10% over Washington County's appraised value.

The offer presented here has been signed by the landowner, and was approved by the Washington County Board of Commissioners on August 11, 2015. Funding for this project is requested to be 75% from the Metropolitan Council's Acquisition Opportunity Fund with the remaining 25% being funded by Washington County funds.

Estimated Acquisition Costs:

Purchase Price	\$ 253,000
Other costs (identified on spreadsheet)	\$ 6,305
<b>Total Estimated Acquisition Costs</b>	<b>\$ 259,305</b>

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$ 194,479
Washington County (25%)	\$ 64,826
<b>Total Proposed Revenue Sources</b>	<b>\$ 259,305</b>

We understand there are not sufficient funds to fully finance this grant request in the 2016 fiscal year. However, we also understand that the "Special Circumstances – Lack of Available Acquisition Opportunity Funds" section of the policy plan allows the council to use up to 60% of the next fiscal year appropriation, along with matching Council bonds, to fund current acquisition projects. The funding wouldn't become available until after July 1, 2016. Washington County requests consideration of grant funding through this "Special Circumstances" section. The closing for this property will occur following Met Council action on the grant request.

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www.co.washington.mn.us  
Equal Employment Opportunity / Affirmative Action



**Attachment 1 (Page 2)**

Thank you for your consideration of this request. If you have any questions or need further information, please let me know.

Respectfully,



John D. Elholm  
Parks Director

C: Sharon Price, Acquisition Manager  
June Mathiowetz, Land and Water Legacy Program Manager



**Attachment 2: Master Plan Support for Acquisition at Lake Elmo Park Reserve, Washington County**

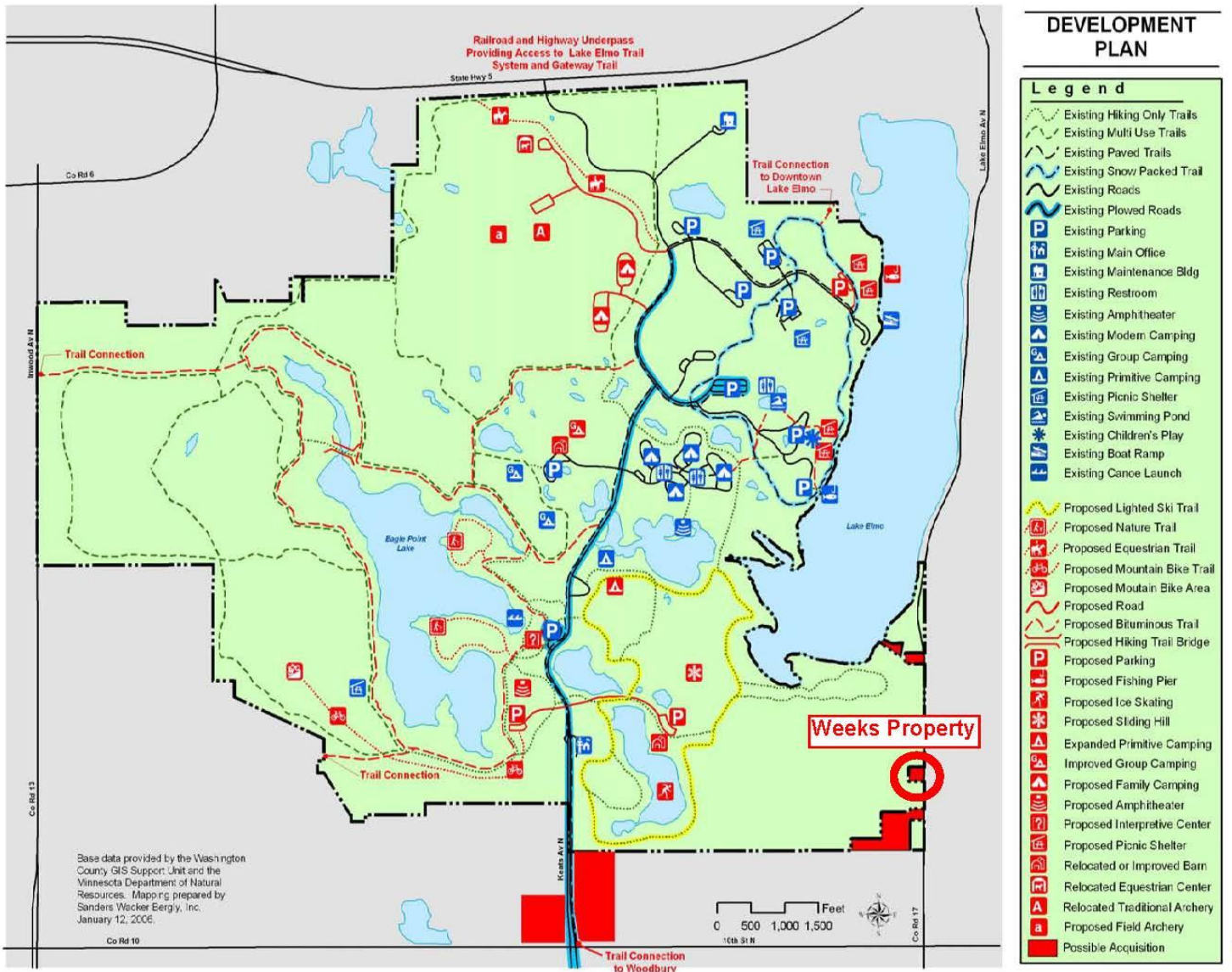


Figure 5.2

Attachment 3: 1446 Lake Elmo Avenue North, Lake Elmo Park Reserve, Washington County

