

Community Development Committee

For the Community Development Committee meeting of July 18, 2016

For the Metropolitan Council meeting of July 27, 2016

Subject: Park Acquisition Opportunity Fund Grant for Spring Lake Park Reserve (Burger), Dakota County

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$733,064 to Dakota County to acquire the Burger parcel at 13584 Fischer Avenue for Spring Lake Park Reserve; and
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Summary of Committee Discussion/Questions

The Metropolitan Parks and Open Space Commission (MPOSC) considered this item at its meeting on July 5. While there was no quorum at MPOSC, the Chair polled the members in attendance, and they unanimously supported the proposed action. Due to a lack of a quorum, this business item is being forwarded to the Community Development Committee without a recommendation from MPOSC.

Metropolitan Parks and Open Space Commission

Meeting date: July 5, 2016

For the Community Development Committee meeting of July 18, 2016

For the Metropolitan Council meeting of July 27, 2016

Subject: Park Acquisition Opportunity Fund Grant for Spring Lake Park Reserve (Burger), Dakota County

District(s), Member(s): H – Todd Kemery

Policy/Legal Reference: MN Statutes 473.315

Staff Prepared/Presented: Deb Streets Jensen, Senior Parks Finance Planner 651-602-1554

Division/Department: Community Development Division / Regional Parks & Natural Resources

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$733,064 to Dakota County to acquire the Burger parcel at 13584 Fischer Avenue for Spring Lake Park Reserve; and
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency. This grant was requested by Dakota County on March 1, 2016. A copy of the Agency's request is attached to this item. Spring Lake Park Reserve is located in Nininger Township along the Mississippi River in Dakota County.

Policy. Strategy Two of the Siting and Acquisition policy from the *2040 Regional Parks Policy Plan* states that "*priorities for land acquisition are set by regional park implementing agencies in Council-approved master plans.*"

Funding sources. The Council's Park Acquisition Opportunity Fund (PAOF) provides resources to purchase property and easements via two state sources: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes further by matching every \$3 in state funds with \$2 in Council bonds proceeds. Between them, state and Council funds contribute up to 75% of the purchase price and eligible costs; the regional park implementing agency (Agency) contributes at least 25% as local match. The County is not seeking consideration for future reimbursement of its local match. This grant would be funded through PTLF and Council match, as this property currently has a structure on it that needs to be demolished.

Council review. Staff from the Council's Regional Parks and Natural Resources work unit:

- review each PAOF request to ensure that the proposed acquisition complies with state statute and Council policy;
- ensure that all necessary documentation is in place and that the appraisal is reasonable and appropriate; and
- process requests on a first-come-first-served basis.

Subject property. This property is located in Spring Lake Park Reserve. In the short term, the Agency plans on demolishing an existing residence, then later

restoring it to native prairie. The existing water supply to the house will be capped for possible future use in a trailhead.

Acquisition details. This is a straightforward, fee simple transaction with no easements or other property restrictions.

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan, Strategy Two, Siting and Acquisition;
- PTLF appropriation requirements; and
- The Spring Lake Park Reserve master plan, approved by the Council on April 14, 2004.

This property comprises 9.3 acres and will add a mix of grassland and high-quality forest on a steep bluff along Spring Lake to the regional parks system. Dakota County indicates that acquisition of these parcels is not controversial.

Funding

Project budget. The appraised value of the property is \$900,000, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown below. Because the house contains asbestos, the grant request includes \$45,000 for pre-demolition asbestos abatement in addition to the actual demolition, as part of the stewardship costs. Other eligible acquisition-related costs requested for this grant are listed below.

Budget item	Requested amount
Purchase price	\$900,000
Due diligence (appraisal, Phase I environmental site assessment, etc.)	5,163
Holding and closing costs	11,256
Stewardship (asbestos abatement and demolition)	<u>61,000</u>
Total costs	\$977,419
Grant structure	
PTLF PAOF	\$439,838
Council bonds	293,226
Grant amount not to exceed	\$733,064
Local match	\$244,355

Fund balance.

As of July 1, 2016, the combined balance available for PTLF PAOF and Council match was \$1,331,267. If this grant is awarded by the Council, the balance will be \$598,202.

The Council currently has several other PTLF PAOF applications under review. The PTLF PAOF fund will not have sufficient funds to award grants to all of these projects. Applications are presented for MPOSC consideration in the order in which they are deemed complete, and only if the entire request can be funded. Once the fund is depleted, likely via recommendations through MPOSC in August, there will not be any further PTLF PAOF money available for acquisitions until further funds are appropriated.

Known Support / Opposition

There is no known opposition.