

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 Lebanon Hills Regional Park (Doehling), Dakota County

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$350,283 to Dakota County to acquire the Doehling parcel at 2835 120th Street West for Lebanon Hills Regional Park; 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 Lebanon Hills Regional Park (Doehling), Dakota County

MPOSC District: H – Todd Kemery

Policy/Legal Reference: MN Statutes 473.315; MN Constitution Article XI, Sec. 14; and the 2040 Regional Parks Policy Plan

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 \$350,283 to Dakota County to acquire the Doehling parcel at 2835 120th Street West for Lebanon Hills Regional Park; 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, and a copy of the Agency's request is attached to this item. Lebanon Hills Regional Park is located in Egan and Apple Valley 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. This grant will be funded through ENRTF and Council match, as it contains high-quality natural resources and meets other ENRTF criteria. The County is not seeking consideration for future reimbursement of its local match amount.

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. The subject property is an inholding along the southeast edge of the Council-approved boundary of Lebanon Hills Regional Park. Natural resources located on the property include evergreens, willows and red and white oaks. In the short term, the Agency plans on removing buckthorn; in the long term, the property will be restored to savanna prairie.

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

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan;
- Appropriation requirements, including that the property does not include a residence;
- The Lebanon Hills Regional Park master plan, approved by the Council on August 26, 2015; and
- All requirements of ENRTF. Staff from the Legislative Citizens Commission on Minnesota Resources have reviewed the grant application.

This property comprises 0.85 acres and will anchor the southeast corner of Lebanon Hills. Dakota County reports that acquisition of this parcel is not controversial.

Funding

Project budget. The appraised value is \$450,000, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$450,000
Due diligence (appraisal, Phase I environmental site assessment, etc.)	5,350
Holding and closing costs (interest, taxes, legal, title insurance, etc.)	4,695
Stewardship	<u>7,000</u>
Total costs	\$467,045
Grant structure	
ENRTF PAOF	\$210,170
Council bonds	140,113
Grant amount not to exceed	\$350,283
Local match	\$116,761

Fund balance.

As of July 1, 2016, the combined balance available for ENRTF PAOF and Council match was \$4 million. If this grant is awarded by the Council, the balance will be \$3,649,717. The Council has two existing approved work plans through ENRTF, with \$1 million from 2014 and \$1.5 million from 2015. These funds would be drawn from the 2014 ENRTF work plan, as amended in January 2016, plus the Council match.

Additional ENRTF applications are currently in process of review or submittal. If all applications proceed as expected, the Council will be able to cover those requests with existing funds. It should be noted that ENRTF and PTLF grants have differing eligibility requirements that are set by the state, and the dollars are not interchangeable.

Known Support / Opposition

There is no known opposition.