

## Community Development Committee

Meeting date: November 19, 2018

**Subject:** Regional Parks Funding Allocation Policy and Regional Parks Fund Distribution Policy

**District(s), Member(s):** All

**Policy/Legal Reference:** Minnesota Constitution, Article XI, Section 15; Minn. Stats. §§ 85.53 and 473.351; *2040 Regional Parks Policy Plan*

**Staff Prepared/Presented:** Libby Starling, Director of Regional Planning (651-602-1135); Heather Aagesen-Huebner, Director of Finance and Administration for CD / MTS (651-602-1728); Emmett Mullin, Parks Manager (651-602-1360)

**Division/Department:** Community Development / Regional Planning

### Proposed Action

None at this time. Information only.

### Background

The 2018 update to the *2040 Regional Parks Policy Plan*, scheduled to be recommended for adoption earlier in this meeting, removes significant finance-related policies and procedures from the *2040 Regional Parks Policy Plan*. These finance related policies and procedures were removed with the intent of placing them in the Council's organizational policies and in an administrative guide so that the Council could be more nimble in response to legislative changes and adjust administrative procedures as needed. Council staff have been drafting a Regional Parks Funding Allocation Policy and a Regional Parks System Fund Distribution Policy for adoption by the Metropolitan Parks and Open Space Commission (MPOSC) and the Metropolitan Council in December and January.

### Rationale

State statute requires the Council to review and update its *Regional Parks Policy Plan* at least once every four years. The anticipated adoption of the *2040 Regional Parks Policy Plan* will orphan finance-related policies that warrant formal policymaker review and adoption.

### Thrive Lens Analysis

While the full *2040 Regional Parks Policy Plan* advances the *Thrive MSP 2040* outcomes of Livability and Equity, these finance policies advance the Thrive outcome of Stewardship by responsibly managing the Council's financial resources supporting the Regional Parks System.

### Funding

Updating the Regional Parks Policy Plan is a regular item in the Community Development Division work plan.

### Known Support / Opposition

The draft documents released on November 8, 2018, respond to comments on an earlier draft of a more expansive document shared with regional park implementing agencies. Discussing these drafts now prior to action in December will allow Council staff to learn more about support, concerns, and opposition to the proposed language.

**Regional Parks Funding Allocation (DRAFT FOR DISCUSSION)**

Section/Number: 3-xxx-xxx	Total Pages: 2
Dept. Responsible: Regional Administration and Community Development	Effective Date:
Special Note:	Last Revision Date:
	Last Review Date:
	Revision No.

**I. Policy**

The Metropolitan Council shall abide by state statute, session law, the *Regional Parks Policy Plan*, and the Regional Parks Fund Distribution Policy when allocating funds received from the State of Minnesota for the regional recreation open space system established and governed by state statute as well as any direct state appropriations for parks or recreational purposes.

**II. Purpose of policy**

This policy provides a framework for the Council’s adoption, upon the recommendation of the Metropolitan Parks and Open Space Commission, of the Regional Parks Fund Distribution Policy separate from the *Regional Parks Policy Plan* and establishes the responsibilities and expectations for the allocation of funding received from the State of Minnesota for the Regional Parks System.

**III. Background and reasons for policy**

The State of Minnesota provides funding for the Regional Parks System. These funds and any Council matching funds are allocated to the following programs:

- Operation and Maintenance (O&M), appropriated by the state of Minnesota under [Minn. Stat. § 473.351, subd. 3](#) for the cost of the operation and maintenance of waters, lands, and facilities that are part of the Regional Parks System.
- Parks and Trails Legacy Fund Program (PTLF), established under the [Minnesota Constitution, Article XI, Section 15](#) to support parks and trails of regional or statewide significance.
- Park Acquisition Opportunity Fund (PAOF) assists Agencies in acquiring land for the Regional Parks System with state and regional funding sources in two separate accounts:
  - The Parks and Trails Legacy Fund / Park Acquisition Opportunity Fund (PTLF/PAOF) account, funded by state Legacy dollars and Regional Park bonds per [Minn. Stat. § 85.53](#)
  - The Environment and Natural Resources Trust Fund / Parks Acquisition Opportunity Fund (ENRTF/PAOF) account, funded by ENRTF dollars.
- Regional Parks Bonding Program: State bonds appropriated for the Regional Park System.
- Direct earmarked appropriations to local government jurisdictions, including the Regional Parks Implementing Agencies, counties, cities, or townships.
- Other programs as directed by the Council.

**IV. Implementation/Accountability**

The Regional Administrator shall establish the framework and accountability for the effective implementation of the policy.

The Council shall publish the Regional Parks Funding Allocation policy, the Regional Parks Fund Distribution Policy, and the Regional Parks System sub-recipient administrative guide on the Council's website.

With the recommendations of the Metropolitan Parks and Open Space Commission, the Council is responsible for reviewing the content of the Regional Parks Fund Distribution Policy at least annually and formally adopting any amendments to the Regional Parks Fund Distribution Policy as needed.

*Revision/Review Tracking*

Date	Revision No.	Review Only – No changes
	1	

# REGIONAL PARKS SYSTEM FUND DISTRIBUTION POLICY



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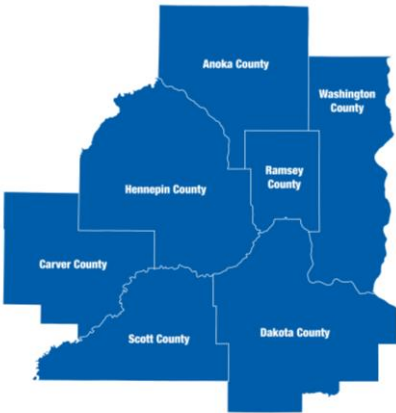


# The Council’s mission is to foster efficient and economic growth for a prosperous metropolitan region

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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1 **Introduction**

2 The Metropolitan Council (Council) administers a variety of funding sources and grant programs for the  
3 betterment of the Regional Parks System. These funds are awarded or passed through to the Regional  
4 Parks Implementing Agencies (Agencies). Legal requirements for these programs vary, and the Council  
5 is responsible for ensuring compliance with all relevant requirements. Agencies are responsible for  
6 knowing and complying with their grant agreements, which may specify additional funding  
7 requirements.

8 **Purpose**

9 The Minnesota Constitution, Minnesota Statutes, and the *Regional Parks Policy Plan* articulate the  
10 structure for the funding sources and programs that the Council administers. This document establishes  
11 the Council’s policies and priorities for the use of Regional Parks funds.

12 **Regional Parks Implementing Agencies**

13 [Minn. Stats. § 473.351](#) limits regional parks funding to Regional Parks Implementing Agencies  
14 (Agencies) and defines them to be:

- 15 • Anoka County
- 16 • City of Bloomington
- 17 • Carver County
- 18 • Dakota County
- 19 • Minneapolis Parks and Recreation Board
- 20 • Ramsey County
- 21 • City of Saint Paul
- 22 • Scott County
- 23 • Three Rivers Park District
- 24 • Washington County

25 **Regional Parks System Funding**

26 **Operation and Maintenance (O&M)**

27 The state of Minnesota appropriates money under [Minn. Stats. § 473.351](#) for the cost of providing for  
28 the operation and maintenance of waters, lands, and facilities that are part of the Regional Parks  
29 System.

30 **Parks and Trails Legacy Fund Program (PTLF)**

31 The [Minnesota Constitution, Article XI, Section 15](#) established the Parks and Trails Legacy Fund  
32 (PTLF) to support parks and trails of regional or statewide significance.

33 **Park Acquisition Opportunity Fund (PAOF)**

34 The Council established the Park Acquisition Opportunity Fund (PAOF) to assist Agencies in acquiring  
35 land for the Regional Parks System. The PAOF comprises state and regional funding sources in two  
36 separate accounts:

- 37 • The Parks and Trails Legacy Fund / Park Acquisition Opportunity Fund (PTLF/PAOF) account  
38 funded by state Legacy dollars and regional park bonds. [Minn. Stats. 85.53](#) requires that the  
39 Council match every \$3 in PTLF land acquisition funds with \$2 in regional park bonds.

- The Environment and Natural Resources Trust Fund / Park Acquisition Opportunity Fund (ENRTF/PAOF) account funded by ENRTF dollars and Council funds. The Council matches every \$3 in ENRTF funds with \$2 in Council funds for Regional Parks System land acquisition.

## **Regional Parks Bonding Program**

There are two funding sources that are part of the Regional Parks Bonding Program:

- Regional park bonds issued by the Council for the Regional Parks System.
- State bonds (usually general obligation bonds) appropriated for the Regional Parks System.

Per the [2040 Regional Parks Policy Plan](#) and Council’s Capital Financing Policy, the Council matches every \$3 of state general obligation bonds with \$2 of regional park bonds.

## **Interest earnings**

Under legislation passed in 2015 ([Laws of Minnesota 2015, First Special Session, Chapter 4](#), Article 4, Section 138), the Council shall use the interest that the Council accrues on regional parks funding “for the use and betterment of all regional recreational open space lands under the jurisdiction of the Metropolitan Council.” The Council will develop a strategy for using the interest earnings in 2019 and update this policy as needed.

## **Set-Aside Competitive Equity Grant Program**

In the [2040 Regional Parks Policy Plan](#), the Council made a commitment to use Council bonds to create, fund, and administer a set aside competitive equity grant program for projects explicitly aimed to strengthen equitable usage of the Regional Parks System. The Council will develop the Set-Aside Competitive Equity Grant Program in 2019 and update this policy as needed.

## **Annual Review**

The Metropolitan Parks and Open Space Commission is responsible for reviewing and recommending any needed changes to this Regional Parks Fund Distribution Policy to the Council at least annually. With the recommendations of the Metropolitan Parks and Open Space Commission, the Council is responsible for reviewing the content of the Regional Parks Fund Distribution Policy at least annually and formally adopting any amendments to the Regional Parks Fund Distribution Policy as needed.

## **Administrative Guidance**

More detailed information and instructions on subrecipient processes and procedures can be found in the Regional Parks System sub-recipient administrative guide. This document is under development and will be completed in 2019.

The following sections outline funding priorities for each funding source and program.



1 **Operation and Maintenance (O&M)**

2 The state of Minnesota appropriates money under [Minn. Stats. § 473.351](#) for the cost of providing for  
3 the operation and maintenance of waters, lands, and facilities that are part of the Regional Parks  
4 System.

5 **Funding Source**

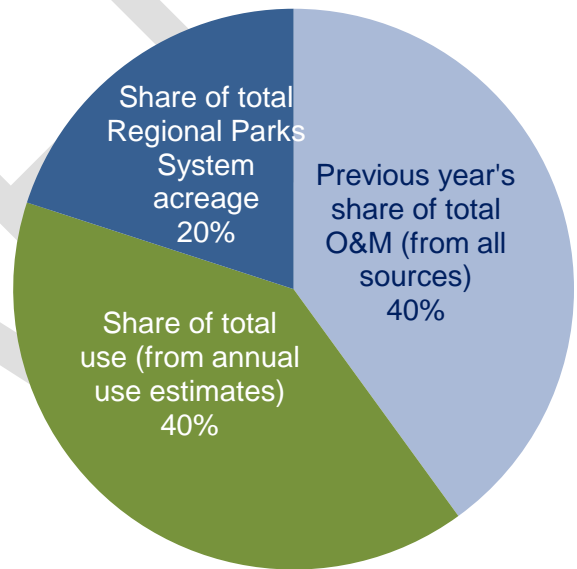
6 The state of Minnesota appropriates money the Council disburses to the Agencies to pay for a portion  
7 of the cost of providing for the operation and maintenance of waters, lands, and facilities that are part of  
8 the Regional Parks System. This money has come from two sources:

- 9
  - State appropriations from the General Fund ([Minnesota Statutes, section 473.351](#))
  - “Lottery in lieu of sales tax” ([Minnesota Statutes, section 297A.94\(h\)\(3\)](#))

11 **Allocation**

12 The Council distributes all Operation and Maintenance  
13 funding to the Agencies according to a formula based  
14 in [Minn. Stat § 473.351](#):

- 15
  - 40% based on each agency’s proportion of  
16 total regional system visits as estimated in the  
17 Council’s annual use estimates
  - 40% based on each agency’s proportion of  
18 total regional system operation and  
19 maintenance expenditures in the previous  
20 calendar year
  - 20% based on each agency’s proportion of  
21 total regional system land acreage, with park  
22 reserve resource management land divided by  
23 four and excluding the acreage under any  
24 facilities the Council considers inconsistent with  
25 Recreation Activities and Facilities – Strategy 1  
26 of the *2040 Regional Parks Policy Plan*  
27 including enterprise facilities



30 **Eligible costs and activities**

31 See the Regional Parks System sub-recipient administrative guide for a complete list of eligible and  
32 ineligible costs and activities.

33 Costs cannot be associated with activities or programming inconsistent with Recreation Activities and  
34 Facilities – Strategy 1 of the *2040 Regional Parks Policy Plan*. Additionally, activities within enterprise  
35 facilities, defined in the *2040 Regional Parks Policy Plan* as facilities that are expected to generate  
36 sufficient revenues to cover their own costs such as golf courses, downhill ski areas, and water parks,  
37 are not eligible for Operation and Maintenance funding. These facilities are not eligible for regional park  
38 funds from the Council because enterprise-fund recreation facilities are expected to raise money for  
39 their development and operation in the same way as their private sector counterparts.

40 **Required Match**

41 There is no formal required match although these appropriations fund only a portion of operation and  
42 maintenance expenses.



## 1 Parks and Trails Legacy Fund Program (PTLF)

2 In 2008, Minnesota voters passed the Clean Water, Land and Legacy Amendment, which created a  
3 new 3/8ths cent state sales tax to be collected from July 2009-June 2034 to fund the restoration,  
4 protection, and enhancement of Minnesota wildlife; protect clean water; pay for parks and trails; and  
5 preserve Minnesota’s history and cultural heritage through arts and cultural programs. The Parks and  
6 Trails Legacy Fund, one of four Legacy Amendment Funds, supports parks and trails of statewide or  
7 regional significance.

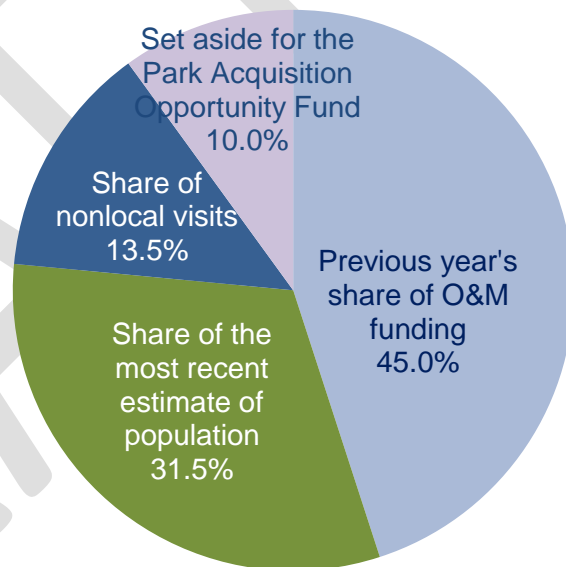
### 8 *Funding Source*

9 The [Minnesota Constitution, Article XI, Section 15](#) established the Parks and Trails Legacy Fund  
10 (PTLF) to support parks and trails. Per [Minn. Stat. § 85.53](#), this fund supports only parks and trails of  
11 regional or statewide significance. Along with state and Greater Minnesota regional parks and trails, the  
12 Council receives a portion of the Parks and Trails Legacy appropriations for the Regional Parks  
13 System.

### 14 *Allocation*

15 The Council distributes Parks and Trails Legacy  
16 Funds to the Agencies according to a formula  
17 defined in [Minn. Stat. § 85.53](#):

- 18 • 45% based on each implementing  
19 agency’s share of Operation and  
20 Maintenance funding according to the  
21 allocation formula in section 473.351,  
22 subdivision 3;
- 23 • 31.5% based on each implementing  
24 agency's relative share of the most recent  
25 estimate of the population of the  
26 metropolitan area;
- 27 • 13.5% based on each implementing  
28 agency's relative share of nonlocal visits  
29 based on the most recent user visitation  
30 survey conducted by the Metropolitan  
31 Council; and
- 32 • 10% set aside for Park Acquisition Opportunity Fund (see more on p. 7).



### 33 *Eligible Projects and Costs*

34 Consistent with the [Minnesota Constitution, Article XI, Section 15](#), authorizing state statutes (including  
35 [Minn. Stat. § 3.303](#)), and the [2040 Regional Parks Policy Plan](#), all projects submitted for funding from  
36 Parks and Trails Legacy Funds must:

- 37 • Be within parks and trails of **regional or statewide significance**.
- 38 • Be consistent with the [Parks and Trails Legacy Plan](#), the foundational document for the use of  
39 PTLF in the state, which specifies four strategic directions for use of all Legacy funds:
  - 40 ○ Connect People and the Outdoors: Develop stewards of tomorrow through efforts to  
41 increase life-long participation in parks and trails.
  - 42 ○ Acquire Land, Create Opportunities: Create new and expanded opportunities to serve  
43 current and future users.

- Take Care of What We Have: Provide safe, high-quality experiences through regular re-investment in infrastructure and natural resource management.
- Coordinate among Partners: Enhance coordination among the network of public, private, and nonprofit park and trail partners.
- **Be within the boundaries of the Regional Parks System** (for capital projects only – that is, acquisitions, development, and conservation)
  - Outreach activities outside the boundaries of the Regional Parks System are allowable if the Agency can demonstrate a direct tie between the outreach activities and use of the Regional Parks System.
- Be consistent with the **2040 Regional Parks Policy Plan**.
- Be consistent in timing, scale, type, and cost with a **Council-approved master plan** prior to the Council awarding a grant agreement.
- **Supplement, not substitute for, traditional sources of funding**. To ensure compliance with the requirements, projects funded with PTLF funds must:
  - start new projects or programs;
  - continue projects or programs without substituting Legacy funds for other funds; or
  - expand or accelerate projects through the addition of Legacy funds.
- Be substantially consistent with the project descriptions and dollar amounts **approved by each Agency's elected body**.
- Have been reviewed by the regional park implementing agency using the **equity toolkit**.
- Have been **prioritized** by the regional park implementing agency in response to local capital and programmatic needs.

Agencies may use their Parks and Trails Legacy Fund allocation for land acquisition, supplementing the Park Acquisition Opportunity Fund although the Council does not match these funds.

### **Amendments**

The Council will consider amendment requests. See the Regional Parks System sub-recipient administrative guide for further information on amendment requests.

### **Unspent Funds**

Any funds remaining after completion of the listed projects may be spent by the Agencies on projects to support regional parks and trails consistent with the requirements above.

### **Required Match**

None.

## 1 **Park Acquisition Opportunity Fund (PAOF) Program**

2 Grants from the Park Acquisition Opportunity Fund (PAOF) assist Agencies in acquiring land for the  
3 Regional Parks System.

### 4 *Funding Source*

5 The Park Acquisition Opportunity Fund (PAOF) program has two funding sources:

- 6 • Parks and Trails Legacy Fund (PTLF): 10% of the Parks and Trails Legacy Fund appropriations  
7 are set aside for land acquisition through the Park Acquisition Opportunity Fund Grant Program  
8 (PAOF).
- 9 • Environment and Natural Resources Trust Fund (ENRTF). The ENRTF acquisition opportunity  
10 grant fund is comprised of direct appropriations received by Legislative-Citizen Commission on  
11 Minnesota Resources (LCCMR) for land acquisition. The LCCMR establishes the requirements  
12 for ENRTF funding, including funding used as part of the PAOF program.

13 For both programs, the Council matches every \$3 in state funding with \$2 from Council funds.

14 [Minnesota Statutes, section 85.53, subd. 3](#) requires the match for acquisition funding from the Parks  
15 and Trails Legacy Fund; the Council has chosen to match ENRTF funding for consistency.

### 16 *Allocation*

17 The Council's Park Acquisition Opportunity Fund Grant program is non-competitive and awarded based  
18 on funding availability.

19 The Council awards grants on a first-come, first-served basis with the order determined by when the  
20 Council determines that a grant request is eligible and complete.

21 Each Agency is eligible for up to \$1.7 million in PAOF funding per state fiscal year from each of the two  
22 accounts, provided the total of appropriated funding and associated Council match is sufficient to fund  
23 an acquisition within a single state fiscal year. The maximum amount that each Agency can receive  
24 from the PAOF program is \$3.4 million per fiscal year. Large, single acquisitions cannot be split across  
25 fiscal years to promote geographic disbursement of PAOF funding throughout the region. Agencies can  
26 use both PAOF/ENRTF and PAOF/PTLF in a single acquisition to access the full amount of PAOF  
27 dollars allowable (see the Regional Parks System sub-recipient administrative guide for additional  
28 requirements that may be involved with acquisitions using both funding sources).

### 29 *Eligible Projects and Costs*

30 Consistent with authorizing state statutes and the [2040 Regional Parks Policy Plan](#), all grants from the  
31 Park Acquisition Opportunity Fund (both programs) must acquire property that is and will be:

- 32 • ***Within the boundaries of the Regional Parks System***
- 33 • Consistent with the ***2040 Regional Parks Policy Plan*** or subject to an amendment to ***2040***  
34 ***Regional Parks Policy Plan*** to designate the land as regional recreation open space
- 35 • Consistent timing, scale, type, and cost with a ***Council-approved master plan*** or a ***Council-***  
36 ***approved acquisition master plan***
- 37 • Located fully within ***Council-approved master plan boundaries*** prior to the Council awarding  
38 a grant agreement.
- 39 • Reserved for public use in perpetuity for the Regional Parks System

1 Consistent with [authorizing state statutes](#) and the *2040 Regional Parks Policy Plan*, all grants from the  
2 Park Acquisition Opportunity Fund / ENRTF have additional requirements that the property acquired:

- 3 • Meets all of the criteria above;
- 4 • Is undeveloped and has no habitable residences;
- 5 • Follows the requirements of LCCMR;
- 6 • Contains high-quality natural resources that provide multiple benefits and natural buffers to  
7 water resources;
- 8 • Has a Council-approved master plan that contains an ecological restoration and management  
9 plan;
- 10 • Is listed, by parcel, on a workplan that the Council submitted to the Legislative-Citizen  
11 Commission on Minnesota Resources (LCCMR);
- 12 • Is not already be held in the public domain, unless the purchase:
  - 13 ○ Creates additional, direct benefit to the protection, conservation, preservation and  
14 enhancement of the state's natural resources; and
  - 15 ○ Has been approved by LCCMR prior to acquisition.

16 When funds are not available in the PAOF accounts, Agencies may choose to work with third parties to  
17 temporarily acquire and hold eligible properties, for which the Agency may pursue a PAOF grant at later  
18 date from the Council to complete the acquisition process.

19 Eligible costs for the Park Acquisition Opportunity Fund are expenses directly related to the land  
20 acquisition. See the Regional Parks System sub-recipient administrative guide for a complete list of  
21 eligible and ineligible costs and activities.

### 22 *Revenue from Nonrecreational Uses*

23 Lands acquired with regional funds are to be used for Regional Parks System purposes. On occasion,  
24 usually during but not limited to a period prior to development, land may be used in various other ways.  
25 The Council has defined the following nonrecreational uses as consistent with Regional Parks System  
26 purposes:

- 27 • Sale of buildings, equipment or materials acquired with land
- 28 • Rent or lease of buildings to protect structures or secure services for the park, and
- 29 • Rent or lease of land for park benefits

30 All uses of this kind must be consistent with the Council-approved master plan. Revenue that regional  
31 park implementing agencies receive from such uses may be used in regional park lands for land  
32 stewardship or for the capital costs of providing recreation opportunities. Otherwise they will be  
33 returned to the Council. Any other use requires prior Council consent.

34 Revenue from recreation uses in Regional Parks System units consistent with the Council-approved  
35 master plan shall be used for park purposes as determined by the regional park implementing agency.  
36 Revenues generated by nonrecreational uses in regional park lands, consistent with a Council-  
37 approved master plan, shall be used in regional park lands either for stewardship or for the capital costs  
38 of providing regional recreation opportunities, unless the Council consents to another use.

39 Regional park implementing agencies shall make an annual report of such revenues when their  
40 revenues exceed an amount determined by the Council (\$2,500 per year). Unused nonrecreational

1 revenues will be returned to the Council by the end of the year succeeding the one in which they are  
2 earned.

### 3 *Unspent funds*

4 Under the PAOF program, acquisition grants fund “up to” 75 percent of the total estimated acquisition  
5 costs. Therefore, grantees may not reallocate any unspent PAOF funds.

### 6 *Required Match*

7 Agencies must fund *at least 25% of the total estimated acquisition costs as local match*, including all  
8 ineligible costs and all costs over \$1.7 million per account, per year. If, during the course of an  
9 acquisition, an Agency exceeds its upper limit of \$1.7 million for either or both PAOF funding accounts,  
10 the Agency may need to pay more than 25% of the total acquisition costs as its local match. In this  
11 case, both the 25% regular local match and the amount in excess of the regular local match may be  
12 reimbursable through the same procedures for future reimbursement consideration. See the Regional  
13 Parks System sub-recipient administrative guide for a complete list of how Agencies may provide and  
14 must document their local match. See more about future reimbursement consideration on p. 12.

DRAFT





## 1 Regional Parks Bonding Program

2 The Regional Parks Bonding Program is intended for Regional Parks System acquisition, development,  
3 and redevelopment projects.

### 4 *Funding Source*

5 Two primary funding sources make up the Regional Parks Bonding Program:

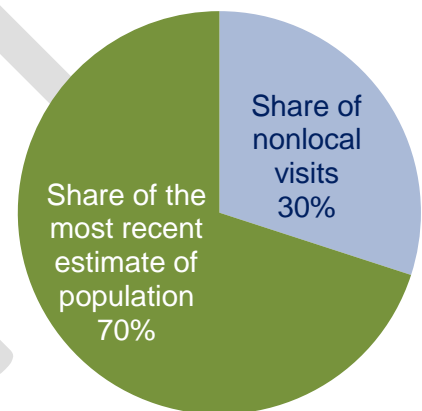
- 6 • The Council can issue Regional Parks bonds under authority of [Minnesota Statutes, section 473.325](#)
- 7 • The State of Minnesota can issue bonds appropriated for the Regional Parks System by state  
8 statute or session law.

10 Per the [2040 Regional Parks Policy Plan](#) and Council's Capital Financing Policy, the Council matches  
11 every \$3 of state general obligation bonds with \$2 of regional park bonds.

### 12 *Allocation*

13 The Council distributes Regional Parks Bonding Program funds to  
14 the Agencies according to a formula defined in the *2040 Regional  
15 Parks Policy Plan*:

- 16 • 70% based on the population within the jurisdiction of each  
17 park implementing agency compared to the region's total  
18 population
- 19 • 30% based on the number of visits a park agency hosted  
20 from people who live outside the park agency's jurisdiction  
21 (non-local visits)



### 22 *Eligible Projects and Costs*

23 Development in Regional Parks System units should be based on the principle of providing and  
24 maintaining quality public park areas and facilities primarily for residents of the metropolitan area. The  
25 eligibility criteria (not in any priority order) for development, rehabilitation and restoration of regional  
26 parks, park reserves, trails, and special recreation features are:

- 27 • Projects that provide new facilities, rehabilitate facilities, or increase capacity where there is  
28 documented existing or projected high use.
- 29 • Projects continuing a phased high-priority project or one of relatively high priority that is timed  
30 with other public improvement projects to achieve significant economies in cost of construction.
- 31 • A project providing a specific facility that meets a documented need, is currently not available,  
32 or is significantly under-represented in the system.
- 33 • Regional trails that connect to other trails or regional facilities or extend existing trails.
- 34 • Natural resource restoration, including transforming degraded lands into lands with more  
35 representative native species and historic vegetation patterns. For example, this work may  
36 entail the removal of invasive species, restoration of pastureland, or transforming industrial  
37 lands into a more diverse natural landscape.
- 38 • Acquisition of parkland parcels or reimbursement for parkland parcels.
- 39 • Matching non-state and non-Council funds to develop/rehabilitate recreation facilities or restore  
40 natural resource areas is encouraged.
- 41 • Projects that provide essential facility improvements and natural resource enhancements to  
42 allow for the initial public use of a regional park once there is adequate demand and acquisition  
43 base to support the development.

1 Consistent with authorizing state statutes and the *2040 Regional Parks Policy Plan*, all grants from the  
2 Regional Parks Bonding Program (both programs) must fund projects that:

- 3 • Are ***within the boundaries of the Regional Parks System***
- 4 • Are consistent with the ***2040 Regional Parks Policy Plan***,
- 5 • Are consistent in timing, scale, type, and cost with a ***Council-approved master plan*** prior to  
6 the Council awarding a grant agreement.
- 7 • Comply with all applicable bonding laws.
- 8 • Have been approved by their local elected boards either individually or as part of a local capital  
9 improvement plans.
- 10 • Have been reviewed by the regional park implementing agency using the ***equity toolkit***.
- 11 • Have been prioritized by the regional park implementing agency in response to local capital  
12 needs

13 Based on the prioritized project lists submitted by the Agencies, the Metropolitan Parks and Open  
14 Space Commission recommends a list of projects to be included as part of the Governor's state  
15 bonding request to be submitted to the State Legislature.

16 Eligible costs can include land acquisition, construction, and other improvements or acquisitions of  
17 tangible fixed assets of a capital nature. Capital grants funded *entirely* with Council bonds may also be  
18 used to reimburse Agencies for acquisitions or projects under certain limited circumstances (see the  
19 section on Future Reimbursement Consideration on page 12). See the Regional Parks System sub-  
20 recipient administrative guide for a complete list of eligible and ineligible costs and activities.

### 21 ***Amendments***

22 Amendment processes are actively under review. The Council will not consider amendments to  
23 executed grant agreements for projects funded with state general obligation bonds at this time. See the  
24 Regional Parks System sub-recipient administrative guide for further information on amendment  
25 requests.

### 26 ***Unspent funds***

27 At grant closing, any unspent state bonds and matching Council bonds funds are no longer available to  
28 the project, cannot be reallocated to other Agency projects and are relinquished to the Council or the  
29 state, depending upon the funding source.

### 30 ***Future Reimbursement Consideration***

31 Defined the *2040 Regional Parks Policy Plan*, Future Reimbursement Consideration (FRC) allows  
32 Agencies to request Council approval to incur costs, pay those costs from Agency funds, and be  
33 eligible for later reimbursement with Council bonds. Future reimbursements of local match are made  
34 out of the Agency's share of a future regional bonding allocation.

35 MPOSC and the Council must individually consider and approve all requests for Future Reimbursement  
36 Consideration before costs are incurred. The Council's approval of Future Reimbursement  
37 Consideration does not represent or guarantee that the future reimbursement will be paid; rather, the  
38 approval only allows the Council to *consider* reimbursement of the costs at a later date. The Council is  
39 not obligated to provide such reimbursement. The Council must balance the availability of these  
40 reimbursements against the overall need for Council bonds in a given Regional Parks Bonding funding  
41 cycle. If the aggregate request for Future Reimbursement Consideration exceeds the Council's ability to

1 match at the prescribed level, the Council may decline any Future Reimbursement Consideration  
2 request.

3 Agencies can request Future Reimbursement Consideration to reimburse their costs for:

- 4 • Portions of an Agency's local match to the Park Acquisition Opportunity Fund if the Agency  
5 specifically requests that the Council consider future reimbursement of the local match amount  
6 as part of its Park Acquisition Opportunity Fund grant application;
- 7 • Reimbursement for acquisition of land not designated in the *Regional Parks Policy Plan* at the  
8 time of purchase but subsequently added to the system through a plan amendment;
- 9 • Reimbursement of design costs for large or complex recreation facilities in Regional Parks
- 10 • Reimbursement of eligible costs as part of its share of a future Regional Parks Bonding  
11 allocation.

12 Requests for Future Reimbursement Consideration for **land acquisition**, in addition to meeting all  
13 requirements for Park Acquisition Opportunity Fund listed above, must be submitted in writing to the  
14 Council *before* the Agency or Third Party acquires the property in fee simple or acquires an option to  
15 purchase. Requests for Future Reimbursement Consideration for **construction or development**  
16 **projects** (including design costs), in addition to meeting all requirements for the Regional Parks  
17 Bonding Program listed above, must be submitted in writing to the Council *before* the preparation of  
18 construction documents for a project. See the Regional Parks System sub-recipient administrative  
19 guide for procedures and a complete list of eligible and ineligible costs and activities.

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1 **Interest Earnings**

2 The Council will develop a strategy for using the interest earnings in 2019 and update this policy as  
3 needed.

4 *Funding Source*

5 Under legislation passed in 2015 ([Laws of Minnesota 2015, First Special Session, Chapter 4](#), Article 4,  
6 Section 138), the Council shall use the interest that the Council accrues on regional parks funding “for  
7 the use and betterment of all regional recreational open space lands under the jurisdiction of the  
8 Metropolitan Council.”

9 *Allocation*

10 To be determined in 2019 and potentially annually beyond.

11 *Eligible projects and costs*

12 To be determined in 2019 and potentially annually beyond.

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1 **Set-Aside Competitive Equity Grant Program**

2 In the [2040 Regional Parks Policy Plan](#), the Council made a commitment to use Council bonds to  
3 create, fund, and administer a set aside competitive equity grant program for projects explicitly aimed to  
4 strengthen equitable usage of the Regional Parks System. The Council will develop the Set-Aside  
5 Competitive Equity Grant Program in 2019 and update this policy as needed.

6 ***Funding Source***

7 This program will use Council bonds to promote equitable use of regional parks and trails by providing  
8 bond-funded grants for acquisition, development, or redevelopment projects in the Regional Parks  
9 System.

10 ***Allocation***

11 To develop this grant program, the Council will work in close collaboration with regional park  
12 implementing agencies, community-based organizations, advocacy groups, and other partners to  
13 formulate criteria and measures for awarding grants to regional park implementing agencies for capital  
14 projects for development and redevelopment aimed to strengthen equitable use.

15 ***Eligible projects and costs***

16 All restrictions on the use of Council bonds outlined on page 11 above apply.

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