2024-2029 Capital Improvement Plan
Metro HRA and Regional Parks

October 2023    Heather Giesel, Finance Director CD/MTS
Council Unified Budget

Definitions

**Capital Program**
- Multi-year plan that represents authorized and planned projects. Current capital program is 2023-2029.

**Authorized Capital Program (ACP)**
- Multi-year authorization for projects where funding has been secured and the Council has given final approval to proceed.

**Capital Budget**
- Represents the amount from the Authorized Capital Program that is expected to be spent in a given year. We are currently in capital budget year 2023. This budget is amended throughout the year.

**Capital Improvement Plan (CIP)**
- Six-year plan for projects where funding sources have been identified but not yet secured and the Council has not given final approval.
History

- Minnesota Statute 473.195 provides the Council with authority to develop housing units with approval of municipalities
- January 1999 Council action approved establishment of Family Affordable Housing Program
  - Development and operation of public housing units
- $28 Million provided by U.S. Department of Housing and Urban Development
  - Transferred from MPHA to the Council
- 150 units purchased on the open housing market between 2001 and 2004 (82 single family and 68 townhomes)
- 4 units purchased in 2022 funded through partnership with City of Edina.
Council Owned Housing

**Asset Management**

Homes managed through contract with property management vendor

Small and routine repairs programmed in operating budget

Large improvements programmed and tracked in capital program
$1.5M Future Spending 2024-2029 CIP

Authorized - $708K

- Funded by rental property income

Planned - $250K per year

- Funded by rental property income
Regional Parks System

- Over 69 million visits in 2022
- 56 regional parks & parks reserves totaling more than 55,000 acres
- 8 special recreation features
- 55 regional trails, with over 415 miles of interconnected trails
System Alignment

- **State of Minnesota**
- **Metropolitan Region / Met Council**
  - Thrive MSP 2040
  - Regional Parks Policy Plan
- **Parks Implementing Agencies**
  - Parks & Trails Master Planning and Operations

Legislative Action

Economic / Environmental Factors

Regional Needs and Outcomes
System Alignment

Legislation
- Create regional parks and open space system
- Define role and authority of Council in parks and open space system
- Define role and authority of Metropolitan Parks and Open Space Commission
- Appropriate funding
System Alignment

Key Roles

- Develop regional policy: *Thrive MSP 2040*
- Develop Regional Parks Policy Plan
- Review regional parks and trails master plans
- Consult with Metropolitan Parks and Open Space Commission
- Fiscal agent
System Alignment

Key Roles

- Lead regional park and trail master planning, including public engagement
- Acquire, develop, and operate regional parks and trails
- Protect and conserve natural resources
- Provide outdoor recreation for public enjoyment
Regional Parks Capital Project Lifecycle

Equity Impacts
- Thrive MSP 2040
- 2040 Regional Parks Policy Plan
- Master Planning
- Competitive Grant Solicitations
### Regional Parks Capital Funding

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding Source</th>
<th>Distribution Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks &amp; Trails Legacy</td>
<td>State</td>
<td>Formula</td>
</tr>
<tr>
<td>Parks Acquisition (Legacy &amp; ENRTF)</td>
<td>State matched by Council bonds</td>
<td>1st come; 1st served</td>
</tr>
<tr>
<td>Bonding</td>
<td>State matched by Council bonds</td>
<td>Formula</td>
</tr>
<tr>
<td>Equity</td>
<td>Council bonds</td>
<td>Competitive</td>
</tr>
</tbody>
</table>

- Grant programs are funded by multiple state sources and Council bonds
- Council passes through 100% of state funding
- Current portfolio is 170 active projects valued at ~ $160M
- $256M in grants are programmed in the proposed Capital Improvement Program (2024-2029)
Revenue Assumptions

State & Council Funding

- Parks and Trails Legacy Fund (Legacy)
  - 2% annual growth
  - 2023 base year $25.5M

- Environmental & Natural Resources Trust Fund (ENRTF)
  - No growth
  - $0.75M annually

- State of Minnesota Bonds
  - No growth
  - $15M in Bonding years

- Council Bonds
  - Up to $40M outstanding
  - Match $2 to every $3 ENRTF, State Bonds, Legacy Land Acquisition (10% set aside)
  - Fund Regional Equity Grant Program
Notable Modifications

2029 Program

Programmed Adjustments

• Legacy: $30M
• Environment and Natural Resources Trust Fund: $1.25M
• Regional Parks Equity Grant Program: $800k

Council Commitment: $3.2M
• 10% Legacy Land Acquisition Match: $1.9M
• ENRTF Land Acquisition Match: $500k
• Regional Parks System Equity Grant Program: $800k
Distribution Formula

Inputs for the Formula

OPERATIONS AND MAINTENANCE (O&M)
- Acreage 20%
- O&M Expenditures 40%
- Visits 40%

PARKS & TRAILS LEGACY
- Population 31.5%
- Non-local visits 13.5%
- PAOF set aside 10%
- O&M percentage 45%

BONDING
- Population 70%
- Non-local visits 30%
Implementing Agencies Formula

$367M Total
$147M Current authorized spending
$220M Planned spending
  • State Bonding
  • Parks and Trails Legacy
  • Council Match
Land Acquisition

$50.8M Total

$16.5M Currently authorized spending

$34.3M Planned Spending

- Parks and Trails Legacy
- Environment and Natural Resources Trust Fund
- Council Match
Other

$88.6M Total

$86.6M Current authorized spending

- Passthrough of state appropriations to other governmental agencies
- Regional Parks Equity Grant Program

$2M Planned Spending

- Regional Parks Equity Grant Program
Parks Capital Program (ACP & CIP)

**Sources**
- State: 85% ($429.5M)
- Regional: 15% ($77M)

**Uses**
- Legacy & Bonding: 73% ($367M)
- Other: 16% ($82M)
- Land Acquisition: 10% ($51M)
- Equity Grant Funds: 1% ($6M)

**Total**
- $506M
- $250M Authorized Capital Program
- $256M Planned Spending
Operating Budget Update

Changes from Preliminary Budget

• HRA
  • Revenue - $5.7M increase
    • Housing Choice Voucher (HCV) subsidies ($5.5M)
    • HCV administrative revenue ($200k)
  • Expense - $6.1M increase
    • HCV payments ($5.5M)
    • Additional FTEs to meet expanding needs ($310k)
    • Portability-out administrative fees ($200k)
    • FAHP maintenance and fees ($118k)
    • Division support of Business Process Systems Integration ($25k)

• CD Division Management
  • EPA grant - $400k increase to revenue and expense
Capital Program Timeline

- **October 11, 2023**: Council 2024–2029 Presentation
- **October 25, 2023**: Council Approval of Public Comment Draft
- **October 26 - December 13, 2023**: Public Comment Period
- **December 13, 2023**: Public Comment
  - Adoption of the Capital Program and Annual Capital Plan
Thank you

Heather Giesel
Director of Finance & Administration, CD/MTS
Heather.Giesel@metc.state.mn.us