



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.

Council Owned Housing



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

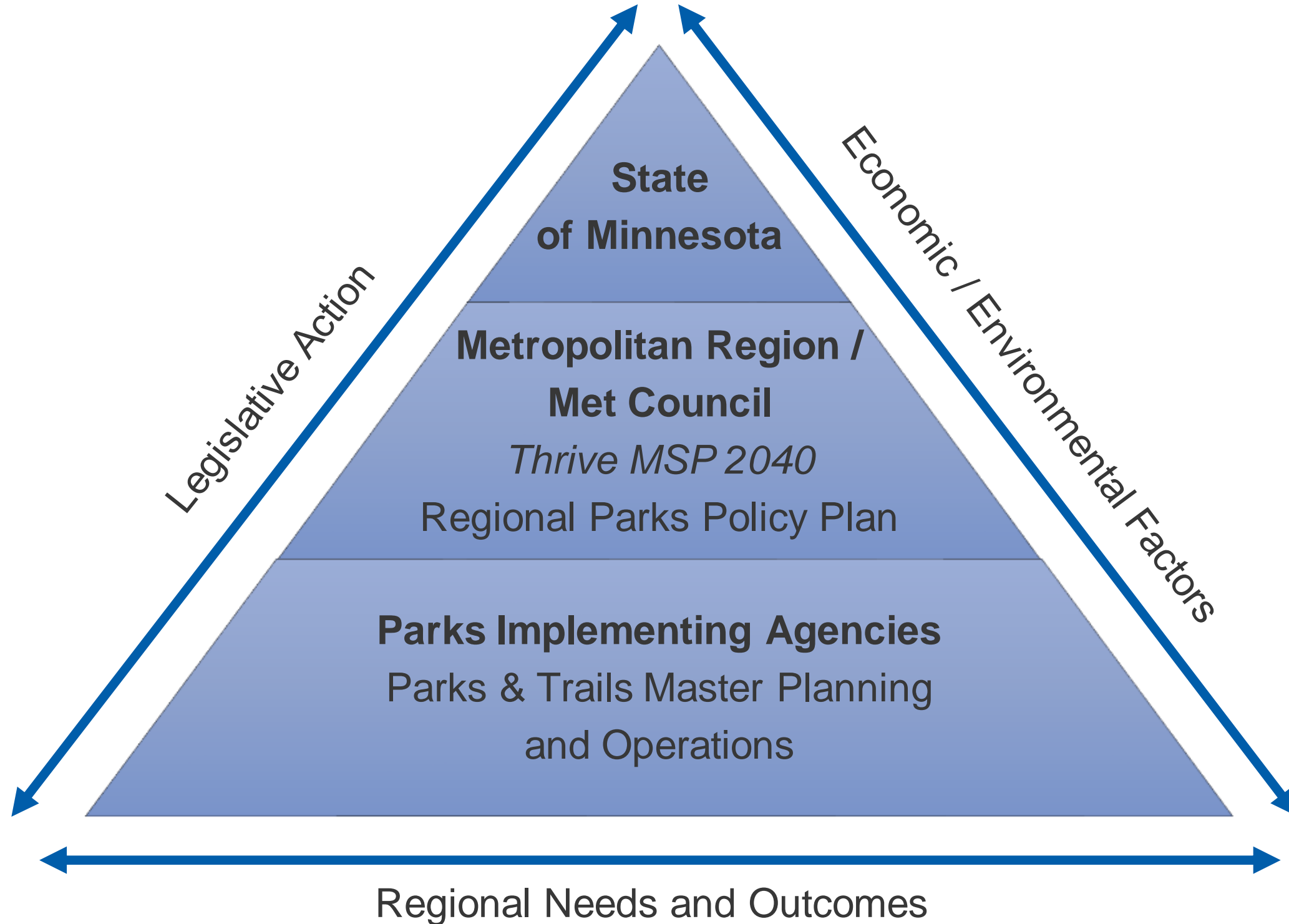
Parks & Open Space



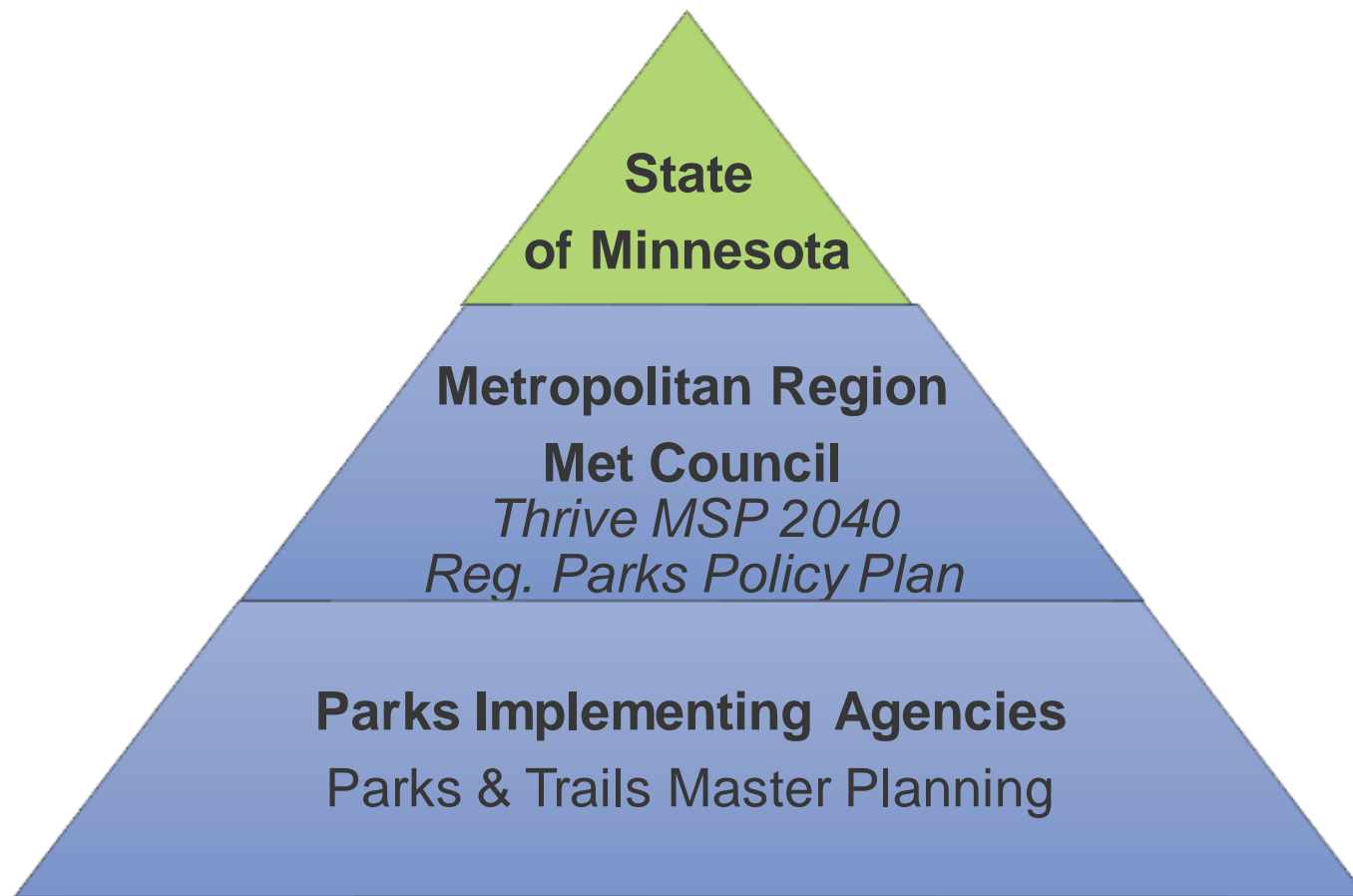
Regional Parks System

- 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



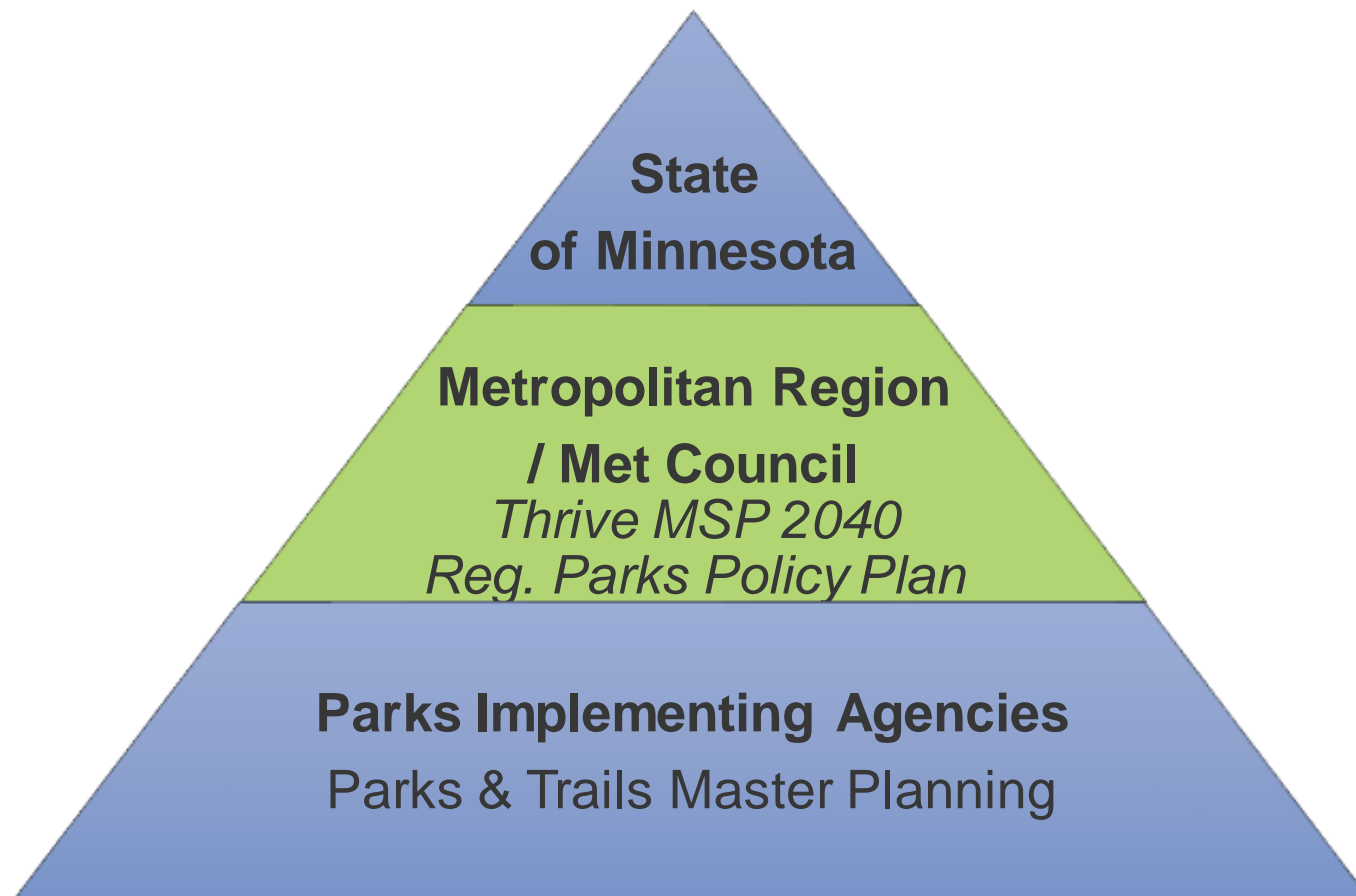
System Alignment



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

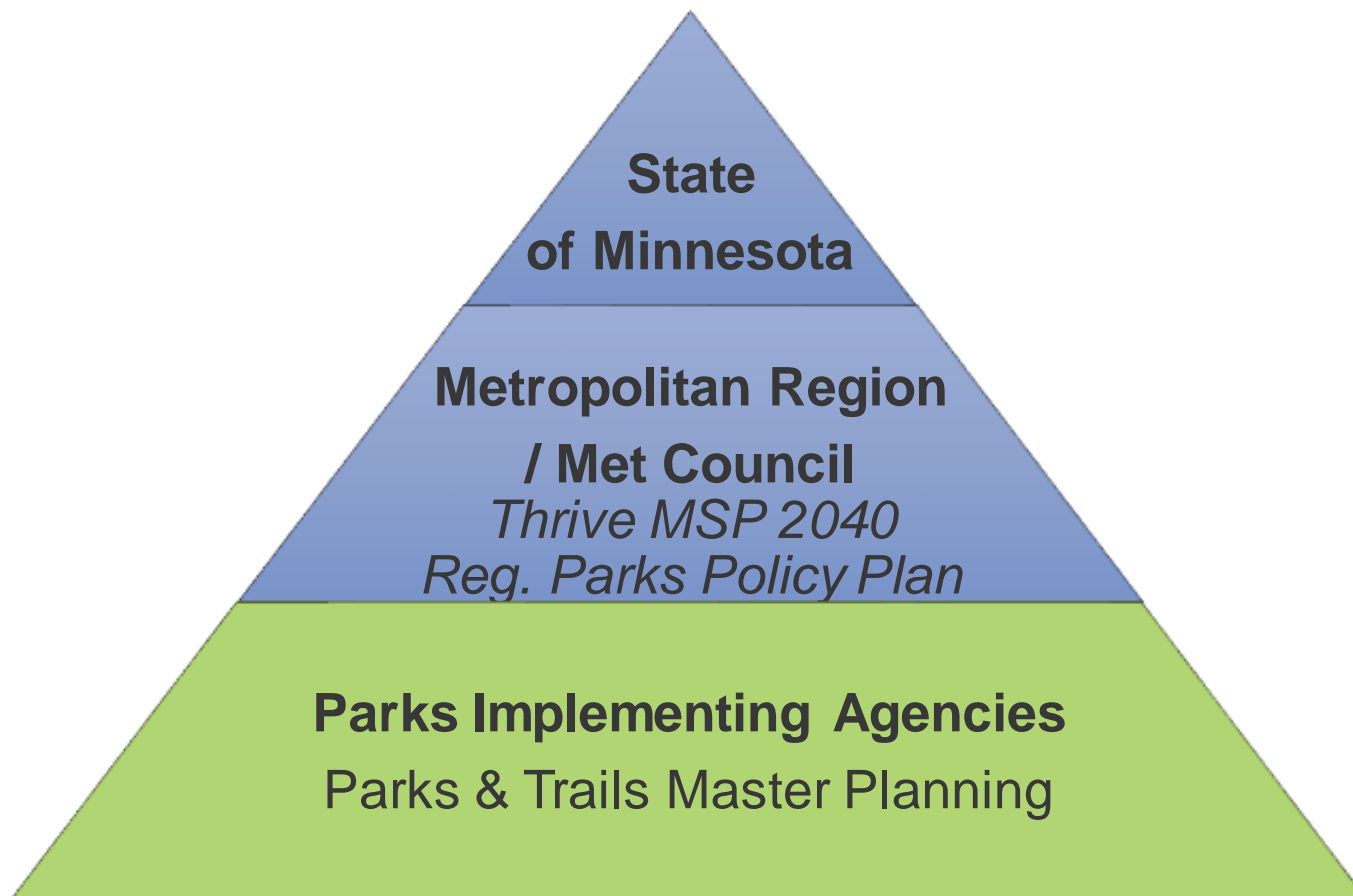
System Alignment



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

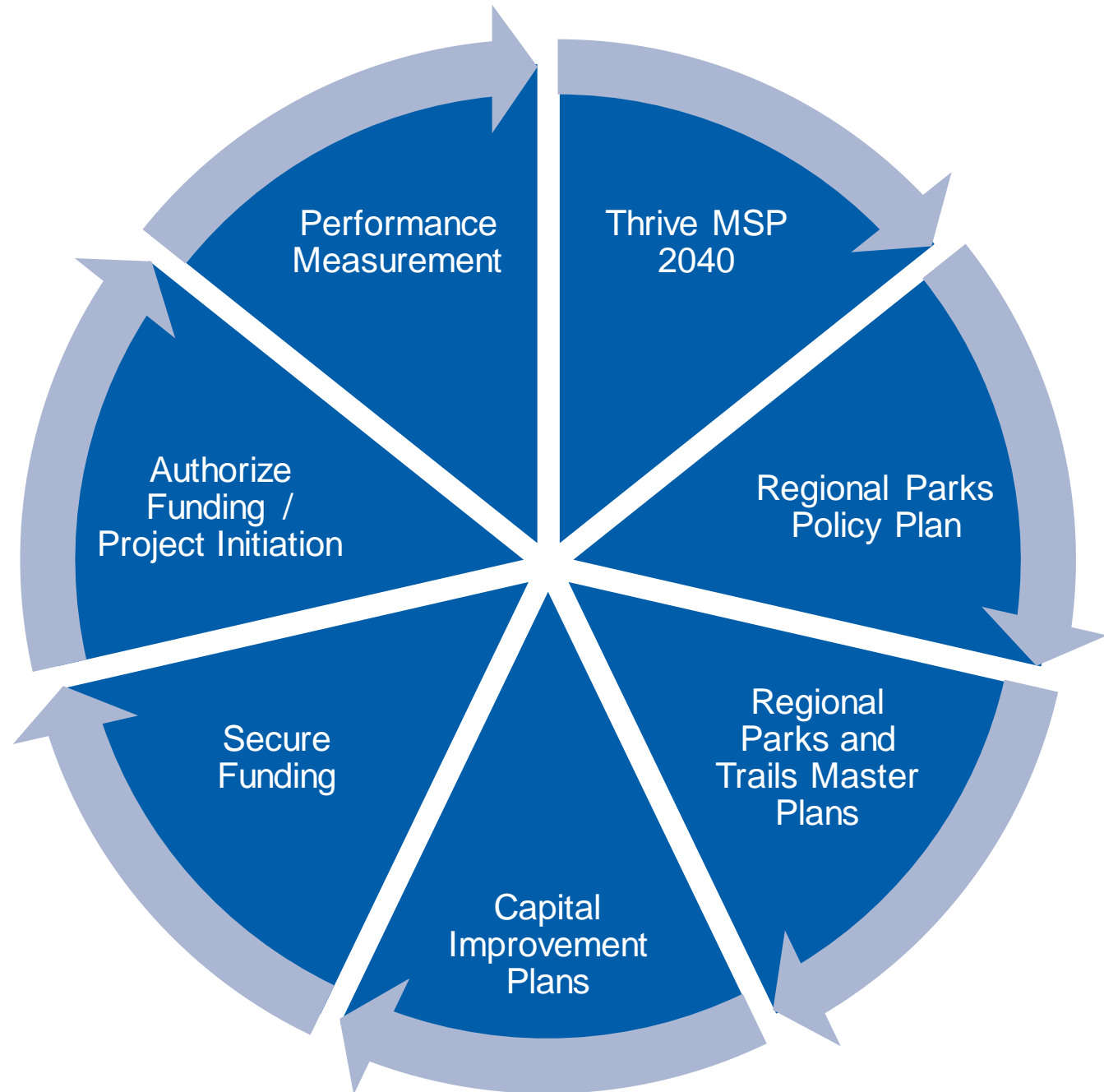
System Alignment



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

Program	Funding Source Distribution Methodology
Parks & Trails Legacy	State Formula
Parks Acquisition (Legacy & ENRTF)	State matched by Council bonds 1st come; 1st served
Bonding	State matched by Council bonds Formula
Equity	Council bonds Competitive

- 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

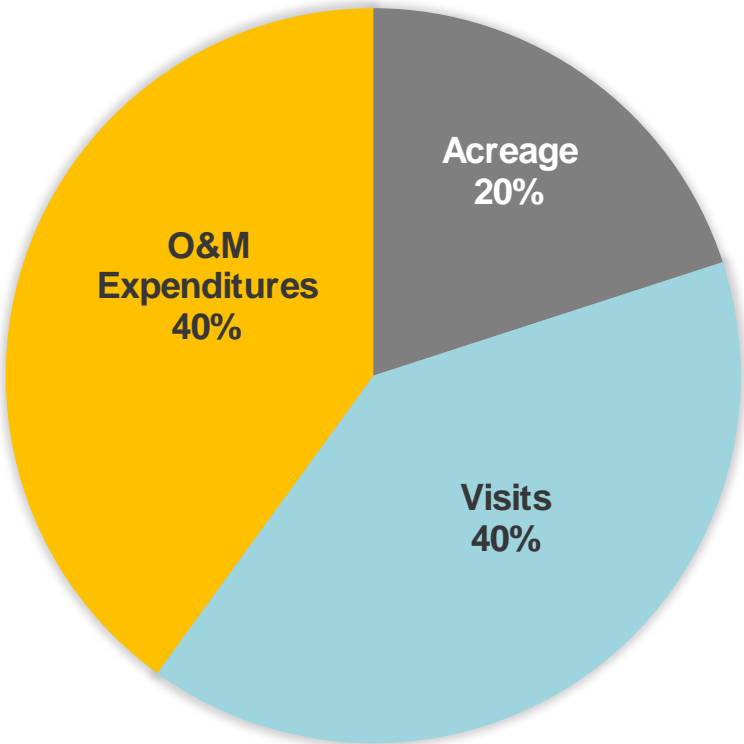
Council Commitment: \$3.2M

- 10% Legacy Land Acquisition Match: \$1.9M
- ENRTF Land Acquisition Match: \$500k
- Regional Parks System Equity Grant Program: \$800k

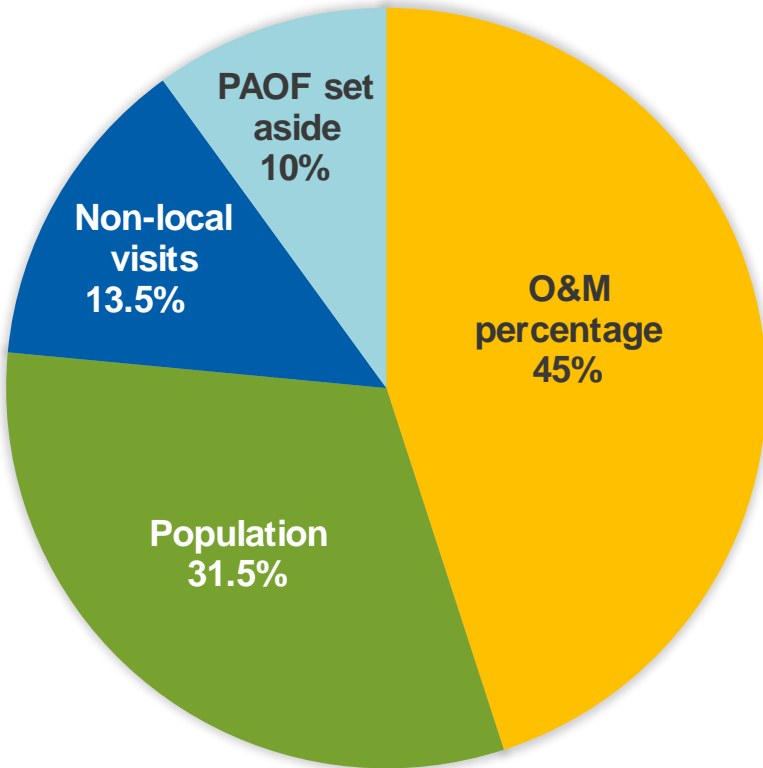
Distribution Formula

Inputs for the Formula

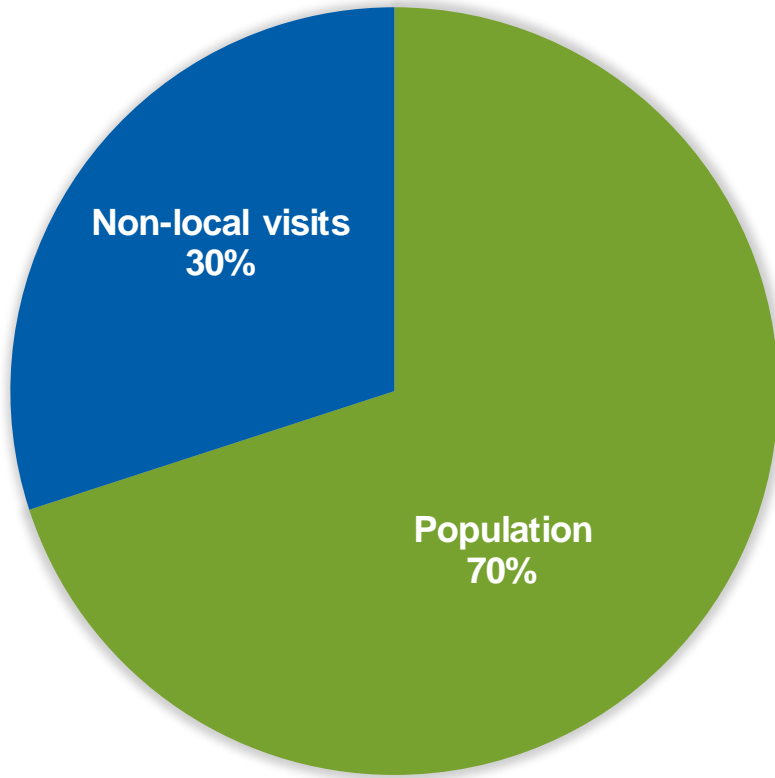
OPERATIONS AND MAINTENANCE (O&M)



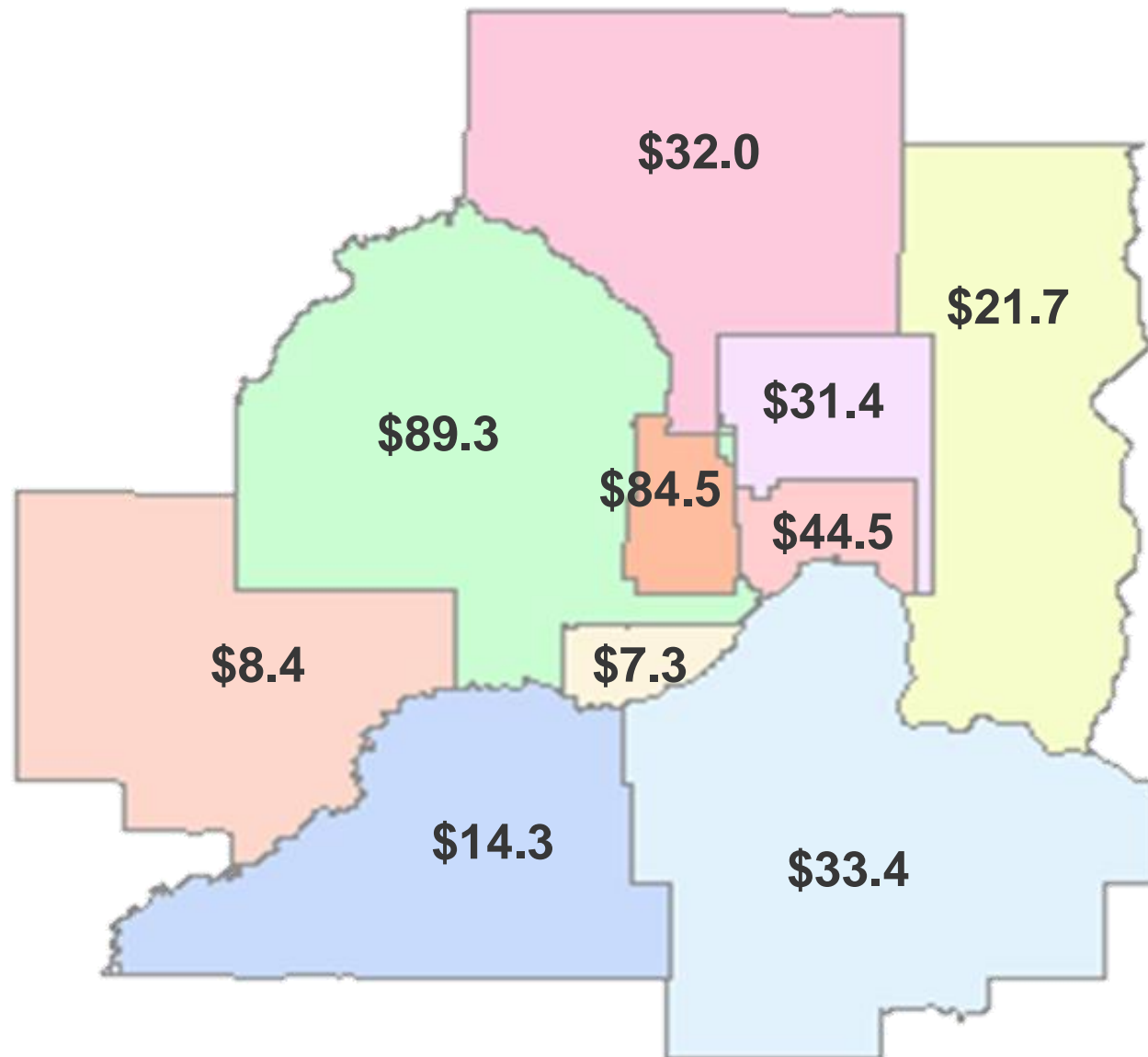
PARKS & TRAILS LEGACY



BONDING



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

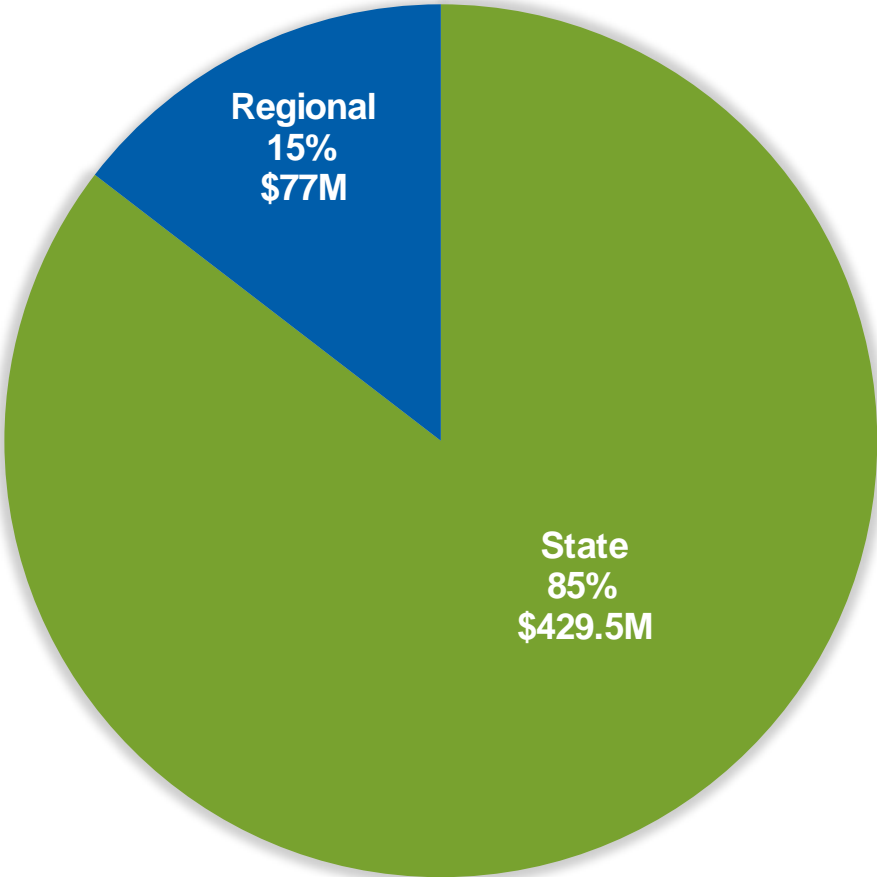
\$2M Planned Spending

- Regional Parks Equity Grant Program

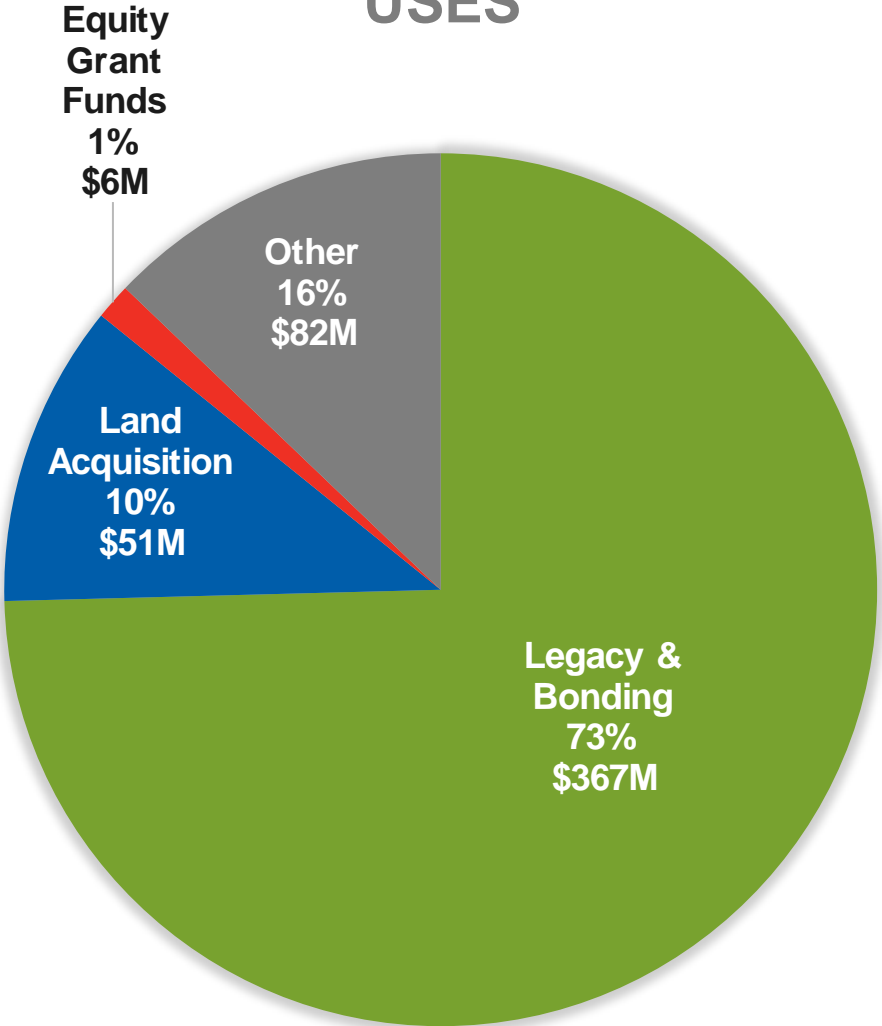


Parks Capital Program (ACP & CIP)

SOURCES



USES



\$506M Total

\$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

