

**Community Development Committee**

For the Metropolitan Council meeting of January 14, 2015

**Subject:** Park Acquisition Opportunity Fund Grant Request for Big Marine Park Reserve (17980 Margo Avenue), Washington County

**Proposed Action**

That the Metropolitan Council:

1. Authorize a grant of up to \$470,039 from the Parks and Trails Legacy Fund Acquisition Account to Washington County to finance up to 75 percent of the costs to acquire a parcel at 17980 Margo Avenue for Big Marine Park Reserve. The grant will be financed as follows:
  - \$271,781 from the Fiscal Year 2015 Parks and Trails Legacy Fund appropriation, and
  - \$198,258 from Metropolitan Council bondsWashington County will provide up to \$156,679 to finance the required local match, or up to 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

**Summary of Committee Discussion/Questions**

On December 15, 2014, the Community Development Committee unanimously recommended approval of the proposed action.

## Community Development Committee

Meeting date: December 15, 2014

For the Metropolitan Council meeting of January 14, 2015

**Subject:** Park Acquisition Opportunity Fund Grant Request for Big Marine Park Reserve (17980 Margo Avenue), Washington County

**District(s), Member(s):** Council District 12, Harry Melander

**Policy/Legal Reference:** MN Statute 473.313

**Staff Prepared/Presented:** Tori Dupre, Senior Planner (651-602-1621)

**Division/Department:** Community Development, Regional Parks and Natural Resources

### Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$470,039 from the Parks and Trails Legacy Fund Acquisition Account to Washington County to finance up to 75 percent of the costs to acquire a parcel at 17980 Margo Avenue for Big Marine Park Reserve. The grant will be financed as follows:
  - \$271,781 from the Fiscal Year 2015 Parks and Trails Legacy Fund appropriation, and
  - \$198,258 from Metropolitan Council bondsWashington County will provide up to \$156,679 to finance the required local match, or up to 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

### Background

Washington County requests a Park Acquisition Opportunity Fund (PAOF) grant of up to \$470,039 to acquire a property located at 17980 Margo Avenue on the southeast shore of Big Marine Lake in the Big Marine Park Reserve (Attachment 1).

The property is 1.5 acres (65,340 square feet) in size and has 187 feet of lakeshore frontage. It's located in a rural residential area and is split between two municipalities: the southern two-thirds of the parcel is within May Township and the northern third is within the City of Scandia, both in northern Washington County.

The Big Marine Park Reserve master plan sets out to preserve and protect the diverse natural resources within the park and improve connections to Big Marine Lake. The County's acquisition of the subject property is consistent with the master plan land acquisition policies and the property is within the planned park boundary (Attachments 2, 3).

The County works with willing sellers to acquire land according to plan's priority acquisition criteria, such as proximity to Big Marine Lake. The Metropolitan Council approved the Big Marine Park Reserve master plan on December 8, 2010 (Business Item 2010-393). To date, the County owns 676 acres, or about 36 percent of the 1,867 acres within the park reserve boundary.

The property has an existing residence (approximately 1,470 square feet) and an attached garage that the County proposes to initially maintain and rent. The

*2030 Regional Parks Policy Plan* indicates that lands acquired with regional funds are to be used for Regional Parks System purposes, and defines non-recreational uses that are consistent with Regional Parks System purposes including the “rent or lease of buildings to protect structure or secure services for the park.” These uses must be consistent with the Council-approved master plan and revenue generated from these uses may be used for land stewardship or capital costs of providing recreation opportunities.

The Big Marine Park Reserve master plan’s land acquisition policies state that the timing and sequencing of acquiring property within the park will determine when site improvements will ultimately be funded and implemented. Some consideration may be given to establishing interim uses for property currently owned by the County within the park. The County owns two residences that it rents, and the revenue generated pays for property taxes, stewardship, capital projects and regional park master planning.

The County identifies this parcel as a highly-desirable acquisition because it creates a buffer, and a view, between the lake to the west and the proposed camping area to the east. Since the County’s purchase of the property will provide access to the lake and will protect the shore, the County agreed upon a purchase price that is 10 percent over the appraised value (Table 1).

Washington County signed the purchase agreement on October 28, 2014 and the closing is scheduled for January 31, 2015 to allow for the Metropolitan Council’s action on the County’s grant request.

## **Rationale**

Washington County’s grant request is consistent with the *2030 Regional Parks Policy Plan* and the PAOF Rules. MN Statutes 473.315 authorizes the Council, with the advice of the Metropolitan Parks and Open Space Commission, to make grants from any funds available to it to the regional park implementing agencies to cover the cost, or any portion of the cost, of acquiring and developing the regional park system in accordance with the parks policy plan. These grants are funded and managed according to the PAOF Rules.

The PAOF assists regional park agencies in acquiring land for the regional park system, provided that the property is within Metropolitan Council approved master plan boundaries. As of November 28, 2014, the cumulative total of all PAOF grants is \$37,005,890 which contributed to acquiring 3,002 acres of regional park land.

The PAOF Rules define grant-eligible acquisition costs that the Council funds through reimbursements to the park agencies. The grant agreements include an “agreement and restrictive covenant” that park agencies record to ensure that the property remains in regional recreation use. The Metropolitan Council’s action authorizes the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

## **Funding**

The PAOF has two accounts: the Environment and Natural Resources Trust Fund (ENRTF) and the Parks and Trails Legacy Fund (PTLF). This acquisition grant qualifies for the PTLF account. The current account balance is \$1,923,820 and combines \$271,781 of the remaining fiscal year 2015 PTLF appropriation with \$1,652,039 of Metropolitan Council bonds.

Washington County provided the grant-eligible acquisition cost estimates in its grant request (Table 1). The estimated total acquisition costs are \$626,719 and include the purchase price, appraisal, phase 1 environmental assessment, state deed tax, and property taxes. The appraised value is \$560,000.

Table 1: Big Marine Park Reserve Estimated Acquisition Costs

Cost Items	Amount
Purchase Price	\$616,000
Appraisal	\$1,650
Phase 1 Environmental assessment	\$2,100
State deed tax or Conservation Fee due at closing	\$2,038
Land Stewardship	500
Property taxes	\$3,524
Local taxes (payment in Lieu of taxes)	\$906
<b>Total Acquisition (Estimated)</b>	<b>\$626,719</b>

Table 2 shows how the Council will finance the grant up to \$470,039, or 75 percent of the total estimated acquisition costs and because these costs are estimates, the actual costs may be lower. However, if the actual costs are higher, the park agency pays the additional cost per the grant agreement.

The grant will be financed from the remaining fiscal year 2015 PTLF account balance (\$271,781) and Metropolitan Council bonds (\$198,259).

The PAOF Rules (and the grant agreement) require the park agency to provide a 25 percent match toward the total acquisition costs. Washington County will fund the required 25% local match (\$156,680) using County funds, and is not requesting future reimbursement from a regional parks capital improvement program.

Table 2: Big Marine Park Reserve Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$626,719
<b>Grant Total</b> (up to 75% est. acquisition total)	<b>\$470,039</b>
FY2015 Parks & Trails Legacy Fund - Remaining Balance	\$271,781
Metropolitan Council bonds (Grant Balance)	\$198,258
Local Match (25% of acquisition total)	\$156,680

The Metropolitan Council's action on this Washington County grant, as well as a pending acquisition grant (\$1,421,250 to Minneapolis Park and Recreation

Board) leaves an unobligated PAOF fund balance of \$1,453,781 comprised solely of Metropolitan Council park bonds.

The ENRTF account is available to fund future acquisition grants provided that the acquisition meets both the Legislative Citizens Commission on Minnesota Resources (LCCMR) funding criteria, and is included in the LCCMR's work plan.

### **Known Support / Opposition**

There is no known opposition to the County's acquisition of this property for the Big Marine Park Reserve. On November 25, 2014 the Washington County Board of Commissioners approved the purchase of the property and the acquisition grant request (Attachment 4).

At its December 2, 2014 meeting, the Metropolitan Parks and Open Space Commission unanimously approved the staff report recommendations. The Commission discussed the fiscal year 2015 parks and trails legacy appropriation availability, July 1, 2014 through June 30, 2017, and acknowledged the remaining balance in the park acquisition opportunity fund consisting of Metropolitan Council bonds.

## Metropolitan Parks and Open Space Commission

Meeting date: December 2, 2014

For the Community Development Committee meeting of December 15, 2014

For the Metropolitan Council meeting of January 14, 2015

**Subject:** Park Acquisition Opportunity Fund Grant Request for Big Marine Park Reserve (17980 Margo Avenue), Washington County

**District(s), Member(s):** MPOSC District F, Sarah Hietpas

**Policy/Legal Reference:** MN Statute 473.313

**Staff Prepared/Presented:** Tori Dupre, Senior Planner (651-602-1621)

**Division/Department:** Community Development, Regional Parks and Natural Resources

### Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$470,039 from the Parks and Trails Legacy Fund Acquisition Account to Washington County to finance up to 75 percent of the costs to acquire a parcel at 17980 Margo Avenue for Big Marine Park Reserve. The grant will be financed as follows:
  - \$271,781 from the Fiscal Year 2015 Parks and Trails Legacy Fund appropriation, and
  - \$198,258 from Metropolitan Council bondsWashington County will provide up to \$156,679 to finance the required local match, or up to 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

### Background

Washington County requests a Park Acquisition Opportunity Fund (PAOF) grant of up to \$470,039 to acquire a property located at 17980 Margo Avenue on the southeast shore of Big Marine Lake in the Big Marine Park Reserve (Attachment 1).

The property is 1.5 acres (65,340 square feet) in size and has 187 feet of lakeshore frontage. It's located in a rural residential area and is split between two municipalities: the southern two-thirds of the parcel is within May Township and the northern third is within the City of Scandia, both in northern Washington County.

The Big Marine Park Reserve master plan sets out to preserve and protect the diverse natural resources within the park and improve connections to Big Marine Lake. The County's acquisition of the subject property is consistent with the master plan land acquisition policies and the property is within the planned park boundary (Attachments 2, 3).

The County works with willing sellers to acquire land according to plan's priority acquisition criteria, such as proximity to Big Marine Lake. The Metropolitan Council approved the Big Marine Park Reserve master plan on December 8, 2010 (Business Item 2010-393). To date, the County owns 676 acres, or about 36 percent of the 1,867 acres within the park reserve boundary.

The property has an existing residence (approximately 1,470 square feet) and an attached garage that the County proposes to initially maintain and rent. The *2030 Regional Parks Policy Plan* indicates that lands acquired with regional funds are to be used for Regional Parks System purposes, and defines non-recreational uses that are consistent with Regional Parks System purposes including the “rent or lease of buildings to protect structure or secure services for the park.” These uses must be consistent with the Council-approved master plan and revenue generated from these uses may be used for land stewardship or capital costs of providing recreation opportunities.

The Big Marine Park Reserve master plan’s land acquisition policies state that the timing and sequencing of acquiring property within the park will determine when site improvements will ultimately be funded and implemented. Some consideration may be given to establishing interim uses for property currently owned by the County within the park. The County owns two residences that it rents, and the revenue generated pays for property taxes, stewardship, capital projects and regional park master planning.

The County identifies this parcel as a highly-desirable acquisition because it creates a buffer, and a view, between the lake to the west and the proposed camping area to the east. Since the County’s purchase of the property will provide access to the lake and will protect the shore, the County agreed upon a purchase price that is 10 percent over the appraised value (Table 1).

Washington County signed the purchase agreement on October 28, 2014 and the closing is scheduled for January 31, 2015 to allow for the Metropolitan Council’s action on the County’s grant request.

## **Rationale**

Washington County’s grant request is consistent with the *2030 Regional Parks Policy Plan* and the PAOF Rules. MN Statutes 473.315 authorizes the Council, with the advice of the Metropolitan Parks and Open Space Commission, to make grants from any funds available to it to the regional park implementing agencies to cover the cost, or any portion of the cost, of acquiring and developing the regional park system in accordance with the parks policy plan. These grants are funded and managed according to the PAOF Rules.

The PAOF assists regional park agencies in acquiring land for the regional park system, provided that the property is within Metropolitan Council approved master plan boundaries. As of November 28, 2014, the cumulative total of all PAOF grants is \$37,005,890 which contributed to acquiring 3,002 acres of regional park land.

The PAOF Rules define grant-eligible acquisition costs that the Council funds through reimbursements to the park agencies. The grant agreements include an “agreement and restrictive covenant” that park agencies record to ensure that the property remains in regional recreation use. The Metropolitan Council’s action authorizes the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

## **Funding**

The PAOF has two accounts: the Environment and Natural Resources Trust Fund (ENRTF) and the Parks and Trails Legacy Fund (PTLF). This acquisition grant qualifies for the PTLF account. The current account balance is \$1,923,820 and combines \$271,781 of the remaining fiscal year 2015 PTLF appropriation with \$1,652,039 of Metropolitan Council bonds.

Washington County provided the grant-eligible acquisition cost estimates in its grant request (Table 1). The estimated total acquisition costs are \$626,719 and include the purchase price, appraisal, phase 1 environmental assessment, state deed tax, and property taxes. The appraised value is \$560,000.

Table 1: Big Marine Park Reserve Estimated Acquisition Costs

Cost Items	Amount
Purchase Price	\$616,000
Appraisal	\$1,650
Phase 1 Environmental assessment	\$2,100
State deed tax or Conservation Fee due at closing	\$2,038
Land Stewardship	500
Property taxes	\$3,524
Local taxes (payment in Lieu of taxes)	\$906
<b>Total Acquisition (Estimated)</b>	<b>\$626,719</b>

Table 2 shows how the Council will finance the grant up to \$470,039, or 75 percent of the total estimated acquisition costs and because these costs are estimates, the actual costs may be lower. However, if the actual costs are higher, the park agency pays the additional cost per the grant agreement.

The grant will be financed from the remaining fiscal year 2015 PTLF account balance (\$271,781) and Metropolitan Council bonds (\$198,259).

The PAOF Rules (and the grant agreement) require the park agency to provide a 25 percent match toward the total acquisition costs. Washington County will fund the required 25% local match (\$156,680) using County funds, and is not requesting future reimbursement from a regional parks capital improvement program.

Table 2: Big Marine Park Reserve Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$626,719
<b>Grant Total</b> (up to 75% est. acquisition total)	<b>\$470,039</b>
FY2015 Parks & Trails Legacy Fund - Remaining Balance	\$271,781
Metropolitan Council bonds (Grant Balance)	\$198,258
Local Match (25% of acquisition total)	\$156,680

The Metropolitan Council's action on this Washington County grant, as well as a pending acquisition grant (\$1,421,250 to Minneapolis Park and Recreation Board) leaves an unobligated PAOF fund balance of \$1,453,781 comprised solely of Metropolitan Council park bonds.



The ENRTF account is available to fund future acquisition grants provided that the acquisition meets both the Legislative Citizens Commission on Minnesota Resources (LCCMR) funding criteria, and is included in the LCCMR's work plan.

### **Known Support / Opposition**

There is no known opposition to the County's acquisition of this property for the Big Marine Park Reserve. On November 25, 2014 the Washington County Board of Commissioners approved the purchase of the property and the acquisition grant request (Attachment 4).

Attachment 1: Acquisition Grant Request, Washington County Parks



Public Works Department  
Parks Division

Donald J. Theisen, P.E.  
Public Works Director

John D. Elholm, CPRP  
Parks Director

November 20, 2014

Tori Dupree  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN 55101

**REQUEST FOR ACQUISITION OPPORTUNITY GRANT FUNDS FOR PURCHASE OF THE ANDERSON PROPERTY IN BIG MARINE PARK RESERVE**

Dear Tori:

Washington County requests that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Anderson property; a 1.5 acre property located within May Township and the City of Scandia. The parcel is a lakeshore property with a house - within the master planned boundary of Big Marine Park Reserve. This particular parcel will be part of an important buffer to protect the lake and view shed from proposed camping further inland. With the lake on one side and county-owned property on two other sides, this property is highly desirable for inclusion into Big Marine Park Reserve. Since purchase of the property will provide access to and protection of the high quality lakeshore forever, the agreed upon price is 10% over the appraised value.

The offer presented here was discussed with the Washington County Board of Commissioners on October 28, 2014 with final signature requested at their meeting of November 25, 2014. The landowner signed the purchase agreement on October 28, 2014 as well. Funding for this project is requested to be 75% from the Metropolitan Council's Acquisition Opportunity Fund with the remaining 25% being funded by Washington County funds.

Estimated Acquisition Costs:

Purchase Price	\$ 616,000
Other costs (identified on spreadsheet)	\$ 10,719
<b>Total Estimated Acquisition Costs</b>	<b>\$ 626,719</b>

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$ 470,039
Washington County (25%)	\$ 156,680
<b>Total Proposed Revenue Sources</b>	<b>\$ 626,718</b>

Thank you for your consideration of this request. If you have any questions or need further information, please let me know.

Respectfully,

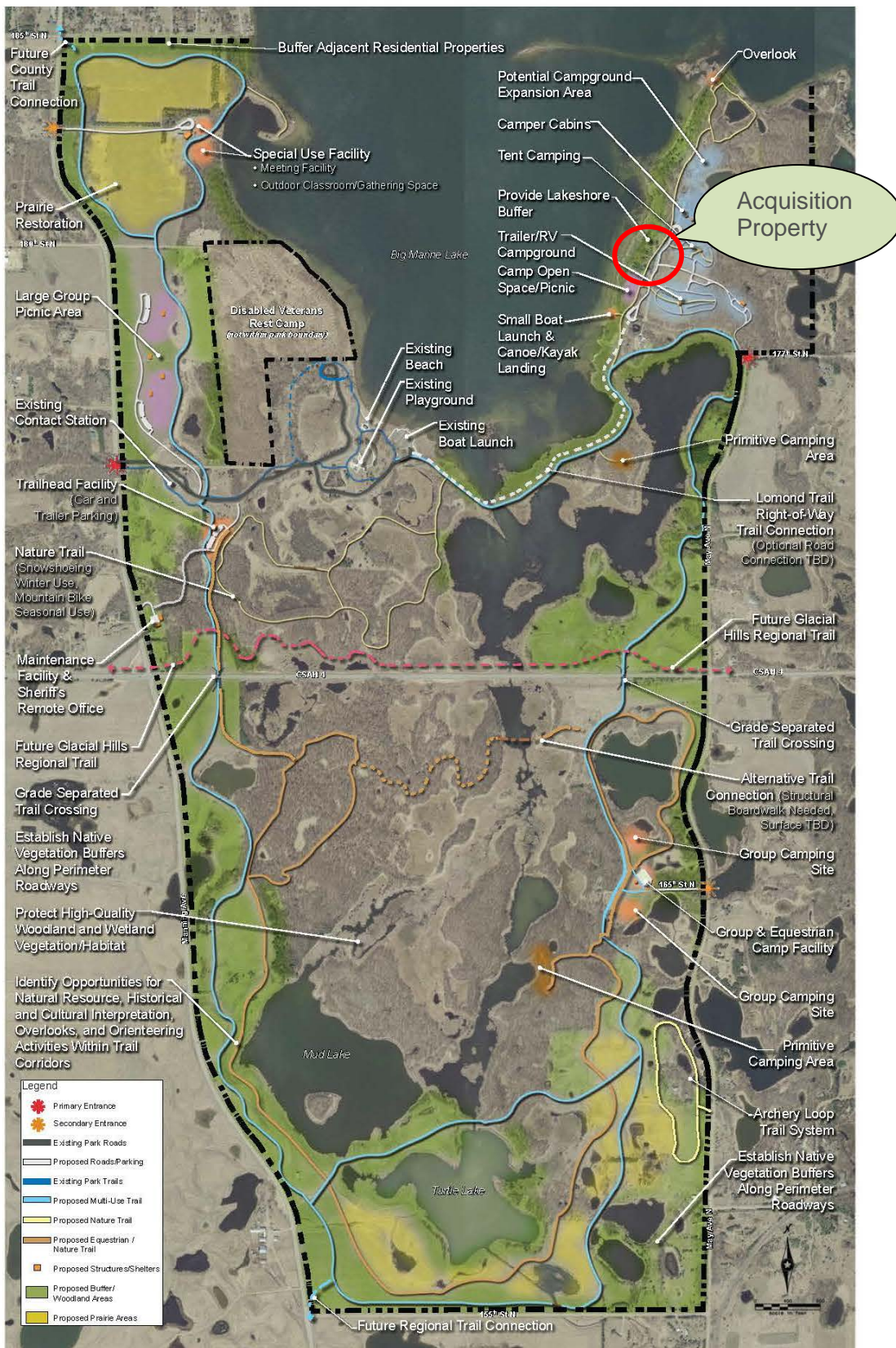
John D. Elholm  
Parks Director

C: Don Theisen, Public Works Director  
Sharon Price, Acquisition Manager  
June Mathiowetz, Land and Water Legacy Program Manager

11660 Myeron Road North, Stillwater, Minnesota 55082  
Phone: 651-430-4300 • Fax: 651-430-4350 • TTY: 651-430-6246  
www.co.washington.mn.us  
Equal Employment Opportunity / Affirmative Action

# Attachment 2: Big Marine Park Reserve Boundary and Acquisition Location

FIGURE 6-2: PREFERRED CONCEPT



Attachment 3: Big Marine Park Reserve Parcel Ownership (North)



**Attachment 4: Washington County Board Action on Acquisition, Big Marine Park Reserve**

**BOARD OF COMMISSIONERS  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**DATE** November 25, 2014 **DEPARTMENT** Public Works  
**MOTION BY COMMISSIONER** \_\_\_\_\_ **SECONDED BY COMMISSIONER** \_\_\_\_\_

**RESOLUTION TO PURCHASE ANDERSON PROPERTY  
BIG MARINE PARK RESERVE**

WHEREAS, Washington County is interested in acquiring the property described herein in the city of Scandia and May Township, Minnesota, for inclusion into the Big Marine Park Reserve and whereas the owners agree to sell the property to the County.

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Commissioners hereby authorizes its Chairperson and Administrator to execute on behalf of the County a Purchase Agreement and any other document necessary for the County to purchase the property legally described as follows:

That part of Government Lot 1, Section 5, Township 31 North, Range 20 West, and that part of Government Lot 2, Section 32, Township 32 North, Range 20 West, both in Washington County, Minnesota, described jointly as follows: Commencing at the Northeast corner of Section 5, Township 31 North, Range 20 West, thence West 0 degrees 00', assumed bearing, along the North line of Section 5, a distance of 638.2 feet; thence South 14 degrees 03' 40" West, a distance of 28 feet to the point of beginning; thence continuing South 14 degrees 03' 40" West, a distance of 187.1 feet; thence North 69 degrees 56' 20" West, a distance of 470 feet, more or less, to the shoreline of Big Marine Lake; thence Northerly, along said shoreline, a distance of 187 feet, more or less, to the point of intersection with a line that bears North 69 degrees 56' 20" West from the point of beginning; thence South 69 degrees 56' 20" East, along said line, a distance of 467 feet, more or less, to the point of beginning, containing 2 acres, more or less. Including a 66 foot easement extending from the Easterly line of the above-described tract to the Northerly line of a township road, the Westerly line of said easement is described as follows: Beginning at the Northeast corner of the above-mentioned tract; thence South 14 degrees 03' 40" West, along the Easterly line of said tract and the Southerly extension thereof, a distance of 340.4 feet; thence South 8 degrees 25' 20" West, a distance of 457 feet, more or less, to the point of intersection with the Northerly line of a township road and there terminating. According to the United States Government Survey thereof.

For the sum of \$616,000.00.

		<b>YES</b>	<b>NO</b>
<b>COUNTY ADMINISTRATOR</b>	<b>BEARTH</b>	_____	_____
	<b>KRIESEL</b>	_____	_____
	<b>LEHRKE</b>	_____	_____
	<b>MIRON</b>	_____	_____
<b>COUNTY BOARD CHAIR</b>	<b>WEIK</b>	_____	_____