

**Community Development Committee**

For the Metropolitan Council meeting of May 13, 2015

**Subject:** Park Acquisition Opportunity Fund Grant for Intercity Regional Trail, Richfield Parkway Easement, Three Rivers Park District

**Proposed Action**

That the Metropolitan Council:

1. Authorize a grant of up to \$150,375 to Three Rivers Park District to acquire an easement along Richfield Parkway for the Intercity Regional Trail.
  - a. The Metropolitan Council will finance the grant through the Park Acquisition Opportunity Fund, with Metropolitan Council bonds funding 75 percent of the total acquisition costs.
  - b. Three Rivers Park District will match the grant with \$50,125, or 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

**Summary of Committee Discussion/Questions**

On April 20, 2015, the Community Development Committee unanimously recommended approval of the proposed action.

## Community Development Committee

Meeting date: April 20, 2015

For the Metropolitan Council meeting of May 13, 2015

**Subject:** Park Acquisition Opportunity Fund Grant for Intercity Regional Trail, Richfield Parkway Easement, Three Rivers Park District

**District(s), Member(s):** Council District 5, Steve Elkins

**Policy/Legal Reference:** MN Statute Section 473.315

**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 \$150,375 to Three Rivers Park District to acquire an easement along Richfield Parkway for the Intercity Regional Trail.
  - a. The Metropolitan Council will finance the grant through the Park Acquisition Opportunity Fund, with Metropolitan Council bonds funding 75 percent of the total acquisition costs.
  - b. Three Rivers Park District will match the grant with \$50,125, or 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

### Background

Intercity Regional Trail is a five-mile regional trail corridor that extends through the cities of Minneapolis, Richfield and Bloomington, connecting Nokomis-Hiawatha Regional Park, 86th Street Bikeway, and the Nine Mile Creek Regional Trail. Because the trail is located within three park implementing agencies' jurisdictions, it will be managed jointly by the Minneapolis Park and Recreation Board, the City of Bloomington and Three Rivers Park District (Park District).

The Park District has requested a Park Acquisition Opportunity Fund (PAOF) grant of \$150,375 for the acquisition of one trail easement for Intercity Regional Trail, along Richfield Parkway (Attachment 1).

The trail easement is approximately 13,650 square feet (0.31 acres) and is subject to a cooperative agreement between the Park District and the City of Richfield (City).

The Intercity Regional Trail Cooperative Agreement (March 25, 2014) acknowledges the City's support for the trail segment through Richfield and addresses land acquisition, trail design, construction, operation and management to successfully implement the regional trail master plan. The agreement specifies that the City will convey to the Park District ownership of a permanent easement for trail purposes for the Richfield Parkway Segment route, as approved in the trail master plan. Per the cooperative agreement, the City served as the Park District's land acquisition agent to secure the regional trail easement along Richfield Parkway. The City acquired 14 residential properties to facilitate the development of Richfield Parkway, then removed the structures and conveyed a regional trail easement to the Park District (Attachment 3). The

remaining area of these parcels will become part of a larger redevelopment project.

The Park District's portion of this investment is limited to \$200,000, per the agreement. The PAOF Rules require park agencies to provide a purchase agreement (fee title acquisitions) or a signed offer/signed easement (easement acquisitions). Given this unique acquisition agreement, the Park District provided a land value report to verify the trail easement cost in lieu of these documents.

The land value report affirmed that the amount (\$200,000) the Park District paid is consistent with the square footage amount which the City paid for the properties. In addition, the City paid all consulting fees, legal fees, relocation costs, closing costs and appraisal fees in this acquisition. The land value report found that the Park District realized significant savings with the City acting as the acquisition agent, and that the actual costs of the easement acquisition were well in excess of \$400,000.

The Park District's grant request letter indicates that it has not issued payment to the City and will not issue payment until approval is received from the Metropolitan Council.

Upon the Metropolitan Council's approval of a PAOF grant, staff prepares a grant agreement that includes an "agreement and restrictive covenant" which park agencies must 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.

### Rationale

The Park District's grant request is consistent with the *2040 Regional Parks Policy Plan (adopted February 11, 2015)*, which contains the Rules for PAOF grant requests. The PAOF Rules specify that lands must be within Council-approved master plan boundaries to qualify for an acquisition grant. The PAOF Rules also define grant-eligible acquisition costs that the Council funds through reimbursements to the park agencies.

The Park District's grant request is consistent with the Intercity Regional Trail master plan, which the Metropolitan Council approved on October 31, 2012 (MC business item 2012-316).

### Funding

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the regional park system. As of April 2015, the Park Acquisition Opportunity Fund has provided more than \$39,203,000 to acquire approximately 3,000 acres.

The Fund has two accounts, the Environment and Natural Resources Trust Fund and the Parks and Trails Legacy Fund. The Council's park bonds provide a 40 percent match to each state fund appropriation. At this time, the Parks and Trails Legacy fund account balance is \$1,147,387 and consists solely of Metropolitan Council bonds.

The Park District's grant-eligible acquisition costs for this easement includes the purchase price and the land value report as shown in Table 1.

**Table 1:** Intercity Regional Trail Easement Acquisition Costs

Cost Items	Amount
Easement Purchase Price	\$200,000
Land Value Report	\$500
<b>Total Acquisition</b>	<b>\$200,500</b>

The PAOF grant finances 75 percent of the total acquisition costs, with the park agency paying the remaining 25 percent as the required local match. The Park District's grant request of \$150,375 is 75 percent of the total acquisition costs. Since only Council bonds remain in the Parks and Trails Legacy Fund Account of the PAOF, the grant will be financed solely by Council bonds, as shown in Table 2.

Three Rivers Park District will fund the 25 percent match amount of \$50,125 and is not requesting future reimbursement from a regional parks capital improvement program.

**Table 3:** Acquisition Grant Revenue Sources

Revenue Sources	Amount
Total Acquisition Costs	\$200,500
Grant Total (75% acquisition total - Metropolitan Council bonds)	\$150,375
Local Match (25% of acquisition total)	\$50,125

The Metropolitan Council's final action on all pending PAOF requests leaves an available balance of \$891,712 in the Parks and Trails Legacy Fund account of the PAOF until July 1, 2015, the start of the State's fiscal year funding cycle.

### **Known Support / Opposition**

The Park District Board approved the purchase of this easement, per the cooperative agreement with the City, on March 6, 2014. There is no known opposition to the trail easement acquisition, or to the Park District's grant request.

At its April 7, 2015 meeting, the Metropolitan Parks and Open Space Commission unanimously approved the staff report recommendations.

## Metropolitan Parks and Open Space Commission

Meeting date: April 7, 2015

For the Community Development Committee meeting of April 20, 2015

For the Metropolitan Council meeting of May 13, 2015

**Subject:** Park Acquisition Opportunity Fund Grant for Intercity Regional Trail, Richfield Parkway Easement, Three Rivers Park District

**District(s), Member(s):** MPOSC District C, William Weber

**Policy/Legal Reference:** MN Statute Section 473.315

**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 \$150,375 to Three Rivers Park District to acquire an easement along Richfield Parkway for the Intercity Regional Trail.
  - a. The Metropolitan Council will finance the grant through the Park Acquisition Opportunity Fund, with Metropolitan Council bonds funding 75 percent of the total acquisition costs.
  - b. Three Rivers Park District will match the grant with \$50,125, or 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

### Background

Intercity Regional Trail is a five-mile regional trail corridor that extends through the cities of Minneapolis, Richfield and Bloomington, connecting Nokomis-Hiawatha Regional Park, 86th Street Bikeway, and the Nine Mile Creek Regional Trail. Because the trail is located within three park implementing agencies' jurisdictions, it will be managed jointly by the Minneapolis Park and Recreation Board, the City of Bloomington and Three Rivers Park District (Park District).

The Park District has requested a Park Acquisition Opportunity Fund (PAOF) grant of \$150,375 for the acquisition of one trail easement for Intercity Regional Trail, along Richfield Parkway (Attachment 1).

The trail easement is approximately 13,650 square feet (0.31 acres) and is subject to a cooperative agreement between the Park District and the City of Richfield (City).

The Intercity Regional Trail Cooperative Agreement (March 25, 2014) acknowledges the City's support for the trail segment through Richfield and addresses land acquisition, trail design, construction, operation and management to successfully implement the regional trail master plan. The agreement specifies that the City will convey to the Park District ownership of a permanent easement for trail purposes for the Richfield Parkway Segment route, as approved in the trail master plan. Per the cooperative agreement, the City

served as the Park District's land acquisition agent to secure the regional trail easement along Richfield Parkway. The City acquired 14 residential properties to facilitate the development of Richfield Parkway, then removed the structures and conveyed a regional trail easement to the Park District (Attachment 3). The remaining area of these parcels will become part of a larger redevelopment project.

The Park District's portion of this investment is limited to \$200,000, per the agreement. The PAOF Rules require park agencies to provide a purchase agreement (fee title acquisitions) or a signed offer/signed easement (easement acquisitions). Given this unique acquisition agreement, the Park District provided a land value report to verify the trail easement cost in lieu of these documents.

The land value report affirmed that the amount (\$200,000) the Park District paid is consistent with the square footage amount which the City paid for the properties. In addition, the City paid all consulting fees, legal fees, relocation costs, closing costs and appraisal fees in this acquisition. The land value report found that the Park District realized significant savings with the City acting as the acquisition agent, and that the actual costs of the easement acquisition were well in excess of \$400,000.

The Park District's grant request letter indicates that it has not issued payment to the City and will not issue payment until approval is received from the Metropolitan Council.

Upon the Metropolitan Council's approval of a PAOF grant, staff prepares a grant agreement that includes an "agreement and restrictive covenant" which park agencies must 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.

## Rationale

The Park District's grant request is consistent with the *2040 Regional Parks Policy Plan (adopted February 11, 2015)*, which contains the Rules for PAOF grant requests. The PAOF Rules specify that lands must be within Council-approved master plan boundaries to qualify for an acquisition grant. The PAOF Rules also define grant-eligible acquisition costs that the Council funds through reimbursements to the park agencies.

The Park District's grant request is consistent with the Intercity Regional Trail master plan, which the Metropolitan Council approved on October 31, 2012 (MC business item 2012-316).

## Funding

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the regional park system. As of April 2015, the Park Acquisition Opportunity Fund has provided more than \$39,203,000 to acquire approximately 3,000 acres.

The Fund has two accounts, the Environment and Natural Resources Trust Fund and the Parks and Trails Legacy Fund. The Council's park bonds provide a 40 percent match to each state fund appropriation. At this time, the Parks and Trails Legacy fund account balance is \$1,147,387 and consists solely of Metropolitan Council bonds.

The Park District's grant-eligible acquisition costs for this easement includes the purchase price and the land value report as shown in Table 1.

**Table 1:** Intercity Regional Trail Easement Acquisition Costs

Cost Items	Amount
Easement Purchase Price	\$200,000
Land Value Report	\$500
<b>Total Acquisition</b>	<b>\$200,500</b>

The PAOF grant finances 75 percent of the total acquisition costs, with the park agency paying the remaining 25 percent as the required local match. The Park District's grant request of \$150,375 is 75 percent of the total acquisition costs. Since only Council bonds remain in the Parks and Trails Legacy Fund Account of the PAOF, the grant will be financed solely by Council bonds, as shown in Table 2.

Three Rivers Park District will fund the 25 percent match amount of \$50,125 and is not requesting future reimbursement from a regional parks capital improvement program.

**Table 3:** Acquisition Grant Revenue Sources

Revenue Sources	Amount
Total Acquisition Costs	\$200,500
Grant Total (75% acquisition total - Metropolitan Council bonds)	\$150,375
Local Match (25% of acquisition total)	\$50,125

The Metropolitan Council's final action on all pending PAOF requests leaves an available balance of \$891,712 in the Parks and Trails Legacy Fund account of the PAOF until July 1, 2015, the start of the State's fiscal year funding cycle.

### **Known Support / Opposition**

The Park District Board approved the purchase of this easement, per the cooperative agreement with the City, on March 6, 2014.

There is no known opposition to the trail easement acquisition, or to the Park District's grant request.



Attachment 1: Three Rivers Park District Park Acquisition Opportunity Fund Grant Request



March 12, 2015

Three Rivers  
Park District  
Board of  
Commissioners

Jan Youngquist  
Manager, Regional Parks and Natural Resources Unit  
Community Development Division  
390 North Robert Street  
St. Paul, MN 55101

Penny Steele  
District 1

RE: Park Acquisition Opportunity Fund Grant Request for Intercity Regional Trail  
Reimbursement Request No. 6

Dear Jan,

Jennifer DeJournett  
District 2

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Intercity Regional Trail in the amount of \$150,375 for acquisition of a regional trail easement located adjacent to Richfield Parkway in the City of Richfield. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Daniel Freeman,  
Vice Chair  
District 3

**Acquisition Background**  
*Role of the City of Richfield*

John Gunyou,  
Chair  
District 4

In accordance with the Intercity Regional Trail Cooperative Agreement between the City of Richfield and Park District, the City served as the Park District's land acquisition agent to secure the regional trail easement along Richfield Parkway. In order to realize the regional trail vision as well as the City's vision for Richfield Parkway, the City purchased fourteen properties for approximately \$2.1 million. Upon acquisition, the City removed all structures from the properties and placed an easement over the property allowing for the existence of the Intercity Regional Trail. The remaining, unused portions of the property are available for redevelopment.

John Gibbs  
District 5

*Park District's Contribution*

Larry Blackstad  
Appointed  
At Large

The Park District's portion of this investment is limited to the regional trail easement totally approximately 13,650 square feet and \$200,000. This amount is consistent with the square foot amount paid for the properties by the City and supported by a land value reported which was prepared by a real estate professional with significant experience with right-of-way land valuation in Richfield.

*Cost Savings*

Steve Antolak  
Appointed  
At Large

Under this partnership the City paid the associated consulting and legal fees to acquire the properties likely saving the Park District and Metropolitan Council \$200,000. In addition, the City is providing additional easement width within their existing Richfield Parkway right-of-way reducing the amount of purchased permanent easement and maximizing the amount of adjacent land available for redevelopment.

Cris Gears  
Superintendent

Administrative Center, 3000 Xenium Lane North, Plymouth, MN 55441-1299

Information 763.559.9000 • TTY 763.559.6719 • Fax 763.559.3287 • www.ThreeRiversParks.org





**Enclosed Documents**

The following documents are enclosed for your review and records:

- Brief Overview of the Acquisition Request
- Acquisition Opportunity Grant Fund Checklist
- Land Valuation Report
- Board Approval of the Intercity Regional Trail Cooperative Agreement outlining the City's acquisition responsibilities and Park District's financial commitment of \$200,000 for the Richfield Parkway regional trail easement
- Intercity Regional Trail Cooperative Agreement
- Regional trail easement including legal description (Exhibit A)
- Excerpts of the Intercity Regional Trail Master Plan
- Location map for Metropolitan Council Staff Report
- Aerial map illustrating the regional trail easement
- Support Material from City Acquisition Process:
  - City Acquisition Brief Overview
  - Appraisals of City acquired land on behalf of the Park District
  - Easement/parcel maps
  - Legal descriptions for City placed easements over acquired land
  - Recorded City easements

**Easement Payment**

The Park District has not issued payment to the City of Richfield and will not issue payment until approval is received from the Metropolitan Council to do so.

Please process this request with a target approval in late April in order to reimburse the City of Richfield for the funds they expended on behalf of the Park District in a timely and respectful manner.

Thank you for your continued assistance through this process,

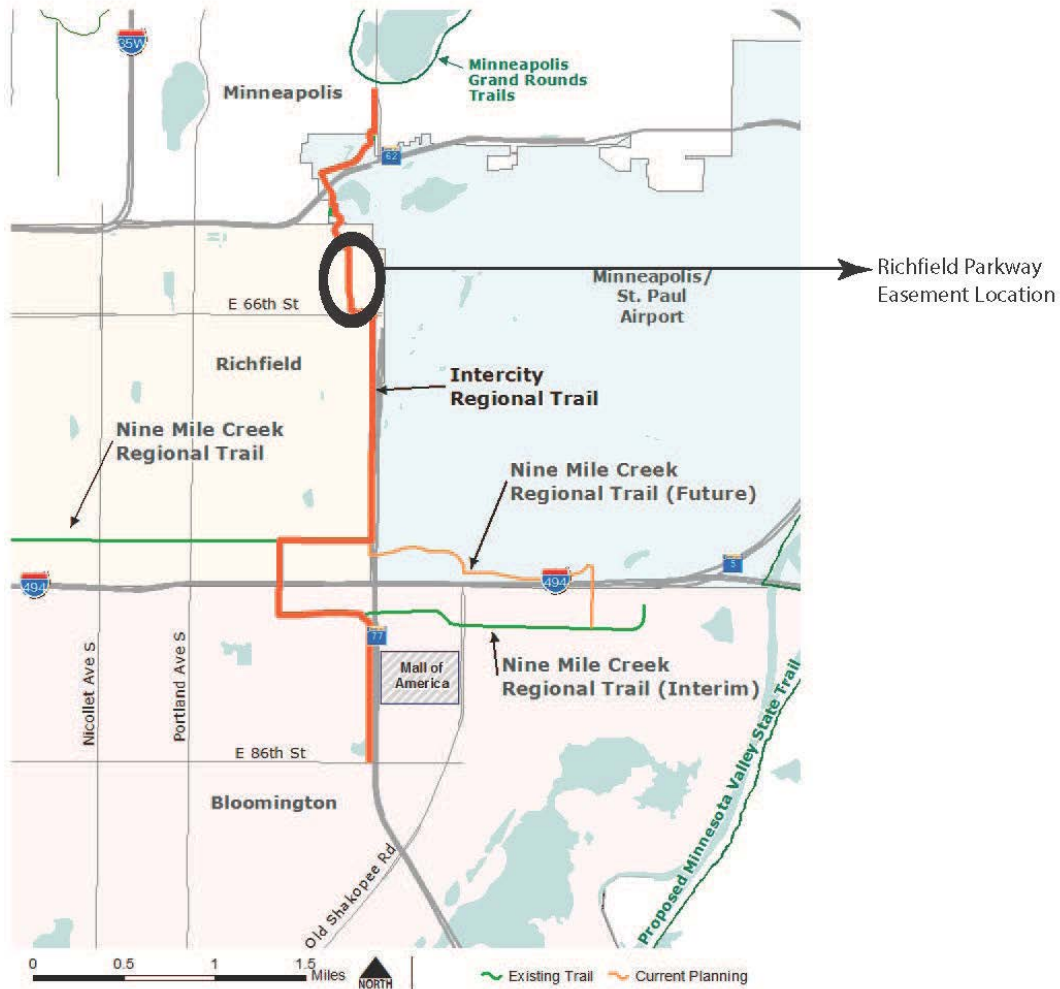


Kelly Grissman  
Director of Planning

Enclosures

- C: Boe Carlson, Superintendent  
Jonathan Vlaming, Associate Superintendent  
Stephen Shurson, Landscape Architect

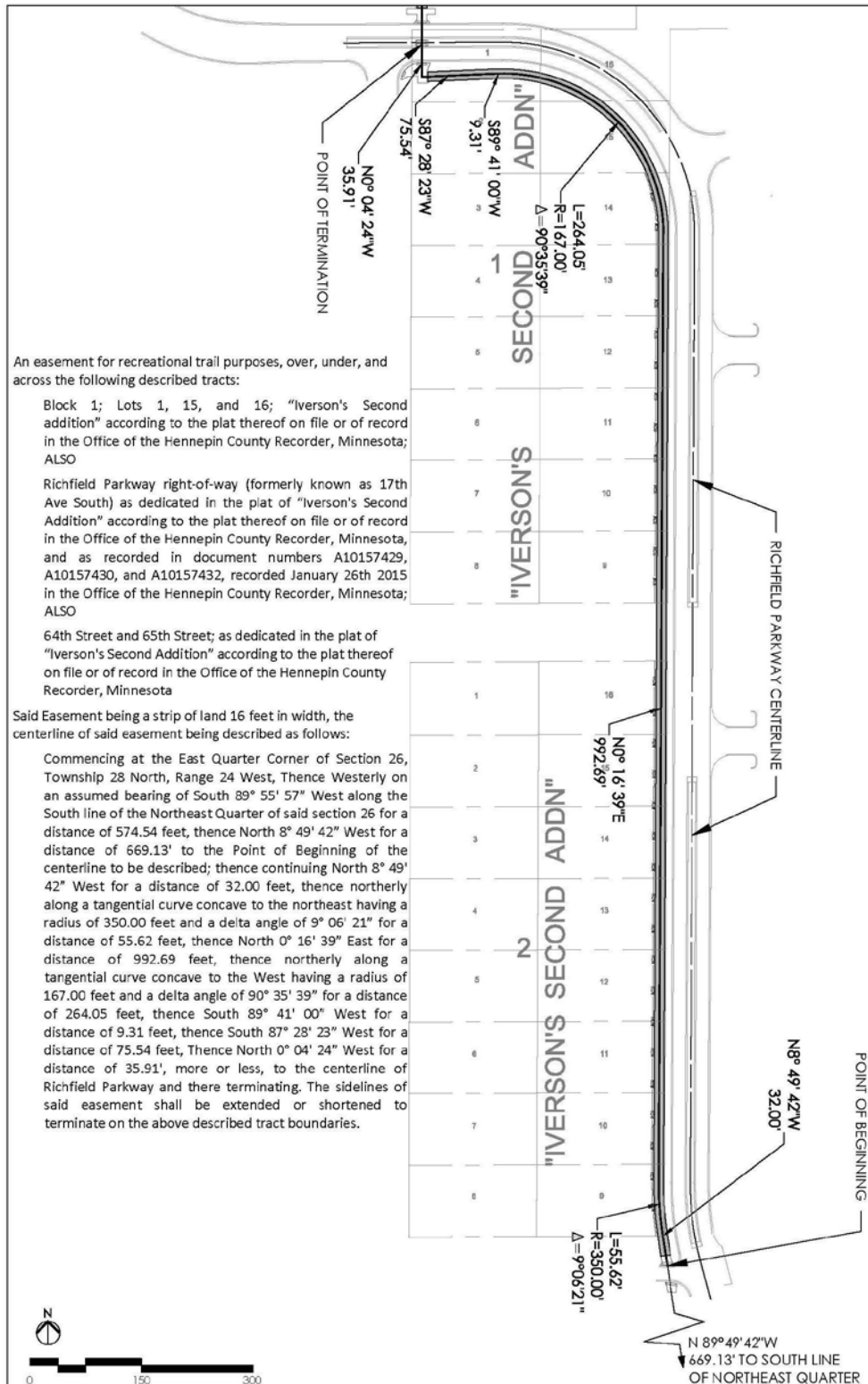
**Attachment 2:** Intercity Regional Trail Master Plan Map showing Richfield Parkway trail easement



**Intercity Regional Trail Location and Contextual Relationship**

Source: Three Rivers Park District

**Attachment 3: Intercity Regional Trail Easement Map**



An easement for recreational trail purposes, over, under, and across the following described tracts:

Block 1; Lots 1, 15, and 16; "Iverson's Second addition" according to the plat thereof on file or of record in the Office of the Hennepin County Recorder, Minnesota; ALSO

Richfield Parkway right-of-way (formerly known as 17th Ave South) as dedicated in the plat of "Iverson's Second Addition" according to the plat thereof on file or of record in the Office of the Hennepin County Recorder, Minnesota, and as recorded in document numbers A10157429, A10157430, and A10157432, recorded January 26th 2015 in the Office of the Hennepin County Recorder, Minnesota; ALSO

64th Street and 65th Street; as dedicated in the plat of "Iverson's Second Addition" according to the plat thereof on file or of record in the Office of the Hennepin County Recorder, Minnesota

Said Easement being a strip of land 16 feet in width, the centerline of said easement being described as follows:

Commencing at the East Quarter Corner of Section 26, Township 28 North, Range 24 West, Thence Westerly on an assumed bearing of South 89° 55' 57" West along the South line of the Northeast Quarter of said section 26 for a distance of 574.54 feet, thence North 8° 49' 42" West for a distance of 669.13' to the Point of Beginning of the centerline to be described; thence continuing North 8° 49' 42" West for a distance of 32.00 feet, thence northerly along a tangential curve concave to the northeast having a radius of 350.00 feet and a delta angle of 9° 06' 21" for a distance of 55.62 feet, thence North 0° 16' 39" East for a distance of 992.69 feet, thence northerly along a tangential curve concave to the West having a radius of 167.00 feet and a delta angle of 90° 35' 39" for a distance of 264.05 feet, thence South 89° 41' 00" West for a distance of 9.31 feet, thence South 87° 28' 23" West for a distance of 75.54 feet, Thence North 0° 04' 24" West for a distance of 35.91', more or less, to the centerline of Richfield Parkway and there terminating. The sidelines of said easement shall be extended or shortened to terminate on the above described tract boundaries.

**Exhibit "A"  
Easement Description**

Date: 2/2/2015  
 Drawn by: N Straka, Sr Engineering Tech  
 Reviewed by: \_\_\_\_\_  
 Reviewed date: \_\_\_\_\_

LEGAL COUNSEL  
 THREE RIVERS PARK DISTRICT

