

Community Development Committee

For the Metropolitan Council meeting of February 24, 2016

Subject: Park Acquisition Opportunity Fund Grant for Lake Elmo Park Regional Reserve (Reardon) from Washington County

Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$159,818 to reimburse Washington County for acquisition of a one-acre property for Lake Elmo Park Reserve when funds are available in the Parks and Trails Legacy fund account of the Park Acquisition Opportunity Fund.
 - The Metropolitan Council’s grant finances up to 75 percent of the total acquisition costs from the Park Acquisition Opportunity Fund (PAOF) using the Fiscal Year 2017 Parks and Trails Legacy Fund account (60 percent) and Metropolitan Council Bonds (40 percent).
 - Washington County will finance at least 25 percent of the total acquisition costs. If the total acquisition costs are higher than estimated, Washington County is responsible for the difference.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

Summary of Committee Discussion/Questions

The Community Development Committee recommended approval of the proposed action as part of its consent agenda on Tuesday, February 16, 2016.

Community Development Committee

Meeting date: February 16, 2016

For the Metropolitan Council meeting of February 24, 2016

Subject: Park Acquisition Opportunity Fund Grant Request for Lake Elmo Regional Park Reserve (Reardon) from Washington County

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

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

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 - Washington County will finance at least 25 percent of the total acquisition costs. If the total acquisition costs are higher than estimated, Washington County is responsible for the difference.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

Background

Washington County has requested a Park Acquisition Opportunity Fund (PAOF) grant of up to \$159,818 to acquire a one-acre inholding property located at 1756 Lake Elmo Avenue North for Lake Elmo Park Reserve.

The County's acquisition of the subject property is consistent with the Lake Elmo Park Reserve master plan which the Metropolitan Council originally approved on August 23, 2006 (business item 2006-219), and amended on August 26, 2015 (business item 2015-190).

The acquisition grant amount requested exceeds the available balance in the park acquisition opportunity fund. The *2040 Regional Parks Policy Plan* provides guidance in special circumstances where there is a lack of available acquisition funds. Therefore, the grant request requires action to reimburse the County for the acquisition when funds become available.

Rationale

Washington County's grant request is consistent with the *2040 Regional Parks Policy Plan (adopted February 11, 2015)*, which contains the PAOF Rules that include special circumstances for a lack of funds to reimburse park agencies once funds become available.

Funding

Table 1 summarizes the County's grant-eligible estimated costs to acquire the subject property which total \$213,091.

Table 1: Estimated Acquisition Costs - 1756 Lake Elmo Avenue North, Lake Elmo

Cost Items	Amount
Purchase Price	\$205,000
Appraisal	\$2,000
Phase 1 Environmental Assessment	\$2,100
Taxes and Closing Costs	\$3,991
Total Acquisition (Estimated)	\$213,091

The Council will reimburse Washington County from Fiscal Year 2017 Parks and Trails Legacy Fund account once these funds become available after July 1, 2016. The grant total will include 60 percent Legacy funds and 40 percent Metropolitan Council bonds, as shown in Table 2.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$213,091
Local Match Amount	\$53,273
Grant Amount	\$159,818
FY2017 Parks and Trails Legacy Fund (60%)	\$95,891
Metropolitan Council Bonds (40%)	\$63,927

Known Support / Opposition

On November 10, 2015, the Washington County Board of Commissioners adopted a resolution to acquire 1756 Lake Elmo Avenue for inclusion into Lake Elmo Park Reserve, and authorized the County's acquisition grant request.

The Metropolitan Parks and Open Space Commission recommended approval of the proposed action at its February 9, 2016 meeting.

The Metropolitan Council has received no opposition to either the County's acquisition of the subject property for the Lake Elmo Park Reserve or its PAOF grant request.

Metropolitan Parks and Open Space Commission

Meeting date: February 9, 2016

For the Community Development Committee meeting of February 16, 2016

For the Metropolitan Council meeting of February 24, 2016

Subject: Park Acquisition Opportunity Fund Grant Request for Lake Elmo Regional Park Reserve (Reardon) from Washington County

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

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

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 - Washington County will finance at least 25 percent of the total acquisition costs. If the total acquisition costs are higher than estimated, Washington County is responsible for the difference.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

Background

Lake Elmo Park Reserve is located in central Washington County in the City of Lake Elmo, and the Park Reserve boundary encompasses approximately 2,165 acres according to the Master Plan. Washington County has requested a Park Acquisition Opportunity Fund (PAOF) grant of up to \$159,818 to acquire a one-acre inholding property for the Park Reserve. The subject property is located at 1756 Lake Elmo Avenue North in the City of Lake Elmo (Attachment 1).

The property is located along the eastern boundary of Lake Elmo Park Reserve, surrounded on three sides by the Park Reserve, and bordered by Lake Elmo Avenue (County Highway 17) to the east. The property is guided (land use) Public/Park, zoned single family residential and has an existing home that the County will demolish to integrate the property into the Park Reserve according to the master plan (Attachment 3).

In a November 10, 2015 resolution, the Washington County Board approved the proposed purchase price of \$205,000, matching the appraised value. The Board also acknowledged that the landowner initiated the purchase process with the County parks staff.

The Council staff reviewed the appraisal dated August 10, 2015 and found it current and complete (Attachment 4). It supports the price of the property purchase using funds from the Parks and Trails Legacy Fund account of the PAOF.

The County's acquisition of the subject property is consistent with the Lake Elmo Park Reserve master plan (Attachment 2) which the Metropolitan Council originally approved on August 23, 2006 (Business Item 2006-219), and amended on August 26, 2015 (Business Item 2015-190).

The County estimates the total acquisition costs to be \$213,091 including the purchase price (\$205,000) and other eligible costs totaling \$8,091 as outlined in Table 1. The closing is scheduled on or before March 31, 2016, well after the scheduled Metropolitan Council action on the grant request on February 24, 2016.

Because the grant amount requested exceeds the available balance in the PAOF, the grant will be reimbursed from the next fiscal year appropriation consistent with the *2040 Regional Parks Policy Plan* section on special circumstances. This policy allows up to 60% of the next fiscal year appropriation, plus matching Council bonds, to be used to reimburse park agencies for up to 75% of the grant-eligible acquisition costs. Washington County's grant request letter acknowledges the current lack of acquisition funds and requests reimbursement once funds become available after July 1, 2016.

The Metropolitan Council's acquisition grant agreement document includes an "agreement and restrictive covenant" which park agencies must record to ensure that the property remains in regional recreation use. Therefore, the Metropolitan Council's action authorizes the Community Development Director to sign the grant agreement and the restrictive covenant.

Rationale

Washington County's grant request is consistent with the *2040 Regional Parks Policy Plan*, 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.

Funding

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the Regional Parks System. The Council accepts PAOF grant requests on a first-come-first-serve basis, and the grant finances up to 75 percent of the total acquisition costs, with the park agency paying the remaining 25 percent as the required local match. If the actual total acquisition costs are higher than estimated, the park agency is responsible for the difference.

The PAOF has two accounts, the Environment and Natural Resources Trust Fund (ENRTF) and the Parks and Trails Legacy Fund. The Council's bonds provide a 40 percent match to each state fund appropriation. This property does not qualify for ENRTF and therefore will be financed by the Parks and Trails Legacy Fund account.

The Parks and Trails Legacy Fund account funds acquisition projects from a Legislative appropriation with a Metropolitan Council bonds match. The Legislature approved the Parks and Trails Legacy Fund appropriation for fiscal years 2016 and 2017 in June 2015. The Metropolitan Council approved the 2015 Capital Program and Budget Amendment (Business Item 2015-145) to acknowledge the \$1,723,700 fiscal year 2016 Parks and Trails Legacy Fund appropriation, plus the Metropolitan Council bond match of \$1,149,133, creating a new balance of \$2,872,833 in the PAOF Parks and Trails Legacy

Fund account. The fiscal year 2017 appropriation becomes available after the Council adopts a budget amendment that authorizes that appropriation and spending.

Regarding this Washington County request, the grant-eligible acquisition costs are summarized in Table 1 and total \$213,091. The \$159,818 requested represents 75 percent of these estimated costs.

Table 1: Estimated Acquisition Costs - 1756 Lake Elmo Avenue North, Lake Elmo

Cost Items	Amount
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Appraisal	\$2,000
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Total Acquisition (Estimated)	\$213,091

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Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$213,091
Local Match Amount	\$53,273
Grant Amount	\$159,818
FY2017 Parks and Trails Legacy Fund (60%)	\$95,891
Metropolitan Council Bonds (40%)	\$63,927

Known Support / Opposition

On November 10, 2015, the Washington County Board of Commissioners adopted a resolution to acquire 1756 Lake Elmo Avenue for inclusion into Lake Elmo Park Reserve, and authorized the County’s acquisition grant request. The Metropolitan Council has received no opposition to the County’s acquisition of the property for the park reserve, nor to the grant request.



Public Works Department
Parks Division

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

John D. Elholm, CPRP
Parks Director

November 6, 2015

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

REQUEST FOR ACQUISITION OPPORTUNITY GRANT FUNDS FOR PURCHASE OF THE REARDON PROPERTY IN LAKE ELMO PARK RESERVE

Dear Tori:

Washington County requests that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Reardon property; a 1.0 acre property located within the City of Lake Elmo. This property is bordered by Lake Elmo Park Reserve on 3 sides and has a county highway on the 4th side. The property includes a home that we anticipate will be removed within a year of purchase. No rental revenue will be generated from this acquisition.

The offer presented here has been signed by the landowner, and is scheduled for approval by the Washington County Board of Commissioners on November 10, 2015. 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.

Estimated Acquisition Costs:

Purchase Price	\$ 205,000
Other costs (identified on spreadsheet)	\$ 8,091
Total Estimated Acquisition Costs	\$ 213,091

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$ 159,818
Washington County (25%)	\$ 53,273
Total Proposed Revenue Sources	\$ 213,091

We understand there are not sufficient funds to fully finance this grant request in the 2016 fiscal year. However, we also understand that the "Special Circumstances – Lack of Available Acquisition Opportunity Funds" section of the policy plan allows the council to use up to 60% of the next fiscal year appropriation, along with matching Council bonds, to fund current acquisition projects. The funding wouldn't become available until after July 1, 2016. Washington County requests consideration of grant funding through this "Special Circumstances" section. The closing for this property will occur following Met Council action on the grant request.

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



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

Respectfully,

A handwritten signature in black ink, appearing to read "John D. Elholm", with a long horizontal flourish extending to the right.

John D. Elholm
Parks Director

C: Sharon Price, Acquisition Manager
June Mathiowetz, Land and Water Legacy Program Manager
Wayne Sandberg, County Engineer

Attachment 2: Master Plan Support for Acquisition at Lake Elmo Park Reserve, Washington County

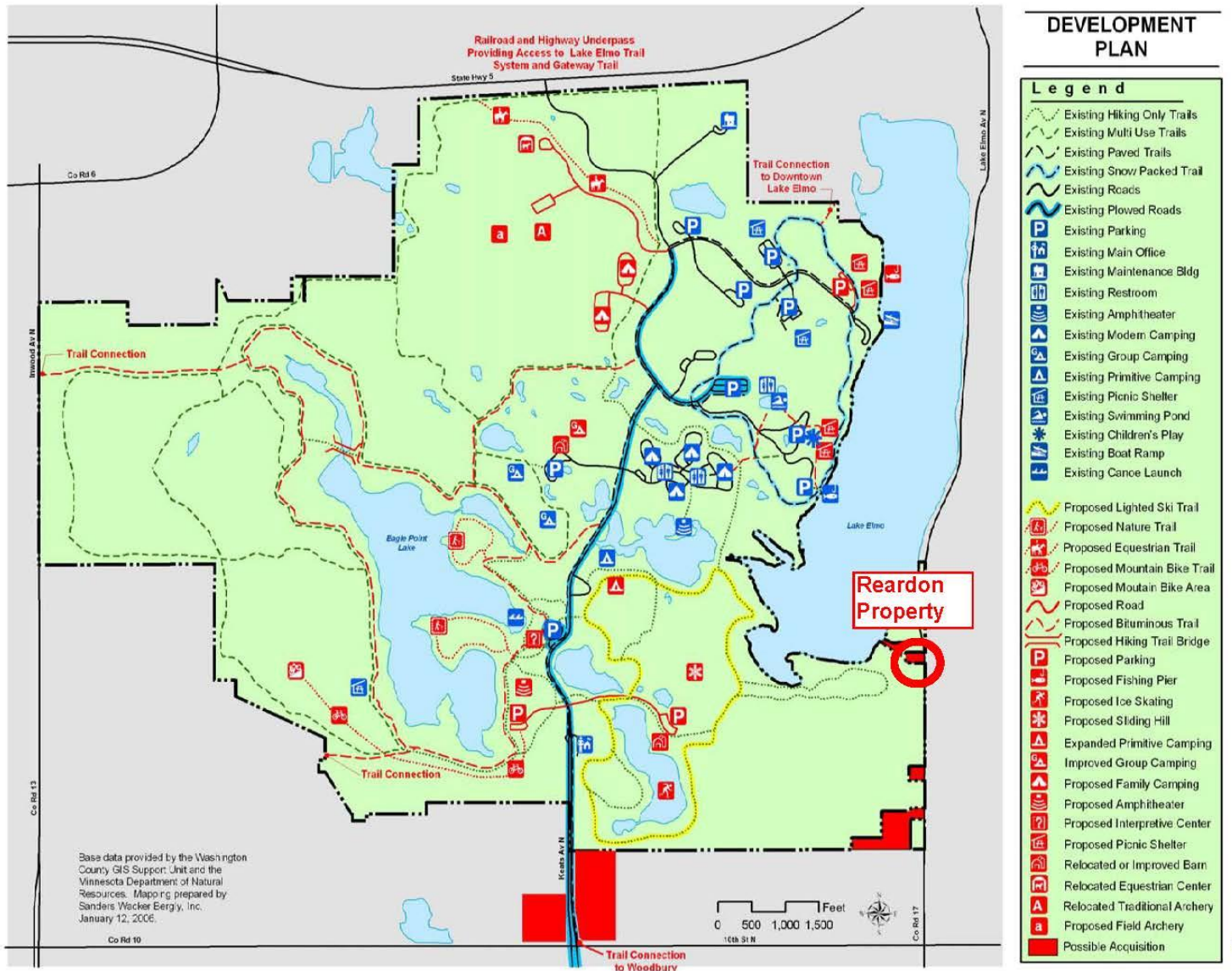


Figure 5.2

Attachment 3: 1756 Lake Elmo Avenue No



Washington
County

150 75 0 Feet

1756 Lake Elmo Avenue
26.029.21.11.0002



Attachment 4: Property Appraisal Summary

NA-00598-04



APPRAISAL SUMMARY

Project N/A	Acquisition No. N/A	Project No. N/A	Parcel Vicky Reardon	County Washington
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APPRAISER: Julie Jeffrey-Schwartz Lake State Realty Services, Inc. 2140 Otter Lake Drive White Bear Lake, MN 55110 Telephone No. 651-653-0788		OWNER: Vicky Reardon 1756 Lake Elmo Avenue North Lake Elmo, MN 55042 Telephone No. 651-472-1119	
County Property Tax I.D. Number 26.029.21.11.0002	Section 26	Township 029	Range 021
Zoning RS, Rural Single Family & Subject to the Shoreland Management Overlay District	Township/Municipality Lake Elmo	Population 8,306 (2014 estimate)	School District ISD #834 Stillwater
Real Estate Taxes - Current Year \$2,308	Delinquent Amount \$0	Special Assessments \$410.02	Assessment Balance \$0.00

Road Frontage: Paved Gravel - 150 feet Road Name: Lake Elmo Avenue North

Water Frontage: Lake Stream - feet Water Body: N/A – no water frontage

Recreational Quality of Water Frontage: Fishing and Swimming Fishing Only None – N/A


Public Hazards: None

Total contiguous ownership consists of 1.00 acres.

Proposed ACQUISITION consists of N/A acres.

Total Estimated Market Value: \$205,000.00

Marketing Time Estimate 90 days

Appraiser's Signature  License <u>4002423</u>	Date 8/26/2015
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