

Community Development Committee Report

For the Metropolitan Council meeting of August 12, 2020

Subject: Park Acquisition Opportunity Fund Grant for Crow-Hassan Park Reserve (Berning), Three Rivers Park District

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$326,625 to Three Rivers Park District to acquire the 0.97-acre Berning property located at 26260 141st Avenue North in the City of Rogers for Crow-Hassan Park Reserve, contingent on Council approval of the July 2020 Special Budget Amendment, Business Item 2020-182 JT.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.
3. Consider reimbursing Three Rivers Park District for up to \$108,875 from its share of a future Regional Parks Capital Bonding Program for costs associated with their local match.
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Parks Planner, presented this Park Acquisition Opportunity Fund grant request to the Community Development Committee at its meeting on July 20, 2020. There were no questions other than the meaning of an acronym. The Committee approved the proposed actions unanimously.

Metropolitan Parks and Open Space Commission Report

For the Community Development Committee meeting of July 20, 2020

For the Metropolitan Council meeting of August 12, 2020

Subject: Park Acquisition Opportunity Fund Grant for Crow-Hassan Park Reserve (Berning), Three Rivers Park District

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$326,625 to Three Rivers Park District to acquire the 0.97-acre Berning property located at 26260 141st Avenue North in the City of Rogers for Crow-Hassan Park Reserve, contingent on Council approval of the July 2020 Special Budget Amendment, Business Item 2020-182 JT.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.
3. Consider reimbursing Three Rivers Park District for up to \$108,875 from its share of a future Regional Parks Capital Bonding Program for costs associated with their local match.
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Parks Planner, presented the staff report to the Metropolitan Parks and Open Space Commission at its meeting on July 9, 2020. Heather Kuikka from Three Rivers Park District was in attendance and responded to questions.

Commissioner Bob Moeller asked if Three Rivers Park District considered repurposing the house on the property. Ms. Kuikka responded that because the house is from 1963, there would be too many costs to bring it up to code, resulting in spending more to save the home than the cost to remove it.

Chair Tony Yarusso asked about the purchase agreement contingency that requires consent from the City of Rogers for Three Rivers Park District to purchase the property. Ms. Kuikka responded that the City of Rogers did give consent, and the letter is now included in the business item attachments.

The Metropolitan Parks and Open Space Commission voted to recommend the proposed action.

Metropolitan Parks and Open Space Commission

Meeting date: July 9, 2020

For the Community Development Committee meeting of July 20, 2020

For the Metropolitan Council meeting of August 12, 2020

Subject: Park Acquisition Opportunity Fund Grant for Crow-Hassan Park Reserve (Berning), Three Rivers Park District

MPOSC District: District A, Rick Theisen

Council District, Member: 1, Judy Johnson

Policy/Legal Reference: Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; *2040 Regional Parks Policy Plan*, Chapter 4, Siting and Acquisition Policy- Strategy 1; Chapter 5, Planning Policy- Strategy 1; Chapter 8, Finance Policy- Strategy 7.

Staff Prepared/Presented: Jessica Lee, Senior Parks Planner (651-602-1621)

Division/Department: Community Development

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$326,625 to Three Rivers Park District to acquire the 0.97-acre Berning property located at 26260 141st Avenue North in the City of Rogers for Crow-Hassan Park Reserve, contingent on Council approval of the July 2020 Special Budget Amendment, Business Item 2020-182 JT.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.
3. Consider reimbursing Three Rivers Park District for up to \$108,875 from its share of a future Regional Parks Capital Bonding Program for costs associated with their local match.
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Background

Park Acquisition Opportunity Fund (PAOF)

The Council's Park Acquisition Opportunity Fund (PAOF) provides funding to purchase property and easements via two state sources: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes by matching every \$3 in state funds with \$2 in Council bonds.

State and Council funds contribute up to 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match.

Regional Park Implementing Agency (Agency) and Location

Three Rivers Park District requested this grant on December 26, 2019. A copy of the Agency's request is attached to this item as Exhibit 2. Crow-Hassan Park Reserve is in the northwestern portion of Hennepin County. It is one of the most diverse restored prairies in the state, with over 840 acres restored and over 100 types of wildflowers.

Project budget

The appraised value of the property is \$320,000, and the Seller has agreed to 100% of the appraised amount. The total project cost including legal fees, taxes, and stewardship is \$435,500, as shown below.

Table 1. Project budget

Budget item	Requested amount
Purchase price	\$320,000
Due diligence (appraisal)	\$4,300
Holding and closing costs, taxes	\$8,800
Phase I environmental site assessment	\$2,400
Stewardship (including building removal and site restoration)	\$100,000
Total costs	\$435,500
Grant structure	
State FY 2021 PTLF PAOF	\$195,975
Council bonds	<u>\$130,650</u>
Grant amount not to exceed	\$326,625
Local match	\$108,875

Council review

Council staff conduct review of each PAOF request on a first-come-first-served basis under the following standards:

- the proposed acquisition complies with state statute and Council policy
- all necessary documentation for the acquisition is in place
- the appraisal is reasonable and appropriate

Subject property

The subject 0.97-acre property is within the Council-approved boundary of the Crow-Hassan Park Reserve. The property contains a house built in 1963 that will be removed, and the site will be restored to its natural state using plantings of local ecotypes.

Acquisition details

This is a straightforward, fee simple transaction. There are no easements or lease constraints.

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan
 - Planning Policy Strategy 1 requires that before an Agency can receive a grant for acquisition, the proposed project must be consistent with a Council-approved master plan. The Council approved the master plan for Crow-Hassan Park Reserve in 1972. The proposed acquisition is consistent with the approved plan.
 - Siting and Acquisition Strategy 1 requires that lands with natural resource features, access to water, and/or restoration potential will be a priority for the Regional Parks System. The property recommended for acquisition will be restored to its natural state and added to the existing natural resource features of Crow-Hassan Park Reserve.
 - Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park lands and matching every \$3 in state funds with \$2 in Council bonds.

- All requirements of PTLF and the 2021 appropriation. This funding aligns with the goals of the 25-year, Parks and Trails Legacy Plan, strategic direction of “Acquire land – create opportunities.”

Thrive Lens Analysis

This request is consistent with Thrive’s Livability and Stewardship outcomes. The Council’s investment in Crow-Hassan Park Reserve will provide additional access to outdoor recreation, enhance quality of life, and further protect natural resources.

Funding

The Council will fund this grant through Council Bonds (\$130,650) and State Fiscal Year 2021 Parks and Trails Legacy Funds (\$195,975). Funds are available in the Council’s Authorized Capital Program.

Three Rivers Park District will provide a local match of \$108,875.

Future reimbursement consideration

The Agency is requesting that the Council consider reimbursing its local match of \$108,875 for this acquisition at some point in the future through the Regional Parks Bonding Program. A request for “future reimbursement consideration” is the first step in a process Agencies may use to request repayment of their match amount in a future bonding cycle. The Council is under no obligation to reimburse this amount.

Known Support / Opposition

There is no known opposition.

Exhibit List

- Exhibit 1: Images
- Exhibit 2: Grant request letter
- Exhibit 3: Grant application
- Exhibit 4: Board approval to purchase property
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt

Exhibit 1 – Images



Berning Property

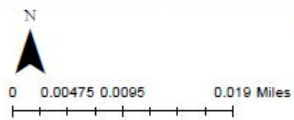
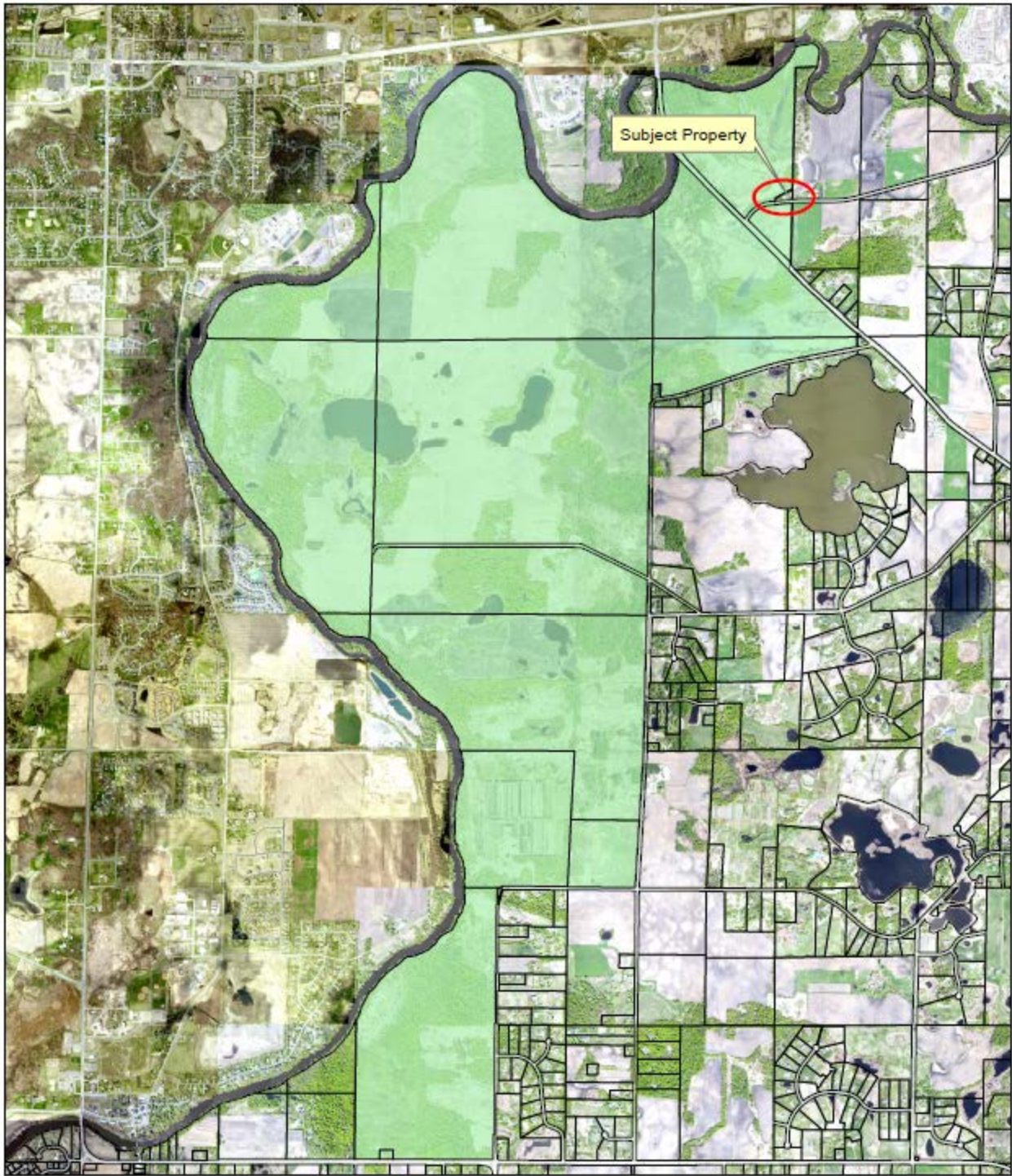


Figure 1. Map of the Berning property



Berning Property

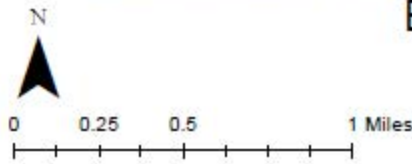


Figure 2. Map of Crow-Hassan Park Reserve with the Berning property circled in red