

Community Development Committee Report

For the Metropolitan Council meeting of August 12, 2020

Subject: Park Acquisition Opportunity Fund Grant for Grey Cloud Island Regional Park (Kulvich), Washington County

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$261,525 to Washington County to acquire the 41.15-acre Kulvich property located at 11523 Grey Cloud Trail South in the City of Cottage Grove for Grey Cloud Island Regional Park, contingent on Council approval of the July 2020 Special Budget Amendment, Business Item 2020-182 JT and on the anticipated closing date occurring before the purchase agreement expiration date.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

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 and 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

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2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

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.

Chair Tony Yarusso asked about the closing date and purchase agreement expiration as reported in the WebGrants application. Ms. Lee responded that the application was submitted several months ago, and that the closing date has been moved up from September to August to match the purchase agreement date. This date has been corrected in the business item attachments. Chair Yarusso requested that the first action be modified to include this statement. This update has been made and reflected in the proposed action above.

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

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 Grey Cloud Island Regional Park (Kulvich), Washington County

MPOSC District: District F, Cecily Harris

Council District, Member: 12, Francisco Gonzalez

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

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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

Washington County requested this grant on March 16, 2020. A copy of the Agency's request is attached to this item as Exhibit 2. Grey Cloud Island Regional Park is in the southwestern portion of Washington County, in the City of Cottage Grove. The park has not yet been developed nor is it open for public use, as the County is waiting until they own a sufficient cross section of land within the park boundary. The Kulvich property is located in the eastern portion of the island along the Mississippi River inland channel.

Project budget

The appraised value of the property is \$313,800, and the Seller has agreed to a purchase price of \$319,000 (101.6% of the appraised amount). The total project cost including legal fees, taxes, and stewardship is \$348,700, as shown in Table 1 below.

Table 1. Project Budget

Budget item	Requested amount
Purchase price	\$319,000
Due diligence (appraisal)	\$1,800
Holding and closing costs, taxes	\$4,950
Phase I environmental site assessment	\$2,150
Stewardship (including building removal and site restoration)	\$20,800
Total costs	\$348,700
Grant structure	
State FY 2021 PTLF PAOF	\$156,915
Council bonds	\$104,610
Grant amount not to exceed	\$261,525
Local match	\$87,175

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 41.15-acre property is within the Council-approved boundary of the Grey Cloud Island Regional Park. Of the 41.15 acres, approximately 3.7 acres are land acres, which are highlighted on the maps in Figures 1 and 2. The remaining acreage is submerged by an inland channel of the Mississippi River that was created in the 1930s due to the establishment of a lock and dam. The property also contains a home built in 1950 that will eventually be removed. Restoring this site to its native state will help protect the Mississippi River and enhance the natural resource base of the future regional park.

Acquisition details

This is a straightforward, fee simple transaction. There is a flowage easement on 40 acres given the amount of land under water. The current landowner will retain a life estate on the property. Upon vacation of the property, control will transfer to Washington County

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 Grey Cloud Island Regional Park in 1994, and this property is identified as part of the park in that master 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 be added to the existing natural resource features of Grey Cloud Island Regional Park.
- 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 Grey Cloud Island Regional Park will provide additional access to outdoor recreation, enhance quality of life, and further protect natural resources including the Mississippi River.

Funding

The Council will fund this grant through Council Bonds (\$104,610) and State Fiscal Year 2021 Parks and Trails Legacy Funds (\$156,915). Funds are available in the Council’s Authorized Capital Program.

Washington County will provide a local match of \$87,175.

Future reimbursement consideration

Washington County is not requesting future reimbursement consideration.

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

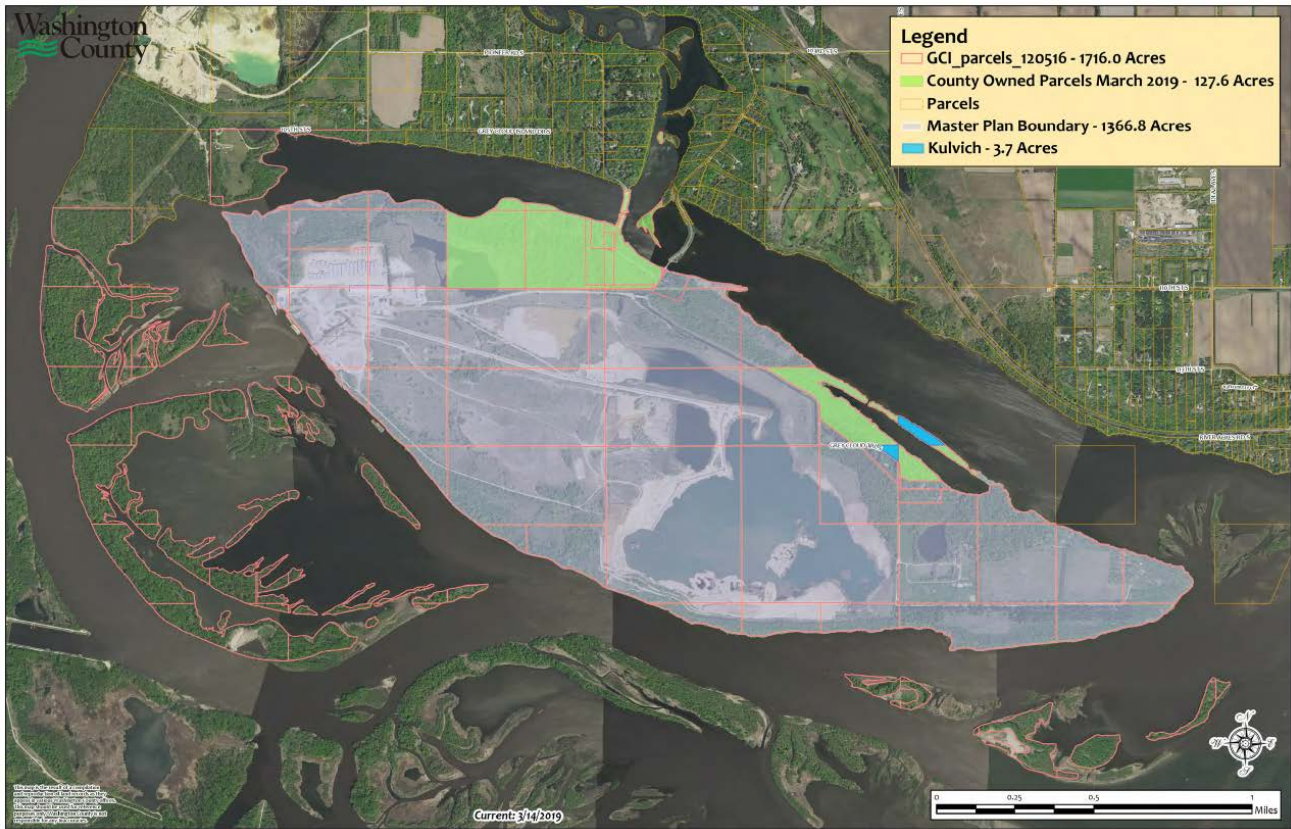


Figure 1. Map of Grey Cloud Island Regional Park and the land portion of the Kulvich property

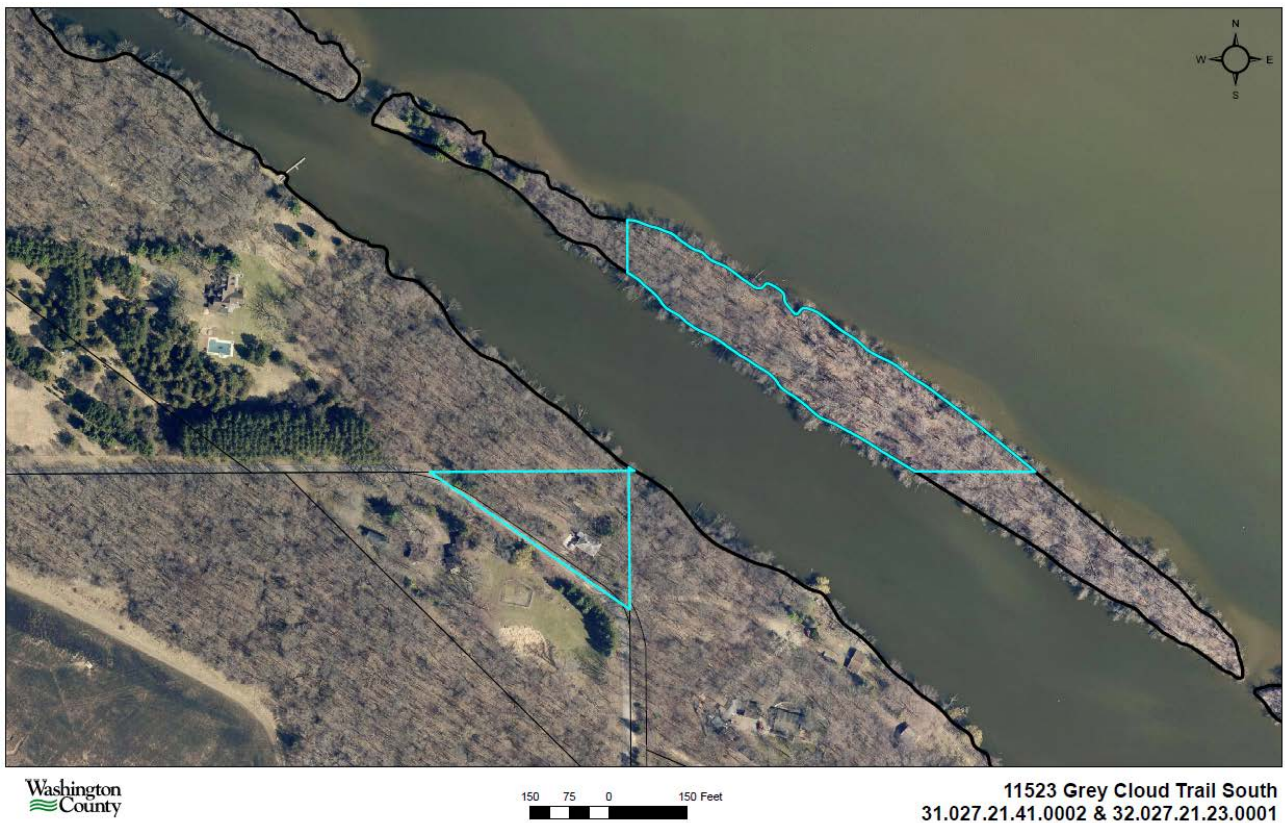


Figure 2. Aerial image of the land portion of the Kulvich property