

Metropolitan Parks and Open Space Commission

Meeting date: July 1, 2014

For the Community Development Committee meeting of July 21, 2014

For the Metropolitan Council meeting of August 13, 2014

Subject: Park Acquisition Opportunity Fund Grant Request for Blakeley Bluffs Park Reserve, JMJM Property (2), Scott County/Three Rivers Park District

District(s), Member(s): MPOSC District B, Bob Moeller

Policy/Legal Reference: MN Statute Section 473.315

Staff Prepared/Presented: Tori Dupre, Senior Planner-Regional Parks and Natural Resources (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 \$950,781 from the Parks and Trails Legacy Fund Acquisition Account to Scott County to finance up to 75% of the costs to acquire 146 acres located in Blakeley Township at 24236 Union Trail, for the Blakeley Bluffs Park Reserve. The grant is financed as follows:

- \$570,469 from the Fiscal Year 2015 Parks and Trails Legacy Fund appropriation, and
- \$380,312 from Metropolitan Council bonds

Scott County will match the grant with up to \$316,927 for its 25% share of the total acquisition costs.

2. Consider reimbursing the Scott County up to \$316,927, its 25% share of the total acquisition costs, from a future Regional Park Capital Improvement Program. The Council does not under any circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.
3. Authorize the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

Background

On June 5, 2014, Scott County requested a park acquisition opportunity fund grant of up to \$950,781 to acquire 146 acres located in Blakeley Township at 24236 Union Trail for the Blakeley Bluffs Park Reserve (Attachment 1). The property is owned by JMJM Holdings LLC.

Scott County has been working with the landowner over the past four years to discuss acquiring approximately 308 acres within the planned Blakeley Bluffs Park Reserve (Attachment 2). In 2013, Scott County requested and received a park acquisition opportunity grant for \$744,927 to partially finance the acquisition of 114 acres from the owner (MC action 9/25/13; Business Item 2013-264). This grant was financed from the Parks and Trails Legacy Fund Acquisition Account and Metropolitan Council bonds.

The current acquisition grant request is for the southern 146 acres (Attachment 3) which generally contains both natural and agricultural areas. Specifically, the property consists of cropped land, pasture, flood plain, woodlands, steep wooded ravines and scenic views of the Minnesota River valley. The acquisition is important because the owner prepared a subdivision plat and engineering plans that would create seven 40-acre executive home sites in the heart of the park reserve. After ongoing discussions over the past few years, the owner agreed to sell the property to the County for park purposes, instead of subdivide. In summary, the 2013 acquisition of 114 acres and the proposed acquisition of 146 acres total 260 acres. The owner will retain the existing home and three other structures on approximately 40 acres (see Attachment 3, property boundary outlined in black).

Blakeley Bluffs Park Reserve is planned to be approximately 2,440 acres in size and is intended to be a destination for river bluff hiking, canoeing and kayaking. The park reserve is known for its high-quality scenery, habitat and trail network through the Minnesota River valley. The master plan includes the proposed acquisition property as a privately owned in-holding. Therefore, the proposed acquisition is consistent with the Metropolitan Council-approved Blakeley Bluffs Park Reserve master plan (MC action 03/14/12; Business Item 2012-67).

Scott County estimates that the total acquisition costs are \$1,267,708, and requests a park acquisition opportunity fund grant for 75% of this cost, \$950,781. The County also requests consideration of reimbursement for its 25% share of the total acquisition costs, \$316,927, from a future regional parks capital improvement program. The County's request is consistent with the Park Acquisition Opportunity Grant Rules approved by the Metropolitan Council on May 28, 2014 (Business Item 2014-113).

Rationale

In 2001, the Metropolitan Council established a Park Acquisition Opportunity Fund grant program to assist regional park agencies in acquiring land for the Metropolitan Regional Park System. Land that is acquired must be within Metropolitan Council approved master plan boundaries for that particular park or trail unit. As of the May 28, 2014 Metropolitan Council action on pending acquisition grants (for Bloomington and Three Rivers Park District), the cumulative total of all Park Acquisition Opportunity Fund grants was \$35,537,115 which helped acquire 2,818 acres.

All park acquisition opportunity 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 Park Acquisition Opportunity Fund has two accounts: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The PTLF account has a current

unobligated balance of \$1,470,851 comprised of Metro Council bonds. On July 1st, \$1,695,000 of Fiscal Year 2015 PTLF appropriations and \$1,130,000 of matching Metro Council bonds will be added to the account for a new balance of \$4,295,851.

The Environment and Natural Resources Trust Fund (ENRTF) account will receive a \$1.5 million Fiscal Year 2015 appropriation which must be matched with \$1 million of Metro Council bonds for a total balance of \$2.5 million. Those funds are not available until the Legislative Citizens Commission on Minnesota Resources (LCCMR) approves the work plan for that appropriation. This acquisition is proposed to be funded from the Parks and Trails Legacy Fund account.

Scott County’s estimated acquisition costs are summarized in Table 1 and include the purchase price (\$1,234,460), appraisal, environmental site assessment, legal services, title insurance, taxes, closing costs, land stewardship, and other grant-eligible expenses. Development costs include activities needed to provide minimal access to the property for public recreation use, as identified in the Council-approved Blakeley Bluffs Park Reserve master plan.

Table 1: Estimated Property Acquisition Costs

Cost Items	Amount
Purchase Price	\$1,234,460
Appraisal	\$1,750
Phase I Environmental Site Assessment and remediation costs	\$1,500
Legal services and closing costs	\$2,500
State deed tax	\$4,074
Title Insurance	\$2,500
Land Stewardship	\$5,000
Land Development Costs	\$10,000
Pro rated property taxes at closing	\$3,166
1.8 X Township taxes due (Payment in Lieu taxes)	\$2,758
Total Acquisition Cost (est.)	\$1,267,708

The Park Acquisition Opportunity Fund grant will be financed with the revenue sources shown in Table 2. Scott County also requests reimbursement consideration of its 25% share of the total acquisition cost, or \$316,927 from a future regional parks capital improvement program. The Council may consider the request, but does not under any circumstances represent or guarantee that reimbursement will be granted, and the expenditure of local funds never entitles a park agency to reimbursement.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$1,267,708
Grant Total (up to 75% acquisition total)	\$950,781
FY2015 Parks and Trails Legacy Fund (60% of grant total)	\$570,469
Metropolitan Council bonds (40% of grant total)	\$380,312
Local Match (25% of acquisition total)	\$316,927

The Metropolitan Council's approval of this grant to Scott County leaves an unobligated balance of \$3,345,070 in the Parks and Trails Legacy Fund acquisition account comprised of \$1,124,531 from the FY2015 PTLF appropriation and \$2,220,539 of Metropolitan Council bonds.

Known Support / Opposition

Scott County has worked to acquire the private in-holding properties within the planned boundary of the Blakeley Bluffs Park Reserve master plan. There is no known opposition to the County's acquisition, or to its acquisition grant request.

Attachment 1: Scott County June 2014 Park Acquisition Opportunity Fund Grant Request for Blakeley Bluffs Park Reserve



June 5, 2014

Ms. Victoria E. Dupre
Senior Planner, Regional Parks & Natural Resources
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Subject: Acquisition Opportunity Grant Request for JMJM Holdings LLC, Blakeley Bluffs Park Reserve

Dear Ms. Dupre,

I am writing to submit an Acquisition Opportunity Grant Request for an acquisition associated with Blakeley Bluffs Park Reserve in Scott County.

Proposed Land Purchase

JMJM Holdings LLC owned approximately 308 acres of land in the heart of the planned Blakeley Bluffs Park Reserve, located west of County Highway 1 in Blakeley Township (**Attachment A**). This land consists of a small amount of Minnesota River frontage, floodplain, and uplands that contain bluffs, steep slopes and ravines, plateaus, and high knolls providing incredible vistas of the Minnesota River Valley.

Scott County has been working with the land owner for the past four years as the owner has considered options for the future. We came to agreement to purchase a portion of the property in 2013. The owner has agreed to sell an additional 146 acres this year, and will retain the balance of the property that contains the existing home and outbuildings for personal use until no longer needed.

Completing both the 2013 and the 2014 acquisitions is important because the owner prepared plat and engineering plans for a proposed subdivision that would have created seven 40-acre executive home sites in the heart of the park reserve. After our ongoing discussions with the owner over the past few years, the owner agreed to sell for park purposes instead of subdivide.

Scott County Government Center, 200 Fourth Avenue West, Shakopee, Minnesota 55379-1220
Information 952.496.8475 • Fax 952.496.8496 • www.ThreeRiversParks.org • www.co.scott.mn.us/park



Attachment 1: page 2

The 146 acres being acquired in 2014 exists in a combination of natural and agriculture state. The land cover consists of some tilled land, pasture, flood plain and woodlands. The property contains steep, wooded ravines and dramatic views of the Minnesota River Valley.

Grant Request

Scott County is requesting the Metropolitan Council's consideration of an acquisition opportunity grant in the amount of \$950,781 that would fund 75% of the acquisition and associated costs, with 25% local match coming from Scott County funds. In addition, Scott County requests that the 25% local match of \$316,927 be eligible for reimbursement in future Regional Park CIP requests.

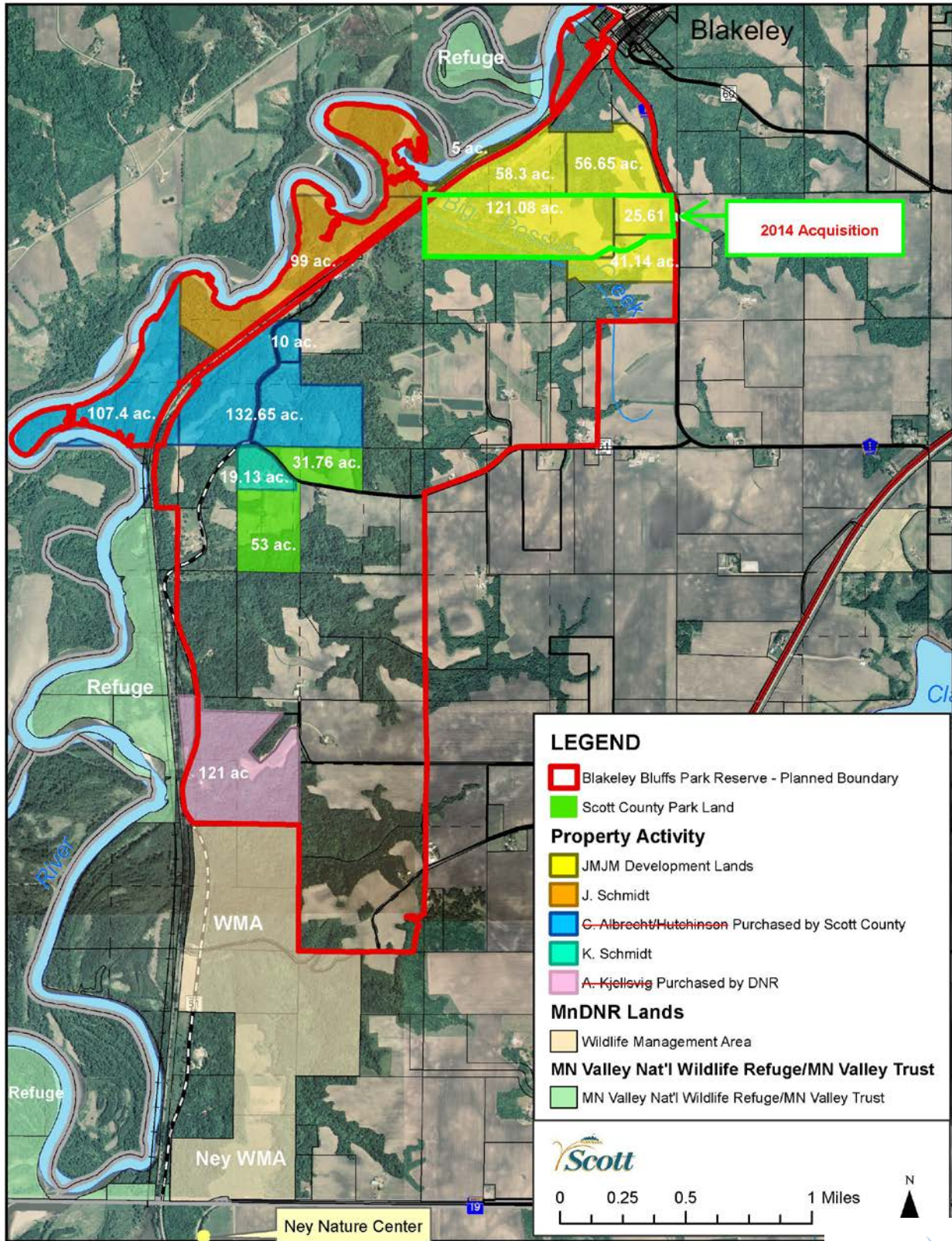
Thank you for your consideration of this request, and I want to extend my thanks to the Metropolitan Parks and Open Space Commission and the Metropolitan Council for their continued support of our efforts. If you have any questions regarding the proposed acquisition, negotiations, or land exchange, please contact me directly at 952-496-8783.

Sincerely,

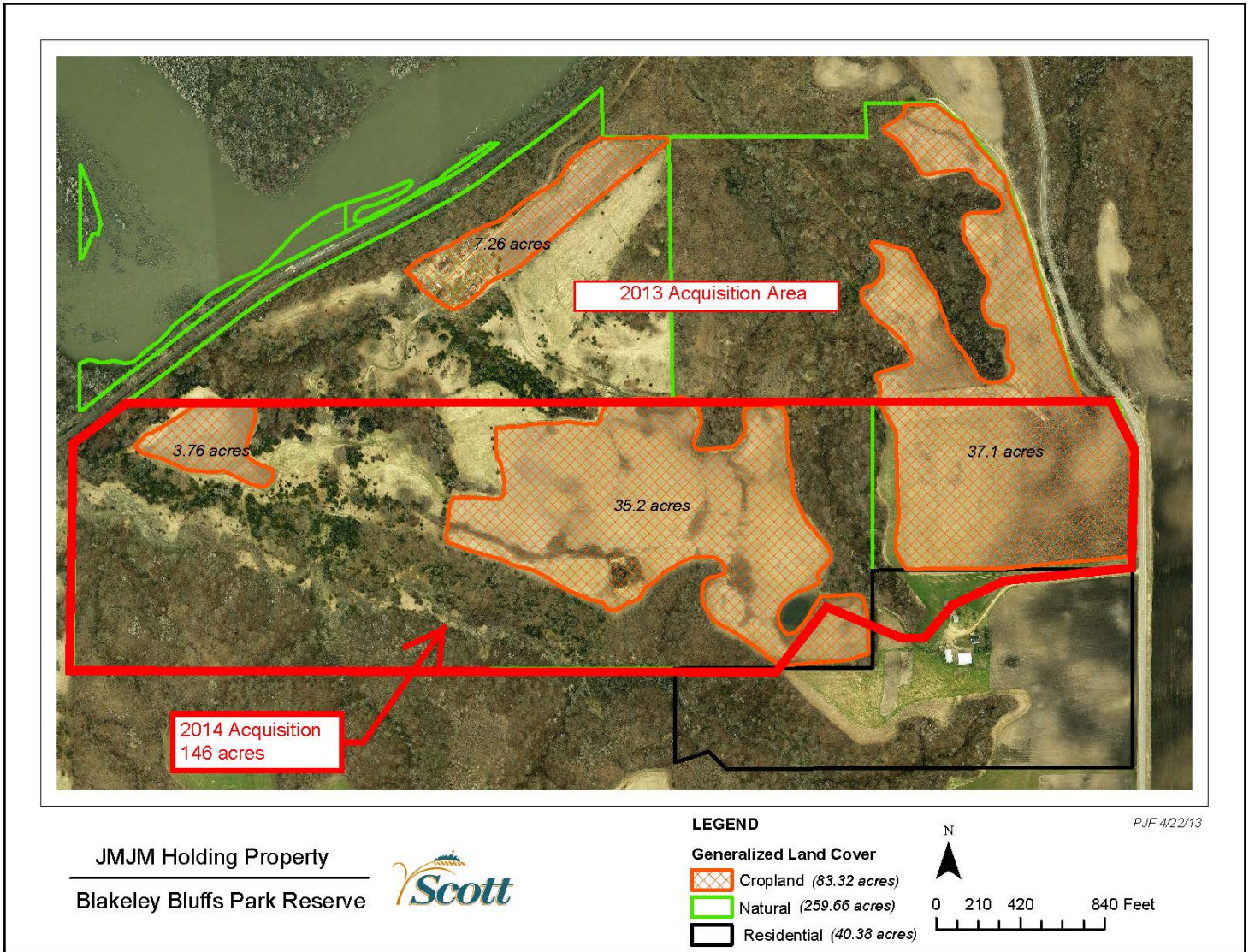


Mark Themig
General Manager Scott County Parks

Attachment 2: Blakeley Bluffs Park Reserve Master Plan Map



Attachment 3: Blakeley Bluffs Park Reserve Master Plan Proposed Acquisition



Attachment 4: Blakeley Bluffs Park Reserve Acquisition Property photos

