

Metropolitan Parks and Open Space Commission

Meeting date: May 6, 2014

For the Community Development Committee meeting of May 19, 2014

For the Metropolitan Council meeting of May 28, 2014

Subject: Park Acquisition Opportunity Fund Grant Request for Hyland Bush Anderson Lakes Park Reserve (7501 Izaak Walton Road), City of Bloomington

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

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 \$420,000 from the Parks and Trails Legacy Fund Acquisition Account to the City of Bloomington to finance up to 75% of the costs to acquire 0.3 acres at 7501 Izaak Walton Road in Bloomington for the Hyland-Bush-Anderson Lakes Park Reserve. The grant is financed as follows:
 - \$252,000 from the FY2014 Parks and Trails Legacy Fund appropriation, and
 - \$168,000 from Metropolitan Council bondsThe City will match the grant with up to \$140,000 for its 25% share of the total acquisition costs.
2. Consider reimbursing the City of Bloomington up to \$140,000, 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 April 15, 2014, the City of Bloomington requested a park acquisition opportunity fund grant of up to \$420,000 to acquire a 0.3-acre property at 7501 Izaak Walton Road in the Hyland-Bush-Anderson Lakes Park Reserve (Attachment 1). The property is a park reserve in-holding property in the Park Reserve's Bush Lake Park Unit.

The Metropolitan Council-approved master plan for Hyland Bush Anderson Lakes Park Reserve recognizes this in-holding property as one that provides a critical benefit to the Park Reserve. The property is located on the north shore of Bush Lake. The acquisition of the property would facilitate the planned trail around Bush Lake, and enhance the natural resources of the Park Reserve.

The property is a small residential lot with an existing single family residence that is located immediately adjacent to the Izaak Walton Road right of way, and exceeds the lake setback distance from Bush Lake (Attachment 3). Bloomington prefers to acquire the parcel in fee title ownership because the planned trail cannot be built between the house and the road right-of-way, and it must be built at an elevation 2.5 feet above Bush Lake's ordinary high water elevation to avoid periodic flooding. Fee title acquisition will eliminate the inherent conflicts with the planned trail in close proximity to a residential dwelling. The purchase closing is contingent upon the Metropolitan Council's action on the City's grant request.

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. Assuming the Metropolitan Council approves a \$71,276 grant for acquiring 6 easements for the Inter-City Regional trail on May 14, and the Council approves a \$25,071 grant to acquire two more easements for the Inter-City Regional Trail, the cumulative total of all Park Acquisition Opportunity Fund grants is \$35,117,115 which acquired 2,817.7 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. Bloomington's acquisition grant request for \$420,000 is consistent with the Park Acquisition Opportunity Fund Rules.

Funding

The Park Acquisition Opportunity Fund has two accounts: the Environment and Natural Resources Trust Fund and the Parks and Trails Legacy Fund. Assuming the Metropolitan Council approves a \$71,276 grant for acquiring 6 easements for the Inter-City Regional trail on May 14, and the Council approves a \$25,071 grant to acquire two more easements for the Inter-City Regional Trail, the Parks and Trails Legacy account has a balance of \$2,404,997 which includes \$374,716 from fiscal year 2014 Parks and Trails Legacy Fund appropriation, and \$2,030,281 from Metropolitan Council bonds.

Bloomington's estimated acquisition costs are \$560,000 which includes the purchase price, appraisal, environmental site assessment, legal services, land stewardship, title insurance, taxes, closing costs and other grant-eligible expenses as shown in Table 1.

Table 1: Estimated Parcel Acquisition Costs

Cost Items	Amount
Purchase Price	\$500,000
Phase I Environmental Site Assessment and remediation costs	\$10,500
Land Stewardship (boundary fencing, etc.)	\$33,005
Legal fees, closing costs, title insurance, etc.	\$16,495
Total Acquisition (Estimated)	\$560,000

The Park Acquisition Opportunity Fund grant will be financed with the revenue sources shown in Table 2. The City also requests reimbursement of its 25% share of the total acquisition cost, or \$140,000 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	\$560,000
Grant Total (up to 75% acquisition total)	\$420,000
FY2014 Parks and Trails Legacy Fund (60% of grant total)	\$252,000
Metropolitan Council bonds (40% of grant total)	\$168,000
Local Match (25% of acquisition total)	\$140,000

The Metropolitan Council's approval of this grant to the City of Bloomington leaves an unobligated balance of \$1,984,997 in the Parks and Trails Legacy Fund acquisition account.

Known Support / Opposition

There is no known opposition to the City's acquisition of the in-holding property at 7501 Izaak Walton Road, or to its grant request.

Attachment 1: City of Bloomington Park Acquisition Opportunity Fund Grant Request (page 1)



April 15, 2014

Mr. Arne Stefferud
Manager, Regional Parks and Natural Resources
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101-1805

RE: Park Acquisition Opportunity Fund Request – 7501 Izaak Walton Road

Dear Mr. Stefferud:

The City of Bloomington requests 75% match funding from the Metropolitan Council Park Acquisition Opportunity Fund for the acquisition of an in-holding property for the Hyland-Bush-Anderson Lakes Regional Park Reserve. The City also requests that the 25% local match be eligible for reimbursement to the City of Bloomington in a future Metropolitan Regional Parks park capital improvement program allocation. The in-holding property is located within the Bush Lake Park Unit on the east shore of Bush Lake at 7501 Izaak Walton Road, Bloomington, MN 55438.

Acquisition of this property is proposed in the master plan for the Park Reserve which was approved by the Metropolitan Council on October 13, 2010. The property is listed in the master plan as providing a critical benefit to the Park Reserve. Acquisition of the property would facilitate the planned trail around Bush Lake and enhance the natural resources of the Park Reserve.

The house on the property is non-conforming as to its front set back. The house sits immediately adjacent to the Izaak Walton Road ROW (see Attachment 1). Accordingly, it is not possible to run the trail between the house and Izaak Walton Road. There is also limited space to run the trail between the house and Bush Lake. To avoid periodic flooding, the trail would need to be installed above the 836' elevation (see Attachment 2). This would place the trail at least 2.5' above the 835.5 Ordinary High Water Level for Bush Lake. At the 836' elevation, the trail would be located approximately 40' from the rear of the house, which is not a practicable location. As such, a fee-title acquisition is proposed to eliminate the inherent conflicts with having a trail in such close proximity to a residential dwelling.

Attachment 1: City of Bloomington, page 2

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In the fall of 2013, one of the owners of this property, Gordie Bratsch, passed away. Gordie's wife, Margaret Bratsch and her son Larry Bratsch contacted the City as to selling the property for inclusion in the City parks system. The Bratsch family initially offered to sell their property to the City for \$750,000.

As part of the acquisition process, the City contracted to undertake a title search and a market value appraisal for the property. The November 29, 2013 market value appraisal for the property is \$350,000. The 2014 assessment for taxes payable in 2015 is \$386,800. Negotiations on the purchase price ensued with each party making counter offers. City staff and the property owner eventually settled on a purchase price of \$500,000.

The City and property owner have executed a purchase agreement. The purchase agreement is contingent upon the approval of adequate contributory funding for the purchase by the Metropolitan Council. In addition to the \$500,000 purchase price, other acquisition costs (demolition of the structure, Phase 1 environmental site assessment, removal of a 1,000 gallon heating oil tank, closing costs, legal services, etc.) are estimated at \$60,000, resulting in a total acquisition cost of \$560,000 for the property.

Enclosed is a spreadsheet which contains a list of documents and cost data as required for Park Acquisition Opportunity Fund grant requests. Copies of the documents listed in the spreadsheet (appraisal, maps of the property, photos of the property, purchase agreement, property tax statement, etc.) are also enclosed.

Based on the total acquisition cost estimate of \$560,000, the City of Bloomington requests a 75% match, up to \$420,000 from the Metropolitan Council Park Acquisition Opportunity Fund. The 25% local match (\$140,000) shall be funded initially by the City of Bloomington. The City of Bloomington also requests that the 25% local match be eligible for reimbursement to the City of Bloomington in a future Metropolitan Regional Parks park capital improvement program allocation.

Please contact me at 952-563-8876 or at rquale@ci.bloomington.mn.us if you have any questions or require additional information.

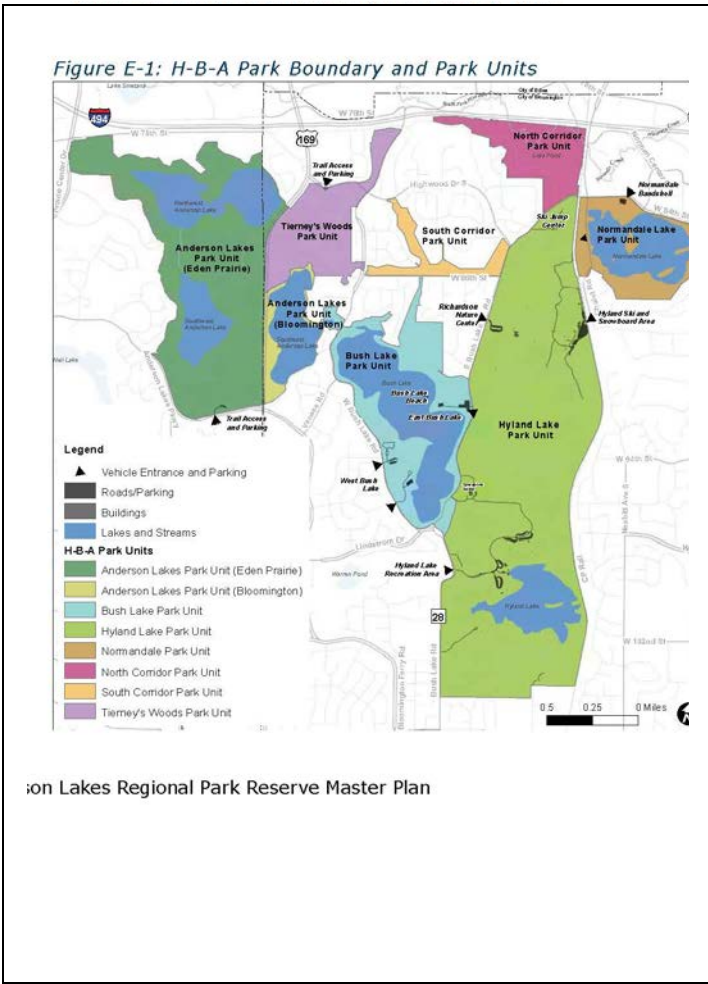
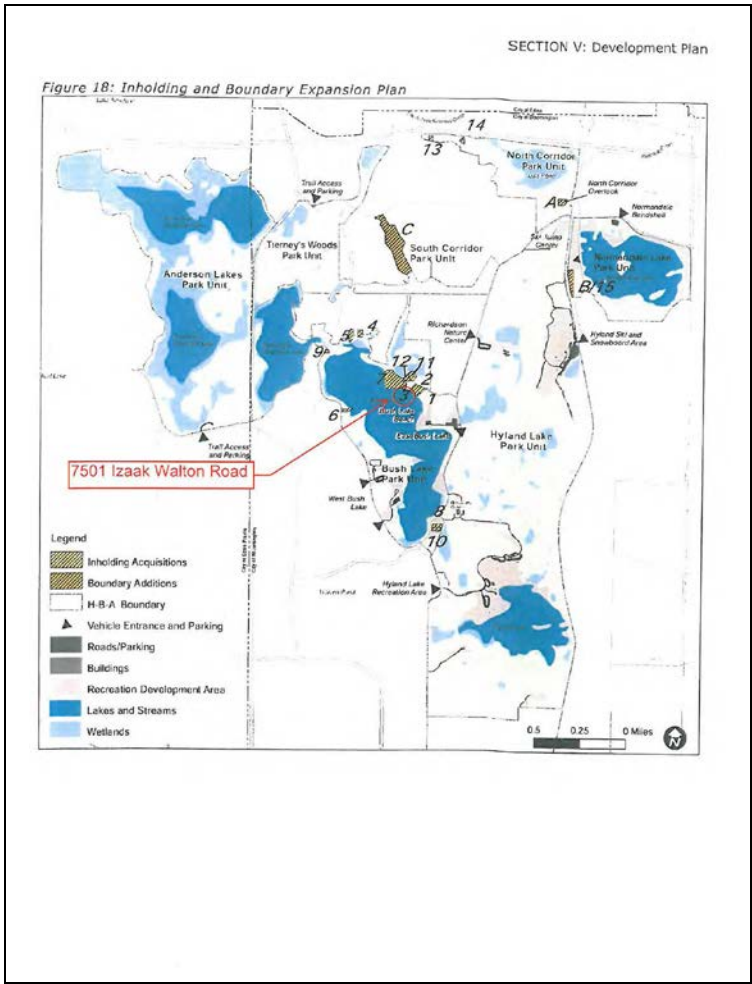
Sincerely,
CITY OF BLOOMINGTON

Randy Quale
Parks and Recreation Manager

Attachment 2: Hyland Bush Anderson Lakes Park Reserve Master Plan Maps

Map of In-holding Parcels

Map of Park Units



on Lakes Regional Park Reserve Master Plan



Attachment 3: City of Bloomington proposed acquisition 7501 Izaak Walton Road

