

Metropolitan Parks and Open Space Commission

Meeting date: March 3, 2015

For the Community Development Committee meeting of March 16, 2015

For the Metropolitan Council meeting of March 25, 2015

Subject: Park Acquisition Opportunity Fund Grant for Intercity Regional Trail, Two Easements, Three Rivers Park District

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

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

That the Metropolitan Council:

1. Authorize a grant of \$85,894 to reimburse Three Rivers Park District for the costs to acquire two regional trail easements in Bloomington through condemnation for the Intercity Regional Trail.
 - a. The Metropolitan Council will finance the grant through the Park Acquisition Opportunity Fund, with Metropolitan Council bonds funding 75 percent of the total acquisition costs.
 - b. Three Rivers Park District will match the grant with \$28,631, or 25 percent of the total acquisition costs.
2. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

Background

Intercity Regional Trail is a five-mile regional trail corridor that extends through the cities of Minneapolis, Richfield and Bloomington, connecting Nokomis-Hiawatha Regional Park, 86th Street Bikeway, and the Nine Mile Creek Regional Trail. Because the trail is located within three park implementing agencies' jurisdictions, it will be managed jointly by the Minneapolis Park and Recreation Board, the City of Bloomington and the Park District.

Three Rivers Park District (Park District) has requested a Park Acquisition Opportunity Fund (PAOF) grant of \$85,894 to reimburse 75 percent of the total acquisition costs for two permanent trail easements for the regional trail (Attachment 1). The easements were acquired through a court condemnation process initiated by the City of Bloomington, in cooperation with the Park District.

The two permanent trail easements total approximately 2.6 acres in the City of Bloomington and are within an area planned and zoned for high-density residential and commercial use. The subject easements affect two properties: Hillaway Investments at 8300 Old Cedar Avenue South (Attachment 3), and ALV Ventures at 8012 Old Cedar Avenue South (Attachment 4).

The Park District and City have an agreement (Intercity Regional Trail Property Rights Acquisition Agreement, March 12, 2014) to establish roles and responsibilities in acquiring, constructing, operating, maintaining and funding the regional trail segment in Bloomington. The partnership allows both agencies to provide regional recreation opportunities to Bloomington and share expenses. Under the agreement, the Park District acquires land/easements and constructs the trail, and Bloomington owns, operates and maintains the trail.

The Park District has been working to acquire an anticipated 17 total permanent public trail easements in Bloomington for the regional trail. In 2014, the Park District requested four acquisition grants totaling \$170,658 for 14 easements.

Upon the Metropolitan Council's approval of a PAOF grant, staff prepares a grant agreement that includes an "agreement and restrictive covenant" which park agencies must 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.

Rationale

The Park District's grant request is consistent with the *2040 Regional Parks Policy Plan (adopted February 11, 2015)*, 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.

The Park District's acquisition of the trail easements is consistent with the Intercity Regional Trail master plan, which the Metropolitan Council approved on October 31, 2012 (MC business item 2012-316).

Unlike routine acquisition grant requests that condition the property purchase closing upon the Metropolitan Council's action on the grant, the Park District's request is for reimbursement of the acquisition costs for the regional trail easements, which were acquired through condemnation.

The PAOF Rules specify that occasionally park agencies need to acquire land by exercising the power of eminent domain through the initiation of a condemnation proceeding. Land acquired through the condemnation process may be awarded a grant at the end of the condemnation proceeding that is based on 75 percent of the final settlement or award, and associated grant-eligible costs.

The PAOF Rules establish a process to request a grant for these grant-eligible acquisition costs. Park agencies must notify the Metropolitan Council prior to filing its petition in condemnation with the district court that it is acquiring land through condemnation, and will be requesting a Park Acquisition Opportunity Fund grant when the final award is determined. The notification to the Metropolitan Council should be in a letter that contains the park agency's authorization to file its petition and the accompanying documents containing its appraisal of the land. In condemnation matters, the final settlement/award and final certificate should be submitted to the Council in lieu of a signed purchase agreement.

Notification: The Park District notified the Council staff of the need to initiate condemnation on the two trail easements in March 2014. It explained that the Park District makes its best efforts to acquire property through a willing seller approach, but if condemnation is necessary, the City will condemn properties at the Park District's expense, per the Acquisition Agreement.

The Acquisition Agreement specifies that the City is responsible for petitioning any eminent domain action, and the Park District is responsible for the condemnation costs such as attorney fees and court costs.

Petition and Final Certificate: The Park District provided both the notice of intention, and petition and motion for authorizing transfer of title and possession documents (March 31, 2014). It also provided the settlement documents and final certificate documents (dated February 3 and February 5, 2015) for both easements. Finally, the Park District provided the appraisal and appraisal reviews that determined the easement value for both properties. The Park District followed the PAOF Rules process and provided the required documents, meeting the Council’s requirements for requesting an acquisition grant.

Funding

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the regional park system. As of February 2015 the Park Acquisition Opportunity Fund has provided more than \$38,897,000 to acquire approximately 3,000 acres.

The Fund has two accounts, the Environment and Natural Resources Trust Fund and the Parks and Trails Legacy Fund. The Council’s park bonds provide a 40 percent match to each state fund appropriation, and new grants reduce the available balance until a new appropriation is available. At this time, the fund balance is \$1,453,781 and consists solely of Metropolitan Council bonds.

The costs to acquire the easements include the purchase price and associated fees shown below.

Table 1: Intercity Regional Trail Easements in Bloomington; Total Acquisition Costs

Cost Items	Amount
Purchase Price – Two Easements	\$80,425
Associated Fees (closing costs, title insurance, etc.)	\$34,100
Total Acquisition	\$114,525

The PAOF grant finances 75 percent of the total acquisition costs, with the park agency paying the remaining 25 percent as the required local match. The Park District’s grant request of \$85,894 is 75 percent of the total acquisition costs. Since only Council bonds remain in the PAOF, the grant will be financed solely by Council bonds as shown in Table 2.

The Park District will fund the 25 percent match amount of \$28,631 as shown in Table 2, and is not requesting future reimbursement from a regional parks capital improvement program.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$114,525
Grant Total (75% acquisition total)	\$85,894
Metropolitan Council bonds (100%)	\$85,894
Local Match (25% of acquisition total)	\$28,631

The Metropolitan Council's final action on the two PAOF business items (2015-39 and 2015-40) leaves an available balance of \$1,147,387 in the Park Acquisition Opportunity Fund available for future acquisition grant requests until July 1, 2015, the start of the State's fiscal year funding cycle.

Known Support / Opposition

The Intercity Regional Trail Acquisition agreement dated March 12, 2014 affirm both the Park District and City of Bloomington governing bodies' support for the acquisition and development of the regional trail project.

There is no known opposition to the Park District's grant request.



February 5, 2015

Three Rivers
Park District
Board of
Commissioners

Jan Youngquist
Manager, Regional Parks and Natural Resources Unit
Community Development Division
390 North Robert Street
St. Paul, MN 55101

Penny Steele
District 1

RE: Park Acquisition Opportunity Fund Grant Request for Intercity Regional Trail
Reimbursement Request No. 5

Dear Jan,

Jennifer DeJournett
District 2

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Intercity Regional Trail in the amount of \$85,894 for acquisition of 2 easements located in Bloomington and acquired through condemnation. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Daniel Freeman,
Vice Chair
District 3

Previously Submitted Documentation

The following documentation was previously conveyed to the Metropolitan Council:

- Notification of intent to pursue condemnation (March and June 2014)
- Park District authorization to file condemnation petition
- Appraisals

John Gunyou,
Chair
District 4

Enclosed Documents

The following documents are enclosed for your review and records:

- Brief Overview of the Acquisition Request
- Acquisition Opportunity Grant Fund Checklist
- Excerpts of the Intercity Regional Trail Master Plan, Location Map, Aerial Photo Maps, and Appraisal Review
- Condemnation Settlement Summary Memo
- Condemnation Documents: Receipt of Deposit, Stipulation of Settlements, and Notice of Filing Award of Commissioners

John Gibbs
District 5

Larry Blackstad
Appointed
At Large

Please process this request with a target approval in late March in order for our Finance Department to account for this grant in the same year the funds were expended.

Thank you for your continued assistance through this process,

Steve Antolak
Appointed
At Large

Kelly Grissman
Director of Planning

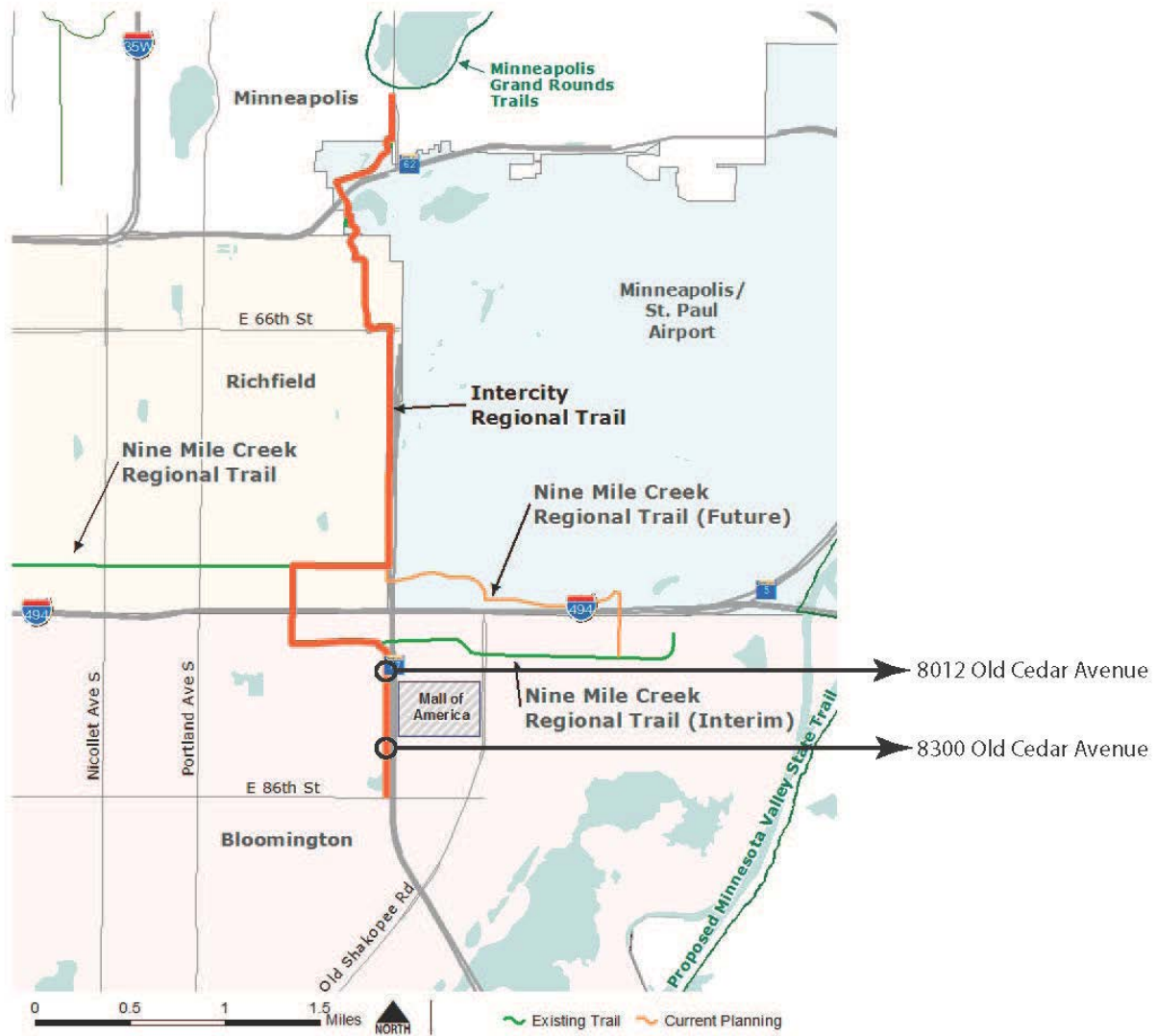
Cris Gears
Superintendent

Enclosures

C: Jonathan Vlaming, Associate Superintendent
Stephen Shurson, Landscape Architect

Administrative Center, 3000 Xenium Lane North, Plymouth, MN 55441-1299
Information 763.559.9000 • TTY 763.559.6719 • Fax 763.559.3287 • www.ThreeRiversParks.org

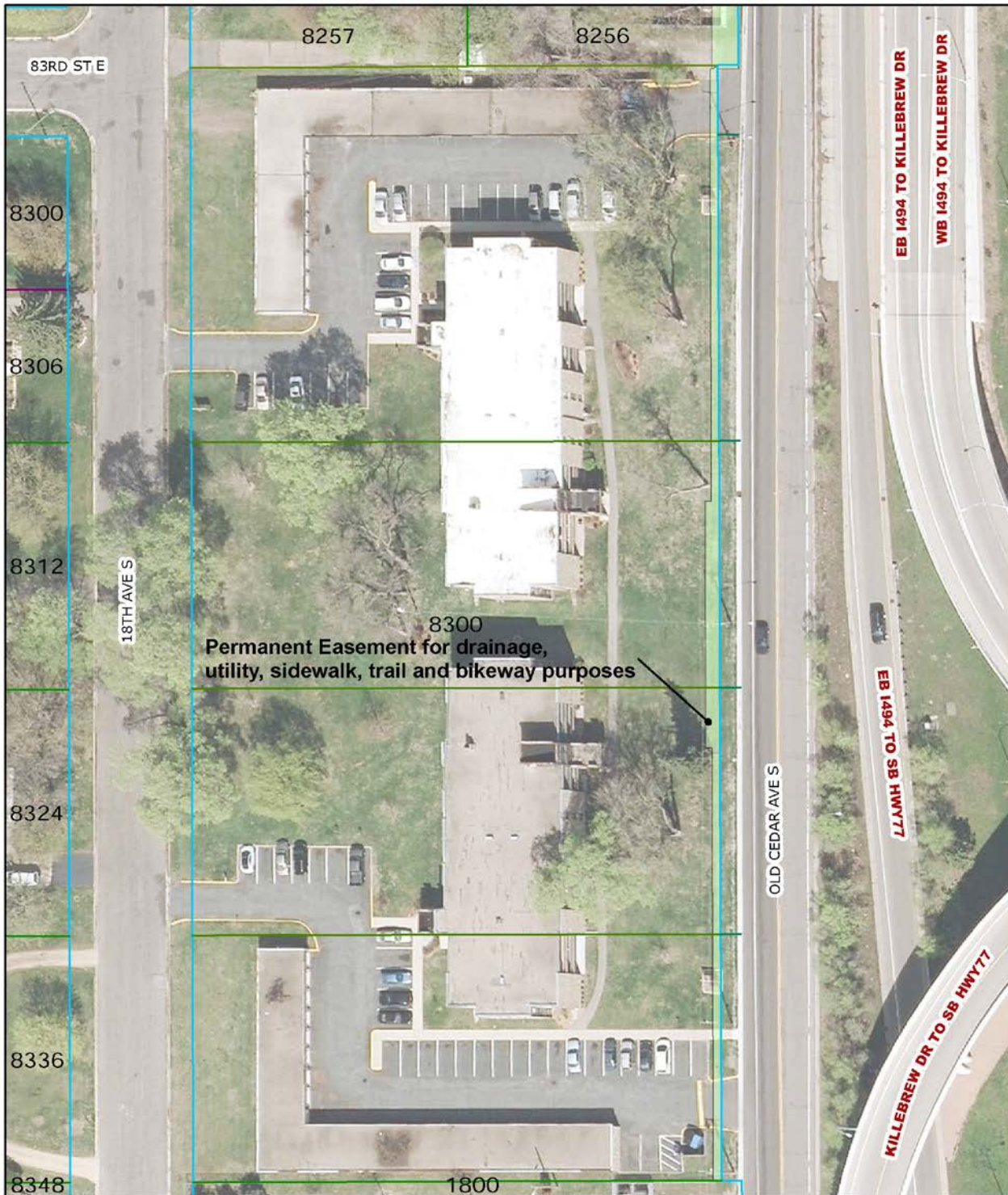
Attachment 2: Intercity Regional Trail Master Plan Map



Intercity Regional Trail Location and Contextual Relationship

Source: Three Rivers Park District

Attachment 3: Intercity Regional Trail, Hillaway Investments, 8300 Old Cedar Avenue South, Bloomington



Permanent Easement for drainage, utility, sidewalk, trail and bikeway purposes

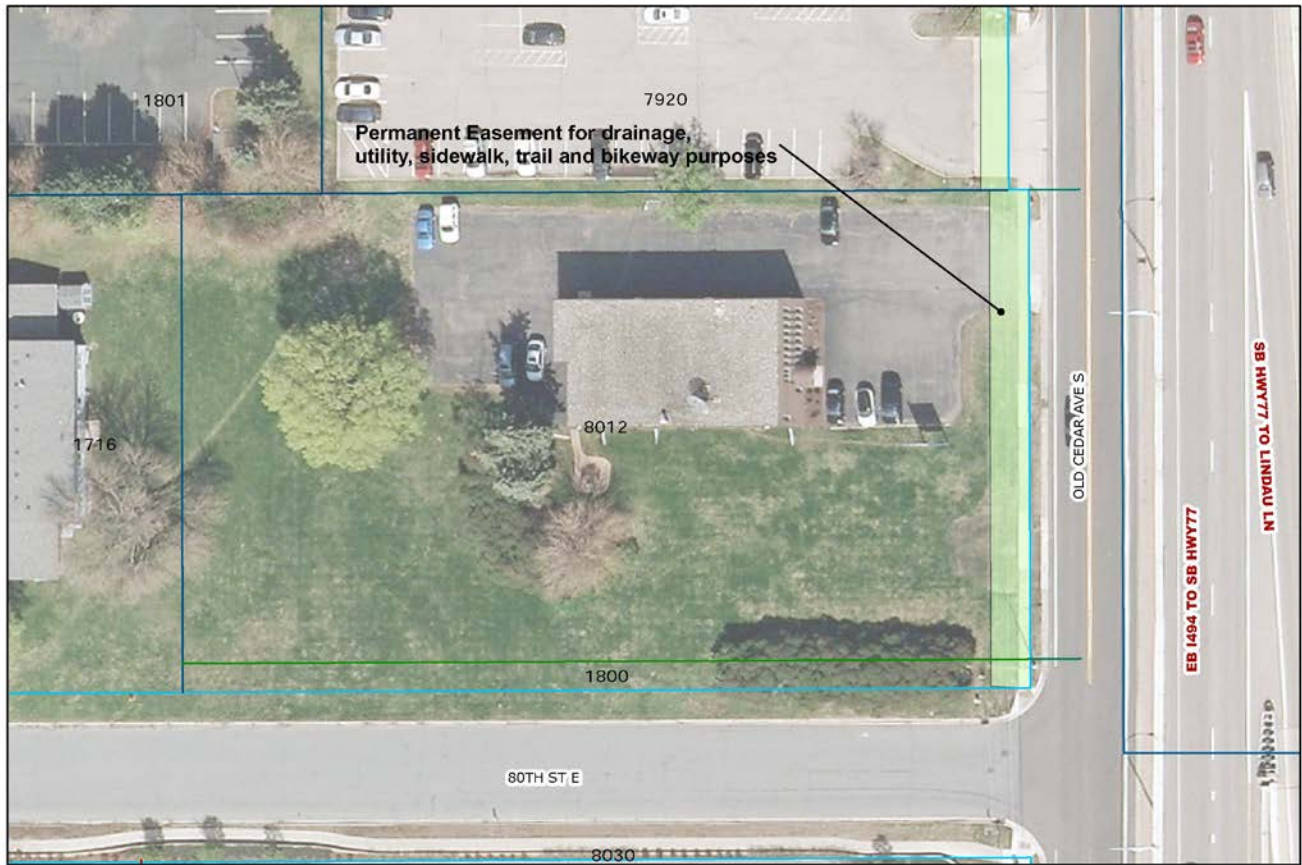
**Intercity Regional Trail
Hillaway Investments easement**

8300 Old Cedar Ave
Created by: N Straka, Sr. Engineering Technician
Map Created: 2/14/2014
Revised Date: 3/11/2014

This map is a compilation of data from various sources and is provided "as is" without warranty of any representation of accuracy, timeliness, or completeness. The user acknowledges and accepts the limitations of the Data, including the fact that the Data is dynamic and in a constant state of maintenance, correction, and update.



Attachment 4: Intercity Regional Trail, ALV Ventures, 8012 Old Cedar Avenue South, Bloomington



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**Intercity Regional Trail
ALV Ventures property easement**

8012 Old Cedar Ave
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