

Metropolitan Parks and Open Space Commission

Meeting date: October 6, 2015

For the Community Development Committee meeting of October 9, 2015

For the Metropolitan Council meeting of October 28, 2015

Subject: Park Acquisition Opportunity Fund Grant for Rice Creek North Regional Trail, TCAAP Property, Ramsey County

District(s), Member(s): MPOSC District E, Michael Kopp

Policy/Legal Reference: MN Statute Section 473.315, 2040 Regional Parks Policy Plan

Staff Prepared/Presented: Jan Youngquist, AICP, Planning Analyst (651-602-1029)

Division/Department: Community Development/Regional Parks and Natural Resources

Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$1,700,000 to Ramsey County to acquire a 93 acre property for the Rice Creek North Regional Trail. The grant will be financed as follows:
 - \$729,158 from the Fiscal Year 2016 Parks and Trails Legacy Fund appropriation, and
 - \$970,842 from Metropolitan Council bonds
2. Authorize the Community Development Director to sign the grant agreement and the restrictive covenant.

Background

Ramsey County has requested a grant of up to \$1,700,000 from the Park Acquisition Opportunity Fund (PAOF) for costs associated with the acquisition of 93 acres of the former Twin Cities Army Ammunition Plant (TCAAP) site in Arden Hills for the Rice Creek North Regional Trail corridor. Ramsey County's request letter is shown in Attachment 1.

The Rice Creek North Regional Trail is located in Anoka and Ramsey Counties and extends 14 miles from Rice Creek Chain of Lakes Park Reserve in Lino Lakes to Long Lake Regional Park in New Brighton. A large portion of the regional trail within Ramsey County travels through the former TCAAP site. The development and operation of the TCAAP site as a federal small arms ammunition plant began in 1941 and lasted until 1976. Between 1974 and 1985, the federal government started decommissioning the property. Production of special munitions continued on a limited basis until 2005.

The National Parks Service transferred 113 acres of the former TCAAP site to Ramsey County for the regional trail corridor as part of the Federal Lands to Parks Program in 2006. A trail has been constructed on this property.

An amendment to the Rice Creek North Regional Trail master plan was developed in 2003, which identified an additional 49 acres of the TCAAP property to be acquired as a wildlife corridor. This corridor is a critical link to the 1,500 acre Arden Hills Army Training Site (AHATS) that is east of the TCAAP property. An additional amendment to the master plan boundary was approved by the Council in 2013 to facilitate the construction of a trailhead entry driveway, additional trails near County Road I, and a 150-foot wide corridor that will provide a trail connection south to the Highway 96 Regional Trail. Attachment

2 shows the 2013 master plan amendment area and the wildlife corridor in light green with the existing 113-acre portion of the trail corridor shown in dark green.

Ramsey County has an opportunity to acquire 93 acres of the former TCAAP site for the trail and wildlife corridor from the federal government. The property is labeled as Parcels A1, A2, B, D1, D2, and D3 on Attachment 3. Attachment 4 includes photos of the property to be acquired. Parcel C as shown on Attachment 3 is under a license agreement between the United States and the Minnesota National Guard. Ramsey County will obtain an easement from the United States on Parcel C for access and use of the site for park-related purposes. Ramsey County has depicted the property in four main parcels (A-D) for planning purposes; however, the land is designated as one property for acquisition.

The National Parks Service approved Ramsey County's application to acquire the 93 acres through the Federal Lands to Parks Program and the County has entered into a lease agreement with the General Services Administration as an agent for the United States. Ramsey County is not paying a purchase price for the property, but due to the former use of the site as an ammunition plant, the County is required to remediate the site to a recreational standard prior to the land transfer. The lease outlines the terms and conditions of the remediation work and the subsequent land transfer.

The Park Acquisition Opportunity Fund grant rules, as contained in the *2040 Regional Parks Policy Plan*, include special circumstances for the acquisition of land with environmental contamination and allows for a grant if the aggregate cost of acquiring the land and the remediation does not exceed the certified appraised value of the land. The appraised value of the 93 acres is \$3,713,000 and the subsequent appraisal review valued the property at \$4,179,600. The cost of the remediation and other associated acquisition fees total \$1,886,531, which are shown in more detail in the "Funding" section of this staff report. Therefore, this acquisition is eligible for a PAOF grant.

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 in perpetuity. The recommended Council action authorizes the Community Development Director to sign the grant agreement and the restrictive covenant.

Rationale

Ramsey County's grant request is consistent with the *2040 Regional Parks Policy Plan* which contains the rules for PAOF grant requests, including special circumstances for acquisition of land with environmental contamination.

Funding

The Park Acquisition Opportunity Fund provides grants to regional park implementing agencies to acquire land for the Regional Parks System. As of October 2015, the PAOF has provided more than \$39,500,000 to acquire approximately 3,000 acres. The Council accepts PAOF grant requests on a first-come, first-served basis.

The PAOF has two accounts, the Environment and Natural Resources Trust Fund (ENRTF) and the Parks and Trails Legacy Fund. The Council's park bonds provide a 40 percent match to each state fund appropriation.

The ENRTF account is available only to acquisition projects that are included in the Legislative-Citizen Commission on Minnesota Resources (LCCMR) approved work plan and meet LCCMR acquisition funding guidelines. The current ENRTF account balance is approximately \$4,167,000. Since this property does not qualify for acquisition using ENRTF, this grant will be financed through the Parks and Trails Legacy Fund account.

As of October 2015, the balance in the Parks and Trail Legacy Fund account is \$1,818,803 and is comprised of \$729,158 in fiscal year 2016 Parks and Trails Legacy Fund appropriations and \$1,089,645 in Council bonds.

The PAOF rules identify the grant-eligible acquisition costs, which include environmental remediation if the acquisition is consistent with special circumstances described in the “Background” section of this staff report. Stewardship costs such as removing unneeded structures, dangerous land forms, or attractive nuisances are also grant-eligible acquisition costs. The 93-acre site contains a number of dilapidated structures with asbestos containing materials (shown in Attachment 4, Section B), power poles, concrete slabs, and railroad ties, which need to be removed in order to do soil remediation. Table 1 summarizes the County’s grant-eligible estimated costs to acquire the subject property, which total \$1,886,531.

Table 1: Estimated Acquisition Costs – TCAAP Property

Cost Items	Amount
Environmental Remediation	\$689,960
Appraisal and Appraisal Review	\$5,075
Phase 1 and 2 Environmental Assessments and Updates, Quality Assurance Project Plan, and MPCA document/site review	\$87,184
Stewardship	\$1,104,312
Total Acquisition (Estimated)	\$1,886,531

The special circumstances section of the PAOF grant rules for the acquisition of land with environmental contamination states that the difference between the actual acquisition and remediation costs compared to the certified market value of the land may be applied toward the park agency’s local match requirement. The appraised value of the land is \$3,713,000 and the estimated acquisition and remediation costs are \$1,886,531. The difference between these costs is \$1,826,429, which would serve as Ramsey County’s match.

The Council will finance the \$1,700,000 grant using the remainder of the Fiscal Year 2016 Parks and Trails Legacy Fund appropriation, with the balance being funded with Metropolitan Council bonds, as shown in Table 2. Following the Council’s action on this grant request, the Parks and Trails Legacy Fund account balance is approximately \$118,803, comprised solely of Council bonds.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Appraised Value of Property	\$3,713,000
Estimated Total Acquisition Costs	\$1,886,531
Ramsey County Match (difference between appraised value and acquisition costs)	\$1,826,429
Council Grant Amount	\$1,700,000
Grant Funding by Account:	
FY2016 Parks and Trails Legacy Fund	\$729,158
Metropolitan Council Bonds	\$970,842

Known Support / Opposition

The Ramsey County Board of Commissioners authorized the submittal of the Federal Lands to Parks application, the execution of a lease agreement, and the submittal of the acquisition grant request for 93 acres of the former TCAAP property on July 28, 2015. The National Parks Service approved the Federal Lands to Parks application on August 5, 2015, and the United States through the General Services Administration and Ramsey County entered into a lease agreement that outlines the terms and conditions of the land transfer and site remediation on August 11, 2015. There is no known opposition.

Attachment 1: Grant Request Letter from Ramsey County



September 29, 2015

Jan Youngquist
Regional Parks and Natural Resources Unit
Community Development
Metropolitan Council
390 Robert Street North
Saint Paul, MN 55101

RE: Rice Creek North Regional Trail – Land Acquisition Fund Request and Land Exchange

Dear Ms. Youngquist:

Land Acquisition Fund Request

The Master Plan Update for the Rice Creek North Regional Trail was completed in 2013 and approved by the City of Arden Hills City Council, City of Shoreview City Council, Ramsey County Board of Commissioners and the Metropolitan Council. The master plan identified acquisition and development plans for the 108-acre central portion of the trail corridor that runs from County Road I to County Road H just east of Interstate 35W, as well as a trail extension to the south that will connect with the Highway 96 regional trail. The Master Plan appended and updated the 1998 Rice Creek North Regional Trail Corridor Master Plan for this portion of the Rice Creek North Regional Trail.

Currently, Parcel A, B, and D (see attached survey exhibit sheet 1 and 2) is owned by the United States. Parcel C is also owned by the United States of America, but is under a license agreement by the Minnesota National Guard. For the purposes of description of the property, the County has arbitrarily broken the property into parcels however; it is designated as one piece of property for Parcel A, B and D. Prior to land transfer for Parcel A, B, and D, Ramsey County will be required to complete necessary site preparation to a recreation classification. Site preparation will consist of soil remediation and necessary demolition. After the site preparation is complete, the property (Parcel A, B, and D) will be transferred to Ramsey County through the Federal Lands to Parks program administered by the National Park Service. The County will obtain an easement from the United States for Parcel C to access and use for park related purposes.

As identified in the Master Plan, the purchase price of the property will only consist of site preparation costs. Ramsey County Parks and Recreation has obtained pricing in the amount of \$1,794,272 from Carl Bolander & Sons Company to provide the necessary site preparation to a recreation classification for areas within the Rice Creek Corridor. Carl Bolander is currently completing site preparation on the former TCAAP property adjacent to the Rice Creek North Regional Trail Corridor. Ramsey County secured an appraisal for the land which established a fair market value of \$3,712,000.00 (see attached appraisal).

The total cost to complete necessary site preparation and associated professional service fees is \$1,886,531.00. Ramsey County respectfully requests \$1,700,000.00 from the Land Acquisition Opportunity Fund for site preparation and associated professional service fees. The property is tax exempt and therefore the payment in lieu of taxes is not applicable to the site. Since the acquisition costs (site preparation costs) is substantially below the market value, it is my understanding that pursuant to Metropolitan Council policy the entire cost of the transaction is eligible for

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funding from the Land Acquisition Opportunity Fund. In addition, due to timing for completion of site preparation work, Ramsey County also requests authorization to start site preparation activities prior to execution of the Land Acquisition Fund grant contract.

Thank you for consideration of this request. Please let me know if you have questions or require additional documentation.

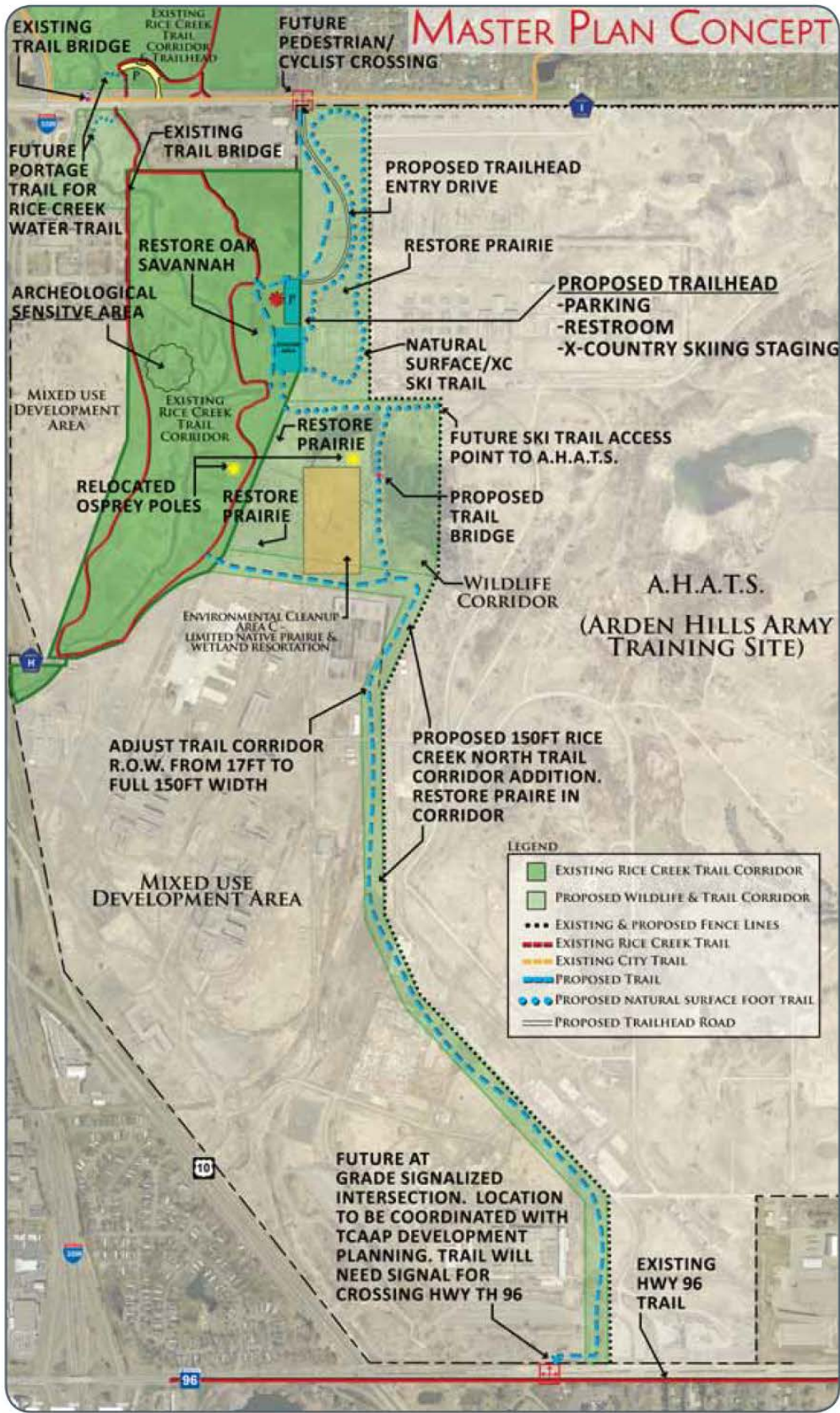
If you have any questions, please do not hesitate to call me at 651-748-2500, extension 330 or email me at scott.yonke@co.ramsey.mn.us.

Sincerely,

A handwritten signature in black ink that reads "Scott A. Yonke". The signature is written in a cursive style with a large, looping "S" and "Y".

Scott Yonke, PLA | Director of Planning and Development
Ramsey County
Parks and Recreation Department
2015 North Van Dyke Street
Maplewood, MN 55109-3796 651-
748-2500 x 330
www.co.ramsey.mn.us

Attachment 2: 2013 Master Plan Concept (Wildlife corridor and 2013 boundary amendment area shown in light green)



Attachment 3: Parcels A1-A2, B, D1-D2-D3 to be Acquired



Attachment 4: Photos of Parcels A, B, D to be Acquired

Section A1

East



South



North



Section A2

East



West



North



South



Section B

East



South



North



Section D1

South



West



Section D2

South



North



Section D3

South



North

