

Metropolitan Parks and Open Space Commission

Meeting date: February 11, 2019

For the Management Committee of February 13, 2019

For the Community Development Committee of February 19, 2019

For the Metropolitan Council meeting of February 27, 2019

Subject: Regional Parks Funding Allocation Policy and Regional Parks Fund Distribution Policy

District(s), Member(s): All

Policy/Legal Reference: Minnesota Constitution, Article XI, Section 15; Minn. Stats. §§ 85.53 and 473.351; *2040 Regional Parks Policy Plan*

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Division/Department: Community Development / Regional Planning

Proposed Action

Recommend that the Metropolitan Council:

1. Add the Regional Parks Funding Allocation Policy to its agency-wide Policies and Procedures.
2. Adopt the Regional Parks Fund Distribution Policy.

Background

The 2018 update to the *2040 Regional Parks Policy Plan*, adopted on November 28, 2018, removed significant finance-related policies and procedures from the *2040 Regional Parks Policy Plan*. These finance-related policies and procedures were removed with the intent of placing them in the Council's organizational policies and in an administrative guide so that the Council could be more nimble in response to legislative changes and improve and adjust administrative procedures as needed.

Rationale

The November adoption of the *2040 Regional Parks Policy Plan* has orphaned finance-related policies that warrant formal policymaker review and adoption.

Thrive Lens Analysis

While the full *2040 Regional Parks Policy Plan* advances the *Thrive MSP 2040* outcomes of Livability and Equity, these finance policies advance the Thrive outcome of Stewardship by responsibly managing the Council's financial resources supporting the Regional Parks System.

Funding

Updating the Regional Parks Policy Plan is a regular item in the Community Development Division work plan.

Known Support / Opposition

The proposed policies respond to comments from the November 8, 2018 and January 3, 2019 Metropolitan Parks and Open Space Commission meetings, the November 19, 2018 Community Development Committee meeting, and a November 29, 2018 discussion with the regional park implementing agencies.

Regional Parks Funding Allocation

Section/Number:	3-xxx-xxx	Total Pages:	2
Dept. Responsible:	Regional Administration and Community Development	Effective Date:	
Special Note:		Last Revision Date:	
		Last Review Date:	
		Revision No.	

I. Policy

The Metropolitan Council shall abide by the Minnesota Constitution, Minnesota Statutes, session law, state appropriations language and the *Regional Parks Policy Plan* when allocating funds received from the State of Minnesota or Council funds for the Regional Parks System (that is, the regional recreation open space system established and governed by state statute) as well as any direct state appropriations for parks or recreational purposes. If there is conflict between these authorities, the hierarchy shall be in the aforementioned order. If any conflict remains, the Council will seek a legal opinion.

II. Purpose of policy

This policy provides a framework for the Council's Regional Parks Fund Distribution Policy separate from the *Regional Parks Policy Plan* and establishes the responsibilities and expectations for the allocation of State or Council funding for the Regional Parks System.

III. Background and reasons for policy

The State of Minnesota provides funding to the Metropolitan Council for the Regional Parks System. These funds and any Council funds, whether matching or supplemental, are allocated to the following programs:

- a. Operation and Maintenance (O&M), appropriated by the state of Minnesota under [Minn. Stat. § 473.351, subd. 3](#) for the cost of the operation and maintenance of waters, lands, and facilities that are part of the Regional Parks System.
- b. Parks and Trails Legacy Fund Program (PTLF), established under the [Minnesota Constitution, Article XI, Section 15](#) to support parks and trails of regional or statewide significance.
- c. Park Acquisition Opportunity Fund (PAOF) assists Agencies in acquiring land for the Regional Parks System with state and regional funding sources in two separate accounts: 1) The Parks and Trails Legacy Fund / Park Acquisition Opportunity Fund (PTLF/PAOF) account, funded by state Legacy dollars and Regional Park bonds per [Minn. Stat. § 85.53](#); and 2) The Environment and Natural Resources Trust Fund / Parks Acquisition Opportunity Fund (ENRTF/PAOF) account, funded by ENRTF dollars.
- d. Regional Parks Bonding Program: State bonds appropriated for the Regional Park System.
- e. Direct state appropriations for parks or recreational purposes to local government jurisdictions, including the Regional Parks Implementing Agencies, counties, cities, or townships.
- f. Other programs as directed or allowed by the Council or Legislature.

IV. Implementation/Accountability

The Council shall, with the advice of the Metropolitan Parks and Open Space Commission, adopt the Regional Parks Fund Distribution Policy, review the Policy annually and amend the Policy as needed.

The Regional Administrator shall establish the framework and accountability for the effective implementation of the policy. The Community Development Division Director is responsible for the development of the sub-recipient administrative guide.

The Council shall publish the Regional Parks Funding Allocation Policy, the Regional Parks Fund Distribution Policy, and the Regional Parks System sub-recipient administrative guide on the Council's website.

Revision/Review Tracking

Date	Revision No.	Review Only – No changes
	1	

REGIONAL PARKS SYSTEM FUND DISTRIBUTION POLICY



The Council’s mission is to foster efficient and economic growth for a prosperous metropolitan region

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The Metropolitan Council is the regional planning organization for the seven-county Twin Cities area. The Council operates the regional bus and rail system, collects and treats wastewater, coordinates regional water resources, plans and helps fund regional parks, and administers federal funds that provide housing opportunities for low- and moderate-income individuals and families. The 17-member Council board is appointed by and serves at the pleasure of the governor.

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1 **I. Introduction**

2 The Metropolitan Council (Council) administers a variety of funding sources and grant programs for the
3 betterment of the Regional Parks System. These funds are awarded or passed through to the Regional
4 Parks Implementing Agencies (Agencies). Legal requirements for these programs vary, and the Council
5 is responsible for ensuring compliance with all relevant requirements. Agencies are responsible for
6 knowing and complying with their grant agreements, which may specify additional funding
7 requirements.

8 **A. Purpose**

9 The Minnesota Constitution, Minnesota Statutes, session law, state appropriations language, and
10 the *Regional Parks Policy Plan* articulate the structure for the funding sources and programs that
11 the Council administers. This document establishes the Council’s policies and priorities for the use
12 of Regional Parks funds, which comply with all relevant authorities. If there is conflict between these
13 authorities, the hierarchy shall be in the aforementioned order. If any conflict remains, the Council
14 will seek a legal opinion.

15 **B. Regional Parks Implementing Agencies**

16 [Minn. Stats. § 473.351](#) limits regional parks funding to Agencies and defines them to be:

- 17 • Anoka County
- 18 • City of Bloomington
- 19 • Carver County
- 20 • Dakota County
- 21 • Minneapolis Parks and Recreation Board
- 22 • Ramsey County
- 23 • City of Saint Paul
- 24 • Scott County
- 25 • Three Rivers Park District
- 26 • Washington County

27 **C. Regional Parks System Funding**

28 **1. Operation and Maintenance**

29 The state of Minnesota appropriates money under [Minn. Stat. § 473.351](#) for the cost of
30 providing for the operation and maintenance (O&M) of waters, lands, and facilities that are part
31 of the Regional Parks System.

32 **2. Parks and Trails Legacy Fund Program**

33 The [Minnesota Constitution, Article XI, Section 15](#) established the Parks and Trails Legacy
34 Fund (PTLF) to support parks and trails of regional or statewide significance.

35 **3. Park Acquisition Opportunity Fund**

36 The Council established the Park Acquisition Opportunity Fund (PAOF) to assist Agencies in
37 acquiring land for the Regional Parks System. The PAOF comprises state and regional funding
38 sources in two separate accounts:

- 1 • The Parks and Trails Legacy Fund / Park Acquisition Opportunity Fund (PTLF/PAOF)
2 account funded by state Legacy dollars and regional park bonds. [Minn. Stat. § 85.53](#)
3 requires that the Council match every \$3 in PTLF land acquisition funds with \$2 in regional
4 park bonds.
- 5 • The Environment and Natural Resources Trust Fund / Park Acquisition Opportunity Fund
6 (ENRTF/PAOF) account funded by ENRTF dollars and Council funds. The Council matches
7 every \$3 in ENRTF funds with \$2 in Council funds for Regional Parks System land
8 acquisition.

9 **4. Regional Parks Bonding Program**

10 There are two funding sources that are part of the Regional Parks Bonding Program:

- 11 • Regional park bonds issued by the Council for the Regional Parks System.
- 12 • State bonds appropriated for the Regional Parks System.

13 Per the [2040 Regional Parks Policy Plan](#) and Council's Capital Financing Policy, the Council
14 matches every \$3 of state general obligation bonds with \$2 of regional park bonds.

15 Bonds may be taxable or non-taxable.

16 **D. Annual Review**

17 The Council shall, after consultation with the Regional Parks Implementing Agencies and other
18 stakeholders and with the advice of the Metropolitan Parks and Open Space Commission, adopt
19 the Regional Parks Fund Distribution Policy, review the Policy annually, and amend the Policy as
20 needed.

21 **E. Administrative Guidance**

22 More detailed information and instructions on subrecipient processes and procedures can be found
23 in the Regional Parks System sub-recipient administrative guide. This document is under
24 development and will be completed in 2019.

25 The following sections outline funding priorities for each funding source and program.

1 **II. Operation and Maintenance**

2 Since 1985, the state of Minnesota has appropriated money under [Minn. Stat. § 473.351](#) for the cost of
3 providing for the operation and maintenance of waters, lands, and facilities that are part of the Regional
4 Parks System.

5 **A. Funding Source**

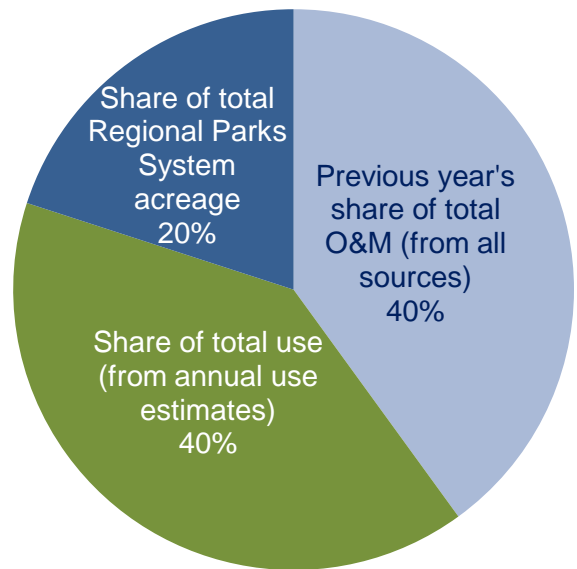
6 The state of Minnesota appropriates money the Council disburses to the Agencies to pay for a
7 portion of the cost of providing for the operation and maintenance of waters, lands, and facilities
8 that are part of the Regional Parks System. This money has come from two sources:

- 9 • State appropriations from the General Fund ([Minn. Stat. § 473.351](#))
- 10 • “Lottery in lieu of sales tax” ([Minn. Stat. § 297A.94\(h\)\(3\)](#))

11 **B. Allocation**

12 The Council distributes all Operation and
13 Maintenance funding to the Agencies according to
14 a formula based upon [Minn. Stat. § 473.351](#):

- 15 • 40% based on each Agency’s proportion of
16 total regional system visits as estimated in
17 the Council’s annual use estimates
- 18 • 40% based on each Agency’s proportion of
19 total regional system operation and
20 maintenance expenditures in the previous
21 calendar year
- 22 • 20% based on each Agency’s proportion of
23 total regional system land acreage, with
24 park reserve resource management land
25 divided by four and excluding the acreage
26 under any facilities the Council considers
27 inconsistent with Recreation Activities and Facilities – Strategy 1 of the *2040 Regional Parks*
28 *Policy Plan* including enterprise facilities



29 **C. Eligible costs and activities**

30 See the Regional Parks System sub-recipient administrative guide for more detailed guidance
31 about eligible and ineligible costs and activities.

32 Costs cannot be associated with activities or programming inconsistent with Recreation Activities
33 and Facilities – Strategy 1 of the *2040 Regional Parks Policy Plan*. Additionally, activities within
34 enterprise facilities, defined in the *2040 Regional Parks Policy Plan* as facilities that are expected to
35 generate sufficient revenues to cover their own costs such as golf courses, downhill ski areas, and
36 water parks, are not eligible for Operation and Maintenance funding. These facilities are not eligible
37 for regional park funds from the Council because enterprise-fund recreation facilities are expected
38 to raise money for their development and operation in the same way as their private sector
39 counterparts.

1 **D. Required Match**

2 There is no formal required match although these appropriations fund only a portion of operation
3 and maintenance expenses.

1 III. Parks and Trails Legacy Fund Program

2 In 2008, Minnesota voters passed the Clean Water, Land and Legacy Amendment, which created a
3 new 3/8ths cent state sales tax to be collected from July 2009-June 2034 to fund the restoration,
4 protection, and enhancement of Minnesota wildlife; protect clean water; pay for parks and trails; and
5 preserve Minnesota’s history and cultural heritage through arts and cultural programs. The Parks and
6 Trails Legacy Fund, one of four Legacy Amendment Funds, supports parks and trails of statewide or
7 regional significance.

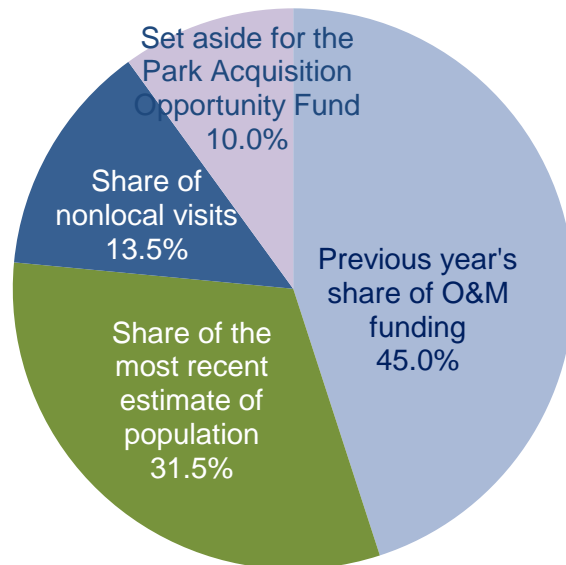
8 A. Funding Source

9 The [Minnesota Constitution, Article XI, Section 15](#) established the Parks and Trails Legacy Fund
10 (PTLF) to support parks and trails. Per [Minn. Stat. § 85.53](#), this fund supports only parks and trails
11 of regional or statewide significance. Along with state and Greater Minnesota regional parks and
12 trails, the Council receives a portion of the PTLF appropriations for the Regional Parks System.

13 B. Allocation

14 The Council distributes PTLF money to the
15 Agencies according to a formula defined in
16 [Minn. Stat. § 85.53](#):

- 17 • 45% based on each implementing Agency’s share of O&M funding according to the allocation formula in Minn. Stat. § 473.351, subdivision 3;
- 18 • 31.5% based on each implementing Agency's relative share of the most recent estimate of the population of the metropolitan area;
- 19 • 13.5% based on each implementing Agency's relative share of nonlocal visits based on the most recent user visitation survey conducted by the Metropolitan Council; and
- 20 • 10% set aside for Park Acquisition Opportunity Fund (see more on p. 8).



30 C. Eligible Projects and Costs

31 Consistent with the [Minnesota Constitution, Article XI, Section 15](#), authorizing state statutes
32 (including [Minn. Stat. § 3.303](#)), and the [2040 Regional Parks Policy Plan](#), all projects submitted for
33 funding from PTLF must:

- 34 • Be within parks and trails of **regional or statewide significance**.
- 35 • Be consistent with the [Parks and Trails Legacy Plan](#), the foundational document for the
36 use of PTLF in the state, which specifies four strategic directions for use of all PTLF funds:
 - 37 ○ Connect People and the Outdoors: Develop stewards of tomorrow through efforts to
38 increase life-long participation in parks and trails.

- 1 ○ Acquire Land, Create Opportunities: Create new and expanded opportunities to serve
- 2 ○ current and future users.
- 3 ○ Take Care of What We Have: Provide safe, high-quality experiences through regular re-
- 4 ○ investment in infrastructure and natural resource management.
- 5 ○ Coordinate among Partners: Enhance coordination among the network of public, private,
- 6 ○ and nonprofit park and trail partners.
- 7 ● ***Be within the boundaries of the Regional Parks System*** (for capital projects only – for
- 8 ○ example, acquisitions, development, and conservation)
- 9 ○ Outreach activities outside the boundaries of the Regional Parks System are allowable if
- 10 ○ the Agency can demonstrate a direct tie between the outreach activities and use of the
- 11 ○ Regional Parks System.
- 12 ● Be consistent with the ***2040 Regional Parks Policy Plan***.
- 13 ● Be consistent with a ***Council-approved master plan*** prior to the Council executing a grant
- 14 ○ agreement (for capital projects only – for example, acquisitions, development, and
- 15 ○ conservation).
- 16 ○ Outreach activities outside a Council-approved master plan are allowable if the Agency
- 17 ○ can demonstrate a direct tie between the outreach activities and use of the Regional
- 18 ○ Parks System.
- 19 ● ***Supplement, not substitute for, traditional sources of funding***. To ensure compliance
- 20 ○ with the requirements, projects funded with PTLF funds must:
- 21 ○ start new projects or programs;
- 22 ○ continue projects or programs without substituting Legacy funds for other funds; or
- 23 ○ expand or accelerate projects through the addition of Legacy funds.
- 24 ● Be substantially consistent with the project descriptions and dollar amounts ***approved by***
- 25 ○ ***each Agency's elected body***.
- 26 ● Have been reviewed by the Agency using the ***equity toolkit***.
- 27 ● Have been ***prioritized*** by the Agency in response to local capital and programmatic needs.

28 Agencies may use their PTLF allocation for land acquisition, supplementing the Park Acquisition
 29 Opportunity Fund although the Council does not match these funds.

30 **D. Amendments**

31 If there are any unspent funds from a grant after the project is completed, grant agreements list
 32 conditions for amendments.

33 To maximize the efficiency of the work of the Metropolitan Parks and Open Space Commission and
 34 the Council, the Council has authorized its regional administrator or their designee to execute minor
 35 amendments to Regional Parks System grant agreements. The regional administrator or their
 36 designee may execute amendments that:

- 37 ● Change the term of grant agreements when not otherwise prohibited by law, statute, or
- 38 ○ funding allocation;

1 • Adjust project amounts within each Agency’s overall share of funds within the Council’s
2 authorized budget and in an amount not to exceed the regional administrator’s or
3 designee’s designated signature authority; or

4 • Change grant-funded activities consistent with project scope.

5 Minor amendments must remain consistent with all of the requirements outlined in Section C. Other
6 amendments may require Council action. Changing the project to a project that the Council has not
7 previously reviewed and approved always requires Council approval.

8 See the Regional Parks System sub-recipient administrative guide for further information on
9 amendment requests.

10 **E. Required Match**

11 None.

1 IV. Park Acquisition Opportunity Fund Program

2 Established in 2001, grants from the Park Acquisition Opportunity Fund (PAOF) assist Agencies in
3 acquiring land for the Regional Parks System.

4 A. Funding Source

5 The PAOF program has two funding sources:

- 6 • Parks and Trails Legacy Fund (PTLF): 10% of PTLF appropriations are set aside for land
7 acquisition through the PAOF.
- 8 • Environment and Natural Resources Trust Fund (ENRTF). The ENRTF acquisition
9 opportunity grant fund is comprised of direct appropriations received by the Legislative-
10 Citizen Commission on Minnesota Resources (LCCMR) for land acquisition. The LCCMR
11 establishes the requirements for ENRTF funding, including funding used as part of the
12 PAOF program.

13 For both accounts, the Council matches every \$3 in state funding with \$2 from Council funds.
14 [Minn. Stat. § 85.53, subd. 3](#) requires that the Council match PTLF acquisition funding with regional
15 park bonds; the Council matches every \$3 in ENRTF funds with \$2 in Council funds.

16 B. Allocation

17 The Council's PAOF grant program is non-competitive and is awarded based on funding availability.
18 The Council awards grants on a first-come, first-served basis with the order determined by when
19 the Council determines that a grant request is eligible and complete.

20 Each Agency is eligible for up to \$1.7 million in PAOF funding per calendar year from each of the
21 two accounts, provided the total of appropriated funding and associated Council match is sufficient
22 to fund an acquisition. The maximum amount that each Agency can receive from the PAOF
23 program is \$3.4 million per year. The maximum amount that an Agency can receive for a single
24 PAOF grant is \$3.4 million, with \$1.7 million from each account. Agencies can use both
25 PAOF/ENRTF and PAOF/PTLF in a single acquisition to access the full amount of PAOF dollars
26 allowable (see the Regional Parks System sub-recipient administrative guide for additional
27 requirements that may be involved with acquisitions using both funding sources). The Council will
28 review alternative funding options when there is a lack of PAOF.

29 C. Eligible Projects and Costs

30 Consistent with authorizing state statutes and the [2040 Regional Parks Policy Plan](#), all PAOF
31 grants (both accounts) assist in the acquisition of property that is and will be:

- 32 • ***Within the boundaries of the Regional Parks System;***
- 33 • Consistent with the ***2040 Regional Parks Policy Plan*** or subject to an amendment to ***2040***
34 ***Regional Parks Policy Plan*** to designate the land as regional recreation open space;
- 35 • Consistent with a ***Council-approved master plan*** or a ***Council-approved acquisition***
36 ***master plan***;
- 37 • Located fully within ***Council-approved master plan boundaries*** prior to the Council
38 executing a grant agreement; and

- Reserved for public use in perpetuity for the Regional Parks System.

Consistent with [authorizing state statutes](#) and the *2040 Regional Parks Policy Plan*, all grants from the PAOF / ENRTF must additionally follow LCCMR requirements.

PAOF grants can pay for up to 75% of eligible costs for properties that meet the above requirements. Consistent with LCCMR rules, the Council will not approve any PAOF / ENRTF grant application showing an agreed purchase amount that exceeds 110% of the certified appraised value. For PAOF / PTLF acquisitions, the Council will consider grant applications with an agreed purchase amount of more than 110% of the certified appraised value, but the Agency is responsible for paying the difference between 110% of the appraised value and the agreed purchase price, in addition to its required 25% match.

When funds are not available in the PAOF accounts, Agencies may choose to work with third parties to temporarily acquire and hold eligible properties, for which the Agency may pursue a PAOF grant at later date from the Council to complete the acquisition process.

Acquisition of parcels that can be logically divided may qualify for financing from both the ENRTF account and PTLF account. The amount from each account shall be proportional to the appraised market value of the square footage of each portion. However, the Council may grant additional funds from the PTLF account to finance a portion of the costs of land that qualifies for financing from the ENRTF account if there is not sufficient money in the ENRTF account to fully fund the grant.

Eligible PAOF costs are expenses directly related to the land acquisition consistent with the Council-approved master plan. Grants for acquisition pay for the cost of real estate, relocation assistance, special assessments existing at the time land was designated for the regional system, land stewardship and legal fees and appraisals. Land stewardship is defined as boundary fencing or marking stabilizing or rehabilitating natural resources to aid in reestablishing threatened natural resources or to prevent non-natural deterioration thereof; preventing the deterioration of existing structures; removal of unneeded structures, land forms or attractive nuisances; maintaining or closing existing roads; and developing the unit to support minimal recreational use, including access roads, parking lots, signage and restrooms until capital improvement funds are available. Payment in lieu of local property taxes is an eligible land acquisition grant expenditure. Remediating pre-existing environmental contamination to the level necessary to allow the land to be used for park and recreation purposes is a grant-eligible land acquisition expense under the conditions outlined in the sub-recipient administrative guide. See the Regional Parks System sub-recipient administrative guide for more detailed guidance on eligible and ineligible costs and activities.

D. Eminent Domain

Occasionally an Agency may need to acquire land by exercising its power of eminent domain by initiating a condemnation proceeding. When land is acquired through the condemnation process, a PAOF grant may be awarded; however, a grant is awarded at the end of a condemnation proceeding. The grant is based on 75% of the final settlement / award and associated grant-eligible costs under applicable provisions of [Minn. Stat. Ch. 117](#) to acquire the land and within the Agency maximum for the fiscal year when the grant is awarded. After filing its condemnation petition with the district court, the Agency must notify the Council that it is acquiring land through condemnation and will be requesting a PAOF grant when the final award is determined. The notification to the Council must include the Agency's authorization to file its petition and the accompanying documents containing its appraisal of the land. In condemnation matters, the final settlement /

1 award and final certification should be submitted to the Council in lieu of a signed purchase
2 agreement.

3 **E. Revenue from Nonrecreational and Recreational Uses**

4 Lands acquired with regional funds are to be used for Regional Parks System purposes. On
5 occasion, during but not limited to a period prior to development, land may be used in other ways as
6 long as these temporary uses are consistent with state law, Council policy and all relevant funding
7 source restrictions (such as arbitrage rules). Allowable nonrecreational uses depend on the sources
8 of funding used for the acquisition; contact the Council for specific details.

9 All uses of this kind must be consistent with the Council-approved master plan. Revenue that
10 Agencies receive from such uses may be used in regional park lands for land stewardship or for the
11 capital costs of providing recreation opportunities; otherwise, they will be returned to the Council.
12 Any other use requires prior Council consent.

13 Revenue from recreational uses in Regional Parks System units consistent with the Council-
14 approved master plan shall be used for park purposes as determined by the Agency. Revenues
15 generated by nonrecreational uses in regional park lands, consistent with a Council-approved
16 master plan, shall be used in regional park lands either for stewardship or for the capital costs of
17 providing regional recreation opportunities, unless the Council consents to another use.

18 Agencies may be required to make an annual report of such revenues when their revenues exceed
19 an amount determined by the Council (\$2,500 per year). Unused nonrecreational revenues will be
20 returned to the Council by the end of the year succeeding the one in which they are earned.

21 **F. Unspent Funds**

22 Under the PAOF program, acquisition grants fund “up to” 75 percent of the total estimated
23 acquisition costs. Therefore, grantees may not reallocate any unspent PAOF funds.

24 **G. Required Match**

25 Agencies must fund *at least 25% of the total estimated acquisition costs as local match*, including
26 all ineligible costs and all costs over \$1.7 million per account, per year. If, during the course of an
27 acquisition, an Agency exceeds its upper limit of \$1.7 million for either or both PAOF funding
28 accounts, the Agency may need to pay more than 25% of the total acquisition costs as its local
29 match. In this case, both the 25% regular local match and the amount in excess of the regular local
30 match may be reimbursable through the same procedures for future reimbursement consideration.

31 The local match may be one or more of the following:

- 32 • Non-state funds and non-Council funds provided by the Agency.
- 33 • Reimbursement from an Agency’s future share of Regional Parks Bonding if the cash
34 contribution is financed with an Agency’s money – that is, from the Agency’s general fund or
35 other account, but not with a grant from another entity such as a watershed district or local
36 government aid provided by the state of Minnesota. Based on this rule, if the maximum
37 grant of \$1.7 million was awarded and the Agency provided a match of \$566,667, any costs
38 incurred by the Agency above the \$566,667 and paid for with Agency funds for grant-eligible

1 expenses, are also eligible for reimbursement consideration from that Agency's share of
2 future metropolitan Regional Parks Bonding.

- 3 • The value of a land donation by the seller. The value of the donation is the difference
4 between the agreed-upon purchase price based on a certified appraised value of the
5 property and the lower amount the seller agrees to accept as payment for the land. The
6 certification of the appraised value of the property will be based on a third-party review
7 appraisal, where the third-party appraiser will perform a field review of the appraisal and
8 determine if the appraisal met the requirements of the Uniform Standards of Professional
9 Appraising Practice. Both the appraisal and the review appraisal must be submitted to the
10 Council as part of the grant request. The cost of the third-party appraisal is a grant-eligible
11 item.
- 12 • The value of the land that is obtained by a municipality under its park land dedication
13 ordinance and transferred to an Agency under a fee title or permanent easement agreement
14 at the same time that the Agency acquires additional land for that park or trail from the same
15 landowner. The value of the dedicated land is based on a certified appraisal of the property.

16 See the Regional Parks System sub-recipient administrative guide for more detailed guidance on
17 how Agencies may provide and must document their local match. See more about future
18 reimbursement consideration on p. 14.

19 **H. Amendments**

20 To maximize the efficiency of the work of the Metropolitan Parks and Open Space Commission and
21 the Council, the Council has authorized its regional administrator or their designee to execute minor
22 amendments to Regional Parks System grant agreements. The regional administrator or their
23 designee may execute amendments to PAOF grant agreements that change the term of grant
24 agreements for up to one year when not otherwise prohibited by law, statute, or funding allocation.
25 The Council does not consider other amendments to PAOF grants.

1 **V. Regional Parks Bonding Program**

2 The Regional Parks Bonding Program is intended for Regional Parks System acquisition, development,
3 and redevelopment projects.

4 **A. Funding Source**

5 Two primary funding sources make up the Regional Parks Bonding Program:

- 6 • The Council can issue Regional Parks bonds under authority of [Minn. Stat. § 473.325](#).
- 7 • The State of Minnesota can issue bonds appropriated for the Regional Parks System by
8 state statute or session law.

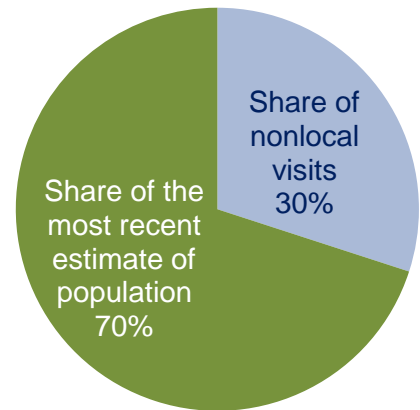
9 Per the [2040 Regional Parks Policy Plan](#) and Council’s Capital Financing Policy, the Council
10 matches every \$3 of state bonds with \$2 of regional park bonds.

11 Bonds may be taxable or non-taxable. All projects will be subject to applicable bonding rules..

12 **B. Allocation**

13 The Council distributes Regional Parks Bonding Program funds
14 to the Agencies according to a formula defined in the *2040*
15 *Regional Parks Policy Plan*:

- 16 • 70% based on the population within the jurisdiction of
17 each Agency compared to the region’s total population.
- 18 • 30% based on the number of visits an Agency hosted
19 from people who live outside the Agency’s jurisdiction
20 (non-local visits).



21 **C. Eligible Projects and Costs**

22 Development in Regional Parks System units should be based on the principle of providing and
23 maintaining quality public park areas and facilities primarily for residents of the metropolitan area.
24 The eligibility criteria (not in any priority order) for development, rehabilitation and restoration of
25 regional parks, park reserves, trails, and special recreation features are:

- 26 • Projects that provide new facilities, rehabilitate facilities, or increase capacity where there is
27 documented existing or projected high use.
- 28 • Projects continuing a phased high-priority project or one of relatively high priority that is
29 timed with other public improvement projects to achieve significant economies in cost of
30 construction.
- 31 • A project providing a specific facility that meets a documented need, is currently not
32 available, or is significantly under-represented in the system.
- 33 • Regional trails that connect to other trails or regional facilities or extend existing trails.
- 34 • Natural resource restoration, including transforming degraded lands into lands with more
35 representative native species and historic vegetation patterns. For example, this work may

1 entail the removal of invasive species, restoration of pastureland, or transforming industrial
2 lands into a more diverse natural landscape.

- 3 • Acquisition of parkland parcels.
- 4 • Reimbursement for parkland parcels as described in Section F below.
- 5 • Matching non-state and non-Council funds to develop/rehabilitate recreation facilities or
6 restore natural resource areas is encouraged.
- 7 • Projects that provide essential facility improvements and natural resource enhancements to
8 allow for the initial public use of a regional park once there is adequate demand and
9 acquisition base to support the development.

10 Consistent with authorizing state statutes and the *2040 Regional Parks Policy Plan*, all grants from
11 the Regional Parks Bonding Program (both programs) must fund projects that:

- 12 • Are ***within the boundaries of the Regional Parks System***;
- 13 • Are consistent with the ***2040 Regional Parks Policy Plan***;
- 14 • Are consistent with a ***Council-approved master plan*** prior to the Council executing a grant
15 agreement;
- 16 • Do not allow private use of the acquired property as any private use can jeopardize the tax-
17 exempt status of the bonds;
- 18 • Have been approved by their local elected boards either individually or as part of a local
19 capital improvement plans;
- 20 • Have been reviewed by the Agency using the ***equity toolkit***; and
- 21 • Have been prioritized by the Agency in response to local capital needs.

22 Based on the prioritized project lists submitted by the Agencies, the Metropolitan Parks and Open
23 Space Commission recommends a list of projects to be included as part of the Governor’s state
24 bonding request to be submitted to the State Legislature.

25 Eligible costs can include land acquisition, construction, and other improvements or acquisitions of
26 tangible fixed assets of a capital nature. Capital grants funded *entirely* with Council bonds may also
27 be used to reimburse Agencies for acquisitions or projects under certain limited circumstances (see
28 the section on Future Reimbursement Consideration on page 14). See the Regional Parks System
29 sub-recipient administrative guide for more guidance on eligible and ineligible costs and activities.

30 **D. Revenue from Nonrecreational and Recreational Uses**

31 Lands acquired with regional funds are to be used for Regional Parks System purposes. On
32 occasion, during but not limited to a period prior to development and receiving land proceeds, land
33 may be used in other ways as long as these temporary uses are consistent with state law, Council
34 policy, and all relevant funding source restrictions (such as private use rules). Allowable
35 nonrecreational uses depend on the sources of funding used for the acquisition; contact the Council
36 for specific details.

37 All uses of this kind must be consistent with the Council-approved master plan. Revenue that
38 Agencies receive from such uses may be used in regional park lands for land stewardship or for the
39 capital costs of providing recreation opportunities; otherwise, they will be returned to the Council.
40 Any other use requires prior Council consent.

1 Revenue from recreational uses in Regional Parks System units consistent with the Council-
2 approved master plan shall be used for park purposes as determined by the Agency. Revenues
3 generated by nonrecreational uses in regional park lands, consistent with a Council-approved
4 master plan, shall be used in regional park lands either for stewardship or for the capital costs of
5 providing regional recreation opportunities, unless the Council consents to another use.

6 Regional park implementing agencies may be required to make an annual report of such revenues
7 when their revenues exceed an amount determined by the Council (\$2,500 per year). Unused
8 nonrecreational revenues will be returned to the Council by the end of the year succeeding the one
9 in which they are earned.

10 **E. Amendments**

11 If there are any unspent funds from the grant after the project is completed, grant agreements will
12 list conditions for amendments.

13 To maximize the efficiency of the work of the Metropolitan Parks and Open Space Commission and
14 the Council, the Council has authorized its regional administrator or their designee to execute minor
15 amendments to Regional Parks System grant agreements. The regional administrator or their
16 designee may execute grant agreements that:

- 17 • Change the term of grant agreements when not otherwise prohibited by law, statute or
18 funding allocation;
- 19 • Adjust project amounts within each Agency's overall share of funds within the Council's
20 authorized budget and in an amount not to exceed the regional administrator's or
21 designee's designated signature authority; or
- 22 • Change grant-funded activities consistent with project scope.

23 Minor amendments must remain consistent with all of the requirements outlined in Section C. Other
24 amendments may require Council approval. Changing the project to a project that the Council has
25 not previously reviewed and approved always requires Council approval.

26 See the Regional Parks System sub-recipient administrative guide for further information on
27 amendment requests.

28 **F. Future Reimbursement Consideration**

29 Defined the [2040 Regional Parks Policy Plan](#), Future Reimbursement Consideration (FRC) allows
30 Agencies to request Council approval to incur costs, pay those costs from Agency funds, and be
31 eligible for later reimbursement with Council bonds. Future reimbursements of local match are
32 made out of the Agency's share of a future regional bonding allocation.

33 MPOSC and the Council must individually consider and approve all requests for Future
34 Reimbursement Consideration before costs are incurred. The Council's approval of Future
35 Reimbursement Consideration does not represent or guarantee that the future reimbursement will
36 be paid; rather, the approval only allows the Council to *consider* reimbursement of the costs at a
37 later date. The Council is not obligated to provide such reimbursement. The Council must balance
38 the availability of these reimbursements against the overall need for Council bonds in a given
39 Regional Parks Bonding funding cycle. If the aggregate request for Future Reimbursement

1 Consideration exceeds the Council’s ability to match at the prescribed level, the Council may
2 decline any Future Reimbursement Consideration request.

3 If the Council approves a request, the Council’s Treasury Division will compete a reimbursement
4 declaration to be signed by the Chief Financial Officer. This will allow for reimbursement with bond
5 proceeds under the tax-exempt bonding rules.

6 Agencies can request Future Reimbursement Consideration to reimburse their costs for:

- 7 • Portions of an Agency’s local match to a PAOF grant, if the Agency specifically requests that
8 the Council consider future reimbursement of the local match amount as part of its PAOF
9 grant application;
- 10 • Reimbursement for acquisition of land not designated in the *Regional Parks Policy Plan* at
11 the time of purchase but subsequently added to the system through a plan amendment;
- 12 • Reimbursement of design costs for large or complex recreation facilities in Regional Parks

13 Requests for Future Reimbursement Consideration for **land acquisition**, in addition to meeting all
14 requirements for PAOF listed above, must be submitted in writing to the Council and receive
15 Council approval *before* the Agency acquires the property in fee simple or acquires an option to
16 purchase. Requests for Future Reimbursement Consideration for **construction or development**
17 **projects** (including design costs), in addition to meeting all requirements for the Regional Parks
18 Bonding Program listed above, must be approved by the Council *before* the preparation of
19 construction documents for a project. See the Regional Parks System sub-recipient administrative
20 guide for procedures and more detailed guidance on eligible and ineligible costs and activities.



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