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

### Metropolitan Council Members

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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.

On request, this publication will be made available in alternative formats to people with disabilities. Call Metropolitan Council information at 651-602-1140 or TTY 651-291-0904.
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I. Introduction

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

A. Purpose

The Minnesota Constitution, Minnesota Statutes, session law, state appropriations language, and the Regional Parks Policy Plan articulate the structure for the funding sources and programs that the Council administers. This document establishes the Council’s policies and priorities for the use of Regional Parks funds, which comply with all relevant authorities. 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.

B. Regional Parks Implementing Agencies

Minn. Stats. § 473.351 limits regional parks funding to Agencies and defines them to be:

- Anoka County
- City of Bloomington
- Carver County
- Dakota County
- Minneapolis Parks and Recreation Board
- Ramsey County
- City of Saint Paul
- Scott County
- Three Rivers Park District
- Washington County

C. Regional Parks System Funding

1. Operation and Maintenance

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

2. Parks and Trails Legacy Fund Program

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

3. Park Acquisition Opportunity Fund

The Council established the Park Acquisition Opportunity Fund (PAOF) to assist Agencies in acquiring land for the Regional Parks System. The PAOF comprises state and regional funding sources in two separate accounts:
• The Parks and Trails Legacy Fund / Park Acquisition Opportunity Fund (PTLF/PAOF) account funded by state Legacy dollars and regional park bonds. Minn. Stat. § 85.53 requires that the Council match every $3 in PTLF land acquisition funds with $2 in regional park bonds.

• The Environment and Natural Resources Trust Fund / Park Acquisition Opportunity Fund (ENRTF/PAOF) account funded by ENRTF dollars and Council funds. The Council matches every $3 in ENRTF funds with $2 in Council funds for Regional Parks System land acquisition.

2015 RPPP: “The Council matches every $3 of PTLF or ENRTF appropriations with $2 of Council bonds.” (p. 24)

Council funds is consistent with the 2018 RPPP language (see p. 19) and gives the Council the opportunity to use funding sources other than bonds to match state dollars.

4. Regional Parks Bonding Program

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

• Regional park bonds issued by the Council for the Regional Parks System.

• State bonds appropriated for the Regional Parks System.

Per the 2040 Regional Parks Policy Plan and Council’s Capital Financing Policy, the Council matches every $3 of state general obligation bonds with $2 of regional park bonds.

Bonds may be taxable or non-taxable.

The 2015 RPPP refers to the “Capital Improvement Program”; the 2018 RPPP changed the language to Regional Parks Bonding to recognize that other sources, such as Legacy funding, also fund capital improvements.

New language about taxable and non-taxable bonds added to recognize that the Council and State may issue both types of bonds, which have different requirements.

D. Annual Review

The Council shall, after consultation with the Regional Parks Implementing Agencies and other stakeholders and 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.

E. Administrative Guidance

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

The sub-recipient administrative guide will be the vehicle for administrative processes and procedures.

The following sections outline funding priorities for each funding source and program.
II. Operation and Maintenance

Since 1985, the state of Minnesota has appropriated money under Minn. Stat. § 473.351 for the cost of providing for the operation and maintenance of waters, lands, and facilities that are part of the Regional Parks System.

A. Funding Source

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

- State appropriations from the General Fund (Minn. Stat., § 473.351)
- “Lottery in lieu of sales tax” (Minn. Stat., § 297A.94(h)(3))

B. Allocation

The Council distributes all Operation and Maintenance funding to the Agencies according to a formula based upon Minn. Stat. § 473.351:

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

C. Eligible costs and activities

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

Costs cannot be associated with activities or programming inconsistent with Recreation Activities and Facilities – Strategy 1 of the 2040 Regional Parks Policy Plan. Additionally, activities within enterprise facilities, defined in the 2040 Regional Parks Policy Plan as facilities that are expected to generate sufficient revenues to cover their own costs such as golf courses, downhill ski areas, and water parks, are not eligible for

The reference to land acreage is new although this is consistent with existing practice to exclude public waters (that is, open water such as lakes).

The exclusion of inconsistent recreation activities and facilities is new to be consistent with new language in Recreation Activities and Facilities – Strategy 1 in the 2018 RPPP (see p. 90).
Operation and Maintenance funding. These facilities are not eligible for regional park funds from the Council because enterprise-fund recreation facilities are expected to raise money for their development and operation in the same way as their private sector counterparts.

**D. Required Match**

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

**Language removed from the 2015 RPPP (p. 129):**

"Regional park implementing agencies raise funds to finance the costs to operate and maintain their portion of the regional park system through the following sources:

- Fees collected from people using their parks. Examples include vehicle entrance fees, picnic shelter rentals, recreational equipment rentals, room rentals at visitor centers, and tuition for educational programs.
- "Local property taxes.
- "Local Government Aid payments from the State of Minnesota."
III. Parks and Trails Legacy Fund Program

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

A. Funding Source

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

B. Allocation

The Council distributes PTLF money to the Agencies according to a formula defined in Minn. Stat. § 85.53:

- 45% based on each implementing Agency’s share of O&M funding according to the allocation formula in Minn. Stat. § 473.351, subdivision 3;
- 31.5% based on each implementing Agency’s relative share of the most recent estimate of the population of the metropolitan area;
- 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
- 10% set aside for Park Acquisition Opportunity Fund (see more on p. 10).

C. Eligible Projects and Costs

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

- Be within parks and trails of regional or statewide significance.
- Be consistent with the Parks and Trails Legacy Plan, the foundational document for the use of PTLF in the state, which specifies four strategic directions for use of all PTLF funds:
Connect People and the Outdoors: Develop stewards of tomorrow through efforts to increase life-long participation in parks and trails.

Acquire Land, Create Opportunities: Create new and expanded opportunities to serve current and future users.

Take Care of What We Have: Provide safe, high-quality experiences through regular re-investment in infrastructure and natural resource management.

Coordinate among Partners: Enhance coordination among the network of public, private, and nonprofit park and trail partners.

- **Be within the boundaries of the Regional Parks System** (for capital projects only – for example, acquisitions, development, and conservation)
  
  Outreach activities outside the boundaries of the Regional Parks System are allowable if the Agency can demonstrate a direct tie between the outreach activities and use of the Regional Parks System.

- **Be consistent with the 2040 Regional Parks Policy Plan.**

- **Be consistent with a Council-approved master plan** prior to the Council executing a grant agreement (for capital projects only – for example, acquisitions, development, and conservation).
  
  Outreach activities outside a Council-approved master plan are allowable if the Agency can demonstrate a direct tie between the outreach activities and use of the Regional Parks System.

- **Supplement, not substitute for, traditional sources of funding.** To ensure compliance with the requirements, projects funded with PTLF funds must:
  
  - start new projects or programs;
  - continue projects or programs without substituting Legacy funds for other funds; or
  - expand or accelerate projects through the addition of Legacy funds.

- Be substantially consistent with the project descriptions and dollar amounts **approved by each Agency’s elected body.**

- Have been reviewed by the Agency using the **equity toolkit.**

- Have been **prioritized** by the Agency in response to local capital and programmatic needs.

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

Language removed from the 2015 RPPP (p. 99):
“Finance – Strategy 4: Investments to be funded by the Capital Improvement Plan and Parks and Trails Legacy Fund must be included on the legislatively authorized project list.

“To access its share of grant funds from the Capital Improvement Program and Parks and Trails Legacy Fund, a regional park implementing agency must have the proposed project included on the appropriate legislatively authorized project list. In certain circumstances, projects can be amended and the process for such an event is described in subsequent content.”

Language removed from the 2015 RPPP (p. 138):

“The process for distributing appropriations from the Parks and Trails Legacy Fund follows a process similar to that described above. There are important distinctions to make, however. First, a funding request for Park and Trails Legacy Fund appropriations is due to the state in October preceding the first year of the legislative biennium. Projects financed with appropriations from the Parks and Trails Legacy Fund will follow applicable rider language of that appropriation and Council policy requirements in the finance section of this plan. Similar to Capital Improvement Program dollars, the Parks and Trails Legacy Fund appropriations are incorporated into the Unified Capital Budget and Unified Capital Improvement Plan.”

D. Amendments

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

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

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

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

- Change grant-funded activities consistent with project scope.

Minor amendments must remain consistent with all of the requirements outlined in Section C. Other amendments may require Council action. Changing the project to a project that the Council has not previously reviewed and approved always requires Council approval.
See the Regional Parks System sub-recipient administrative guide for further information on amendment requests.

Language removed from the 2015 RPPP (p. 143):

**Executing Minor Amendments to Grant Agreements**

To maximize the efficiency of the work of the Metropolitan Parks and Open Space Commission and the Council, the Council has authorized its regional administrator or his/her designee to execute minor amendments to Regional Parks System grant agreements if such amendments meet at least one of the following criteria:

- The amendment is consistent with the *2040 Regional Parks Policy Plan*.
- The amendment does not change the intent of the grant agreement in any essential respect.
- The amendment extends the duration of the grant agreement within the timeline permitted under the applicable funding source for the grant.
- The amendment clarifies the Council’s intent in entering the agreement.
- The amendment does not change the total amount of the grant.
- The amendment reflects changes officially adopted by the Council in the *2040 Regional Parks Policy Plan*.
- The amendment is required under terms of the contract the Council has with the state agency that transmits state funds for the grant agreements.
- The amendment reflects changes officially adopted by the Council in Council policies or procedures (for example, changes in affirmative action plans or grant management procedures).
- The amendment executes restrictive covenants on land acquired with regional funds or releases restrictive covenants to permit another land use compatible with the park (for example, widening a county road that also provides access to the adjacent park).

Language removed from 2015 RPPP (pp. 142-143)

**Closing Grants**

Financial transactions of Regional Parks System grants are reported through grant reimbursement forms requesting funds to reimburse the park agency for grant eligible expenses, which are audited by the Council. A final report is generated by the regional park implementing agency. A final audit is conducted when the project is completed.

Under the terms of the agreements, grant agreements are to be “closed” once all grant-eligible work has been completed and paid for with grant funds. If there are any unspent funds from the grant after the project is completed, the regional park implementing agency must contact the Council to...
determine whether the scope of the grant can be amended. This does not apply to Park Acquisition Opportunity Fund grants.

The Metropolitan Parks and Open Space Commission will review the grant scope amendment request for consistency with the Council-approved master plan for that project and/or other Council policy applicable to the request. Council approval is required to amend the scope of a grant. Legislative approval may be required to amend the scope of a Parks and Trails Legacy grant.

It is in the interest of the Council and the regional park implementing agencies to close out completed projects in a timely manner and free up unspent funds for other projects within the timeline of the state appropriation that initially funded the grant or a portion of the grant. Any unspent state funds and matching Council bonds that financed the grant are no longer available for the project. The undisbursed funds are retained by the state or the Council.

E. **Required Match**

None.
IV. Park Acquisition Opportunity Fund Program

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

A. Funding Source

The PAOF program has two funding sources:

- Parks and Trails Legacy Fund (PTLF): 10% of PTLF appropriations are set aside for land acquisition through the PAOF.

- Environment and Natural Resources Trust Fund (ENRTF). The ENRTF acquisition opportunity grant fund is comprised of direct appropriations received by the Legislative-Citizen Commission on Minnesota Resources (LCCMR) for land acquisition. The LCCMR establishes the requirements for ENRTF funding, including funding used as part of the PAOF program.

For both accounts, the Council matches every $3 in state funding with $2 from Council funds. Minn. Stat. § 85.53, subd. 3 requires that the Council match PTLF acquisition funding with regional park bonds; the Council matches every $3 in ENRTF funds with $2 in Council funds.

B. Allocation

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

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

C. Eligible Projects and Costs

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

- Within the boundaries of the Regional Parks System;
• Consistent with the *2040 Regional Parks Policy Plan* or subject to an amendment to *2040 Regional Parks Policy Plan* to designate the land as regional recreation open space;
• Consistent with a *Council-approved master plan* or a *Council-approved acquisition master plan*;
• Located fully within *Council-approved master plan boundaries* prior to the Council 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.
Qualifying Land Acquisition Costs

The following items are eligible in calculating the total costs of the acquisition:

- Appraisal cost for the acquiring regional park implementing agency or as part of a condemnation settlement/award consistent with applicable provisions of Minn. Stat. ch. 117;
- Appraisal review cost needed to verify the value of a land donation, or the value of land obtained via parkland dedication ordinance and subsequently transferred to the regional park implementing agency when other land is obtained from the same landowner;
- Phase 1 Environmental Site Assessment; [in the 2018 RPPP under System Protection – Strategy 3]
- Environmental contamination remediation costs if consistent with the conditions specified in the “Special Circumstances” section below; [in the 2018 RPPP under System Protection – Strategy 3]
- Legal services and closing costs to the park agency for costs associated with the purchase or condemnation settlement/award including attorney’s fees, litigation expenses, appraisal fees and other expert fees consistent with Minn. Stat., sec. 117.031, that the park agency must pay as part of a condemnation action;
- State deed tax/Conservation Fee;
- Title Insurance;
- Pro-rated share of all property taxes/assessments due on the parcel at the time of closing that is borne by the park agency;
- 1.8 times the city or township property tax due on the parcel in the year the land is acquired. This is the property tax equivalency payment, which is paid to the city or township at closing pursuant to Minn. Stat., sec. 473.341;
- Negotiated purchase price for the parcel or condemnation settlement/award consistent with applicable provisions of Minnesota Statute ch. 117;
- Relocation costs to the seller consistent with Minn. Stat. sec. 117.52 and Minn. Stat. sec. 473.315;
- Land stewardship costs defined as follows: costs for boundary fencing or marking; stabilizing or rehabilitating natural resources to aid in the reestablishment of threatened natural resources or to prevent non-natural deterioration thereof; preventing the deterioration of structures that will be re-used for park purposes; removal of unneeded structures, dangerous land forms or attractive nuisances including capping abandoned wells as required under Minn. Stat., sec. 103I.301; and closing unneeded road(s) that provided access to the acquired land;

Rationale: Eligible costs are identified in the previous paragraph or mentioned elsewhere in the 2018
• Development of the land to provide minimal access to it for public recreational use as reviewed and approved by the Council in consideration of the grant. Such development must be consistent with the applicable Council-approved master plan and may include the cost of an access road and/or trail, parking lot, and signage.

• Interest costs to acquire the land can be counted as part of the park agency’s 25% match to the grant. However, the interest costs are not eligible for reimbursement as part of that park agency’s share of a future regional parks capital improvement program;

• Holding costs incurred by an outside third party that purchased the property to hold on behalf of the park implementing agency; and

• Other expenses not listed above that are directly related to the land acquisition.

All costs shall be documented with appropriate information/data and submitted to the Council with the grant request.

Language removed (pp. 138):

“Acquisition of land is costly and limited public funds must be used wisely. It is sometimes necessary to acquire land through condemnation, which can be a long and costly process. Whenever possible, regional park implementing agencies must make negotiated purchases based on appraisals by qualified appraisers to minimize the need for condemnation.”

Language removed (pp. 139-140):

“Special assessments may be levied against parkland after its designation for the Regional Parks System. Such assessments are legitimate and grant-eligible when they are for benefits conferred on the park that are consistent with the Council-approved master plan. To encourage prompt payment of special assessments by the regional park implementing agency, regional funds will not be used for penalties and interest charges resulting from late payments unless the regional park implementing agency has requested funds from the Council to pay the special assessments and did not receive them.

“Under the provisions of Minn. Stat. 473.334:

“…the governing body [charging the assessment] shall not consider any use of the property other than as regional recreation open space property at the time that the special assessment is determined. The Metropolitan Council shall not be bound by the determination of the governing body of the city but may pay a lesser amount, as agreed upon by the Metropolitan Council and the governing body of the city, as they determine is the measure of benefit to the land for the improvement.

“This statute does not pertain to assessments on Bald Eagle-Otter Lake Regional Park land located in White Bear Township. Special assessments on that park are governed by Minn. Stat. 435.19.

“If a regional park implementing agency challenges a special assessment to determine the measure of benefit to the regional park unit, regional funds may be used to pay the assessment and for any
penalties and interest incurred during the time of challenging the assessment, as well as for the regional park implementing agency’s legal costs in challenging the assessment if agreed to previously by the Council."

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

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

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

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

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

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

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

G. **Required Match**

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

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

- Non-state funds and non-Council funds provided by the Agency.
- Reimbursement from an Agency’s future share of Regional Parks Bonding if the cash contribution is financed with an Agency’s money – that is, from the Agency’s general fund or other account, but not with a grant from another entity such as a watershed district or local government aid provided by the state of Minnesota. Based on this rule, if the maximum grant of $1.7 million was awarded and the Agency provided a match of $566,667, any costs incurred by the Agency above the $566,667 and paid for with Agency funds for grant-eligible expenses, are also eligible for reimbursement consideration from that Agency’s share of future metropolitan Regional Parks Bonding.
- The value of a land donation by the seller. The value of the donation is the difference between the agreed-upon purchase price based on a certified appraised value of the property and the lower amount the seller agrees to accept as payment for the land. The certification of the appraised value of the property will be based on a third-party review appraisal, where the third-party appraiser will perform a field review of the appraisal and determine if the appraisal met the requirements of the Uniform Standards of Professional Appraising Practice. Both the appraisal and the review appraisal must be submitted to the Council as part of the grant request. The cost of the third-party appraisal is a grant-eligible item.
- The value of the land that is obtained by a municipality under its park land dedication ordinance and transferred to an Agency under a fee title or permanent easement agreement at the same time that the Agency acquires additional land for that park or trail from the same landowner. The value of the dedicated land is based on a certified appraisal of the property.

See the Regional Parks System sub-recipient administrative guide for more detailed guidance on how Agencies may provide and must document their local match. See more about future reimbursement consideration on p. 22.

H. **Amendments**

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

**Language removed (pp. 125-126):**

**Special Circumstances**

**Lack of Available Acquisition Opportunity Funds**

If funds are not available to fully fund a grant during a given fiscal year, up to 60% of the next fiscal year’s appropriation and matching Council bonds for Park Acquisition Opportunity Fund accounts will be used to reimburse park agencies for up to 75% of the grant-eligible acquisition costs or $1.7 million − whichever is less − the park agency incurred to buy land that would have qualified for a Park Acquisition Opportunity Fund grant under the rules.

The park agency must request reimbursement consideration from the Council by providing all data required for a Park Acquisition Opportunity Fund grant required by the rules and obtain Council approval before it acquires the land. The 25% match is not grant-eligible for reimbursement from the Park Acquisition Opportunity Fund accounts. However, the park agency may request reimbursement of that match as part of its share of future park capital improvement programs.

**Third-party Acquisitions**

When funds are not available in the Acquisition Opportunity Fund accounts, park implementing agencies may choose to work with third parties to acquire Council-approved master plan acquisitions, for which reimbursement from the Council would be pursued when funds are available. In this instance, the Council may consider acquisition with a bonafide deferred closing.

**Excess of Available Acquisition Opportunity Funds**

One year before the expiration of the state appropriation to each Park Acquisition Opportunity Fund Grant account (that is, PTLF and ENRTF), the Council − in consultation with the regional park implementing agencies and the Metropolitan Parks and Open Space Commission − will conduct a review of these rules to determine if additional steps should be taken to increase the likelihood that the balance of the expiring state appropriation will be granted and spent before its expiration date.

An example of such a step would be to allow a park agency that has received the maximum amount allowed − $1.7 million from the ENRTF account or $1.7 million from the PTLF account in a state fiscal year, July 1 to June 30 to be eligible to receive an additional grant. Another step could be that 60 days before a state appropriation’s expiration date, that grants are awarded to partially reimburse the local match of grants awarded from the applicable acquisition account that were initially financed with that state appropriation and matching Council bonds.

Rationale: The Council is working out a process that aligns with our broader Council budget policies.
The total amount of these reimbursement grants would consume the remaining state appropriation and applicable Council bond match. The amount of each reimbursement grant should be proportionate to the local match amount initially funded by each park agency—not with other funding sources the park agency used as their match. These reimbursement grants would only be for grants initially financed from that soon-to-expire state appropriation and applicable Council bond match. If there were still funds remaining, reimbursement grants for the local matches on other acquisitions could be considered that were initially financed from that acquisition account but from an earlier appropriation.

Such variances to the rules for these situations would be considered by the Council without undertaking a public hearing process since the vetting of the changes is made by the park agencies affected by the proposed change, and the change is only in effect until the expiration of the applicable appropriation for that account.

**Acquisition Funds Delineated in Capital Improvement Fund**

The requesting regional park implementing agency must use any available acquisition funds from its share of a regional parks capital improvement program provided by the Council or a line-item appropriation of state funds to buy land for a regional park/trail before it can request a grant from the Park Acquisition Opportunity Fund. A park agency’s capital improvement program share that finances a reimbursement grant for the 25% local match to a previous Park Acquisition Opportunity Fund grant is excluded. The Park Acquisition Opportunity Fund grant may finance 75% of the gap between the total cost of an acquisition and the amount financed by the park agency’s available acquisition funds from its share of a regional parks capital improvement program and/or a line item appropriation of state funds used for that parcel’s acquisition.

**Environmental Contamination** [see more in System Protection – Strategy 3]

Soil contamination remediation necessary to correct pre-existing environmental contamination known at the time of purchase, the remediation effort to the level needed to allow the land to be used for park and recreation purposes, and/or capping abandoned wells that have contaminated their groundwater aquifer are grant-eligible land acquisition expenses under the following conditions:

- The aggregate cost of acquiring the land and remediation does not exceed the certified appraised value of the land at the time of purchase. The certification of the market value of the property will be based on a third-party field review of the appraisal. The appraisal review must determine that the appraisal followed USPAP. The appraisal review must be submitted to the Council.

- The cost of the third-party appraisal review is a grant-eligible item. In addition to the certification of the market value of the parcel, the park agency must submit documentation of the costs for remediation as listed below. The difference between the actual acquisition and remediation costs compared to the certified market value of the land prior to clean up may be applied towards the park agency’s local match requirement.

- The regional park implementing agency has an agreement with the party that will remediate/clean up the contamination or cap an abandoned well. The agreement will include Rationale: Embedded in eligible costs above.
mutually agreed upon environmental assurances from the Minnesota Pollution Control Agency limiting future liability for pollution caused by the contaminated soil or contaminated groundwater and follow guidance set by the Minnesota Department of Health for sealing unused wells, if appropriate.

Grant-eligible expenses for soil remediation and well capping include:

- Costs to prepare Phase 1 and Phase 2 Environmental Site Assessments, the Quality Assurance Project Plan, Remediation Action Plan and the Environmental Engineer’s Estimate

- Minnesota Pollution Control Agency (MPCA) Voluntary Investigation Cleanup (VIC) service charges

- Costs to implement the remediation action plan and secure appropriate assurances from the MPCA, and

- Other costs not listed above which are directly related to soil remediation or well capping

Documentation of these remediation costs plus other costs associated with the acquisition must be submitted to the Council as part of the grant request.
V. Regional Parks Bonding Program

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

A. Funding Source

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

- The Council can issue Regional Parks bonds under authority of Minn. Stat. § 473.325.
- The State of Minnesota can issue bonds appropriated for the Regional Parks System by state statute or session law.

Per the 2040 Regional Parks Policy Plan and Council’s Capital Financing Policy, the Council matches every $3 of state bonds with $2 of regional park bonds.

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

B. Allocation

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

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

C. Eligible Projects and Costs

Development in Regional Parks System units should be based on the principle of providing and maintaining quality public park areas and facilities primarily for residents of the metropolitan area.

The eligibility criteria (not in any priority order) for development, rehabilitation and restoration of regional parks, park reserves, trails, and special recreation features are:

- Projects that provide new facilities, rehabilitate facilities, or increase capacity where there is documented existing or projected high use.
- Projects continuing a phased high-priority project or one of relatively high priority that is timed with other public improvement projects to achieve significant economies in cost of construction.
• A project providing a specific facility that meets a documented need, is currently not available, or is significantly under-represented in the system.

• Regional trails that connect to other trails or regional facilities or extend existing trails.

• Natural resource restoration, including transforming degraded lands into lands with more representative native species and historic vegetation patterns. For example, this work may entail the removal of invasive species, restoration of pastureland, or transforming industrial lands into a more diverse natural landscape.

• Acquisition of parkland parcels.

• Reimbursement for parkland parcels as described in Section F below.

• Matching non-state and non-Council funds to develop/rehabilitate recreation facilities or restore natural resource areas is encouraged.

• Projects that provide essential facility improvements and natural resource enhancements to allow for the initial public use of a regional park once there is adequate demand and acquisition base to support the development.

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

• Are within the boundaries of the Regional Parks System;

• Are consistent with the 2040 Regional Parks Policy Plan;

• Are consistent with a Council-approved master plan prior to the Council executing a grant agreement;

• Do not allow private use of the acquired property as any private use can jeopardize the tax-exempt status of the bonds;

• Have been approved by their local elected boards either individually or as part of a local capital improvement plans;

• Have been reviewed by the Agency using the equity toolkit; and

• Have been prioritized by the Agency in response to local capital needs.

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

Language removed (p. 97):

“Regional park implementing agencies are responsible for the development and rehabilitation needs for their units in the Regional Parks System. Each regional park implementing agency ranks its proposed development and rehabilitation projects for possible inclusion in the capital improvement program of the Council. All of the proposed development and rehabilitation projects may be desirable, but some – due to their location, their existing use or intended use – tend to be more valuable from a regional standpoint than others.”

Replaced by: “Have been prioritized by the Agency in response to local capital needs.”
Eligible costs can include land acquisition, construction, and other improvements or acquisitions of tangible fixed assets of a capital nature. Capital grants funded entirely with Council bonds may also be used to reimburse Agencies for acquisitions or projects under certain limited circumstances (see the section on Future Reimbursement Consideration on page 22). See the Regional Parks System sub-recipient administrative guide for more guidance on eligible and ineligible costs and activities.

Removed language (p. 97):

“Regional park implementing agencies are encouraged to negotiate with local communities and landowners to provide fencing or vegetative screening to meet safety and local community concerns. Fencing and screening along new or existing regional trails may be grant-eligible development costs. The Council and the Metropolitan Parks and Open Space Commission will consider such costs when reviewing trail development master plans and trail development funding requests. Excessive screening or fencing beyond a reasonable minimum should be cost-shared with the adjacent landowner since the additional cost provides no benefit to the trail-using public.”

Language removed from 2015 RPPP (p. 99):

Finance − Strategy 4: Investments to be funded by the Capital Improvement Plan and Parks and Trails Legacy Fund must be included on the legislatively authorized project list.

To access its share of grant funds from the Capital Improvement Program and Parks and Trails Legacy Fund, a regional park implementing agency must have the proposed project included on the appropriate legislatively authorized project list. In certain circumstances, projects can be amended and the process for such an event is described in subsequent content.

D. Revenue from Nonrecreational and Recreational Uses

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

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

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

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

E. Amendments

If there are any unspent funds from the grant after the project is completed, grant agreements will list conditions for amendments. To maximize the efficiency of the work of the Metropolitan Parks and Open Space Commission and the Council, the Council has authorized its regional administrator or their designee to execute minor amendments to Regional Parks System grant agreements. The regional administrator or their designee may execute grant agreements that:

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

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

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

Language removed from the 2015 RPPP (p. 143):

Executing Minor Amendments to Grant Agreements

To maximize the efficiency of the work of the Metropolitan Parks and Open Space Commission and the Council, the Council has authorized its regional administrator or his/her designee to execute minor amendments to Regional Parks System grant agreements if such amendments meet at least one of the following criteria:

- The amendment is consistent with the 2040 Regional Parks Policy Plan.
- The amendment does not change the intent of the grant agreement in any essential respect.
- The amendment extends the duration of the grant agreement within the timeline permitted under the applicable funding source for the grant.

Rationale: Council policy and delegated signature authority address authority to execute amendments. Other areas of this document already define eligibility. Amendment language will also be included in grant agreements.
• The amendment clarifies the Council’s intent in entering the agreement.

• The amendment does not change the total amount of the grant.

• The amendment reflects changes officially adopted by the Council in the 2040 Regional Parks Policy Plan.

• The amendment is required under terms of the contract the Council has with the state agency that transmits state funds for the grant agreements.

• The amendment reflects changes officially adopted by the Council in Council policies or procedures (for example, changes in affirmative action plans or grant management procedures).

• The amendment executes restrictive covenants on land acquired with regional funds or releases restrictive covenants to permit another land use compatible with the park (for example, widening a county road that also provides access to the adjacent park).

Language removed from 2015 RPPP (p. 137):

Regional Parks System Capital Improvement Program Process

The Regional Parks CIP is one component of the Council’s unified Capital Improvement Program (CIP). The unified CIP process includes several elements. It ranks projects across the system based on three factors: first, consistency with Council finance policy and strategies outlined in this policy plan; second, relationship to applicable state law regarding the allocation of funds among the regional park agencies; and third, ranking of those projects within each regional park agency’s allocation.

The ranked project list in the CIP then serves as the basis for requesting legislative funding for the biennium. A draft funding request for state bonds is due in June and a final request is due in September preceding the second year of the legislative biennium.

The Metropolitan Parks and Open Space Commission, working with the regional park implementing agencies, initiates the annual process of revising the CIP. The Commission reviews requests from the regional park implementing agencies based on consistency with policies in this policy plan, applicable state law regarding the allocation of funds among the regional park agencies, and the relative share of each regional park implementing agencies share the funding request. The Metropolitan Parks and Open Space Commission will recommend a ranked list of projects to approve as a funding request for the Regional Parks portion of the Unified CIP, which is the capital improvement program for the entire Council.

After state bond appropriations have been authorized, the Council adopts amendments to the current year of the Council’s Unified Capital Budget (CB), which award grants proposed for funding in the Unified CIP. Projects financed with state bonds and matched with Metropolitan Council bonds will follow applicable rider language of that appropriation and applicable Council policy requirements in the finance section of this plan.

The amendment to the Unified CB identifies which projects from the CIP are funded and the level of funding by revenue source. Adopting amendments to the Unified CB to award grants that had been
proposed in the Unified CIP is not a substantial revision to the policy plan provided that all projects are consistent with the Unified CIP. Projects that are not consistent with the Unified CIP (for example, a project that was not in the CIP and is proposed to replace one that is, or to change the funding level from one project to another) will be reviewed by the Metropolitan Parks and Open Space Commission based on the project’s consistency with the finance policy and strategies outlined in this policy plan and applicable state law and subsequently make a recommendation to the Council.

Language removed from 2015 RPPP (p. 141)

Design Plans

When master plans are first approved by the Council, it is often true that large or complex recreation facilities are only conceptually described. When development of a particular recreation facility within a regional system component is imminent and when funds allocated in the CIP are available, the regional park implementing agency may request a grant.

Upon Council approval, the regional park implementing agency may use an agreed-upon portion of the allocated amount to prepare construction documents through what is generally defined as the design development phase of the project. If preferred, the regional park implementing agency may proceed with design in advance of a grant and request reimbursement consideration in a future CIP by following the reimbursement policy in this policy plan. The remainder of the grant will be used to construct the project after the Metropolitan Parks and Open Space Commission has reviewed the nature, scope and cost of the project for consistency with the Council-approved master plan and the regional CIP.

The Council will make development grants to regional park implementing agencies as follows:

- Development grants will be made for improvements such as recreational buildings, utilities, roads, parking and landscaping in regional parks, park reserves, trail corridors and special-use areas.

- Development grants may be made for natural resource rehabilitation within park reserves and conservation zones of regional parks.

- The costs of preparing and executing construction documents for development are grant-eligible, including consultations with natural resource professionals to ensure the development does not adversely affect the park system unit’s natural resource features.

- The Council may approve development grants before the preparation of construction documents for a project. Construction of such a project will not proceed until the Metropolitan Parks and Open Space Commission has been made fully aware of the nature, scope and estimated complete cost as determined in the design development phase of the process.

- Agency-wide improvements by regional park implementing agencies are grant-eligible expenses. When such eligible improvements are also used for other than regional park purposes, the regional funding will be on a negotiated, pro-rated basis.

Rationale: These are eligible uses as outlined elsewhere in funding sources.
State Bond Declarations

The commissioner of Minnesota Management and Budget (MMB), through an order dated August 26, 2010, requires a state bond declaration to be recorded on the land that is acquired or improved with the state bonds. The declaration states that any lease or sale of the improved land must be approved by the commissioner of MMB while the declaration is in effect. The declaration must be in effect for 125% of the useful life of the improvement on the land that was financed with the state bonds. For example, if state bonds were used to build a picnic shelter, and the picnic shelter has a useful life of 20 years, the declaration on the land where the picnic shelter is located would be in effect for 125% of 20 years, which is 25 years. If the land is to be sold before the state bonds are paid off that financed the improvement, the MMB will ask for a pro-rated refund of the state bonds that financed the grant.

To comply with the law, the Council will work with regional park implementing agencies on drafting declarations for each grant and will record them with the applicable land records office. A copy of the recorded bond declaration will be part of the Council’s land records and part of MMB’s records. A portion of the bond proceeds for the grant will pay the recording fee since this is a stipulation of using the state bonds and is ultimately the responsibility of the Council to ensure compliance with the law.

Closing Grants

Financial transactions of Regional Parks System grants are reported through grant reimbursement forms requesting funds to reimburse the park agency for grant eligible expenses, which are audited by the Council. A final report is generated by the regional park implementing agency. A final audit is conducted when the project is completed.

Under the terms of the agreements, grant agreements are to be “closed” once all grant-eligible work has been completed and paid for with grant funds. If there are any unspent funds from the grant after the project is completed, the regional park implementing agency must contact the Council to determine whether the scope of the grant can be amended. This does not apply to Park Acquisition Opportunity Fund grants.

The Metropolitan Parks and Open Space Commission will review the grant scope amendment request for consistency with the Council-approved master plan for that project and/or other Council policy applicable to the request. Council approval is required to amend the scope of a grant. Legislative approval may be required to amend the scope of a Parks and Trails Legacy grant.

It is in the interest of the Council and the regional park implementing agencies to close out completed projects in a timely manner and free up unspent funds for other projects within the timeline of the state appropriation that initially funded the grant or a portion of the grant. Any unspent state funds and matching Council bonds that financed the grant are no longer available for the project. The undisbursed funds are retained by the state or the Council.
F. **Future Reimbursement Consideration**

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

MPOSC and the Council must individually consider and approve all requests for Future Reimbursement Consideration before costs are incurred. The Council’s approval of Future Reimbursement Consideration does not represent or guarantee that the future reimbursement will be paid; rather, the approval only allows the Council to consider reimbursement of the costs at a later date. The Council is not obligated to provide such reimbursement. The Council must balance the availability of these reimbursements against the overall need for Council bonds in a given Regional Parks Bonding funding cycle. If the aggregate request for Future Reimbursement Consideration exceeds the Council’s ability to match at the prescribed level, the Council may decline any Future Reimbursement Consideration request.

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

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

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

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

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Original Future Reimbursement Consideration language (pp. 102-104):

**Finance – Strategy 6:** The Council may reimburse regional park implementing agencies for the costs of acquiring some lands before they have been made part of the Regional Parks System or for development projects undertaken before they can be financed through the Metropolitan Regional Parks Capital Improvement Program.

**Reimbursement for acquisition of land not currently designated in the 2040 Regional Parks Policy Plan**
Reimbursement will be considered for early acquisition of land that is not currently designated as regional recreation open space by the Council in the 2040 Regional Parks Policy Plan under certain conditions.

If land is acquired or protected under an option to purchase by a regional park implementing agency, or an entity under contract with that agency while the Council considers adding the land to the Regional Parks Policy Plan via a public hearing process, the Council will consider reimbursing the regional park implementing agency for the costs to acquire or protect the land via an option to purchase under the following conditions:

- The Council is informed in writing of the land acquisition or option to purchase before it occurs.
- The Council makes a preliminary finding through staff analysis that the proposed regional park unit is consistent with Siting and Acquisition Strategy 1 and the size/service area requirements for the applicable regional park system unit are met.
- The Council conducts a public hearing to designate the acquired land as regional recreation open space based on a draft acquisition master plan containing the acquired land or land held under an option to purchase. The hearing is conducted under the requirements of Minn. Stat. 473.147.
- Based on the findings/conclusions of the public hearing, the Council designates the land as regional recreation open space and approves an acquisition master plan that contains the acquired land or land held under an option to purchase.

If these conditions are met as required by Minn. Stat. 473.147, and 473.313, the Council will consider reimbursing the regional park implementing agency via a grant as permitted under Minn. Stat. 473.315 for the following costs:

- Appraisal costs incurred by the acquiring regional park implementing agency or entity under contract with the agency
- Surveying costs incurred by the acquiring regional park implementing agency or entity under contract with the agency
- Legal fees incurred by the acquiring regional park implementing agency or entity under contract with the agency
- Fees for service provided by an entity under contract by the regional park implementing agency to negotiate and purchase the land or obtain an option to purchase
- Principal payments made toward the purchase price including principal payments on a contract for deed or bond, or payments made on an option to purchase
- 180% of township or city taxes due on the parcel at the time of closing as required by Minn. Stat. 473.341

Language in the 2018 RPPP on acquisition master plans (Chapter Five – Planning Strategy 1) replaces this language.
In order to comply with Minn. Stat. 16A.695 requirements on the expenditure of state bonds, to minimize the total costs of acquisition and to be consistent with reimbursements made on other projects, these costs are not grant-eligible:

- Acquisition costs incurred to acquire a local park, which is later designated a regional park
- Interest incurred by the acquiring regional park implementing agency or entity under contract with the agency on bonds it issued to buy the land, or interest incurred on a contract for deed payment
- Projected investment revenue lost by the acquiring regional park implementing agency or entity under contract with the agency, based on what it might have earned on funds it spent to acquire the land or to buy an option to purchase the land
- Interest on inter-agency or intra-agency loans used to finance the acquisition payment(s) or option to purchase

**Reimbursement for development projects undertaken before they can be financed through the Capital Improvement Plan**

Reimbursement will be considered for development projects provided that:

- the project is consistent in timing, scale, type, and cost with a Council-approved master plan
- all information required for the development grant is submitted to the Council prior to the regional park implementing agency undertaking the project, and
- the Council approves the project.

State funds are not eligible to be used for reimbursement grants when the regional park implementing agency uses the reimbursement to pay off its bonds or an account that was used to initially finance the project. In those cases, only Council bonds may be used. In cases where the regional park implementing agency uses the proceeds from the reimbursement grant to finance new capital projects, state funds as well as Council bonds may be used to finance the grant.

The Council will consider reimbursing the implementing agency based on whether the development or rehabilitation project meets the criteria – not on how the regional park implementing agency plans to spend the reimbursement grant. However, regional park implementing agencies should state how they would spend the reimbursement grant so that state funds as well as Council bonds can be used when possible.

This would eliminate any need for amendments to the Council’s Unified Capital Budget, since the Regional Parks Capital Improvement Program (CIP) would accurately reflect, and inform the public and elected officials, how the funds will be spent.

Because Council bonds are limited to financing only 40% of the total biennial Regional Parks CIP, the following steps will be taken when considering reimbursement requests in a biennial Regional Parks CIP:
Regional park implementing agencies should submit their CIP funding requests with the understanding that reimbursement grants should not exceed 40% of a regional park implementing agency's biennial CIP allocation.

If the total requests for reimbursement grants exceeds 40% of the total biennial CIP, regional park implementing agencies should submit plans to the Council as to how they intend to spend the reimbursement grant. This information is necessary to ascertain whether or not state bonds can also be used to finance the reimbursement grant in addition to Council bonds. If the total dollar amount of requests for reimbursement requiring Council bond funding exceeds the amount of Council bonds available for that biennial CIP, regional park implementing agencies will be asked to modify their CIP requests for reimbursements for that biennium so that the amount requested for reimbursement does not exceed the amount available.

The Council will use best efforts to implement this reimbursement policy as described above. However, the Council does not, under any circumstances, represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a regional park implementing agency to reimbursement.