

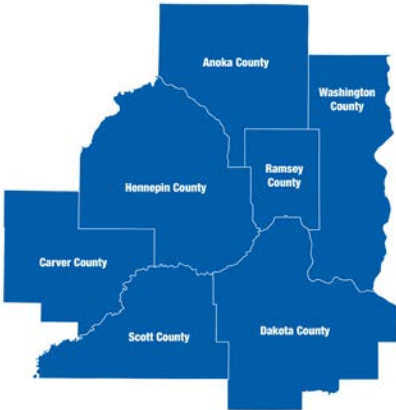
REGIONAL PARKS SYSTEM FUND DISTRIBUTION POLICY



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

Metropolitan Council Members

Nora Slawik	Chair	Edward Reynoso	District 9
Vacant	District 1	Marie McCarthy	District 10
Lona Schreiber	District 2	Sandy Rummel	District 11
Jennifer Munt	District 3	Harry Melander	District 12
Deb Barber	District 4	Richard Kramer	District 13
Vacant	District 5	Jon Commers	District 14
Gail Dorfman	District 6	Steven T. Chávez	District 15
Gary L. Cunningham	District 7	Wendy Wulff	District 16
Cara Letofsky	District 8		



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.

TABLE OF CONTENTS

1		
2	I. Introduction	1
3	A. Purpose.....	1
4	B. Regional Parks Implementing Agencies	1
5	C. Regional Parks System Funding	1
6	1. Operation and Maintenance.....	1
7	2. Parks and Trails Legacy Fund Program.....	1
8	3. Park Acquisition Opportunity Fund.....	1
9	4. Regional Parks Bonding Program.....	2
10	D. Annual Review	2
11	E. Administrative Guidance.....	2
12	II. Operation and Maintenance	3
13	A. Funding Source	3
14	B. Allocation.....	3
15	C. Eligible costs and activities.....	3
16	D. Required Match.....	4
17	III. Parks and Trails Legacy Fund Program	5
18	A. Funding Source.....	5
19	B. Allocation.....	5
20	C. Eligible Projects and Costs.....	5
21	D. Amendments	7
22	E. Required Match.....	9
23	IV. Park Acquisition Opportunity Fund Program	10
24	A. Funding Source.....	10
25	B. Allocation.....	10
26	C. Eligible Projects and Costs.....	10
27	D. Eminent Domain.....	14
28	E. Revenue from Nonrecreational and Recreational Uses	14
29	F. Unspent Funds.....	15
30	G. Required Match.....	15
31	V. Regional Parks Bonding Program	19
32	A. Funding Source.....	19
33	B. Allocation.....	19
34	C. Eligible Projects and Costs.....	19
35	D. Revenue from Nonrecreational and Recreational Uses	21
36	E. Amendments	22
37	F. Future Reimbursement Consideration	22
38		

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
6 Resources Trust Fund / Park
7 Acquisition Opportunity Fund
8 (ENRTF/PAOF) account funded
9 by ENRTF dollars and Council
10 funds. The Council matches
11 every \$3 in ENRTF funds with \$2
12 in Council funds for Regional
13 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 .

14 **4. Regional Parks Bonding Program**

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

- 18 • Regional park bonds issued by the
19 Council for the Regional Parks
20 System.
- 21 • State bonds appropriated for the Regional Parks System.

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.

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

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.

26 Bonds may be taxable or non-taxable.

27 **D. Annual Review**

28 The Council shall, after consultation with
29 the Regional Parks Implementing Agencies
30 and other stakeholders and with the advice
31 of the Metropolitan Parks and Open Space
32 Commission, adopt the Regional Parks
33 Fund Distribution Policy, review the Policy annually, and amend the Policy as needed.

This language is intended to set up the structure for amendments to this document.

34 **E. Administrative Guidance**

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

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

41 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**

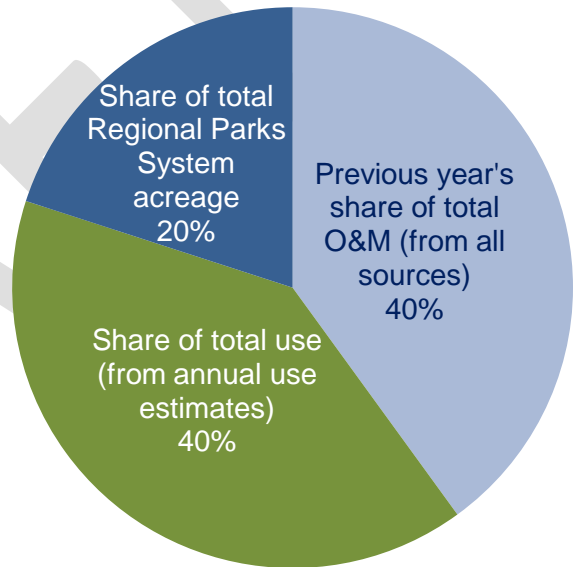
6 The state of Minnesota appropriates money the Council disburses to the Agencies to pay for a
7 portion of the cost of providing for the operation and maintenance of waters, lands, and facilities
8 that are part of the Regional Parks System. This money has come from two sources:

- 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
31 administrative guide for more detailed guidance about
32 eligible and ineligible costs and activities.

33 Costs cannot be associated with activities or
34 programming inconsistent with Recreation Activities and
35 Facilities – Strategy 1 of the *2040 Regional Parks Policy Plan*. Additionally, activities within enterprise facilities,
36 defined in the *2040 Regional Parks Policy Plan* as
37 facilities that are expected to generate sufficient
38 revenues to cover their own costs such as golf courses,
39 downhill ski areas, and water parks, are not eligible for
40

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).

1 Operation and Maintenance funding. These facilities are not eligible for regional park funds from the
2 Council because enterprise-fund recreation facilities are expected to raise money for their
3 development and operation in the same way as their private sector counterparts.

4 **D. Required Match**

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

7

8

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

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

Rationale: How regional park implementing agencies raise funds outside of the Council is not under the purview of the Council.

- 13 • "Fees collected from people using their parks. Examples include vehicle entrance fees,
14 picnic shelter rentals, recreational equipment rentals, room rentals at visitor centers, and
15 tuition for educational programs.
- 16 • "Local property taxes.
- 17 • "Local Government Aid payments from the State of Minnesota."

18

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.

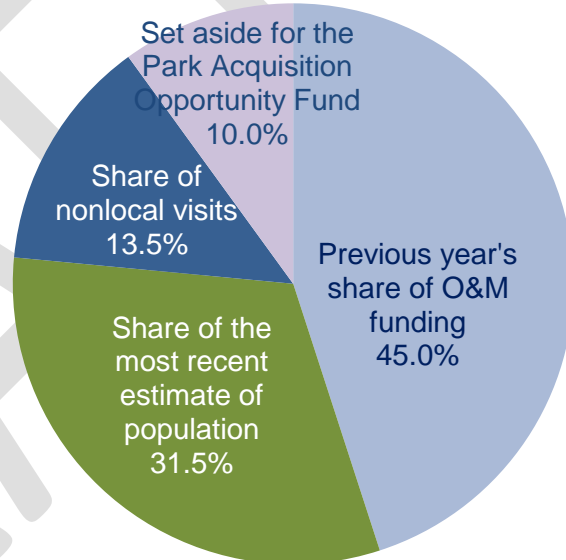
8 A. Funding Source

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
18 Agency’s share of O&M funding
19 according to the allocation formula in
20 Minn. Stat. § 473.351, subdivision 3;
- 21 • 31.5% based on each implementing
22 Agency's relative share of the most
23 recent estimate of the population of
24 the metropolitan area;
- 25 • 13.5% based on each implementing
26 Agency's relative share of nonlocal
27 visits based on the most recent user
28 visitation survey conducted by the Metropolitan Council; and
- 29 • 10% set aside for Park Acquisition Opportunity Fund (see more on p. 10).



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:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38

- 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.

Consistent with recent discussions, neither this document nor the 2018 RPPP bring forward the 2015 RPPP language about a minimum percentage going toward Connecting People and the Outdoors.

This is new language designed to recognize that projects may be requested prior to master plan amendments that would make the projects consistent (e.g., Spring Lake Park Reserve).

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):

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

Rationale: There is no “legislatively-authorized project list”. Moreover, this section describes a process that is established by the governor. The Council follows the state process.

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

10
11 Language removed from the 2015 RPPP (p. 138):

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

Rationale: This describes a process, not a policy, and will be in the sub-recipient administrative guide. Moreover, this section describes a process that is established by the governor. The Council follows the state process.

24 D. Amendments

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

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

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

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

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

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

4 Executing Minor Amendments to Grant Agreements

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

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.

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

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

28 Closing Grants

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

33 Under the terms of the agreements, grant agreements are to be "closed" once all grant-eligible work
34 has been completed and paid for with grant funds. If there are any unspent funds from the grant
35 after the project is completed, the regional park implementing agency must contact the Council to

1 determine whether the scope of the grant can be amended. This does not apply to Park Acquisition
2 Opportunity Fund grants.

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

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

12

13

14 **E. Required Match**

15 None.

DRAFT

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

This is consistent with the 2018 RPPP (p. 106); the term “Council funds” gives the Council the opportunity to use funding sources other than bonds to match state dollars.

19 B. Allocation

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

The reference to first-come, first-served is new language that is consistent with current practice. The 2015 RPPP language was, “Both programs in the Council’s Park Acquisition Opportunity Fund Grant program are non-competitive and awarded based on funding availability among other considerations detailed in subsequent chapters.”

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

37 C. Eligible Projects and Costs

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

- 40 • ***Within the boundaries of the Regional Parks System;***

- 1 • Consistent with the **2040 Regional Parks Policy Plan** or subject to an amendment to **2040**
2 **Regional Parks Policy Plan** to designate the land as regional recreation open space;
- 3 • Consistent with a **Council-approved master plan** or a **Council-approved acquisition**
4 **master plan**;
- 5 • Located fully within **Council-approved master plan boundaries** prior to the Council
6 executing a grant agreement; and
- 7 • Reserved for public use in perpetuity for the Regional Parks System.

8
9 Consistent with [authorizing state statutes](#) and the *2040 Regional Parks Policy Plan*, all grants from
10 the PAOF / ENRTF must additionally follow LCCMR requirements.

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

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

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

Rationale: Previous language was “subdivided into lots”; this updates into “logically divided” to expand flexibility for using both ENRTF and PTLF.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

Language removed (pp. 123-124):

Qualifying Land Acquisition Costs

Rationale: Eligible costs are identified in the previous paragraph or mentioned elsewhere in the 2018

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;

- 1 • Development of the land to provide minimal access to it for public recreational use as reviewed
2 and approved by the Council in consideration of the grant. Such development must be
3 consistent with the applicable Council-approved master plan and may include the cost of an
4 access road and/or trail, parking lot, and signage;
- 5 • Interest costs to acquire the land can be counted as part of the park agency's 25% match to the
6 grant. However, the interest costs are not eligible for reimbursement as part of that park
7 agency's share of a future regional parks capital improvement program;
- 8 • Holding costs incurred by an outside third party that purchased the property to hold on behalf of
9 the park implementing agency; and
- 10 • Other expenses not listed above that are directly related to the land acquisition.

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

13 Language removed (pp. 138):

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

Rationale: There is unresolved tension in "whenever possible" and "must make".

20 Language removed (pp. 139-140):

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

Rationale: Special assessments are identified as an eligible cost.

29 "Under the provisions of Minn. Stat. 473.334:

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

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

38 "If a regional park implementing agency challenges a special assessment to determine the measure
39 of benefit to the regional park unit, regional funds may be used to pay the assessment and for any

1 penalties and interest incurred during the time of challenging the assessment, as well as for the
2 regional park implementing agency's legal costs in challenging the assessment if agreed to
3 previously by the Council."

4 D. Eminent Domain

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

17 E. Revenue from Nonrecreational and Recreational Uses

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

Rationale: Temporary non-recreational uses may be inconsistent with arbitrage rules governing tax-exempt bonds. The Fund Distribution Policy no longer identifies nonrecreational uses as consistent with Regional Parks System purposes.

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

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

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

Rationale: Previous language required the annual report.

1 **F. Unspent Funds**

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

4 **G. Required Match**

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

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

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

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

37 **H. Amendments**

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

1 agreements for up to one year when not otherwise prohibited by law, statute, or funding allocation.
2 The Council does not consider other amendments to PAOF grants.

3
4 Language removed (pp. 125-126):

5 **Special Circumstances**

6 ***Lack of Available Acquisition Opportunity Funds***

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

Rationale: The Council is working out a process that aligns with our broader Council budget policies.

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

21 ***Third-party Acquisitions***

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

27 ***Excess of Available Acquisition Opportunity Funds***

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

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

1 The total amount of these reimbursement grants would consume the remaining state
2 appropriation and applicable Council bond match. The amount of each reimbursement grant
3 should be proportionate to the local match amount initially funded by each park agency – not
4 with other funding sources the park agency used as their match. These reimbursement grants
5 would only be for grants initially financed from that soon-to-expire state appropriation and
6 applicable Council bond match. If there were still funds remaining, reimbursement grants for the
7 local matches on other acquisitions could be considered that were initially financed from that
8 acquisition account but from an earlier appropriation.

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

13 *Acquisition Funds Delineated in Capital Improvement Fund*

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

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

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

Rationale: Embedded in eligible costs above.

- 32 • The aggregate cost of acquiring the land and remediation does not exceed the certified
33 appraised value of the land at the time of purchase. The certification of the market value of
34 the property will be based on a third-party field review of the appraisal. The appraisal review
35 must determine that the appraisal followed USPAP. The appraisal review must be submitted
36 to the Council.
- 37 • The cost of the third-party appraisal review is a grant-eligible item. In addition to the
38 certification of the market value of the parcel, the park agency must submit documentation
39 of the costs for remediation as listed below. The difference between the actual acquisition
40 and remediation costs compared to the certified market value of the land prior to clean up
41 may be applied towards the park agency's local match requirement.
- 42 • The regional park implementing agency has an agreement with the party that will
43 remediate/clean up the contamination or cap an abandoned well. The agreement will include

1 mutually agreed upon environmental assurances from the Minnesota Pollution Control
2 Agency limiting future liability for pollution caused by the contaminated soil or contaminated
3 groundwater and follow guidance set by the Minnesota Department of Health for sealing
4 unused wells, if appropriate.

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

- 6 • Costs to prepare Phase 1 and Phase 2 Environmental Site Assessments, the Quality
7 Assurance Project Plan, Remediation Action Plan and the Environmental Engineer's
8 Estimate
- 9 • Minnesota Pollution Control Agency (MPCA) Voluntary Investigation Cleanup (VIC) service
10 charges
- 11 • Costs to implement the remediation action plan and secure appropriate assurances from the
12 MPCA, and
- 13 • Other costs not listed above which are directly related to soil remediation or well capping

14 Documentation of these remediation costs plus other costs associated with the acquisition must
15 be submitted to the Council as part of the grant request.

16

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
6 Parks Bonding Program:

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

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

Previous RPPP language, updated in the 2018 RPPP, referred to: “The Council’s Capital Improvement Program (CIP) is intended for Regional Park System acquisition, development, and redevelopment projects. The fund is financed by state (60%) and Council (40%) bonds.” New language, both here and in the 2018 RPPP, uses “Regional Parks Bonding” and refers to \$3 of state bonds matched by \$2 of regional park bonds.

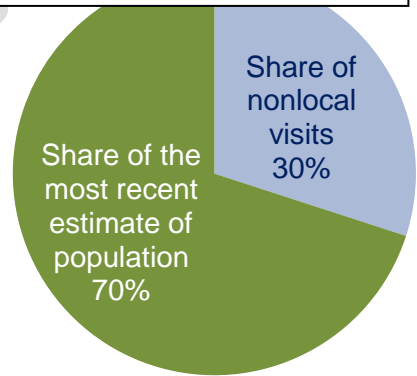
15 Bonds may be taxable or non-taxable. All
16 projects will be subject to applicable bonding
17 rules..

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

18 **B. Allocation**

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

- 22 • 70% based on the population within the jurisdiction of
23 each Agency compared to the region’s total population.
- 24 • 30% based on the number of visits an Agency hosted
25 from people who live outside the Agency’s jurisdiction
26 (non-local visits).



27 **C. Eligible Projects and Costs**

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

- 32 • Projects that provide new facilities, rehabilitate facilities, or increase capacity where there is
33 documented existing or projected high use.
- 34 • Projects continuing a phased high-priority project or one of relatively high priority that is
35 timed with other public improvement projects to achieve significant economies in cost of
36 construction.

- 1 • A project providing a specific facility that meets a documented need, is currently not
- 2 available, or is significantly under-represented in the system.
- 3 • Regional trails that connect to other trails or regional facilities or extend existing trails.
- 4 • Natural resource restoration, including transforming degraded lands into lands with more
- 5 representative native species and historic vegetation patterns. For example, this work may
- 6 entail the removal of invasive species, restoration of pastureland, or transforming industrial
- 7 lands into a more diverse natural landscape.
- 8 • Acquisition of parkland parcels.
- 9 • Reimbursement for parkland parcels as described in Section F below.
- 10 • Matching non-state and non-Council funds to develop/rehabilitate recreation facilities or
- 11 restore natural resource areas is encouraged.
- 12 • Projects that provide essential facility improvements and natural resource enhancements to
- 13 allow for the initial public use of a regional park once there is adequate demand and
- 14 acquisition base to support the development.

15 Consistent with authorizing state statutes and the *2040 Regional Parks Policy Plan*, all grants from

16 the Regional Parks Bonding Program (both programs) must fund projects that:

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

This is new language designed to recognize that projects may be requested prior to master plan amendments that would make the projects consistent (e.g., Spring Lake Park Reserve).

29 Based on the prioritized project lists submitted by the Agencies, the Metropolitan Parks and Open

30 Space Commission recommends a list of projects to be included as part of the Governor’s state

31 bonding request to be submitted to the State Legislature.

32 **Language removed (p. 97):**

33 “Regional park implementing agencies are responsible

34 for the development and rehabilitation needs for their

35 units in the Regional Parks System. Each regional park

36 implementing agency ranks its proposed development and rehabilitation projects for possible

37 inclusion in the capital improvement program of the Council. All of the proposed development and

38 rehabilitation projects may be desirable, but some – due to their location, their existing use or

39 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.”

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

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.

Rationale: There is no “legislatively-authorized project list”. Moreover, this section describes a process that is established by the governor. The Council follows the state process.

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.

Rationale: Temporary non-recreational uses may be inconsistent with arbitrage rules governing tax-exempt bonds. The Fund Distribution Policy no longer identifies nonrecreational uses as consistent with Regional Parks System purposes.

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

1 generated by nonrecreational uses in regional park lands, consistent with a Council-approved
2 master plan, shall be used in regional park lands either for stewardship or for the capital costs of
3 providing regional recreation opportunities, unless the Council consents to another use.

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

8 E. Amendments

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

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

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

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

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

26 Executing Minor Amendments to Grant Agreements

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

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.

- 34 • The amendment is consistent with the *2040 Regional Parks Policy Plan*.
- 35 • The amendment does not change the intent of the grant agreement in any essential respect.
- 36 • The amendment extends the duration of the grant agreement within the timeline permitted
37 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 (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.

Rationale: Regional Parks follows the Council's capital budgeting process.

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

1 proposed in the Unified CIP is not a substantial revision to the policy plan provided that all projects
2 are consistent with the Unified CIP. Projects that are not consistent with the Unified CIP (for
3 example, a project that was not in the CIP and is proposed to replace one that is, or to change the
4 funding level from one project to another) will be reviewed by the Metropolitan Parks and Open
5 Space Commission based on the project's consistency with the finance policy and strategies
6 outlined in this policy plan and applicable state law and subsequently make a recommendation to
7 the Council.

8 Language removed from 2015 RPPP (p. 141)

9 Design Plans

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

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

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

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

- 24 • Development grants will be made for
25 improvements such as recreational buildings,
26 utilities, roads, parking and landscaping in regional parks, park reserves, trail corridors and
27 special-use areas.
- 28 • Development grants may be made for natural resource rehabilitation within park reserves
29 and conservation zones of regional parks.
- 30 • The costs of preparing and executing construction documents for development are grant-
31 eligible, including consultations with natural resource professionals to ensure the
32 development does not adversely affect the park system unit's natural resource features.
- 33 • The Council may approve development grants before the preparation of construction
34 documents for a project. Construction of such a project will not proceed until the
35 Metropolitan Parks and Open Space Commission has been made fully aware of the nature,
36 scope and estimated complete cost as determined in the design development phase of the
37 process.
- 38 • Agency-wide improvements by regional park implementing agencies are grant-eligible
39 expenses. When such eligible improvements are also used for other than regional park
40 purposes, the regional funding will be on a negotiated, pro-rated basis.

1 Language removed (p. 138):

2 State Bond Declarations

3 The commissioner of Minnesota Management and
4 Budget (MMB), through an order dated August 26, 2010,
5 requires a state bond declaration to be recorded on the
6 land that is acquired or improved with the state
7 bonds. The declaration states that any lease or sale of
8 the improved land must be approved by the
9 commissioner of MMB while the declaration is in effect.

Rationale: This is not at the discretion of the Council and is part of relevant grant agreements.

10 The declaration must be in effect for 125% of the useful life of the improvement on the land that was
11 financed with the state bonds. For example, if state bonds were used to build a picnic shelter, and
12 the picnic shelter has a useful life of 20 years, the declaration on the land where the picnic shelter is
13 located would be in effect for 125% of 20 years, which is 25 years. If the land is to be sold before
14 the state bonds are paid off that financed the improvement, the MMB will ask for a pro-rated refund
15 of the state bonds that financed the grant.

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

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

23 Closing Grants

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

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

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

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

1 **F. Future Reimbursement Consideration**

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

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

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

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

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

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

33
34 **Original Future Reimbursement Consideration language (pp. 102-104):**

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

39 *Reimbursement for acquisition of land not currently designated in the 2040 Regional Parks Policy*
40 *Plan*

1 Reimbursement will be considered for early
2 acquisition of land that is not currently designated as
3 regional recreation open space by the Council in the
4 2040 Regional Parks Policy Plan under certain
5 conditions.

Language in the 2018 RPPP on acquisition master plans (Chapter Five – Planning Strategy 1) replaces this language.

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

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

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

- 26 • Appraisal costs incurred by the acquiring regional park implementing agency or entity under
27 contract with the agency
- 28 • Surveying costs incurred by the acquiring regional park implementing agency or entity under
29 contract with the agency
- 30 • Legal fees incurred by the acquiring regional park implementing agency or entity under
31 contract with the agency
- 32 • Fees for service provided by an entity under contract by the regional park implementing
33 agency to negotiate and purchase the land or obtain an option to purchase
- 34 • Principal payments made toward the purchase price including principal payments on a
35 contract for deed or bond, or payments made on an option to purchase
- 36 • 180% of township or city taxes due on the parcel at the time of closing as required by Minn.
37 Stat. 473.341

1 In order to comply with Minn. Stat. 16A.695 requirements on the expenditure of state bonds, to
2 minimize the total costs of acquisition and to be consistent with reimbursements made on other
3 projects, these costs are not grant-eligible:

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

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

15 Reimbursement will be considered for development projects provided that:

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

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

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

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

34 Because Council bonds are limited to financing only 40% of the total biennial Regional Parks
35 CIP, the following steps will be taken when considering reimbursement requests in a biennial
36 Regional Parks CIP:

1 • Regional park implementing agencies should submit their CIP funding requests with the
2 understanding that reimbursement grants should not exceed 40% of a regional park
3 implementing agency's biennial CIP allocation.

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

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

DRAFT



390 Robert Street North
Saint Paul, MN 55101-1805

651.602.1000
TTY 651.291.0904
public.info@metc.state.mn.us
metro council.org

Follow us on:
twitter.com/metcouncilnews
facebook.com/MetropolitanCouncil
youtube.com/MetropolitanCouncil