

Metropolitan Parks and Open Space Commission

Meeting date: August 5, 2021

Subject: Park Acquisition Opportunity Fund (PAOF) Program Overview

District(s), Member(s): All

Policy/Legal Reference: *2040 Regional Parks Policy Plan*, Chapter 8, Strategy 7

Staff Prepared/Presented: Jessica Lee, Senior Parks Planner (651-602-1621)

Division/Department: Community Development

Proposed Action

Information item; no action is proposed at this time.

Background

The Park Acquisition Opportunity Fund (PAOF) grant program was established by the Council in 2001 to assist the regional park implementing agencies in acquiring land for the Regional Parks System. The PAOF program has two state funding sources, the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). Ten percent of each PTLF appropriation to the Council is set aside for the PAOF program. The Council applies for ENRTF acquisition funding from the Legislative Citizen Commission on Minnesota Resources (LCCMR) through a formal, competitive process. The Council matches every \$3 in state funds with \$2 in Council funds. The implementing agencies are required to contribute 25% of the total acquisition project cost.

The PAOF program is non-competitive, and funds are awarded on a first-come, first-served basis when funding is available. Each agency is eligible for up to \$3.4 million each fiscal year, \$1.7 million from ENRTF and Council match, and \$1.7 million from PTLF and Council match. For fiscal year 2022, the Council has approximately \$9.5 million available for the PAOF program, from a combination of PTLF, ENRTF, and Council funds. The Council will be bringing these funds into the budget through a formal budget amendment, anticipated to be in August 2021.

Only parcels that are within a Council-approved master plan boundary are eligible for the PAOF program. Agencies are required to have certified appraisals for each property they wish to acquire. Appraisals must be less than one year old. The Council may make awards for acquisition purchases that are up to 110% of the appraised value, but LCCMR approval is required for ENRTF purchases above 100%. Any amount paid beyond 110% of the appraised value will not be eligible for grant funding or agency match. On occasion, an agency will need to acquire an interest in land through eminent domain; in such cases, the amount settled in Courts may be eligible for grant funding.

Implementing agencies apply for PAOF grants through the Council's WebGrants application. Agencies must include a signed purchase agreement and the certified appraisal in order for their application to be considered complete and thus placed in line for funding. Typically, PAOF applications are brought to MPOSC and the Council for approval within one to three months of them being submitted, if funding is available. Agencies may close on the property immediately following Council approval. Acquisition costs including but not limited to appraisals, legal fees, taxes, and initial stewardship may all be included in the application budget.

Council staff will provide an overview of the PAOF program at the upcoming MPOSC meeting and answer any additional questions from Commissioners.

Thrive Lens Analysis

The PAOF program is consistent with Thrive’s Livability and Stewardship outcomes. The Council’s investment in land acquisitions provides additional access to outdoor recreation, enhances quality of life, and protects natural resources.