

Metropolitan Parks and Open Space Commission

Meeting date: December 3, 2013

For the Community Development Committee meeting of December 16, 2013

For the Metropolitan Council meeting of January 8, 2014

Subject: Park Acquisition Opportunity Fund Grant for Above the Falls Regional Park (2128 Marshall Street NE), Minneapolis Park and Recreation Board (Tori Dupre 651-602-1621)

District(s), Member(s): Metropolitan Parks & Open Space Commission District D, (vacant)

Policy/Legal Reference: Minnesota Statute Section 473.315

Staff Prepared/Presented: Tori Dupre, Senior Planner-Regional Parks and Natural Resources (651-602-1621)

Division/Department: Community Development Division

Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$185,370 from the Parks and Trails Legacy Fund Acquisition Account to Minneapolis Park and Recreation Board to finance up to 75% of the costs to acquire approximately 22,650 square feet for the Above the Falls Regional Park. The grant should be financed with:
 - \$111,222 from the FY2014 Parks and Trails Legacy Fund appropriation, and
 - \$74,148 from Metropolitan Council bonds
2. Authorize the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

Background

On November 18, 2013 the Council received the Minneapolis Park and Recreation Board's request for an \$185,370 acquisition opportunity grant. The grant will help finance up to 75% of the estimated costs to acquire approximately .52 acres (22,650 square feet) for the Above the Falls Regional Park. (Attachment 1)

Minneapolis Park and Recreation Board has an opportunity to acquire the property at 2128 Marshall Street NE that will provide access to the Mississippi River inside Above the Falls Regional Park. The property is approximately 22,650 square feet and includes residential structures that will be removed to provide 85 feet of river frontage to the regional park visitors. The parcel is within the mapped park boundary in the Above the Falls Regional Park Master Plan. (Attachment 2)

The Park Board's acquisition is consistent with the Metropolitan Council-approved master plan (February 13, 2002; Item 2001-67) for Above the Falls Regional Park.

Total acquisition costs for the residential parcel is \$385,050. The Park Board requests acquisition grant funding for 62 percent, the portion of the lot to be parkland, which is eligible for funding. This part includes residential structures (house and garage) that will

be removed by the seller as a condition of the purchase transaction. The remainder of the lot (38 percent) will become a parking area.

Because the park board seeks grant funding for only 62 percent of the parcel, it totaled the acquisition costs (including eligible costs such as the purchase price, appraisal, etc.), calculated 62 percent of that cost, and requested 75 percent of that amount. The grant amount requested is for \$185,370.

The 25 percent local share of the acquisition costs will be paid by the Mississippi Watershed Management Organization, not to exceed \$63,000. (Attachment 4)

The Minneapolis Park and Recreation Board's request is consistent with the Park Acquisition Opportunity Grant Rules (Metropolitan Council, 01/09/2013, 2012-260).

Rationale

In 2001, the Metropolitan Council established a Park Acquisition Opportunity Fund grant program to assist regional park agencies in acquiring land for the Metropolitan Regional Park System. Land that is acquired must be within Metropolitan Council approved master plan boundaries for that particular park or trail unit.

Currently, the cumulative amount of all Park Acquisition Opportunity Fund grants totals \$34,827,158 acquiring 2,841 acres. The total cost to acquire this land is \$79,959,965.

All park acquisition opportunity grant agreements include an "agreement and restrictive covenant" that park agencies record to ensure that the property remains in regional recreation use. The Metropolitan Council's action authorizes the Community Development Director to sign the grant agreement and accompanying documents including the restrictive covenant.

Funding

The unobligated balance in the Parks and Trails Legacy Fund acquisition account is \$2,744,225, which includes \$746,535 of fiscal year 2014 Parks and Trails Legacy Fund money, plus \$1,997,690 of Metropolitan Council Bonds. On September 25, 2013, the Metropolitan Council added \$1.5 million of Metro Council bonds to this account.

The acquisition costs are summarized in Table 1 showing only the costs that represent 62 percent of the total parcel acquisition costs for which the Park Board is seeking grant funding.

Table 1: Acquisition Costs (62 percent of total)

Cost Items	Amount
Purchase Price	\$179,048
Appraisal	\$1,023
Taxes, Closing costs, Survey, Environmental Review	\$5,299
Total	\$185,370

The Metropolitan Council's approval of the Minneapolis Park and Recreation Board grant request leaves an unobligated balance of \$2,558,855 in the Parks and Trails Legacy Fund acquisition account.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Grant Request (up to 75% acquisition total)	\$185,370
FY2014 Parks and Trails Legacy Fund (60%)	\$111,222
Metropolitan Council bonds (40%)	\$74,148

Known Support / Opposition

The request is consistent with the rules for Park Acquisition Opportunity Fund Grant Rules (MC Item 2012-260) and with the Above the Falls Regional Park master plan. The Council has received no communication of support or opposition to the Park Board's grant request.

Attachment 1: Minneapolis Park and Recreation Board request for an acquisition grant for the Above the Falls Regional Park



**Minneapolis
Park & Recreation Board**

Administrative Offices
2117 West River Road
Minneapolis, MN 55411-2227

Operations Center
3800 Bryant Avenue South
Minneapolis, MN 55409-1000

Phone
612-230-6400
Fax:
612-230-6500

www.minneapolis-parks.org

November 14, 2013

Mr. Arne Stefferud
Manager, Regional Parks and Natural Resources
Metropolitan Council
390 North Robert Street
Saint Paul, MN 55101

Re: Acquisition Opportunity Fund Grant Request
Above the Falls Regional Park
2128 Marshall Street NE Acquisition

Dear Mr. Stefferud:

On behalf of the Minneapolis Park and Recreation Board, I am writing to request the Metropolitan Council's consideration of funding assistance for acquisition of park land within the Above the Falls Regional Park.

The Park Board has negotiated the purchase of 2128 Marshall Street NE for \$385,050, which is \$450,950 less than the full appraised value of \$836,000. Of the negotiated purchase price, the portion of the property which is eligible for consideration under this Fund is 62% of the area, or \$238,731. We calculated the eligible vs. non-eligible property as follows. Because we anticipate putting a parking lot on the easterly portion of the property we are acquiring (38% of the total square footage of the parcel), we are considering that ineligible for this grant proposal. See attached for the depiction of this division of the lot. The attached aerial photo shows an existing residence and separate one-car garage, both of which are being removed from the property by the seller as a condition of this transaction.

The property is in an area of mixed commercial/industrial and residential properties along the east bank of the Mississippi River, targeted for acquisition as and when the parcels become available. The site consists of a residential lot totaling 22,650 square feet with approximately 85 feet of frontage on the Mississippi River and direct access from Marshall Street NE, a publicly-traveled right of way. The property is just one commercial lot north of Gluek Park, an existing part of the Above the Falls Regional Park. Acquiring this lot will provide accessibility to the river and increase our ownership of land along the river toward a future pedestrian/biking trail in the regional park.

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John Erwin

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Commissioners
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Jon C. Olson
Anita Tabb
Scott Vreeland
Liz Wielinski

Superintendent
Jayne Miller

Secretary to the Board
Karen Robinson



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The Minneapolis Park and Recreation Board has submitted a grant request for \$100,000 of our share of the FY2014 Parks and Trails Legacy Fund to be applied to the non-eligible portion of this land acquisition. We are now requesting funding assistance through the Acquisition Opportunity Grant Program under the "75% Met Council/25% Local Match" rules. Under these rules, we are requesting an Acquisition Opportunity Grant toward only the eligible portion of the property in the amount of \$185,370 based on 75% of the total purchase costs of the land (see below and attached for copies of the cost items with asterisks). The 25% local match has been committed by the Mississippi Watershed Management Organization (see attached Additional Information Sheet for more detail on this).

Purchase Price	\$385,050, of which \$238,731 (62%) is eligible Property; 75% of this is	\$179,048
	Total Cost	Proposed Grant Share
Prorata 2012 Property Tax	\$525	244
Tax Equiv.Pmt (180%)	\$2,758	1,282
Appraisal*	\$2,200	1,023
Survey*	\$4,750	2,209
Environmental Review*	\$1,900	884
Closing Costs	\$1,460	<u>680</u>
Total Grant Request:		\$185,370

Thank you for the opportunity to apply for this grant. We are excited to add this property to our master plan for Above the Falls Regional Park, and hope this can be included on your December, 2013, agenda. Please contact me if you have any questions.

Sincerely,

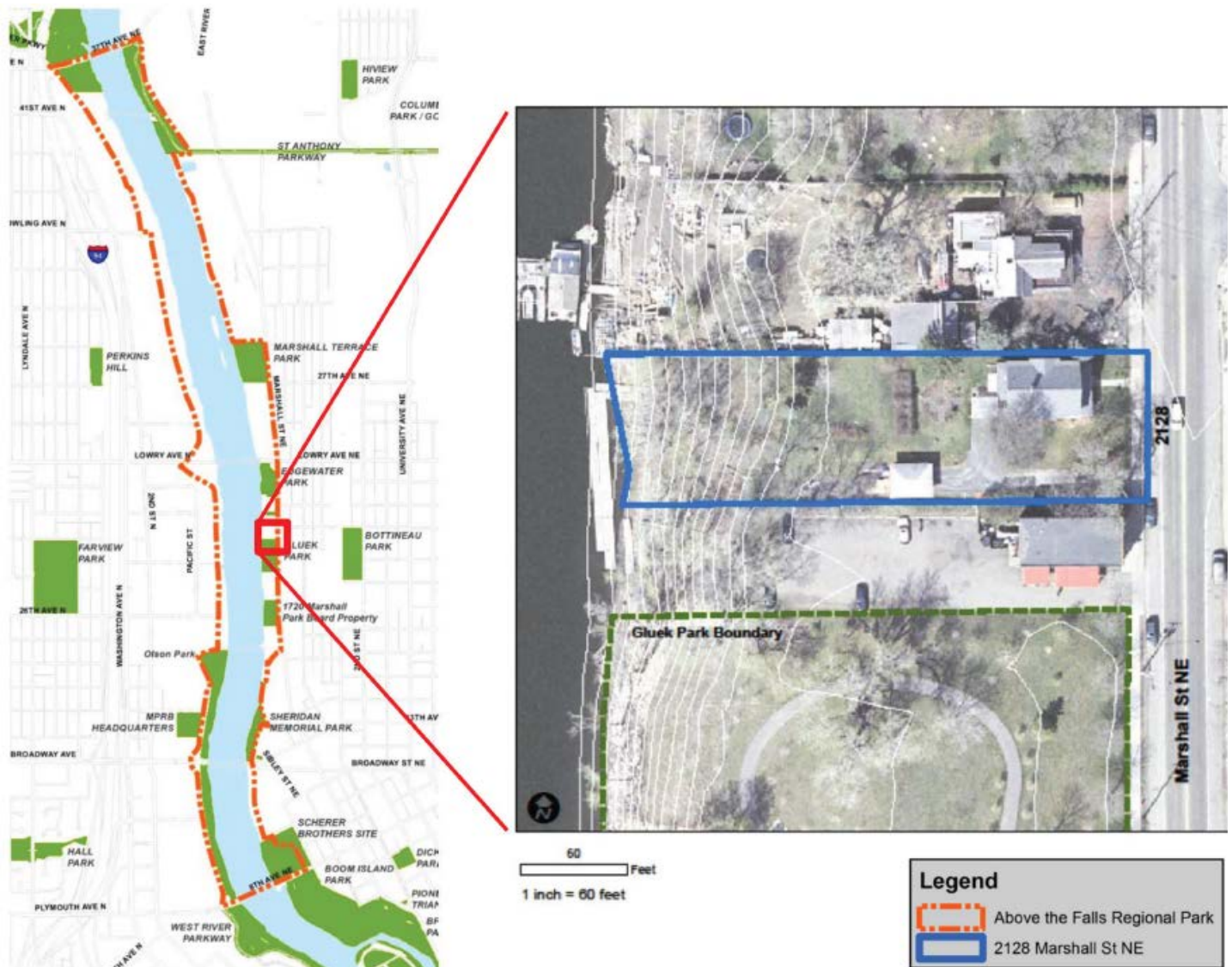


Bruce Chamberlain
Assistant Superintendent for Planning

Attachments:

Site Map
Copy of Park Board Resolution Approving Acquisition
Purchase Agreement
Appraisal Report with Invoice
Phase I Environmental Assessment with Invoice
Survey with Invoice
Additional Information Sheet

Attachment 2: Minneapolis Park and Recreation Board Property Acquisition



Attachment 3: Aerial Photo of Minneapolis Park and Recreation Board Property Acquisition in Above the Falls Regional Park



50 Feet
1 inch = 60 feet

Legend	
	Existing Parcel
	Proposed Parkland
	Proposed Parking Lot
	2 Foot Contours

Attachment 4: MWMO Meeting Minutes



2522 Marshall Street NE
Minneapolis, MN 55418-3329

(612) 465-8780
(612) 465-8785 fax

www.mwmo.org

**MISSISSIPPI
WATERSHED
MANAGEMENT
ORGANIZATION**

MEETING MINUTES

Date: September 10, 2013
Time: 3:00 pm – 5:00 pm
Location: Saint Anthony Boardroom
3301 Saint Anthony Boulevard
St. Anthony, Minnesota 55418

ATTACHMENT 3

Commissioners in Attendance

Jerry Faust (St Anthony), Donna Schmitt (City of Columbia Heights), Kevin Reich (Minneapolis), Jim Saefke (City of Fridley), Matt Hass (St. Paul), Scott Vreeland (Minneapolis Park and Recreation Board), and Karen Gill-Gerbig (Lauderdale)

Staff and Guests: Doug Snyder (MWMO), Zhenya Stone (MWMO), Lorrie Stromme (MWMO), Dan Kalmon (MWMO), Udai Singh (MWMO), Kevin Hansen (Columbia Heights), Renay Leone (Minneapolis Park and Recreation Board [MPRB]), and Cliff Swenson (MPRB)

The meeting was called to order at 3:04 p.m. by Commissioner Vreeland. Commissioner Reich arrived 3:10 p.m. and chaired the meeting thereafter.

Approval of Agenda and Minutes

The current meeting agenda and minutes for the meetings held on July 9, 2013, and August 19, 2013, were approved unanimously by the board.

General Business

Lorrie Stromme (Land Acquisition; 2128 Marshall Street NE)

The MPRB has negotiated the purchase of a 22,650-square-foot parcel of riverfront property, zoned R6, with 84 feet of shoreline for \$385,050. The MPRB is requesting a contribution of up to \$63,000 from the MWMO. The property should eventually become part of the East Bank Trail.

The board approved an allocation, not to exceed \$63,000, as a local match to acquire the property, subject to the Met Council's approval of MPRB's request for 75% of qualifying acquisition costs. Renay Leone (MPRB), in response to a question from Commissioner Gill-Gerbig, stated that the land would be subject to a restrictive covenant, thus safeguarding its use if sold.