Revised Regional Park Capital Grant Reimbursement Policy

and

Regional Park System Map illustrating shared transit/regional trail rights-of-way

Proposed for Public Hearing to be held on May 1, 2006

April 13, 2006
METROPOLITAN COUNCIL

Public Hearing on
Revised Regional Park Capital Grant Reimbursement Policy
and
Regional Park System Map illustrating shared transit/regional
trail rights-of-way

A public hearing will be held on amendments to the 2030 Regional Parks Policy Plan regarding the revised regional park capital grant reimbursement policy and the regional park system map illustrating shared transit/regional trail rights-of-way as part of the Metropolitan Council’s Community Development Committee meeting. The hearing is scheduled for:

4:15 p.m., Monday, May 1, 2006

Testimony will be taken until 5:30 p.m.

Metropolitan Council chambers, Mears Park Centre

230 East Fifth Street, St. Paul, MN

All interested persons are encouraged to attend the public hearing and offer comments. People may register in advance to speak by calling Karen Patraw at 651-602-1456 or 612-291-0904 (TTY). Upon request, the Council will provide reasonable accommodations to persons with disabilities.

In addition to the public hearing, you may also provide oral or written comments as follows:

- Written comments to: Metropolitan Council Data Center
  ATTN: Park capital grant reimbursement policy and shared trail/transit map comments
  Mears Park Centre, 230 E 5th St, St. Paul, MN 55101-1626
- Fax comments to Data Center at 651-602-1464
- Record comments on Council’s Public Comment Line at 651-602-1500
- Send TTY comments to: 651-291-0904
- E-mail comments to: data.center@metc.state.mn.us

Comments will be accepted until 4:30 p.m., May 15, 2006.

Copies of Revised Regional Park Capital Grant Reimbursement Policy and Regional Parks System Map illustrating shared transit/regional trail rights-of-way (Publication No. 78-06-___) are available after April 17 for review at major public libraries in the seven-county Twin Cities Metropolitan Area or by contacting the Council's Regional Data Center at 651-602-1140 or 612-291-0904 (TTY). You can also view this document on the Council's website: “www.metrocouncil.org”. 
# Metropolitan Council Members

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<td>Peter Bell</td>
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<td>Natalie Haas Steffen</td>
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<td>Kris Sando</td>
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<td>Daniel Wolter</td>
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<td>Brian McDaniel</td>
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The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks and aviation systems that guide the efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

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<td>General phone</td>
<td>651-602-1000</td>
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<tr>
<td>Regional Data Center</td>
<td>651-602-1140</td>
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<td>TTY</td>
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<td>Metro Info Line</td>
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<td>E-mail</td>
<td><a href="mailto:data.center@metc.state.mn.us">data.center@metc.state.mn.us</a></td>
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<td>Council Web site</td>
<td><a href="http://www.metrocouncil.org">www.metrocouncil.org</a></td>
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On request, this publication will be made available in alternative formats to people with disabilities. Please call the Metropolitan Council Data Center at 651-602-1140 or TTY 651-291-0904.

Printed on recycled paper with a minimum of 20% post-consumer waste.

Publication No. 78-06-___
Revised Regional Park Capital Grant Reimbursement Policy

Introduction/Background

On December 6, 2005 the Metropolitan Parks and Open Space Commission (MPOSC) recommended that the 2006-2011 regional parks capital improvement program be adopted as part of the Council’s 2006-2011 Unified Capital Improvement Program. However, the MPOSC felt more discussion/review was needed regarding the revised park grant reimbursement policy. Specifically, how the policy is interpreted and applied in ranking funding requests for reimbursement grants and how the expenditure of those grants affects the ranking of other funding requests in future park capital improvement programs needs to be resolved. Therefore, the Commission requested that the Council postpone action to adopt the proposed revised park grant reimbursement policy.

On December 14, 2005 the Metropolitan Council:
1. Received the Hearing Report on the 2006-2011 Regional Parks Capital Improvement Program.
2. Postponed action on the proposed revised park grant reimbursement policy until March 22, 2006; and
3. Directed the Metropolitan Parks and Open Space Commission to review the proposed revised park grant reimbursement policy and to submit its findings and recommendations to the Community Development Committee no later than February 28, 2006.

Based on the comments submitted by the park agencies and the discussion from the January 6, January 23 and February 7 meetings, the MPOSC came to consensus on the following choices for the reimbursement policy:

1. Not require park agencies to submit a compelling reason to the Metropolitan Council as to why agencies are spending their own funds in advance of CIP funding as a condition for reimbursement consideration. The premise for this choice is that as long as a project is consistent with a Council approved master plan and the Council acts to consider reimbursing the park agency for the project prior to starting the project, the Council should not require a park agency to have a compelling reason to finance a project with its own funds instead of waiting for a Metropolitan Council regional park CIP grant to finance a project. Furthermore, the revised policy does not guarantee payment of the reimbursement by the Council.

2. Rank reimbursement projects in the CIP based on how the funds were initially spent—not on how they will be spent. However, agencies should be asked how they would spend the reimbursement grant so that State funds as well as Council bonds can be used when possible. This also would eliminate any need for amendments to the Council’s Unified Capital Budget since the CIP would accurately reflect how the funds were being spent. It also lets the public and elected officials know how the funds will be spent.

3. If an agency chooses to spend reimbursement grant funds on a phase 1 project, the subsequent phase 2 or continuing phased project request should not be ranked with other phase 2 or continuing phased projects but be ranked along with other unphased projects in the
next biennial regional parks capital improvement program. Additional phases should be outlined in the first phase request and the Council concur that this is one project versus several projects that could stand on their own.

4. Since Council bonds are limited to financing only 40% of the total biennial CIP, the following steps will be taken when considering reimbursement requests in a biennial CIP:

   A. Park agencies should submit their CIP funding requests with the understanding that there’s a guideline that reimbursement grants not exceed 40% of an agency’s biennial CIP allocation.

   B. If the total requests for reimbursement grants exceed 40% of the total biennial CIP, agencies should submit to the Metropolitan Council how they intend to spend the reimbursement grant in order to ascertain whether or not State bonds can also be used to finance the reimbursement grant in addition to Council bonds. If the amount of reimbursements requiring Council bond funding exceeds the amount of Council bonds available for that biennial CIP, then park agencies are asked to reduce their CIP requests for reimbursements for that biennium and request funds to finance new project(s).

   C. If the adjusted requests for reimbursements that require Council bonds still exceed the amount of available Council bonds for that biennium, then the Metropolitan Parks and Open Space Commission will rank reimbursement requests according to the ranking criteria in place at that time.

On March 22, 2006 the Metropolitan Council scheduled a public hearing for May 1, 2006 on this matter as part of the Metropolitan Council’s Community Development Committee meeting.

**Revised reimbursement Strategy 2(f) proposed as an amendment to the 2030 Regional Parks Policy Plan**

The following reimbursement policy draft is based on the policy choices listed above.

Language to be deleted from the policy considered in November 2005 is stricken. New language to be considered at the public hearing is underlined)

Reimbursement will be considered for early acquisition of land currently designated as regional recreation open space by the Metropolitan Council in the **2030 Regional Parks Policy Plan** if the acquisition is in full agreement with a Council-approved master plan as required under MN Statutes 473.313 and the regional park implementing agency received Council approval prior to undertaking the acquisition.

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

1) The Council is informed in writing of the land acquisition or option to purchase before it occurs.
2) The Council makes a preliminary finding via staff analysis that the proposed regional park unit is consistent with Strategy 1 (a): Siting Criteria for units of the Regional Park System, and the size/service area requirements for the applicable regional park system unit are met.

3) The Council conducts a public hearing to designate the acquired land as regional recreation open space based on a draft acquisition master plan containing the acquired land or land held under an option to purchase. The hearing is conducted under the requirements of MN Statutes 473.147.

4) That based on the findings/conclusions of the public hearing, the Council designates the land as regional recreation open space and approves an acquisition master plan that contains the acquired land or land held under an option to purchase.

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

a) Appraisal costs incurred by the acquiring park agency or entity under contract with the agency

b) Surveying costs incurred by the acquiring park agency or entity under contract with the agency

c) Legal fees incurred by the acquiring park agency or entity under contract with the agency

d) Fees for service provided by an entity under contract by the park agency to negotiate and purchase the land or obtain an option to purchase

e) Principal payments made towards the purchase price including principal payments on a contract for deed or bond, or payments made on an option to purchase

f) 180% of township or city taxes due on the parcel at the time of closing as required by MN Statute 473.341

Since the acquisition of the land will primarily benefit the acquiring agency; to comply with MN Statute 16A.695 requirements on the expenditure of State bonds; to minimize the total costs of acquisition; and to be consistent with reimbursements made on other projects the following costs are not grant eligible:

a) Acquisition costs incurred to acquire a local park, which is later, designated a regional park.

b) Interest incurred by the acquiring agency or entity under contract with the agency on bonds it issued to buy the land, or interest incurred on a contract for deed payment.

c) Projected investment revenue lost by the acquiring agency or entity under contract with the agency based on what it might have earned on funds it spent to acquire the land or to buy an option to purchase the land.
d) Interest on inter-agency or intra-agency loans used to finance the acquisition payment(s) or option to purchase.

Reimbursement will be considered for a development or rehabilitation project based on the park agency illustrating to the Metropolitan Parks and Open Space Commission and Metropolitan Council that expenditure of park agency funds now was reasonable and compelling. Examples of such reasonable and compelling arguments include but are not limited to the following:

1. Substantial cost savings resulted through a variety of means (e.g. agency funds leveraged time-sensitive grants. Cost savings resulted because the park facility was constructed concurrently with other related public works projects such as a trail constructed concurrently with a nearby highway.)

2. The park agency was compelled to address public health/safety issues that adversely affected the park unit’s availability for public use.

3. The park agency was compelled to spend funds to correct unforeseen problems encountered during a project’s construction (e.g. correcting unstable soils found that had to be corrected in order to complete project construction). Waiting for regional park CIP funds to finance the unforeseen costs would result in even higher total costs for the project.

if the project is in full agreement with a Council-approved master plan as required under MN Statutes 473.313 and the regional park implementing agency received Council approval prior to undertaking the rehabilitation or development.

Although a park agency may choose how to spend reimbursement funds, it is encouraged to spend the funds on additional regional park acquisition, rehabilitation and development in order to allow such reimbursement grants to be financed with State funds in addition to Council bonds.

Reimbursement grants will be ranked as a cluster in the CIP regardless of whether or not the park agency chooses to use the reimbursement funds to pay back an intra or inter-agency loan or to spend the grant on additional park land acquisition or development. This insures that a park agency cannot “buy priority” in the CIP.

Reimbursement grants that are not part of the unfunded portion of the current parks CIP that roll into the next biennial parks CIP will be ranked using the same criteria as non-reimbursement grants based on the characteristics of the reimbursement project—not how the park agency will spend the reimbursement grant. However, agencies should state how they would spend the reimbursement grant so that State funds as well as Council bonds can be used when possible. This would eliminate any need for amendments to the Council's Unified Capital Budget since the CIP would accurately reflect how the funds were being spent and informs the public and elected officials on how the funds will be spent.

If an agency chooses to spend reimbursement grant funds on a phase 1 project, the subsequent phase 2 or continuing phased project request should not be
ranked with other phase 2 or continuing phased projects but be ranked along with other unphased projects in the parks CIP. Additional phases should be outlined in the first phase request and the Council concur that this is one project versus several projects that could stand on their own.

Since Council bonds are limited to financing only 40% of the total biennial CIP, the following steps will be taken when considering reimbursement requests in a biennial CIP:

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3. If the adjusted requests for reimbursements that require Council bonds still exceed the amount of available Council bonds for that biennium, then the Metropolitan Parks and Open Space Commission will rank reimbursement requests according to the ranking criteria in place at that time.

The Metropolitan Council will use best efforts to implement this reimbursement policy as described above. However, the Council does not, under any circumstances, represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement.
Regional Park System Map illustrating shared transit/regional trail rights-of-way

Introduction/Background

Strategy 2(g) of the 2030 Regional Parks Policy Plan guides how park capital grants should be spent for regional trails located on right of way that will in the future be used for transit purposes. The strategy references a trail classification entitled “interim trail use subject to shared use or displacement with transit use of this right-of-way in the future”. Those trails are referenced in Figure 3 (map) of the park policy plan, but were not shown on that map. This trail classification was shown in the parks policy plans adopted in 1996 and 2001 but was inadvertently not shown in the 2030 Parks Policy Plan adopted in June 2005. On April 12, 2006 the Metropolitan Council authorized a public hearing for May 1 regarding the corrected map (which follows) as an amendment to the 2030 Regional Parks Policy Plan.
Metropolitan Regional Parks and Trails System

January 2005

Regional Parks, Regional Park Reserves and Special Use Facilities
- Existing, open to the public
- Planned

Regional Trails
- Existing, open to the public
- Interim trail use subject to shared use or displacement with transit uses of this right-of-way in the future
- Under acquisition, planned, or proposed