

Community Development Committee

Meeting date: August 17, 2015

For the Metropolitan Council meeting of August 26, 2015

Subject: Park Acquisition Opportunity Fund Grant for Blakeley Bluffs Park Reserve, 15801 Blakeley Trail (Schendlinger), Scott County
District(s), Member(s): Council District 4, Deb Barber
Policy/Legal Reference: MN Statute Section 473.315
Staff Prepared/Presented: Tori Dupre, Senior Planner (651-602-1621)
Division/Department: Community Development, Regional Parks and Natural Resources

Proposed Action

That the Metropolitan Council:

1. Authorize a grant of up to \$97,840 to Scott County to acquire a 29-acre property at 15801 Blakeley Trail for Blakeley Bluffs Park Reserve. The Metropolitan Council will finance the grant through the Park Acquisition Opportunity Fund using Metropolitan Council bonds for up to 75 percent of the total acquisition costs.
2. Acknowledge Scott County's grant match to finance at least 25 percent of the total acquisition costs. If the total acquisition costs are higher than estimated, Scott County is responsible for the difference.
3. Authorize the Community Development Director to sign the grant agreement including the restrictive covenant.

Background

Scott County requests a Park Acquisition Opportunity Fund (PAOF) grant for up to \$97,840 to acquire a 29-acre property at 15801 Blakeley Trail for Blakeley Bluffs Park Reserve. The County's acquisition grant request was part of a proposed master plan boundary amendment to include the subject property into the Park Reserve Boundary (Attachment 1).

The 29-acre subject property is located south of County Road 60 (Blakeley Trail) and east of County Road 1 (Union Trail) in Blakeley Township (Attachment 2). The subject property is wooded and open lawn, with bluffs and steep ravines that are tributary to the Minnesota River. The property has an existing 2,487-square foot, split level residence built in 1990 (Attachment 3).

In June 2014, substantial rain events created a landslide away from the bluff top within feet of a residence located at 15801 Blakeley Trail (Schendlinger property, PID 29090022, Attachment 4). The site experienced sinking on the cliff side caused by heavy rains of 12 inches in fewer than 24 hours. Due to the slope instability, engineers determined that there was an imminent danger to the residence within the next five years. Scott County worked with the home owners and eventually approved the acquisition of the property through a combination of Federal, State, and local funding contributions. Scott County was successful in acquiring a grant from the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Program, which requires that property acquired through the program be taken into public ownership in perpetuity.

The subject property has an appraised value of \$500,000. The FEMA grant will pay \$398,027. The County's total acquisition costs include the remaining land value (\$101,973), the appraisal, legal services and closing costs, local property taxes, and structure demolition and removal costs as outlined in Table 1.

The signed purchase agreement sets the date of closing on or before December 31, 2015, and the County's grant request letter dated July 7, 2015 specifies that the closing will occur after the Metropolitan Council's action to approve the grant.

The County's acquisition of the subject property is consistent with the Blakeley Bluffs Park Reserve master plan through a boundary amendment being considered as a separate business item.

Upon the Metropolitan Council's approval of a PAOF grant, staff prepares a grant agreement that includes an "agreement and restrictive covenant" which park agencies must record to ensure that the property remains in regional recreation use. Therefore, the Metropolitan Council's action authorizes the Community Development Director to sign the grant agreement and the restrictive covenant.

Rationale

The County's grant request is consistent with the *2040 Regional Parks Policy Plan (adopted February 11, 2015)*, which contains the rules for PAOF grant requests. The PAOF rules specify that lands must be within Council-approved master plan boundaries to qualify for an acquisition grant. The PAOF rules also define grant-eligible acquisition costs that the Council funds through reimbursements to the park agencies.

Funding

The Park Acquisition Opportunity Fund provides grants to park implementing agencies to acquire land for the regional parks system. As of August 2015, the PAOF has provided more than \$39,460,000 to acquire approximately 3,000 acres. PAOF grants are accepted on a first-come-first-served basis and the grant finances up to 75 percent of the total acquisition costs, with the park agency paying the remaining 25 percent as the required local match. If the actual total acquisition costs are higher than estimated, the park agency is responsible for the difference.

The Fund has two accounts, the Environment and Natural Resources Trust Fund (ENRTF) and the Parks and Trails Legacy Fund. The Council's park bonds provide a 40 percent match to each state fund appropriation.

The ENRTF account is available only to acquisition projects that are included in the LCCMR-approved work plan, and meet LCCMR acquisition funding guidelines. The current fund balance is approximately \$4,167,000. Since this property does not qualify for acquisition using ENRTF, this grant will be financed through the Parks and Trails Legacy Fund account.

On June 14, 2015, the Legislature approved the Parks and Trails Legacy funding appropriation for fiscal year 2016 and on June 24, 2015 the Metropolitan Council approved the 2015 Capital Program and Budget Amendment (Business Item 2015-145) that acknowledges receipt of the \$1,723,700 fiscal year 2016 Parks and Trails Legacy Fund appropriation, plus the Metropolitan Council bond match of \$1,149,133, creating a new balance of \$2,872,833 in the PAOF Parks and Trails Legacy fund account.

The grant-eligible acquisition costs to acquire the Schendinger property are \$130,453 as shown in Table 1.

Table 1: Blakeley Bluffs Park Reserve Acquisition at 15801 Blakeley Trail, Blakeley Township

Cost Items	Amount
Purchase Price (\$500,000 less the \$398,027 FEMA grant)	\$101,973
Appraisal	\$550
Legal services and closing costs	\$3,000
Property taxes, Tax Equivalency Payment	\$2,930
Removal of Structures (Demolition & Removal)	\$22,000
Total Acquisition (Estimated)	\$130,453

Since the estimated grant-eligible acquisition costs total \$130,453, the County requests a grant of \$97,840, or 75 percent of the total, while Scott County will finance the remaining 25 percent. The Council will finance this grant using Metropolitan Council bonds that remain in the PAOF (Parks and Trails Legacy Fund account) prior to the FY 2016 PTLF appropriation, in order to use the remaining funds first and retain the new appropriation for future acquisition requests.

Table 2: Acquisition Grant Revenue Sources

Revenue Sources	Amount
Estimated Total Acquisition Costs	\$130,453
Local Match	\$32,613
Grant Funding –Metro Council Bonds	\$97,840

Known Support / Opposition

The Scott County Board of Commissioners authorized the purchase of the Schendlinger property and the acquisition grant request to the Metropolitan Council on January 20, 2015. The Metropolitan Council has not received any opposition to the County’s acquisition of the property, or to its request for acquisition grant funding.

At its August 4, 2015 meeting, the Metropolitan Parks and Open Space Commission (MPOSC) unanimously approved the staff report recommendations. An MPOSC member asked what Scott County would do with the unstable site after acquisition. Scott County staff indicated that once the structures are demolished and removed, the site will be planted in native prairie plants to stabilize the soils.

Metropolitan Parks and Open Space Commission

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For the Community Development Committee meeting of August 17, 2015

For the Metropolitan Council meeting of August 26, 2015

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Policy/Legal Reference: MN Statute Section 473.315

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July 7, 2015

Ms. Jan Youngquist
Manager, Regional Parks and Natural Resources Unit
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101
(via email)

Subject: Request for Park Boundary Change and Acquisition Opportunity Grant Request -
Blakeley Bluffs Park Reserve

Dear Ms. Youngquist,

I am writing to submit a request for a Park Reserve Boundary change and an Acquisition Opportunity Grant Request associated with Blakeley Bluffs Park Reserve located in southwest Scott County on the Minnesota River in Blakeley Township.

Proposed Boundary Change

The current boundary for Blakeley Bluffs encompasses approximately 2,440 acres (**Attachment A**). The requested boundary change would bring in to the park reserve three properties (PID's: 29090022; 29080030, 29090010), totaling approximately 105 acres and located on the park reserves' northeast boundary (**Attachments B and C**). During the 2012 acquisition master planning process for Blakeley Bluffs, these properties were of interest for their natural resources, scenic views and connectivity to the hamlet of Blakeley. Ultimately they were not included in the boundary and County Road 1 was chosen as the north eastern boundary, in large part due to a residence on PID 29090022, the Schendlinger property. Today, we asking for these parcels to be included in the planned park reserve boundary.

A. BACKGROUND

Over the past year, the potential role of the three properties in the future of the park reserve was re-evaluated as a result of the disastrous rain events Scott County experienced in June of 2014. The rain events caused a landslide to break away from the bluff within feet of a home on one of the proposed property additions (the Schendlinger property; PID 29090022) (**Attachment D**).

Acquisition Grant Request (continued)

The site was reviewed by a geotechnical engineer who determined there is an imminent danger to the Schendlinger home within the next five years. Following the disaster, the County worked to facilitate potential assistance for property owners impacted by the disaster in the Blakeley area, including the Shendlings. Specific to the Shendlinger property, Scott County evaluated and ultimately approved a concept that would buy out the Shendlinger property through a combination of Federal, State, and local (landowner) funding contributions. Based on a requirement of the FEMA Hazard Mitigation Program that stipulates property acquired through the program be taken into public ownership in perpetuity, Scott County reviewed the buyout as a potential opportunity for the park reserve and concluded the Shendlinger property and two adjacent parcels should be incorporated into the park reserve.

Scott County was successful with an application through FEMA's Hazard Mitigation Program to cover a majority of the projects cost to acquire the Schendlinger property and remove the home. In spite of the unfortunate circumstances which led to the land owners pursuing acquisition of their home and property, they take solace in the potential opportunity that their property may be protected, forever, as a Regional Park Reserve and part of the Metropolitan Park System.

B. MASTER PLANNING CONSIDERATIONS

The following information responds to the 11 master plans requirements identified in the 2040 Regional Parks Policy Plan.

1. Acquisition Costs

Acquisition costs of the properties are estimated at \$775,000. This cost includes cost estimates on the following acquisition activities: purchase, closing, demolition, securing the property, and conversion of crops to natural cover totaling.

2. Stewardship Plans

Blakeley Bluffs Park Reserve is in an acquisition and stewardship phase. At the time the park reserve master plan was approved (2012), the County Board approved a stewardship approach that would preserve acquired properties for future park reserve use, compliment the current agricultural land use vision of the township, and protect natural resources. This approach entails continuing agricultural land use through crop rentals and offering home rentals where appropriate, and protecting natural resources. The timeline for future public use was identified as long term and to be reviewed in five to ten years. This approach was reconfirmed by the Scott County Board (January 2015) as a part of the Board's consideration and approval of the proposed boundary change and Schendlinger parcel acquisition, with a recognition that the timeline for a development master plan and a review of incorporating some public use is targeted in a four to six year timeframe.

Upon acquisition of the properties, stewardship activities anticipated include boundary marking and enforcement, property monitoring and ordinance enforcement, and noxious

Acquisition Grant Request (continued)

Acquisition Opportunity Grant Request

A. PROPOSED LAND PURCHASE

The Schendlinger family owns 29 acres of land near the planned Blakeley Bluffs Park Reserve, located south of CR60 and east of CR1 in Blakeley Township (**Attachments C and D**). See 'Background' under the 'Proposed Boundary Change' section above for a full background on the proposed land purchase of the Schendlinger property.

B. NATURAL LANDS VS. LAND WITH STRUCTURES

The majority of the land exists in a natural state consisting of bluffs, steep slopes, an intermittent stream at the bottom of the bluff and a flat plateau where the home currently resides. The flat areas near CR60 were previously agricultural fields until the Schendlinger home was built in 1990. The land owners did convert a couple acres to native prairie at their driveway entrance near CR60.

C. GRANT REQUEST

Scott County is requesting the Metropolitan Council's consideration of a park boundary change and an acquisition opportunity grant in the amount of \$97,840.00.00 that would fund 75% of the remaining acquisition and associated costs associated with the Schendlinger property, with 25% local match coming from the homeowners and Scott County. See table below for a breakdown of costs:

Estimated Total Cost (100%)	FEMA Share	Local Share		
		Acquisition Opportunity Grant	Local Share of AOG (25%)	
			Property Owners	County
\$533,633.00	\$398,027.00	\$97,840.00	\$33,381.00	\$4,385

The closing will occur after the full Metropolitan Council approves the grant.

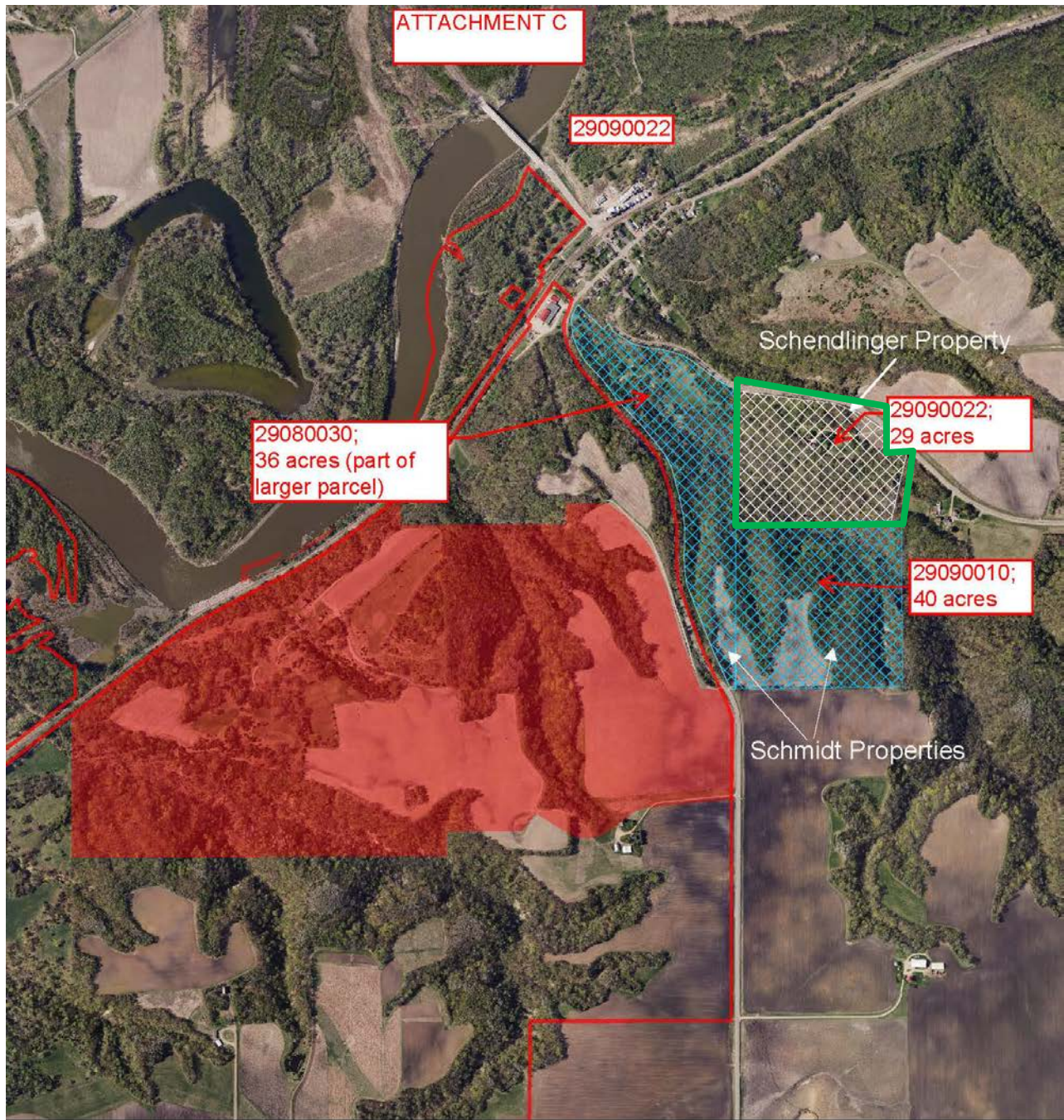
Scott County is not asking that this acquisition be considered for future reimbursement eligibility.

Sincerely,



Patricia Freeman
Interim General Manager Scott County Parks/Sr. Manager of Natural Resources
Three Rivers Park District *in Partnership with Scott County*

Attachment 2: Aerial Photo of 15801 Blakeley Trail (Schendlinger Property) for Blakeley Bluffs Park Reserve

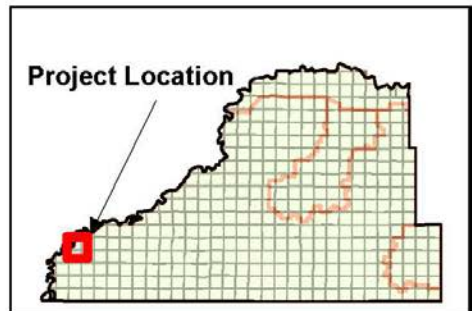
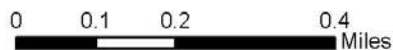


This drawing is neither a legal record nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources of public records known, and is to be used for reference purposes only. Scott County is not responsible for any errors or omissions contained herein. If you require an official record, please contact the Scott County Courthouse Office.

**MET Council
Park Boundary**

Legend

- County Owned Future Blakeley Parks Bluff Reserve
- Planned Blakeley Parks Bluff Reserve Boundary



Attachment 3: Photos of 15801 Blakeley Trail (Schendlinger Property) for Blakeley Bluffs Park Reserve

Subject Photo Page

Borrower/Client	None				
Property Address	15801 Blakeley Trl				
City	Belle Plaine	County	Scott	State	MIN Zip Code 56011
Lender	Alan R Schendlinger & Nancy J Ludden				



Subject Front

15801 Blakeley Trl
 Sales Price
 G.L.A. 2,487
 Tot. Rooms 8
 Tot. Bedrms. 3
 Tot. Bathrms. 2.5
 Location N;Res;
 View Very Good
 Site 29 acres
 Quality Abv Average
 Age 24



Subject Front

Attachment 4: Photos of 15801 Blakeley Trail (Schendlinger Property) for Blakeley Bluffs Park Reserve

