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MB	_____
DG	_____

May 21, 2013

Susan Thornton, Director
 Legislative Citizen Commission on Minnesota Resources
 Room 65, State Office Building
 100 Martin Luther King Jr. Blvd.
 St. Paul, MN 55155

Re: Approval to use Environment and Natural Resources Trust Fund appropriation to partially finance acquisition of proposed Kingswood Special Recreation Feature

Dear Ms. Thornton:

Fiscal Year 2012-13 Environment and Natural Resources Trust Fund (ENRTF) appropriations for the work program titled "Metropolitan Regional Park System Land Acquisition" partially finance the costs to acquire land under the Metropolitan Council's Park Acquisition Opportunity Fund grant program. (M.L. 2011, First Special Session, Chp. 2, Art.3, Sec. 2, Subd. 04c)

A grant from that program is proposed to Three Rivers Park District, which would partially finance a proposed new Special Recreation Feature—Kingswood Special Recreation Feature. A portion of the site, called the "Northern Lot" has a conservation easement owned by the Minnesota Land Trust which was applied in 2011. The easement was financed with \$172,000 ENRTF appropriations.

LCCMR policy states:

"Money appropriated from the [Environment and Natural Resources] trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

- (1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and
- (2) The purchase is approved by an affirmative vote of at least 12 members of the commission [LCCMR]."

To comply with this policy, Three Rivers Park District and the Metropolitan Council request LCCMR consideration to allow use of \$229,275 from the afore mentioned appropriation to acquire fee title to the Northern Lot. Enclosed is a letter from Jonathan Vlaming, Three Rivers Park District which states the additional direct benefits from fee title purchase of the Northern Lot.

www.metrocouncil.org

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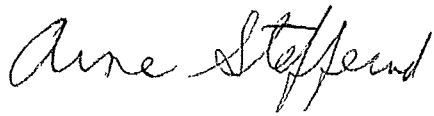
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Susan Thornton
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We would sincerely appreciate LCCMR review of this request at its meeting on June 11 and no later than June 25 so that the Metropolitan Council can make its decision regarding a grant for this land at its meeting on June 12 or June 26. A purchase agreement regarding this acquisition expires on June 30.

If you have any questions, please don't hesitate to contact me at 651-602-1360.

Sincerely,



Arne Stefferud
Manager—Regional Parks and Natural Resources Unit

CC: Jonathan Vlaming, Three Rivers Park District

Enclosure:

May 21, 2013 letter from Jonathan Vlaming, Three Rivers Park District regarding Kingswood eligibility for use of ENRTF



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May 21, 2013

Three Rivers
Park District
Board of
Commissioners

Arne Stefferud, Manager
Regional Parks and Natural Resources Unit
Community Development Division
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

Penny Steele
District 1

RE: Kingswood eligibility for use of ENRTF

Jennifer DeJournett
District 2

Dear Arne:

As you know, Three Rivers Park District has requested the Metropolitan Council to approve a Park Acquisition Opportunity Fund grant financed with State appropriations and Metropolitan Council bonds to partially finance the cost of acquiring the 106 acres for Kingswood Special Recreation Feature.

Daniel Freeman,
Vice Chair
District 3

A scenario to finance the Park Acquisition Opportunity Fund grant would utilize \$229,275 from the Environment and Natural Resources Trust Fund, \$152,850 of Metropolitan Council bonds and \$127,375 of Three Rivers Park District matching funds to acquire 45 acres called the "Northern Lot" in this acquisition. A map illustrating the 45 acre Northern lot in context of the entire acquisition is shown in the attached (**Reference 1**).

John Gunyou,
Chair
District 4

The Northern parcel does contain a Minnesota Land Trust easement that was funded with \$172,000 ENRTF appropriations.

John Gibbs
District 5

LCCMR policy states:

"Money appropriated from the [Environment and Natural Resources] trust fund must not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state or a political subdivision of the state or was acquired fully or partially with state money, unless:

Larry Blackstad
Appointed
At Large

(1) the purchase creates additional direct benefit to the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources; and

Steve Antolak
Appointed
At Large

(2) The purchase is approved by an affirmative vote of at least 12 members of the commission [LCCMR]."

Cris Gears
Superintendent

Consequently, the policy shown above applies to the acquisition of the Northern lot. Three Rivers respectfully requests a variance of the policy based on achieving points 1 and 2 of the policy. Following is our case that justifies our claim that the fee title purchase of the Northern Lot creates additional direct benefit to the protection, conservation, preservation and enhancement of the natural resources of this area.

Administrative Center, 3000 Xenium Lane North, Plymouth, MN 55441-1299

Information 763.559.9000 • TTY 763.559.6719 • Fax 763.559.3287 • www.ThreeRiversParks.org

Three Rivers commissioned two appraisals on the Kingswood property, one with the existing easement in place, and a second appraisal that assumed that no easement was in place. Because the Minnesota Land Trust easement covers only the Northern lot, both appraisals determined the specific value for that lot separate from the value of the remaining portions of the property. With the existing easement, the Northern lot was appraised at \$509,500 after discounts for net cash flow adjustments. Without the easement, the Northern lot was appraised at \$712,623 after discounts for net cash flow adjustments. The easement value is the difference between the two numbers, or \$203,123. The easement was purchased in 2011 at a total cost of \$200,000, and the current value reflects a growth in the value of the easement of 1.6 percent in less than two years. The analysis also indicates that acquisition of the Northern lot at \$509,500 does not conflict with the initial investment for the easement. The easement on the Northern Lot will remain in effect even if Three Rivers acquires Kingswood.

Direct benefits of Three Rivers ownership of Kingswood

- ***Natural Resources Protection, Conservation and Enhancement Values*** - The Kingswood property land base and Little Long Lake are widely recognized as important natural areas within Hennepin County commensurate with its unique forest, wetlands, fishery and water quality. Despite designation of the conservation easements, without active, professional natural resources management, and public ownership of the land, the conservation values of this property could easily be degraded. Three Rivers is charged with the protection and management of important natural resources within parklands under its ownership. The quality of the Park District's management program is renowned in the metropolitan area and throughout the state. The *Acquisition Master Plan* calls for both staff directed and public volunteer programs of active resource management, which will ensure best management practices are applied to the conservation easement areas. The Park District also will restore additional area where buildings were previously located to a more naturalized condition.

The Northern Lot has two outstanding natural resources features: a tamarack bog, and a 25-acre prairie restoration project. Three Rivers is a leader in prairie restoration, having created and now managing the largest prairie in the metropolitan area at Crow-Hassan Park Reserve.

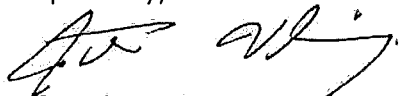
- ***Public Access Values in Context of Protecting Natural Resources*** - The Kingswood property has been privately held by the Methodist Church for decades and not accessible to the public, except for their members involved in camp programs. The MnDNR has a small boat launch on Little Long Lake which provides some limited public access to the lake. Three Rivers plans to develop and manage the property in a manner that would enable public access while focusing on protection and enhancement of the natural resources. The *Acquisition Master Plan* identifies in its interim use plan some non-paved hiking/interpretive trails consistent with the restrictions of the conservation easements as a means for limited public access. Also included as interim uses are public service learning stewardship activities and some leader-led outdoor recreation public programs. In addition to the continuation of some of the interim uses, a future phase calls for the development of a regional trail that would pass through the property. The public can enjoy viewsapes and interpretive information about the natural resources while traversing through the property on the trail. Park District Ordinances restrict use to designated trails and areas.

When fully developed, consistent with the *Acquisition Master Plan* (pending subsequent creation and adoption of a Development Master Plan), park use is estimated at between 55,000 – 100,000 annual visits and regional trail use though the park is estimated at approximately 138,000 annually.

- **Educational Values** – Three Rivers has a mission of environmental stewardship that is achieved through recreation and education in a natural resources based park system. Environmental education is a cornerstone of the Park District’s program and we believe leads to public understanding and appreciation of natural resources. The Kingswood property provides some unique opportunities for educating the public about important and high quality natural resources within Hennepin County. Features such as the tamarack bog, the maple-basswood forest, glacial esker, and Little Long Lake watershed and two-tier fishery provide exciting opportunities for interpretation. Also, management of the conservation easements lends well to the involvement of public volunteers in service-learning activities as described in the *Acquisition Master Plan*. Students from all levels of education, and the general public could be engaged in first-hand learning about water quality and water resource protection. And volunteers of all ages could become involved in natural resources stewardship programs.

Thank you for your consideration of this matter.

Respectfully,



Jonathan Vlaming
Associate Superintendent
Division of Planning, Design, and Technology
763-694-7632
jvlaming@threeriversparkdistrict.org

JV/jjs

