

LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

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Susan Thornton, Director

July 1, 2014

Ms. Susan Haigh, Chair
Metropolitan Council
230 E. 5th Street
St. Paul, MN 55101

and

Mr. Arne Stefferud
Metropolitan Council
230 E. 5th Street
St. Paul, MN 55101

Dear Chair Haigh and Mr. Stefferud:

During its meeting on June 24, 2014, the Legislative-Citizen Commission on Minnesota Resources (LCCMR) reviewed and approved a work plan for the Environment and Natural Resources Trust Fund (ENRTF) appropriation under M.L. 2014, Chapter 226, Section 2, Subd. 7(b), "Metropolitan Regional Park System Acquisition", which was approved by the legislature and signed into law by the Governor on May 9, 2014, for spending to begin July 1, 2014.

Subd. 7 (b) Metropolitan Regional Park System Acquisition

\$1,500,000 the second year is from the trust fund to the Metropolitan Council for grants for the acquisition of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used for the purchase of habitable residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work program. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2014, or the appropriation cancels. This appropriation is available until June 30, 2017, by which time the project must be completed and final products delivered.

The attached document titled "2014-06-27 Met Council Direct Spreadsheet.pdf" indicates any conditions pertaining to the approval in the column "Staff Notes and Items Needing Specific Work Plan Approval". This includes the condition that this appropriation must be matched with at least 40% nonstate money. This letter serves as approval of the match as required by law.

There are also additional requirements specified for the expenditures of these dollars in M.L. 2014, Chapter 226, Section 2, Subdivisions 11 - 18 and all provisions of M.S. 116P "Environment and Natural Resources Trust Fund" must also be complied with.

Also please be advised that any expenditures of these dollars must be consistent with LCCMR acquisition policy that Mr. Stefferud acknowledged in testimony on June 24, 2014. ENRTF dollars cannot be used for land acquired at a purchased price in excess of 100% of the appraised value in total (all funds), with the

Jeff Broberg, Sen. Gary Dahms, Sen. Kari Dziedzic, William Faber, Rep. Dan Fabian, Nancy Gibson,
Bonnie Harper-Lore, John Hoffman, Gary Lamppa, Rep. Leon Lillie, Norman Moody, Rep. John Persell,
Sen. David Tomassoni, Rep. Paul Torkelson, Rep. Jean Wagenius, Sen. Torrey Westrom, Della Young

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exception being that up to 110% of appraised value may be approved following review by the LCCMR with criteria supplied by Metropolitan Council.

The Environment and Natural Resources Trust Fund appropriations can be carried through the ending date of the project. The funding for this appropriation is available through June 30, 2017.

If you have any questions concerning this project, its work plan, or related requirements, please contact us. The LCCMR staff are here to assist in making these projects as successful as possible and we always welcome the chance for project managers to update us on a project.

In addition, please keep us informed about the project activities, meetings, and presentations. We (LCCMR members and Staff) appreciate the opportunity to participate and learn about your project activities and accomplishments throughout the project period.

We look forward to working with you.

Sincerely,



Susan Thornton
Director, LCCMR

Attachments: Project list of approved work plans – Metropolitan Council
M.L. 2014, Chapter 226

cc: Michelle Mitchell, Minnesota Management and Budget

From: Stefferud, Arne [mailto:arne.stefferud@metc.state.mn.us]
Sent: Thursday, November 13, 2014 12:40 PM
To: Michael McDonough
Cc: Susan Thornton; Mike Banker; Diana Griffith
Subject: RE: LCCMR Meeting Agenda for Wednesday, November 19, 2014

Michael,

Attached is the final version of the criteria based on our phone conversation. Thank you all for your advice on this matter. We look forward to working with you in implementing this as part of the 2014 Work Plan for Metro Regional Parks System Land Acquisition [MN Laws 2014, Chapter 226, Section 2, Subd. 7(b)].



Arne Stefferud

Manager | Regional Parks and Natural Resources Unit, Community Development Division

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Criteria and Considerations for Evaluating Metro Regional Park System Land Acquisitions if the Purchase Price is Above Appraised Value (Draft for LCCMR approval November 13, 2014)

Introduction/Background

The 2014 Minnesota Legislature appropriated \$1.5 million from the Environment and Natural Resources Trust Fund (ENRTF) to the Metropolitan Council to partially finance grants to Regional Park Implementing Agencies to acquire land interests within approved boundaries of Metropolitan Regional Parks and Trails. [MN Laws 2014, Chapter 226, Section 2, Subd. 7(b)]. The ENRTF is managed by the Legislative-Citizen Commission on Minnesota Resources (LCCMR).

Existing ENRTF Acquisition Funding Policies

1. Parcel is within a regional park or trail master plan approved by the Metropolitan Council.
2. Parcel contains high quality natural resources and does not include habitable structures.
3. Acquisitions are from willing sellers. If eminent domain is used, it's because the seller has requested it.

ENRTF Appraised Value Cap Policy

4. ENRTF dollars cannot be used for land proposed to be acquired at a purchase price in excess of 100% of the appraised value in total (all funds), with the exception being that up to 110% of appraised value may be approved following review by the LCCMR with criteria supplied by Metropolitan Council.

Criteria to Evaluate the Appraised Value Cap

The Metropolitan Council and Regional Park Implementing Agencies recognize and respect the intent of the LCCMR to provide consistent interpretation and implementation of two state laws that direct acquisitions for state agencies (MS 84.0272, Subd. 1 and MS 16B.297).

The Metropolitan Council and Regional Park Implementing Agencies respectfully request that the following criteria, additional considerations and review process be used by the LCCMR to review proposed acquisitions in which the purchase price is more than the appraised value:

1. Does the land have high value natural resources or provide critical habitat for Species of Special Concern?
2. Is the land important for protecting interior or external view-sheds?
3. Is the land critical to acquire because it limits internal public or management access to other portions of the park or trail?
4. Is the land critical to acquire because it provides for an opportunity to fulfill a key natural-resource based recreation or protection/preservation component of an approved master plan that can otherwise not be reasonably achieved?

5. Is there a threat of new development or significant improvements that would make the land more expensive or practically unavailable to acquire in the future? If so, answer criteria 6.
6. Would the proposed development devalue the adjacent public land because of incompatible land use, visual “intrusion” or natural resource impacts such as habitat fragmentation or increased storm-water runoff?
7. Would available non-state funding to be used for this property and adjacent park/trail property be jeopardized if the land is not secured?
8. For trail rights of way, is the property critical to fill the gap between previously acquired properties for the trail?
9. Would acquiring the land improve overall public safety (e.g. better turning radius for trails or better access), park security or management?

Additional Considerations to Evaluate the Appraised Value Cap

Offers: If there is one or more legitimate, written property offer(s) provided to a Regional Park Implementing Agency by the landowner, and a review of the land owner’s offer(s) by a qualified real estate professional working for the Regional Park Implementing Agency under contract or as an employee, determines that the offer(s) value is reasonable, a negotiated value determined by the qualified real estate professional based on the offer(s) and Regional Park Implementing Agency appraisal should be considered a valid purchase price.

Landowner Appraisal: If the landowner has completed and shared its own appraisal with the Regional Park Implementing Agency, and a review of the land owner’s appraisal by a qualified real estate professional working for the Regional Park Implementing Agency under contract or as an employee, determines that this appraised value is reasonable, a negotiated value determined by the qualified real estate professional based on the two appraisals should be considered a valid purchase price.

Review Process

If the proposed acquisition meets **ENRTF Acquisition Funding** Policies 1 to 3, and is between 100 and 110 percent of the appraised value (**ENRTF Appraised Value Cap** Policy 4), the requesting Regional Park Implementing Agency will provide detailed information associated with the applicable criteria outlined above for review to the LCCMR.