

February 3, 2015
REVISED 6-11-15
REVISED 6-12-15
FINAL REVISION 8-14-15

Susan Thornton
Director, LCCMR
100 Rev. Dr. Martin Luther King Jr. Blvd.
Room 65 State Office Building
St. Paul, MN 55155

**Re: Cost Report for Frogtown Park and Farm
M.L. 2013, Chp. 52, Sec. 2, Subd. 04k**

Dear Susan:

This letter is submitted in connection with the The Trust for Public Land's protection and creation of Frogtown Park and Farm in St. Paul, Minnesota. This cost report is required by our use of Environment and Natural Resources Trust Fund (ENRTF) dollars in connection with this protection effort.

The acquisition and creation of Frogtown Park and Farm is part of The Trust for Public Land's Parks for People Program in the Twin Cities. Among other things, this program seeks to help ensure that everyone, especially every child, has access to a park or natural area within a 10 minute walk of where they live. Acquisition of the Frogtown site seized a rare opportunity to acquire a large, 13-acre parcel in an urban neighborhood that was sorely lacking in green space.

The Trust for Public Land (TPL) used this ENRTF funding to acquire the 13-acre former Wilder Foundation headquarters property in the Frogtown neighborhood of St. Paul. Working in partnership with the City of St. Paul and local community groups, we are creating Frogtown Park and Farm – a much-needed public green space for this culturally diverse, low-income neighborhood. The new Frogtown Farm and Park will include a six-acre urban demonstration farm, a recreation area, and a nature sanctuary that preserves a grove of large mature oak trees. When complete, this urban park will be the site of a variety of activities demonstrating green and sustainable inner-city living and providing exceptional educational opportunities.

Frogtown had been identified by the City of St. Paul Parks and Recreation Department as one of only two areas in the city in need of a new park. Frogtown Park and Farm will now provide green space in a neighborhood identified by the Parks Department's 2010 Master Plan as a "new park search area." The plan specifically identified the Wilder property as a potential park site, not suitable for housing development. Frogtown had less green space per child (.006 acres per child) than any other St. Paul neighborhood,

according to studies in 2010 and 2011. In addition to addressing green space inequities, the new park in Frogtown will address other aspects of inner city living that cause social and health disparities. This new park will:

- Offer a safe place for neighborhood children to experience nature
- Transform an underused, unsafe, vacant space into a beautiful community amenity
- Increase property values of adjacent homes and businesses
- Preserve dozens of 50- to 100-year-old trees
- Protect a beloved sliding hill and recreation area
- Preserve public access to iconic views of the city from the hilltop
- Provide significant improvements in energy efficiency, climate regulation, carbon sequestration, and water management

Frogtown Farm is the vision of longtime neighborhood residents, who view urban farming as a tool for social and economic development and education. Creation of this public park and demonstration farm will advance environmental and social justice, and strengthen residents' self-sufficiency, environmental stewardship, healthy living and community collaboration. The project furthers the LCCMR Six-Year Strategic Plan in multiple ways including protecting important land resources (especially the oak grove), supporting research and demonstration projects of natural resources (U of M involvement with these activities is expected on both the natural area and demonstration farm components), supporting community based conservation planning (this project both implements existing planning and continues such planning), encouraging outdoor recreation, promoting public education and dissemination of information about natural resources (for both students and community residents), and supporting the creation of green jobs.

The Frogtown Park and Farm project is supported by a vast array of stakeholders including: The City of St. Paul, Frogtown Farm (the nonprofit organization that will operate the urban farm component of the project), Frogtown Neighborhood Association, District 7 Community Planning Council, University of Minnesota, College of Food, Agricultural and Natural Resource Sciences, University of Minnesota Extension, Greater Frogtown Community Development Corporation, Higher Education Consortium for Urban Affairs (HECUA), Family Housing Fund, Friends of the Parks and Trails of St. Paul and Ramsey County, Hmong American Partnership, Sisters of the Good Shepard, Unity Church, The Youth Farm and Market Project, Neighborhood Development Corporation (NDC), numerous foundations, numerous individuals (>300) and many elected officials.

This land had been listed for sale until The Trust for Public Land successfully negotiated a purchase agreement for it. The Trust for Public Land spent many years working on this acquisition coordinating others' efforts and negotiating with the landowner. Ultimately, despite having to contend with a difficult auction process, we were able to persuade the landowner of the merits of our park plan and successfully negotiated a \$2.5 million discount to the purchase price. In order to achieve this discount, however, The Trust for Public Land was required to put \$40,000 in earnest money at risk.

As part of its work on the acquisition of this land, The Trust for Public Land coordinated and paid for all due diligence including appraisals, environmental reviews, soil analysis, title investigation and survey review.

The Trust for Public Land also helped facilitate a public outreach, education and planning process for the park involving hundreds of local citizens and other interested stakeholders.

The Trust for Public Land further successfully led a \$4.5 million fundraising campaign for the park project including \$2.5 million in public funds and \$2m in private funds. The public funds were used primarily to acquire the land the funding for which is detailed below. The private funds are being used for planning, community engagement, initial development, program design, capacity building and other costs the partners are incurring as part of this park project. A summary of the \$2m private fundraising campaign is given in the chart below.

DONOR	GIFT AMT
The Saint Paul Foundation	\$250,000
F. R. Bigelow Foundation	\$200,000
Amherst H. Wilder Foundation	\$200,000
Hardenbergh Foundation	\$150,000
Patrick and Aimee Butler Family Foundation	\$100,000
Ecolab Foundation	\$100,000
National Fish and Wildlife Foundation	\$75,000
Mardag Foundation	\$50,000
The David B. Gold Foundation	\$50,000
John and Ruth Huss Fund / Saint Paul Foundation	\$50,000
Manitou Fund	\$40,000
McNeely Foundation	\$30,000
Manitou Fund	\$30,000
McNeely Foundation	\$20,000
Marbrook Foundation	\$15,000
The Longview Foundation	\$10,000
McCarthy-Bjorklund Foundation	\$10,000
The Saint Paul Foundation	\$5,000
Dorsey & Whitney, LLP	\$5,000
The Saint Paul Foundation	\$3,000
Spero Properties	\$250
Individuals	\$606,750
TOTAL	\$2,000,000

The Trust for Public Land acquired the 13 acres from the Wilder Foundation and conveyed it to the City of Saint Paul on December 4, 2013. The land was purchased for \$2,200,000. Its appraised fair market value was \$4,700,000. A copy of the appraisal is on file with the DNR. An acquisition funding chart is below.

Acquisition Funding for Frogtown Farm and Park, Saint Paul, MN				
Funding Source*	Partner on project	Amount of funding for land acquisition costs	Allocated Acreage	Recipient of Grant Funds (if applicable)
State Funds				
2013 ENRTF	TPL	\$1,498,000	4.2	TPL
Local Government Funds				
City of Saint Paul	City of Saint Paul	\$702,000	1.9	
Private Funds				
Land Value Donation	Wilder	\$2,500,000	6.9	
	TOTAL	\$4,700,000	13	
*Please note that total ENRTF funding is		\$1,498,000		
total non-state public funding is		\$702,000		
total private funding is		\$2,500,000		
TOTAL funding & appraised fair market value of property is		\$4,700,000		

As you know, it is The Trust for Public Land's philosophy to bring landowner funding support to cover the expenses associated with conservation and park work. We did not ask for reimbursements from or charge a fee to any public agency involved in this effort. Instead, The Trust for Public Land received support from the landowner in the amount of \$200,000. This support helped enable us to:

- (1) investigate, structure and negotiate this protection effort over a period of 5 years;
- (2) fund and oversee all due diligence for the real estate transaction, including appraisals, environmental assessments and title work (which were completed to DNR standards and provided to the City at no cost to the City or ENRTF);
- (3) identify, pursue, coordinate and arrange for funding for the project from multiple sources;

- (4) lead and coordinate education, outreach, engagement and planning efforts about this park project with citizens and elected officials at multiple levels of government;
- (5) coordinate with the City and multiple stakeholders to facilitate the ultimate transfer of the property to the City as the appropriate park steward; and
- (6) coordinate with other ongoing conservation work in the Twin Cities Metropolitan Area.

As you also know, the landowner support was paid after the closing and represents less than 5% of the appraised fair market value. All funds received by The Trust for Public Land are used to advance conservation. Because most of our costs on this park creation effort were incurred prior to any assurance of a successful closing, they represent considerable out-of-pocket risk to The Trust for Public Land.

The conservation support that The Trust for Public Land received from the landowner was used to help cover the following costs and expenses related to creation of Frogtown Park and Farm:

- \$ 28,592 for professional services
 - (Including \$8,500 to Dahlen, Dwyer & Foley for an appraisal and an update of that appraisal; and \$20,092 to Braun Intertec for a Phase I and Phase II environmental assessment with soil testing).
- \$ 1,388 in travel and meal costs
- \$ 5,846 in closing costs and title insurance
 - (\$3,646 in closing costs and \$2,200 for title insurance).
- \$ 817 in interest
 - (For the \$40,000 earnest money payment that TPL had to pay to secure the property during the pendency of the purchase agreement);
- \$380,087 in staff time, administrative costs, and legal costs
 - (Including over 3,658 hours in staff time).

The total of the costs incurred on this project \$416,730 (as of 1-30-15) greatly exceeds the total support we received from the landowner on this project (\$200,000).

In addition to the costs listed above, The Trust for Public Land also incurred related programmatic costs for our Parks for People Twin Cities Program of which the Frogtown Park and Farm project is a part. These programmatic costs for the Parks for People Twin Cities Program include investigating other potential park and habitat projects in the Twin Cities Area in coordination with public agencies; public outreach and education on park and habitat conservation issues in this area; coalition and partnership initiatives focusing on this area; meetings and reporting for conservation funding initiatives in this area, including the Metro Conservation Corridors Partnership (MeCC); and staff time and due diligence costs on park and habitat conservation projects in the Twin Cities Area that did not successfully close for any number of reasons.

As you know, support that The Trust for Public Land receives from landowners in Minnesota cover less than half of our annual operating budget in Minnesota. The majority of our annual support comes from foundations and philanthropic individuals. We believe the support we receive from landowners and other private sources helps optimize conservation and park making in Minnesota by allowing more public dollars to be used for other conservation work rather than to pay for our costs.

LCCMR staff requested as follow up to an LCCMR discussion on 6/25/15 a further breakdown of costs associated with the purchase of this land which is provided below:

- \$ 28,592 for professional services
 - (Including \$8,500 to Dahlen, Dwyer & Foley for an appraisal and an update of that appraisal; and \$20,092 to Braun Intertec for a Phase I and Phase II environmental assessment with soil testing).
- \$ 631 in mileage only
- \$ 5,846 in closing costs and title insurance
 - (\$3,646 in closing costs and \$2,200 for title insurance).
- \$ 817 in interest
 - (For the \$40,000 earnest money payment that TPL had to pay to secure the property during the pendency of the purchase agreement);
- \$62,841 in staff time, administrative costs, and legal costs for the period July 1, 2013 and closing of Dec 3, 2013 ONLY.

The total of this requested cost breakdown is \$98,727. These costs are specific only to this artificially narrow 5 months of time and do not represent the full effort and costs associated with the creation of Frogtown Park and Farm which has taken over 5 years to date as described elsewhere in this report and in our work plan. All of these costs are paid for with private funds; none of these costs were reimbursed using ENTFF or other state dollars.

Please do not hesitate to contact me if you have any questions. Thank you for your cooperation and support in conserving this special place that will be Frogtown Park and Farm. We anticipate that the grand opening will be in the Fall of 2015.

Sincerely,



Robert J. McGillivray
Senior Project Manager

CC: Susan Schmidt