

Minutes

**LCMR Parks Study Group
Tues., Sept. 9, 2003
9:00 a.m. - Noon
Location: Room 5 - State Office Building**

Members Present:

Representatives: Dennis Ozment (Chair), Phyllis Kahn, Jim Knoblach, Kathy Tingelstad
Senators: Linda Higgins, Carrie Ruud, Dallas Sams, Jim Vickerman

Other Members Present: Sen. Scott Dibble

Staff Present: John Velin, Susan Von Mosch, Sandy Smith

Chair Ozment called the meeting to order at: 9:15 a.m.

Chair Ozment pointed out the e-mail from DNR Parks regarding inflation adjusted 1953 park entrance fees. After adjusting for inflation the \$1 annual sticker would cost \$6.87 today and the \$.50 daily vehicle pass would cost \$3.44 today. So, the current park entrance fees (\$25 annual permit, \$7 daily) have more than kept up with inflation.

Information on Non-Metropolitan Regional Parks.

Susan Von Mosch reviewed information collected from a survey sent to cities and counties that operate regional parks outside the Twin Cities metropolitan area.

Rep. Kahn wanted members to make note of a series of articles from the Des Moines Register regarding the broader benefits of state trail systems and the link between investing in public recreation systems and tourism and economic development.

Background Information on State Trails.

Cynthia Wheeler, Acting Director, DNR Trails and Waterways, gave an overview of Minnesota's state trail system. In response to a question, Ms. Wheeler said that all-terrain vehicle (ATV) trails are not part of the state trail system. There is a separate ATV system consisting of the Iron Range Off-Highway Vehicle Recreation Area in Gilbert and ATV trails in state forests.

Rep. Ozment asked of fees are charged for horseback riding on state trails, similar to ATV and snowmobile fees. Ms. Wheeler responded that state trails are funded through the General Fund.

Sen. Ruud asked how "tourist" is defined. Ms. Wheeler responded that tourists are trail users from more than 50 miles from the trail.

Sen. Ruud also asked about the recent Court of Appeals ruling on private ownership of the trail right-of way along the Paul Bunyan Trail. Mr. Tom Danger, DNR Trails and Waterways, responded that the Department is considering appealing the ruling, the case has implications for other trails with railroad easements. Research needs to be done to determine how many easements contain similar language. The costs of clearing title to similar easements that are 25-30 years old could be astronomical. For the Paul Bunyan Trail, the ruling has severed the

trail, so it is being re-routed onto local roads. Rep. Kahn said that looking forward the Legislature may want to have clear title to right-of-way easements before designating new trails or funding trail development.

Percentage of Park Operating Budgets by Funding Source.

Susan Von Mosch reviewed a table that summarized the percent of state and metropolitan regional park operating budgets funded from state general fund, lottery-in-lieu, local property taxes, user fees and other non-tax revenues.

Rep. Kahn asked for a more specific breakdown of Minneapolis park system revenues. A summary of 2004 projected income from parking and concessions compiled by Minneapolis park staff was distributed.

Rep. Knobloch asked if local property taxes for metropolitan regional parks appear as a separate line on the property tax statement and whether any local government aid also supported regional parks. Michael McDonough, Metropolitan Council park planner, responded that cities and counties set local property taxes, with revenues allocated to parks. Martin Walsh, Carver County, responded that in Carver County regional parks are funded with property taxes only. Del Miller, Three Rivers Park District, responded that because Three Rivers is a special district there is a separate line item for parks. The park district does not receive any revenue from local government aids.

State Park Fee Differentials.

Susan Von Mosch reviewed information on fee differentials used in Nevada, Kansas, Utah, and Florida state parks, and in Ontario provincial parks. Rep. Ozment asked if members wanted staff to compile any additional information related to fee differentials. Rep. Tingelstad asked for more information on fees from northern states that deal with snow and seasonal issues, like Michigan.

Discussion.

Rep. Ozment stated that the group has reviewed background information on Minnesota parks. Now that all this information and advice has been presented, Study Group members should be getting close to deciding what are they going to do with it. The issue that initially brought the group together was concern about how the Legislature is going to fund parks in the future. How to fund parks in a fair way? What are differences in expectations that parks be self-supporting versus no expectations for that? How are these concerns addressed in the long term?

Rep. Ozment would like study group members to think about what they want to do with the information that has been presented to the study group; what type of advice do members want to put together. He asked each member to outline issues that they think should be contained in the final report, so the group can address those issues at the next meeting. This will give the group an opportunity to share their thoughts. He asked each member to submit an outline of ideas to LCMR staff by Oct. 9th for discussion at the next meeting.

Rep. Ozment asked Keith Bogut, Finance Department, about involvement of the administration. Are there any gaps in issues examined? Mr. Bogut responded that he wasn't aware of any gaps or issues at this time. Rep. Ozment invited the administration to participate in the process and to give the study group advice about any concerns they may have at a future meeting.

Sen. Vickerman asked if any suggestions will be made about specific park acquisitions, such as the potential non-metro. regional park site on a recent LCMR tour. Rep. Ozment responded that he did not anticipate getting that specific, but focus on general current structures, the self-sustainability potential of parks, and what are appropriate levels of state funding versus local support versus user fees.

Rep. Kahn said that the group should look at how to effectively coordinate the state and metro. regional park systems to provide recreational opportunities for people throughout the state. The reason behind the metro. regional park system was that people in the metropolitan area were deprived of access to state parks. The metro. regional parks deserved extra financial support because they are the equivalent of state parks in the metro. area.

Rep. Ozment said he did not want to get too far away from the group's charge of how parks are funded and how they can be funded fairly.

Rep. Knoblach thinks members should look at the bigger picture of state parks compared with metro. regional parks compared with non-metro. regional parks. Park acquisition needs to be discussed in the report as well as operation and maintenance costs.

John Velin, LCMR Director, said that LCMR has had a system in place for dealing with non-metro parks since the 1960s. The Local Initiative Grant program provides cost-share grants for the capital side of acquisition and development for local and regional non-metro. parks. Local units of government agree when they accept these grants to operate and maintain the park facility at their own expense in perpetuity. The Local Initiative Grant program has funded 50% of project costs, and more recently 60% of the costs for regional parks. This system is in place, unless LCMR members want to review the practice.

Rep. Kahn said that these grants are not just for regional parks but have also supported many local park systems. Do developing regional centers (like the St. Cloud area) have regional park systems that should be treated like the metropolitan regional system? Should O&M money go to these parks if they are meeting the same needs as metropolitan regional parks? What criteria should be used for deciding these issues?

Rep. Knoblach responded that he did not want to get into local park issues, which are outside the scope of the issues discussed here. Let's focus on regional parks.

Sen. Ruud said that when looking at what should be in the report, members should go back to the overview and the appropriation language. The mission was to look at user fees and financial stability. While other issues need to be looked at, but they are too broad for the report.

Rep. Ozment requested additional information about the relationship between acquisition and development and operation and maintenance costs.

Metropolitan Regional Parks O&M Funding Statute:

A copy of Minn. Stat. 473.351 (1985), metropolitan area regional parks funding, was distributed. John Helland, House Research, reviewed the background and history of the statute. This statute specifies that each of the regional park implementing agencies "must receive no less than 40 percent of its operation and maintenance expenses" from the state. Michael McDonough, Metro Council parks planner, said that the amount of state support has varied over the years from 5.4% in 1996 to 18.3% in 2000 (the first year of lottery-in lieu funds). State funds covered 14.4% of O&M in 2002 and are projected to cover 11% in 2003.

Sen. Dibble asked if the state funded any metro. regional O&M costs prior to the 1980s. Mr. Helland responded that there was no statutory funding until 1985.

Other:

The next meeting of the Parks Study Group was scheduled for Thurs., Oct. 23 at 9:00a.m. Members will meet with county park directors in Benton County on Thurs., Oct. 9th. The LCMR Metro. Tour on Oct. 7 and 8 will focus on metro. regional parks.

Meeting Adjourned at 11:02 a.m.