The City is in receipt of a copy of a letter from the National Park Service (NPS) to the Illinois Department of Natural Resources (IDNR) that grants approval of the City’s request for the LWCF conversion. The approval, however, is granted with two conditions. One is that replace all impacted recreational amenities, such as the volleyball courts, within 3 years. There is no issue with this requirement. The other condition deals with a perceived shortfall in value between the land being removed from open space for development (the “conversion” property) and the land to be acquired as the new park (the “replacement” property). The City has serious concerns regarding the information NPS used to arrive at this conclusion and is working with IDNR to understand this issue and its ramifications.

A copy of the NPS letter is attached.
October 31, 2017

Mr. Stephen F. Baggerly  
Division Manager, ASLO  
Division of Grants  
Illinois Department of Natural Resources  
One Natural Resources Way  
Springfield, IL 62702-1271

Dear Mr. Baggerly:

The National Park Service (NPS) has received the Illinois Department of Natural Resources' (State) request for the NPS approval, on behalf of the City of Peoria (City), of the partial conversion of 6.41± acres of Riverfront Park. This site received Land and Water Conservation Fund (LWCF) financial assistance under project number 17-00769 to acquire approximately 36+ acres of land for public outdoor recreation, located in downtown Peoria along the west bank of the Illinois River/Peoria Lake. Riverfront Park is encumbered by 54 U.S.C. § 200305(f)(3) (formerly referred to as Section 6(f)(3) of the LWCF Act).

As required by LWCF Act pursuant to § 200305(f)(3), all assisted sites must be maintained for and accessible to the public for outdoor recreation use in perpetuity. If the State or grant recipient would like to “convert” the site to non-recreation uses, the grant sponsor, in this case the City, must meet the three conditions to be approved by the Secretary. Those specific conditions are to be in accord with the Illinois State Comprehensive Outdoor Recreation Plan (SCORP), be of at least fair market value (FMV), and be of reasonable equivalent recreational usefulness and location.

The conversion request, which is in accordance with the SCORP, identified adjacent property to be used to meet the conditions for the at least equal FMV and the reasonably equivalent usefulness and location requirements. We will walk through those two conditions in the following paragraphs.

We have completed our review of the City’s conversion request. According to the map we put together to track the acres and values, along with the conversion documents, we have found that the City did not appraise and add the public access road to the converted site (0.57 acres). The City also forgot to appraise and remove the excluded boat club on the Detweiller replacement property (.13 acres).

The FMV equivalency has not been met. NPS will approve this as a conversion with delayed
replacement to address the lack of FMV equivalency. Our amendment will indicate 6.41± acres of parkland will be removed from LWCF and 5.56-acres of replacement will be approved as replacement with the understanding more property is necessary.

The LWCF conversion regulations allow for delayed replacement of property at 36 C.F.R. 59(c) when it is not possible for the State to secure replacement property prior to the State’s formal request for a conversion. In such cases an express commitment to satisfy Section 6(f)(3) substitution requirements within a specified period, normally not to exceed one year following NPS conversion approval, must be received from the State. This commitment will be in the form of a conversion amendment to the grant agreement. The State will work with its sub-grantee, the City of Peoria, to secure replacement property within the one-year period of the approval Amendment to the Project Agreement, which is effective as of the date of this letter.

The NPS is aware the City would like to use previously banked value to help meet the FMV equivalency. However, we have not found documentation in the grant file that demonstrates our approval of the request to bank excess value of $66,000 remaining from the South Park/Rock Glen conversion. If the State or City can produce documentation that demonstrates our approval of the bank or can provide documentation surrounding the transaction between the former land owner and the City for our review, NPS will approve that bank to apply toward this conversion.

The other condition of conversion approval is equivalent recreation utility. The February 2017 Environmental Assessments (EA) indicates the volleyball courts along with the other lost recreational opportunities will be replaced within the remainder of Riverfront Park and the replacement properties will be developed for outdoor recreation. Our conversion approval is also contingent on the City replacing or developing those amenities as outlined in the EA. Signing the Amendment to the Project Agreement also commits the City to install/develop those within three years of the approval of this Amendment to the Project Agreement, which is effective as of the date of this letter.

Enclosed is your copy of the signed Amendment to the Project Agreement approving the partial conversion with a one-year delayed replacement. Once selected, the State will ensure an Amendment to the Project Agreement will accurately evaluate the replacement site(s) meet the criteria in 36 C.F.R. 59.3. If you have any question, please do not hesitate to contact me at (402) 661-1558 or by email roger_knowlton@nps.gov

Sincerely,

Roger A. Knowlton
Acting Chief, State and Local Assistance Program, MWR