

Community Development Committee

For the Community Development Committee meeting of July 17, 2017

For the Metropolitan Council meeting of July 26, 2017

Subject: Parks Acquisition Opportunity Fund Grant for North Creek Greenway Regional Trail, Dakota County (Smith Property/173rd & Pilot Knob Road)

District(s), Member(s): 16 – Wendy Wulff

Policy/Legal Reference: MN Statutes §85.53 Subd. 3(4) and MN Statutes §473.315

Staff Prepared/Presented: Deb Streets Jensen, Senior Parks Finance Planner 651-602-1554

Division/Department: Community Development Division / Regional Parks & Natural Resources

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$105,368 to Dakota County to acquire the Smith parcel at 173rd Street and Pilot Knob Road in Lakeville for the North Creek Greenway Regional Trail; and
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency. This grant was requested by Dakota County on June 5, 2017. A copy of the Agency's request is attached to this item. The North Creek Greenway Regional Trail (Regional Trail) is located in Eagan, Apple Valley, Lakeville, Farmington and Empire Township in central Dakota County.

Policy. Strategy Two of the Siting and Acquisition policy from the *2040 Regional Parks Policy Plan* states that "*priorities for land acquisition are set by regional park implementing agencies in Council-approved master plans.*"

Funding sources. The Council's Park Acquisition Opportunity Fund (PAOF) provides resources to purchase property and easements via two state sources: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes further by matching every \$3 in state funds with \$2 in Council bonds proceeds. Between them, state and Council funds contribute 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match. This grant would be funded through PTLF and Council match.

Council review. Staff from the Council's Regional Parks and Natural Resources work unit:

- reviews each PAOF request to ensure that the proposed acquisition complies with state statute and Council policy;
- ensures that all necessary documentation is in place and that the appraisal is reasonable and appropriate; and
- processes requests on a first-come-first-served basis.

Subject property. The subject property is a 100-foot-wide corridor totaling 4.5 acres within the Council-approved alignment for the Regional Trail. Natural resources located on the vacant property include trees and other floodplain

vegetation as well as frontage along the main tributary to North Creek, which is a tributary to the Vermillion River. The western portion of the corridor is currently used for row crops and is adjacent to undeveloped land zoned for residential development. The County will be acquiring a 200-foot wide conservation easement along the eastern corridor boundary.

Acquisition details. This is a fee simple transaction with no easements or other property restrictions. The purchase agreement allows for the construction of local and regional water and sewer infrastructure across the parcel to facilitate future residential development.

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan;
- Appropriation requirements
- The North Creek Greenway Regional Trail master plan, approved by the Council on January 26, 2012; and
- All requirements of PTLF.

Thrive Lens Analysis

This request is consistent with Thrive’s Livability outcome because it will facilitate construction of a 14-mile long greenway.

Funding

Project budget. The appraised value is \$134,400, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$134,400
Due diligence (appraisal, Phase I environmental site assessment, etc.)	2,844
Holding and closing costs	2,236
Property tax equivalency payment, as per MN Statute §473.341	233
Pro-rated share of all property taxes/assessments	478
Stewardship	<u>300</u>
Total costs	\$140,491
Grant structure	
State FY 2018 PTLF PAOF	\$63,221
Council bonds	42,147
	Grant amount not to exceed
	\$105,368
Local match	<u>35,122</u>
Project total	\$140,490

Fund balance.

As of July 1, 2017, the combined balance available for PTLF PAOF and Council match was \$2,764,577. There are two other PTLF grant requests before the Metropolitan Parks and Open Space Commission on July 11, 2017. If all three grants are approved, the balance in the fund will be \$2,302,211.

Known Support / Opposition

There is no known opposition.

Metropolitan Parks and Open Space Commission

Meeting date: July 11, 2017

For the Community Development Committee meeting of July 17, 2017

For the Metropolitan Council meeting of July 26, 2017

Subject: Parks Acquisition Opportunity Fund Grant for North Creek Greenway Regional Trail, Dakota County (Smith Property/173rd & Pilot Knob Road)

MPOSC District: H – Todd Kemery

Policy/Legal Reference: MN Statutes §85.53 Subd. 3(4) and MN Statutes 473.315

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Exhibit List

- Exhibit 1: Dakota County grant request letter
- Exhibit 2: Images
- Exhibit 3: Grant application
- Exhibit 4: Board approval to request grant
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt

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June 5, 2017

Deb Jensen
 Metropolitan Council
 390 North Robert Street
 St. Paul, MN 55101

Physical Development Division

Dakota County
 Western Service Center
 14955 Galaxie Avenue
 Apple Valley, MN 5 5124

952-891-7000
 Fax 952-891-7031
www.dakotacounty.us

Environmental Resources

Land Conservation
 Groundwater Protection
 Surface Water
 Waste Regulation
 Environmental Initiatives

Office of Planning

Operations Management

Facilities Management
 Fleet Management
 Parks

Transportation Department

Highways
 Surveyor's Office
 Transit Office

Dear Deb:

Dakota County requests Metropolitan Council consideration for authorizing an Acquisition Opportunity Fund (AOF) grant for the purchase of the MJFH Smith Family Limited Partnership Property (Smith) which is located within the adopted North Creek Regional Greenway Master Plan.

The North Creek Regional Greenway Master Plan recognizes acquisition of the Smith property as a high priority for completing the regional greenway and protecting natural resources prior to expected residential development of the larger property. The 100-foot wide corridor, totaling 4.5 acres, follows Metropolitan Council and Dakota County Greenway Collaborative design standards. See Attachment A: Location Map and Attachment B: Legal Description.

The County completed, reviewed and accepted an independent appraisal to substantiate the purchase price for the property.

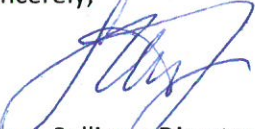
The total estimated expenses for this acquisition project are as follows:

Expense Item	Amount
Purchase Price	\$134,400.00
Estimated Closing Costs and Title Insurance	\$2,236.25
Relocation and Moving Expenses	\$0
Environmental Assessment/Remediation	\$0
Appraisal (50% paid by OH and County for acquiring an adjoining conservation easement)	\$0
Environmental Assessment	\$2,844.00
PILT [1.8 x Proportional City of Lakeville Property Tax (\$129.36)]	\$232.85
Prorated City of Lakeville Property Tax for 2017 payable in 2018 (9.22% of \$3,917 + 2.08% of \$4,177)	\$478.11
Stewardship	\$300.00
Total	\$140,491.21
Requested AOF funding (75 percent of total cost)	\$105,368.41
County Match (25 percent of total cost)	\$35,122.80

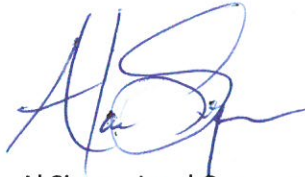
The Dakota County Board of Commissioners authorized acquisition of the Smith property and submission of an AOF grant request at its March 21, 2017, meeting. Dakota County will be utilizing a portion of its approved 2017 Capital Improvement Program acquisition budget to match the AOF funds being requested. (See Attachment C: Resolution No. 17-169). The County had drafted the purchase agreement and is currently being reviewed by Mr. Smith's attorney. Per email conversations with Deb Jensen, this request is being submitted to meet timelines.

Thank you for considering this request.

Sincerely,



Steve Sullivan, Director
Operations Management-Parks



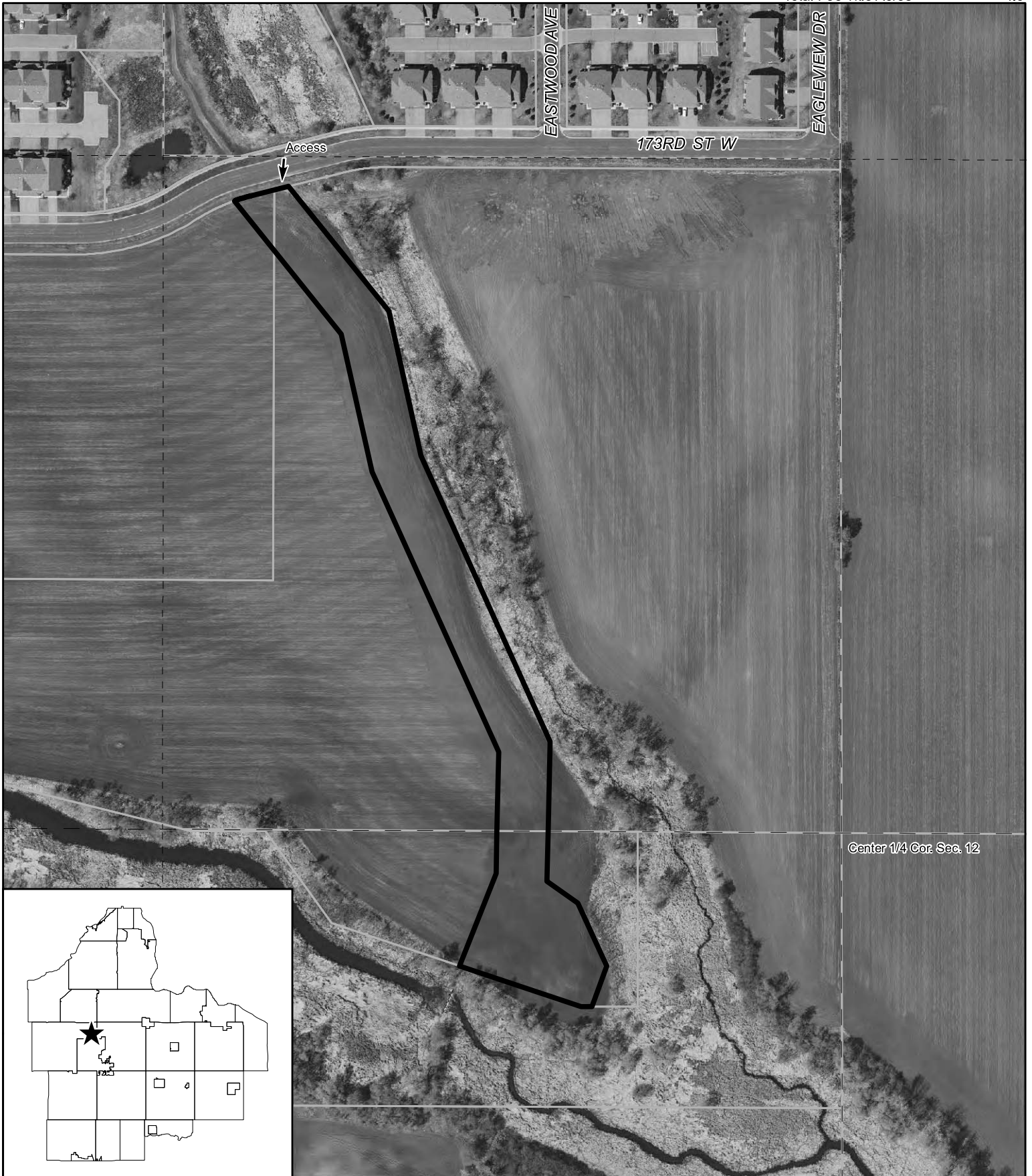
Al Singer, Land Conservation Manager
Environmental Resources

Enc.

cc: Taud Hoopingarner, Operations Management Director
Tara Zgoda, Financial Analyst

Acquisition of the MJFH Smith Family Limited Partnership Property

PLS Section 12, 114-20
Total Fee Title Acres 4.5



N Section Corner Quarter Corner Fee Title Area Access Parcels Roads

Map Date: 10/13/2016 1 inch = 250 feet



Application

08719 - 2017 PAOF Parks Acquisition Opportunity Fund

08731 - Acquire 4.5 acres from Mikell Smith for a Greenway Trail.

Parks Grants Acquisition

Status: Under Review
Submitted Date: 06/05/2017 1:01 PM

Primary Contact

Name: Ms. Tammy Drummond
Title: Edit
Department:
Email: tammy.drummond@co.dakota.mn.us
Address: 14955 Galaxie Drive

* Apple Valley Minnesota 55124
City State/Province Postal Code/Zip

Phone: 952-891-7003
Phone Ext.

Fax:
What Grant Programs are you most interested in? Parks Grants Acquisition

Organization Information

Name: DAKOTA COUNTY
Jurisdictional Agency (if different):

Organization Type: County Government
Organization Website:
Address: PARKS
 14955 GALAXIE AVE
 * APPLE VALLEY Minnesota 55124
City State/Province Postal Code/Zip
County: Dakota
Phone:* 952-891-7991
Ext.
Fax:
PeopleSoft Vendor Number 0000026855A13

Project description

Please limit acquisition requests to a single park or trail

Park or trail name North Creek Greenway RT-Dakota County

Master plan

An acquisition request will not be considered complete or added to an ENRTF work plan until the property is included in a Council-approved master plan.

Is the project consistent with a Council-approved master plan? Yes

If yes, name of master plan and date of Council approval

Name of master plan

Council approval date - Format: mmddyyyy
(Do not enter any punctuation.)

If no, has a master plan amendment been submitted to the Council for review and approval?

Acquisition method

Acquisition method Fee title

If the acquisition method is anything other than routine, provide more detail.

*This question seeks a general description of the acquisition method - is this a routine purchase, or does it involve a land donation, park dedication fees, condemnation, or some combination? Please use this space to describe the overall acquisition **project**.*

The property is vacant land with residential deveopment appeal. The acreage has frontage along North Creek, which is a tributary to the Vermillion River. There are trees and natural area along the adjacent creek. The property is rolling and partially wooded.

Is any portion of the property currently in the public domain?

If yes, describe/name the entity and the portion of the property it owns, as well as why this public-to-public transfer is necessary.

If condemnation will be involved, include documentation of your governing body's authorization (on the Other Acquisition Attachments web page).

If condemnation is involved,
date the petition was/will be filed.

If condemnation is involved,
expected settlement date

Are there easements or other encumbrances on any part of the
property? Yes

If yes, describe

Closing date

The Council will process all acquisition requests expeditiously, but we do not guarantee that the approval process will be completed to meet your requested closing date. This date will be considered an **estimate** only. However, the acquisition must be completed during the grant term.

Estimated closing date

Format: mmdyyy (Do not enter any punctuation.)

Date purchase agreement expires

Format: mmdyyy (Do not enter any punctuation.)

Appraisal effective date 09/30/2016

Appraisal information

Appraised value \$134,400.00

Amount being offered the seller \$0.00 0%
(net of closing and other costs) % of appraised value

Appraisal date 01/17/2017

Who performed the appraisal? Insight Realty Advisors Inc.

Who contracted for the appraisal (i.e., was it done at arms'
length)? Dakota County

Was a survey done? Yes

Quality of natural resources - is the property...

...undeveloped? Yes
Fully Partially

...wooded? Yes
Fully Partially

...shoreline? Yes
Fully Partially

Describe the existing natural resources it contains

Suggested funding source

For guidance, see the PAOF rules in the 2040 Regional Parks Policy Plan at <http://metro council.org/Parks/Publications-And-Resources/POLICY-PLANS/2040-Regional-Parks-Policy-Plan.aspx>; for **ENRTF fee title acquisition project requirements**, see http://www.lccmr.leg.mn/pm_info/enrtf_fee-title-acquisition-project-requirements.pdf

The Council will review your project specifics and work with you to determine the optimal funding source(s).

Anticipated funding source

Select as many as apply

Structures currently on the property

Does the property contain ANY structures? No

If yes, are there any habitable structures? No

If yes, what is the plan for the structure(s)?

If there are habitable structures, could they be relocated? If yes, how? If no, why not?

For ENRTF funding only

If this will use ENRTF funding, LCCMR rules require that you describe the selection process used to identify these proposed parcels.

NOTICE: ENRTF funding has specific requirements for disseminating information to the public when property is purchase through the Trust Fund. It is the agency's responsibility to meet those requirements and to provide documentation to the Council BEFORE payment will be made.

Does the property currently contain any revenue-generating businesses?

If the property contains habitable structures or revenue-generating businesses, describe:

Stewardship and minimal access

Describe the stewardship plan.

How will the stewardship implementation be funded?

Are you requesting funds to provide minimal access to the property (prior to it being open to the public) as part of this grant request?

If yes, how will those funds be used?

Local match

Source of local match

Will you be requesting consideration for future reimbursement of any part of your local match?

If yes, how much? \$0.00

Sellers and parcels

Seller name	Parcel addresses	PID	Acres	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude	
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MJFH Smith Family LTD Partnership	173rd & Pilot Knob, Lakeville, MN	220120 050018; 220120 050014	4.5	No	57A	Lakeville	Dakota		H	44.699032	-93.170423	
			5									

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Steven C. Mielke	Director, Physical Development Division	No

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$134,400.00
Appraisal expenses	
Appraisal	\$0.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$2,844.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$300.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$478.11
Legal services and closing costs	\$2,000.00
Property tax equivalency payment-473.341	\$232.85
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$0.00
Title insurance	\$236.25

Well disclosure statement	\$0.00
Other holding	\$0.00
Other expenses	
Other expenses	\$0.00
Totals	\$140,491.21

Total Estimated Acquisition Costs

Totals	Total acquisition cost	Total paid with state funds	Total paid with metro funds	Total paid by agency	Total grant amount
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$140,491.21	\$63,221.04	\$42,147.37	\$35,122.80	\$105,368.41

Required Attachments - Acquisition

**BOARD OF COUNTY COMMISSIONERS
DAKOTA COUNTY, MINNESOTA**

March 21, 2017
Motion by Commissioner Gerlach

Resolution No. 17-169
Second by Commissioner Atkins

Authorization To Acquire Regional Greenway Corridor And Conservation Easement On Mikell D.Smith Property

WHEREAS, by Resolution No. 10-552 (November 2, 2010), the Dakota County Board of Commissioners approved the Vermillion River Corridor Plan, which includes a shared vision and strategies that integrate the protection and improvement of water quality and wildlife habitat, with increased opportunities for outdoor recreation; and

WHEREAS, by Resolution No. 11-517 (October 18, 2011), the Dakota County Board of Commissioners adopted the North Creek Regional Greenway Master Plan; and

WHEREAS, Mikell D. Smith Irrevocable Trust and the MJFH Smith Family Limited Partnership (Smith Partnership) own approximately 103 acres of land in the City of Lakeville located on both sides of a section of North Creek and a main tributary to North Creek, including over 1,500 feet of the main North Creek tributary; and

WHEREAS, the Smith Partnership property includes a critical segment of the proposed North Creek Regional Greenway (Regional Greenway); and

WHEREAS, a 100-foot wide, 4.5-acre portion of the Regional Greenway would be located on the west side of North Creek within the Smith Partnership property; and

WHEREAS, a 200-foot wide, 7.4-acre natural area conservation easement (Easement) would be located along both sides of the North Creek tributary within the Smith Partnership property and contiguous with the east boundary of the proposed Regional Greenway corridor; and

WHEREAS, by Resolution No.14-330 (July 8, 2014), the Dakota County Board of Commissioners authorized staff to appraise and negotiate acquisition of a Regional Greenway corridor and Easement on the Smith Partnership property; and

WHEREAS, the County appraised the Regional Greenway corridor and Easement, and the Smith Partnership has agreed to sell fee title to the 4.5-acre Regional Greenway corridor and a 7.4-acre Easement on the adjoining corridor to the County for the appraised value; and

WHEREAS, the County is eligible to receive 75 percent matching funds from the Metropolitan Council (MC) Acquisition Opportunity Fund (AOF) for the Regional Greenway corridor; and

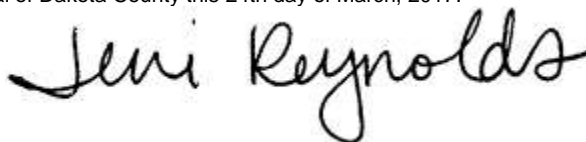
WHEREAS, the County has received State grants to assist in funding acquisition, restoration and enhancement of areas along rivers, streams and undeveloped lakeshore throughout County; and

**STATE OF MINNESOTA
County of Dakota**

	VOTE
Slavik	Yes
Gaylord	Yes
Egan	Abstain
Atkins	Yes
Workman	Yes
Holberg	Yes
Gerlach	Yes

I, Jennifer Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 21st day of March, 2017, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 24th day of March, 2017.



Clerk to the Board

WHEREAS, the Easement is eligible for 75 percent reimbursement through the Minnesota Law (ML) 2014 (14) Outdoor Heritage (OH) Fund Grant.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the expenditure of up to \$137,400, including \$3,000 for the estimated closing costs, to acquire a 4.5- acre corridor for the Regional Greenway from the Smith Partnership; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the expenditure of up to \$29,300, including \$2,000 for the estimated closing costs, to acquire a 7.4- acre Easement from the Smith Partnership; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Physical Development Division Director to execute purchase agreements for the 4.5-acre Regional Greenway corridor and the 7.4-acre Easement on the Smith Partnership property, subject to approval by the County Attorney's Office as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Chair to execute an Agreement and Restrictive Covenant required for the use of Metropolitan Council Acquisition Opportunity Fund for the Regional Greenway corridor, subject to approval by the County Attorney's Office as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Chair to execute the Easement deed for the 7.4-acre Easement on the Smith Partnership property, subject to approval by the County Attorney's Office as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Chair to execute Agreement and Notice of Funding Restrictions required for Minnesota Law 2014 Outdoor Heritage funding of the 7.4-acre Easement on the Smith Partnership property, subject to approval by the County Attorney's Office as to form; and

BE IT FURTHER RESOLVED, That the 2017 Environmental Resources Capital Improvement Program (CIP) budget is hereby amended as follows:

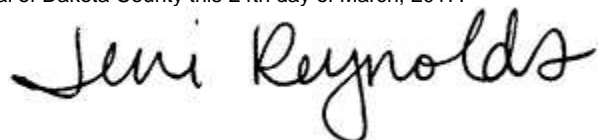
Revenue	
ML14 OH Grant (LC00003)	(\$29,300)
Acquisition of 7.4-acre Smith property Easement (LC20008)	<u>\$29,300</u>
Total Revenue	\$0
Expense	
Acquisition of 7.4-acre Smith property Easement (LC20008)	\$29,300
ML14 OH Grant (LC00003)	(\$21,975)
ML14 OH County Matching funds (LC00003)	<u>(\$7,325)</u>
Total Expense	\$0

STATE OF MINNESOTA
County of Dakota

	VOTE
Slavik	Yes
Gaylord	Yes
Egan	Abstain
Atkins	Yes
Workman	Yes
Holberg	Yes
Gerlach	Yes

I, Jennifer Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 21st day of March, 2017, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 24th day of March, 2017.



Clerk to the Board

; and

BE IT FURTHER RESOLVED, That following final completion of the Regional Greenway corridor acquisition on the Smith Partnership property, the County will submit the necessary forms and documentation to the Metropolitan Council to receive approximately \$103,050 of Acquisition Opportunity Fund reimbursement funds; and

BE IT FURTHER RESOLVED, That such reimbursement from the Metropolitan Council for the Regional Greenway corridor on the Smith Partnership property will be returned to the 2017 Operations Management-Parks Capital Improvement Program budget; and

BE IT FURTHER RESOLVED, That following final completion of the Easement acquisition on the Smith Partnership property, the County will submit the necessary forms and documentation to the State of Minnesota to receive approximately \$21,975 in Minnesota Law 2014 Outdoor Heritage reimbursement funds; and

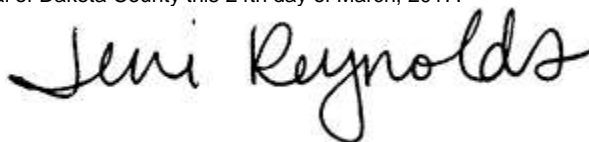
BE IT FURTHER RESOLVED, That such reimbursement from the State of Minnesota for the Easement acquisition on the Smith Partnership property will be returned to the 2017 Environmental Resources Capital Improvement Program budget.

**STATE OF MINNESOTA
County of Dakota**

	VOTE
Slavik	Yes
Gaylord	Yes
Egan	Abstain
Atkins	Yes
Workman	Yes
Holberg	Yes
Gerlach	Yes

I, Jennifer Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 21st day of March, 2017, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 24th day of March, 2017.



Clerk to the Board

FEE TITLE PURCHASE AGREEMENT

Tract #441

This Purchase Agreement, made and entered into on the 31st day of May, 2017, by and between MJFH Smith Family Limited Partnership (hereinafter called the "Seller"), and the COUNTY OF DAKOTA, a political subdivision of the State of Minnesota, (hereinafter called the "Buyer").

WITNESSETH:

WHEREAS, Seller is the owner of certain real property (hereinafter called the "Property"), as defined below, situated in Dakota County, Minnesota; and

WHEREAS, Seller agrees to sell and Buyer agrees to buy the Property and all improvements thereon, including any mineral rights and access or other easements benefiting the Property; and

WHEREAS, Buyer shall allow the possible future expansion or relocation of utilities required for residential development on the other portions of the adjacent properties across the Property.

NOW, THEREFORE, in consideration of the mutual promises and covenants and agreements stated in this document, it is agreed by and between Seller and Buyer as follows:

AGREEMENT

1. **DEFINITIONS.** As used in this Agreement, the following terms shall have the meaning provided herein:

- a. "**Agreement**" shall mean this Purchase Agreement and any addendums between Buyer and Seller as of the Effective Date.
- b. "**Closing**" shall mean the process by which the Buyer, Seller and Title Company execute all necessary documents for the Seller to sell and the Buyer to buy the Property.
- c. "**Closing Date**" shall mean the date on which the Buyer acquires the Property and the terms of this Agreement are fulfilled. For the purpose of this Agreement, the date shall be on or before July 31, 2017.
- d. "**Conveyed Personal Property**" shall mean the following specified personal property Seller intends to convey to Buyer.
- e. "**Due Diligence Deadline**" shall mean June 30, 2017.
- f. "**Effective Date**" shall mean the last date of execution by either of the Parties to this Agreement.
- g. "**Environmental Law**" shall mean each and every federal, state, and local law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit, license, approval, authorization or similar requirement pertaining to the protection of human health and safety or the environment.
- h. "**Fixtures**" shall mean items that are embedded in the land or attached to the building(s) and cannot be removed without damage to the real property or building(s). Examples are found in paragraph 3.
- i. "**Hazardous Substance**" shall mean any substance which is (i) defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, (ii) a petroleum hydrocarbon, including crude oil or any fraction thereof, (iii) hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive, carcinogenic, or reproductive toxicant, (iv) regulated pursuant to any Environmental Law(s), or (v) any pesticide regulated under state or federal law.
- j. "**Parties**" shall mean the Buyer and the Seller, as defined above, collectively.

- k. "Property" shall mean that certain real estate situated in Dakota County, Minnesota, as legally described in **Exhibit A** and generally depicted in **Exhibit A-1**, and any improvements located thereon.
- l. "Purchase Price" shall mean the sum of One Hundred Thirty Four Thousand Four Hundred Dollars (\$134,400.00).
- m. "Title Company" shall mean DCA Title Company at 7373 147th St W, Suite 161, Apple Valley, Minnesota.
- n. "Warranty Deed" shall mean a deed warranting and conveying good and marketable title of record to the Property, subject to the following title exceptions:
 - i. Building and zoning laws, ordinance, state and federal regulations;
 - ii. Reservation of any mineral rights to the State of Minnesota;
 - iii. Utility, drainage and public road easements of record; and
 - iv. The lien of real property taxes and the lien of special assessments and interest due thereon, if any, payable in the year of closing by which the terms of this Agreement are to be paid or assumed by Buyer.

2. FEE OWNER. Seller represents that Seller is the fee owner of the Property and hereby agrees to sell the Property to Buyer, free of any liens and encumbrances except as hereinafter identified. Seller agrees to convey Seller's interest in the Property to the Buyer pursuant to the terms herein.

3. TITLE EXAMINATION. Within twenty (20) days after the Effective Date, Seller shall deliver to Buyer an abstract of title or registered property certificate for the Property. Buyer shall pay the entire cost for updating the abstract or registered property certificate or the full charge for a title insurance commitment/binder. Buyer shall be allowed up to twenty (20) days after receipt for examination of the title documents and to make any objections to title. Buyer shall make any such objection in writing or the objection shall be deemed to be waived. If any objections are made, Seller shall have one hundred twenty (120) days to make title marketable. Pending correction of title, the payments required by this Agreement shall be postponed, but upon correction of title, and within twenty (20) days of written notice to Buyer, the Parties shall perform this Agreement according to its terms.

If title is not marketable and is not made so within one hundred twenty (120) days from the date of written objection as provided above, this Agreement shall, at Buyer's option, be void and neither party shall be liable for damages or costs to the other party.

If Buyer obtains title insurance, Buyer is not waiving the right to obtain a good and marketable title of record from Seller.

In any event, the Seller shall satisfy and discharge all monetary liens and encumbrances (except any statutory liens for non-delinquent real property taxes) affecting the Property and the Seller shall furnish whatever documents or evidence will be required by the Title Company in order to delete the "printed form" or standard exceptions to coverage, including, without limitation, rights of Parties in possession, unrecorded easements and mechanics or material men's liens or claims of lien, on or before Closing.

4. PAYMENT TERMS AND BUYER DELIVERIES. As consideration for the covenants and agreements made herein, Buyer agrees to pay the Purchase Price to Seller for the Property, less closing costs, including any mortgage pay-off amounts, payable in cash or equivalent upon the execution and delivery of a Warranty Deed conveying the Property from Seller to Buyer and other necessary documents on the Closing.

Seller is responsible for sealing the existing well and removing all personal belongings from the property.

Buyer agrees to allow Seller to continue existing agricultural contract between Seller and Double B Farm, c/o Bret Berg, 2834 170th Street West, Farmington, MN 55024 and to cultivate and receive rent for the property for the completion of the 2017 growing season.

Seller agrees to obtain a parcel lot split from the City of Lakeville and follow all necessary steps to facilitate the process. All costs of the parcel split will be the responsibility of the Seller.

5. CLOSING COSTS.

- a. Seller shall be responsible for, and pay the following costs: special assessment search, tax and judgment search, any corrective title action needed and fees associated with clearing Seller's title provided that Seller shall not under any circumstance be obligated to expend more than \$2,500 for any corrective title action necessary to make title marketable or to secure access to a public right-of-way, and Seller's attorney's fees. Further, Seller shall be solely responsible for, and hold Buyer harmless from paying, any real estate fees or commissions due or claimed to be due arising from this transaction. Seller shall pay any required State Deed Tax, and Conservation Fees as required by the State of Minnesota.
- b. Buyer is responsible for paying the costs for updating abstract or Torrens title records, a title commitment and supplements, examination fee, name search, property inspection, title insurance premium, property inspection, any recording fees for the Warranty Deed, and One Hundred (100) percent of closing fees charged by the Title Company.

6. SELLER'S CLOSING DOCUMENTS. Seller agrees to execute and deliver the following documents to Buyer on the date of closing:

- a. A Warranty Deed conveying marketable title to the Property, which shall also be executed by Seller's spouse if applicable.
- b. Standard Seller's Affidavit regarding Parties in possession.
- c. Seller's Affidavit of no improvements made to the Property within the last 120 days.
- d. An accounting of property taxes owed on the Property up to the Closing and proof of payment or a deduction from the purchase price for such taxes, including any additional property taxes resulting from any "Green Acres" reassessment pursuant to MINNESOTA STATUTES § 273.111.
- e. Well disclosure forms and a completed well disclosure certificate as required by MINNESOTA STATUTES § 1031.235.
- f. Any other document(s) requested by Buyer or Title Company to effectuate the closing and the terms of this Agreement.

7. UTILITIES. All utilities of any nature used in or about the Property shall be read and adjusted as of the date Seller actually vacates the premises and Seller will pay for all such utility charges through the date of Seller's vacation of the premises.

8. TAXES AND SPECIAL ASSESSMENTS. Seller will pay all past due property taxes and any special assessments levied against the Property. The property taxes that are due and payable in the current year shall be prorated as of the Closing Date, with Seller obligated to pay taxes through the Closing and the Buyer responsible for the taxes due after the Closing. Seller will pay any additional property taxes resulting from any "Green Acres" reassessment pursuant to MINNESOTA STATUTES § 273.111.

9. SELLER'S WARRANTIES. Seller warrants that:

- a. Seller has full power and authority to enter into this Agreement (and the person signing this Agreement for the Seller has full power and authority to sign for the Seller and to bind it to this Agreement) and to sell, transfer and convey all right, title and interest in and to the Property.
- b. The execution of this Agreement will not constitute a breach or default under any agreement to which the Seller is bound and/or to which the Property is subject.

- c. There is no suit, action, arbitration, or legal, administrative or other proceeding or injury pending or threatened against the Property or any portion thereof or pending or threatened against the Seller which could affect the Seller's title to the Property or any portion thereof, affect the value of the Property, or any portion thereof, or subject an owner of the Property, or any portion thereof, to liability.
- d. There is no license, permit, option, right of first refusal or other agreement, oral or written, which affects the Property or any portion thereof.
- e. Buildings, if any, are entirely within the boundary lines of the Property.
- f. There is a right of access to the Property from a public right of way, or that such right of access shall be provided by Seller to Buyer at the time of conveyance of the Property, in a form acceptable to the Buyer.
- g. There has been no labor or material furnished to the Property for which payment has not been made.
- h. There are no present violations of any restrictions relating to the use or improvement of the Property or any uncured notices which have been served upon the Seller by any governmental agency notifying the Seller of any violations of statute, order, ordinance, rule, requirement or regulation which would affect the Property or any portion thereof.
- i. The Property is not subject to a lien for Medical Assistance or other public assistance.
- j. Except as otherwise disclosed in writing and delivered, on or before the Effective Date of this Agreement, to the Buyer's representative authorized to receive notice herein, Seller has no knowledge, nor does Seller have reason to know, of any condition at, on, under or related to the Property presently or potentially posing a significant hazard to human health or the environment (whether or not such condition constitutes a violation of Environmental Laws, as hereinafter defined).
- k. Except as otherwise disclosed in writing and delivered, on or before the Effective Date of this Agreement, to the Buyer's representative authorized to receive notice herein, Seller has no knowledge, nor does Seller have reason to know, of any production, use, treatment; storage, transportation, or disposal of any Hazardous Substance (as hereinafter defined) on the Property or under the Property, nor has there been any release or threatened release of any Hazardous Substance, pollutant or contaminant into, upon or over the Property or into or upon ground or surface water at the Property or within the immediate vicinity of the Property.
- l. Except as otherwise disclosed in writing and delivered, on or before the Effective Date of this Agreement, to the Buyer's representative authorized to receive notice herein, Seller has no knowledge, nor does the Seller have reason to know that any asbestos-containing materials incorporated into the buildings or interior improvements or equipment that are part of the Property, if any, nor is there any electrical transformer, fluorescent light fixture with ballasts or other PCB-containing item on the Property.
- m. Seller is in compliance with all laws and regulations in connection with any handling, use, storage or disposal of Hazardous Substances including the maintenance of all required permits and approvals.
- n. Seller has disclosed to Buyer in writing the location of any individual sewage treatment systems located on the Property.
- o. Seller has disclosed to Buyer in writing the location of any individual wells located on the Property.
- p. Except as otherwise disclosed in writing and delivered to the Buyer's representative on or before the Effective Date of this Agreement, to the best of Seller's knowledge, there is no lead paint used in the construction or maintenance of any building(s) on the Property. Buyer acknowledges that the building(s) on the Property were constructed prior to 1978 and lead paint may exist.
- q. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

Each of the above representations is material and is relied upon by Buyer. Except insofar as the Seller has advised Buyer in writing to the contrary, each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing. At the Closing, if Buyer so requests, the Seller shall deliver to Buyer a certificate in a form satisfactory to Buyer stating that each of the above representations is true and correct as of the Closing.

If Seller discovers any information or facts that would materially change these warranties and representations before the Closing, Seller shall immediately give notice to Buyer of those facts and information. If any of the foregoing representations and warranties ceases to be true before the Closing, Seller will promptly remedy the problem, at Seller's sole cost and expense, upon receipt of notice by Buyer. If the problem is not remedied before Closing, Buyer may elect to either (a) terminate this Agreement in which case Buyer shall have no obligation to purchase the Property or (b) defer the Closing until such problem has been remedied. Buyer's election in this regard shall not constitute a waiver of Buyer's rights in regard to any loss or liability suffered as a result of a representation or warranty not being true nor shall it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

10. CONDITIONS PRECEDENT. In addition to the title examination, the purchase of the Property by Buyer is contingent upon:

- a. the Dakota County Commissioners adopting a resolution authorizing Buyer's purchase of the Property from Seller;
- b. The Metropolitan Council (Council approval of an Acquisition Opportunities Funding Grant to Buyer in amount equal to seventy-five (75) percent of the total cost of the acquisition to Buyer, including appraisal, closing, due-diligence, initial stewardship and other eligible costs or approval for future reimbursements; and
- c. The completion of due diligence by Buyer on or before the Due Diligence Deadline and Buyer determining in its sole discretion that the condition of the Property is acceptable to it. Seller agrees that Buyer shall have the right to inspect and investigate the Property at reasonable times and to perform any tests it deems necessary, including tests to evaluate the environmental condition of the Property. Buyer shall coordinate any such inspection to accommodate the schedule of Seller, who shall not unreasonably withhold permission to inspect or investigate.

If the above contingencies are not satisfied, this Agreement shall, at Buyer's option, be void and neither party shall be liable for damages to the other party.

11. CLOSING. The Closing shall occur at Title Company's office. The time of day will be scheduled by the Title Company so as to be mutually acceptable to Buyer and Seller. Seller and Buyer may mutually agree in writing to alter the date of the Closing.

12. POSSESSION. Seller shall deliver possession of the Property no later than the time set by the Title Company for the Closing in the same condition as it was on the Effective Date, ordinary wear and tear excepted, free and clear of the rights or claims of any other party.

13. RISK OF LOSS. Until the completion of closing and delivery of possession of the Property, all risk of loss is on Seller. If the Property is damaged prior to closing, Seller shall give the Buyer notice within five (5) business days after such damage has occurred. The notice shall include Seller's proposal for repairing the damage. From the date that Buyer receives Seller's notice, Buyer shall have three (3) business days to inspect the Property and an additional two (2) business days to determine if the damages and Seller's proposal for repairs are acceptable to Buyer. If Buyer does not accept Seller's proposal for repairs within the five (5) business day period, this Agreement shall be void.

14. REMEDIES UPON DEFAULT. In the event that Seller defaults in the performance of any of its obligations under this Agreement, Buyer shall, in addition to any and all other remedies provided in this Agreement or at law or in equity, have the right of specific performance against Seller. In the event that Buyer defaults in the performance of any of its obligations under this Agreement, Seller shall have, as its sole and exclusive remedy, the right to cancel this Agreement as permitted by MINNESOTA STATUTES §§ 559.21 and 559.217.

15. NO BROKER'S COMMISSION. Each party represents to the other that it has not used a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement. In the event that any person asserts a claim for a broker's commission or finder's fee against one of the Parties to this Agreement, that party shall indemnify and hold the other party harmless from and against the claim and this indemnification shall survive Closing or any earlier termination of this Agreement.

16. WAIVER OF DISCLOSURE. Unless otherwise required herein, Buyer waives the written disclosures required under MINNESOTA STATUTES §§ 513.52 to 513.60.

17. MISCELLANEOUS.

a. Performance. The Parties hereto agree that time is of the essence in the performance of this Agreement.

b. Notices. Notices to be given under this Agreement shall be in writing and sent by registered or certified mail, addressed to the Parties at the following addresses:

With respect to Buyer:

Alan Singer, Land Conservation Manager, or Successor
Dakota County
14955 Galaxie Avenue
Apple Valley, MN 55124

With respect to Seller:

MJFH Smith Family LTD Partnership
PO Box 3087
Burnsville, MN 55337

c. Non-Joint Venture. The Parties agree that nothing contained herein shall be considered a partnership or joint venture under taken by the Parties.

d. Minnesota Law. This Agreement shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Agreement, or breach thereof, shall be in the state or federal court with competent jurisdiction in Dakota County, Minnesota.

e. Representation by Counsel. Seller understands that Buyer and the County Attorney's Office do not represent Seller in this matter. Seller has had an opportunity to review the terms of this Agreement with Seller's own legal counsel, whether Seller has elected to consult with counsel or not. Seller has read and understands the terms of this Agreement and agrees to be bound by the terms of this Agreement.

f. Entire Agreement. This Agreement, along with any exhibits, appendices, schedules, and written amendments hereto, encompasses the entire agreement of the Parties, and supersedes all previous understandings and agreements between the Parties, whether oral or written.

g. Amendments. Any amendments or modifications to this Agreement shall be in writing and shall be executed by the same Parties who executed the original Agreement or their successors.

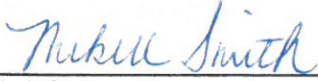
h. Severability. Each provision of this Agreement is severable from any other provision of this Agreement. Should any provision of this Agreement for any reason be unenforceable, the balance of the Agreement shall nonetheless be of full force and effect.

i. Headings. The headings used in this Agreement are for convenience of reference only and shall not operate or be construed to alter or affect the meaning of any of the provisions in this Agreement.

j. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one and the same agreement.

IN TESTIMONY WHEREOF, the Parties hereto have caused this instrument to be executed the day and year first recited herein.

SELLER:



Mikell Smith, Title
MJFH Smith Family Limited Partnership

Date of Signature: May 31, 2017

BUYER:



Steven C. Mielke, Director
Physical Development Division

Date of Signature: _____

Approved as to form:



Assistant Dakota County Attorney

Date of Signature: 6-7-17

KS-17-262 _____

Approved by Dakota County
Board Resolution No. 17-169

Dakota County Parks

Legal Description of Fee Title Acquisition of the MJFH Smith Family Limited Partnership Property for the North Creek Regional Greenway

That part of the Southeast Quarter of the Northwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 12, Township 114 North, Range 20 West, Dakota County, Minnesota described as follows:

Commencing at the southeast corner of the north 20.00 feet of said South Half of the Northwest Quarter; thence on an assumed bearing of North 89 degrees 42 minutes 49 seconds West, along the south line of said north 20.00 feet, a distance of 877.51 feet; thence southwesterly, a distance of 91.10 feet, along a tangential curve, concave to the southeast, having a central angle of 14 degrees 29 minutes 57 seconds and a radius of 360.00 feet; thence South 75 degrees 47 minutes 14 seconds West, tangent to said curve, a distance of 107.72 feet to the point of beginning of the parcel to be described; thence continuing South 75 degrees 47 minutes 14 seconds West a distance of 75.96 feet; thence southwesterly, a distance of 33.35 feet, along a tangential curve, concave to the southeast, having a central angle of 5 degrees 18 minutes 27 seconds and a radius of 360.00 feet; thence South 38 degrees 47 minutes 27 seconds East not-tangent to said curve a distance of 331.90 feet; thence South 12 degrees 35 minutes 02 seconds East a distance of 274.99 feet; thence South 24 degrees 17 minutes 02 seconds East a distance of 597.85 feet; thence South 01 degrees 12 minutes 08 seconds West a distance of 153.39 feet to the north line of said Northeast Quarter of the Southwest Quarter; thence continuing South 01 degrees 12 minutes 08 seconds West a distance of 83.01 feet; thence South 21 degrees 28 minutes 53 seconds West a distance of 192.55 feet to a hereinafter described "Line A"; thence South 71 degrees 33 minutes 54 seconds East along said "Line A" a distance of 249.50 feet; thence East along said "Line A" a distance of 20.94 feet; thence North 20 degrees 03 minutes 52 seconds East a distance of 83.44 feet; thence North 24 degrees 56 minutes 22 seconds West a distance of 135.07 feet; thence North 53 degrees 58 minutes 40 seconds West a distance of 73.04 feet; thence North 01 degrees 12 minutes 08 seconds East a distance of 96.74 feet to said north line of said Northeast Quarter of the Southwest Quarter; thence continuing North 01 degrees 12 minutes 08 seconds East a distance of 174.45 feet; thence North 24 degrees 17 minutes 02 seconds West a distance of 610.22 feet; thence North 12 degrees 35 minutes 02 seconds West a distance of 288.02 feet; thence North 38 degrees 47 minutes 27 seconds West a distance of 311.14 feet to the point of beginning.

The hereinbefore referenced "Line A" is described as follows:

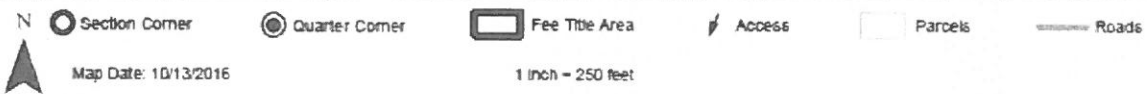
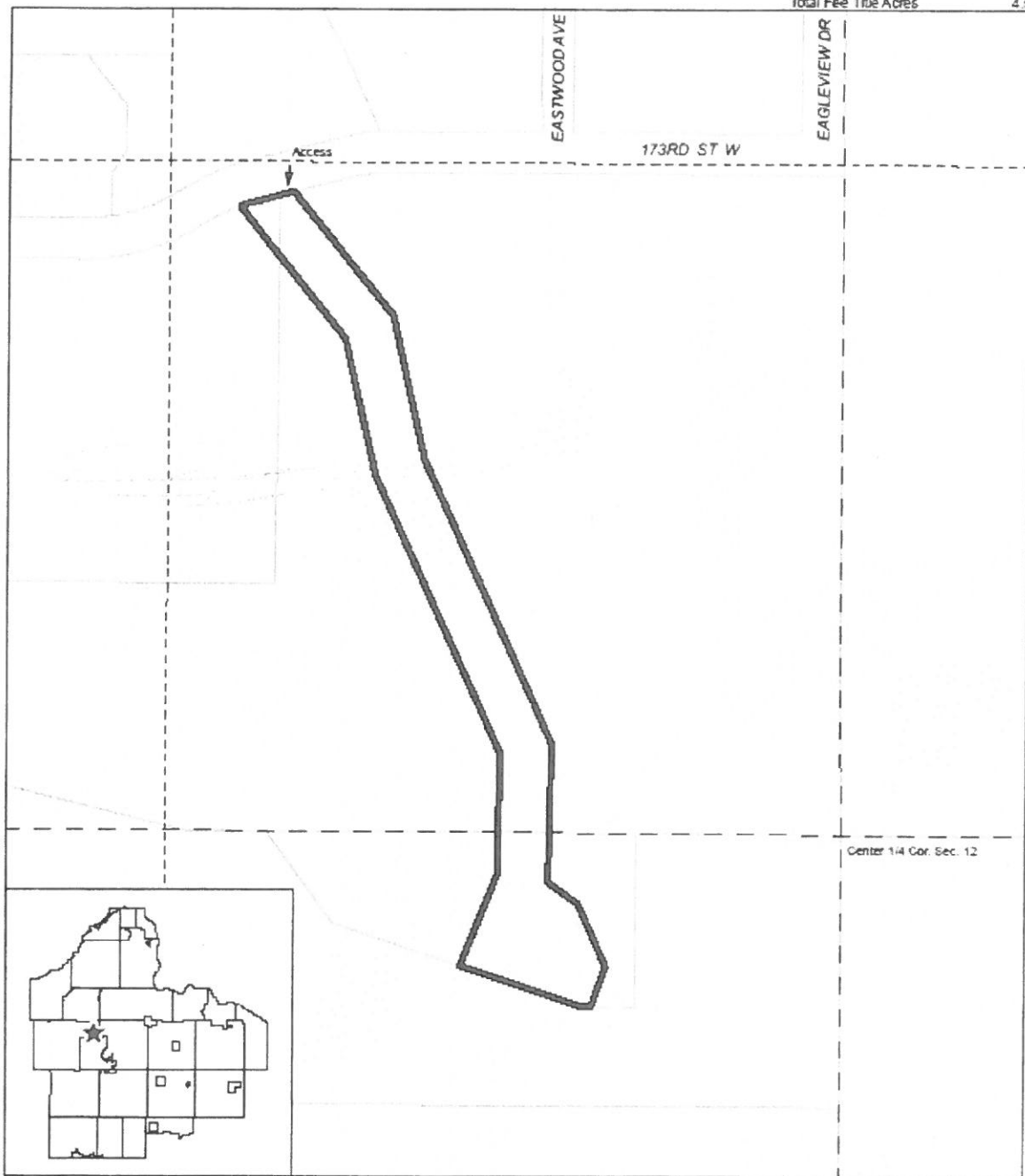
Commencing at the southwest corner of said South Half of the Northwest Quarter; thence North 00 degrees 15 minutes 17 seconds East along the west line thereof, a distance of 373.14 feet to the point of beginning of said "Line A"; thence East a distance of 85.39 feet; thence South 00 degrees 33 minutes 42 seconds West a distance of 102.00 feet; thence South 76 degrees 45 minutes 34 seconds East a distance of 87.32 feet; thence South 53 degrees 07 minutes 48 seconds East a distance of 170.00 feet; thence South 75 degrees 30 minutes 37 seconds East a distance of 91.92 feet; thence South 87 degrees 24 minutes 08 seconds East a distance of 529.54 feet; thence South 75 degrees 54 minutes 14 seconds East a distance of 463.97 feet; thence East a distance of 145.00 feet; thence South 35 degrees 34 minutes 05 seconds East a distance of 220.06 feet; thence South 71 degrees 33 minutes 54 seconds East a distance of 512.29 feet; thence East a distance of 109.00 feet; thence North, a distance of 339.57 feet to a point on the north line of the North Half of the Southwest Quarter of said Section 12; thence South 89 degrees 41 minutes 10 seconds East 396.37 feet to the northeast corner thereof and said "Line A" there terminating.

Area = 4.5 acres

Acquisition of the MJFH Smith Family Limited Partnership Property

Exhibit A-1

PLS Section 12, 114-20
Total Fee Title Acres 4.5



APPRAISAL OF REAL PROPERTY – *BEFORE & AFTER ANALYSIS*

PROPERTY

Smith Property
Vacant Land (64.0 acres)
17380 Pilot Knob Road
Lakeville, Dakota County, MN 55024

DATE OF REPORT

January 17, 2017

CLIENT

Ms. Lisa West, Senior Project Manager
Dakota County Environmental Resources
Department
14955 Galaxie Avenue
Apple Valley, MN 55124

EFFECTIVE DATE OF VALUE

September 30, 2016 – “Before” & “After”

PREPARED BY

Insight Realty Advisors, Inc.
275 East 4th Street, Suite 325
St. Paul, MN 55101
Phone: 651-470-1229
Email: nathan.hansen@insightrealtyadvisors.com
Insight File #: 2016-450





Reflects Larger Parcel (64.0 acres)

Smith Property
Vacant Land
17380 Pilot Knob Road
Lakeville, Dakota County, MN 55024

Insight Realty Advisors, Inc.
275 East 4th Street, Suite 325
St. Paul, MN 55101
Phone: 651-470-1229
Email: nathan.hansen@insightrealtyadvisors.com

January 17, 2017

Ms. Lisa West
Dakota County Environmental Resources Department
14955 Galaxie Avenue
Apple Valley, MN 55124

RE: Appraisal of the Smith Property located at 17380 Pilot Knob Road, Lakeville, Dakota County, MN 55024

Insight File Number: 2016-450

Dear Ms. West,

In accordance with your request, we are pleased to submit the accompanying appraisal of the Smith Property located at 17380 Pilot Knob Road, Lakeville, Dakota County, MN 55024. The purpose of the appraisal is to estimate the 'before' and 'after' market values of the subject property after fee acquisition of the 4.5-acre Regional Greenway Corridor, and after either fee or easement acquisition of an adjacent 7.4-acre Conservation Corridor. The client for the assignment is Dakota County Environmental Resources Department and the intended use is for negotiations regarding fee acquisition and conservation easement acquisition, and for grant reimbursement purposes. Additional intended users include the Department of Natural Resources (DNR) and the Metropolitan Council. No other use or user is intended.

The subject property is considered to be vacant land with residential development appeal. There are farm use buildings located in the western portion of the site; given the scope of the assignment and considering they will not be impacted by the proposed acquisition or easement, they are excluded from the valuation. Currently, most of the property is being used for agricultural purposes, which is an interim use until the property is developed. The property has frontage along a tributary to North Creek. The larger parcel, which is the subject property, contains a total of 64.00 acres, of which 53.40 acres is suitable for unrestricted development.

Due to the existence of the tributary, 8.50 acres are included in a designated 100-foot wide buffer as required by the Vermillion River Watershed Joint Powers Board (VRWJPO). 7.80 acres of the larger parcel are encumbered by designated floodplain and delineated wetlands, including 2.10 acres within the VRWJPO buffer. As a result, there is a total of 10.60 acres of the larger parcel that are not developable. However, the City of Lakeville does provide a \$5,500 per acre credit for undevelopable land.

Dakota County is undertaking a long-term comprehensive effort to protect and improve water quality and wildlife habitat, while enhancing compatible outdoor recreation by establishing permanent buffers on undeveloped shoreline along all rivers, streams and lakeshore throughout the County. Additionally, Dakota County has established a Greenway Corridor to provide a regional trail system, connect existing greenways and parks, and provide community benefits in areas of water quality, habitat and non-motorized transportation. As a result, the County is proposing two acquisitions on the subject property; 1) A 4.50-acre fee acquisition of a Greenway Corridor, and 2) Acquisition of 7.40-acre fee title or a conservation easement of an adjacent Conservation Corridor. Per client request, the impact of each acquisition will be analyzed independently; each “after” value is analyzed as if the other acquisition does not exist.

Based on our subject property tour, and after examining and considering the subject’s location, physical and economic characteristics, current market conditions, demographic influences, and other legal, social, economic factors, the details of which are included in the valuation analysis in the accompanying report, subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinions are as follows:

VALUE CONCLUSIONS - BEFORE AND AFTER GREENWAY FEE ACQUISITION			
Valuation Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value 'Before'	Fee Simple	September 30, 2016	\$3,796,300
Market Value 'After'	Fee Simple	September 30, 2016	\$3,661,900
Difference			\$134,400

VALUE CONCLUSIONS - BEFORE AND AFTER CONSERVATION CORRIDOR FEE TITLE ACQUISITION			
Valuation Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value 'Before'	Fee Simple	September 30, 2016	\$3,796,300
Market Value 'After'	Fee Simple	September 30, 2016	\$3,671,800
Difference			\$124,500

VALUE CONCLUSIONS - BEFORE AND AFTER CONSERVATION CORRIDOR EASEMENT			
Valuation Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value 'Before'	Fee Simple	September 30, 2016	\$3,796,300
Market Value 'After'	Fee Simple	September 30, 2016	\$3,769,000
Difference			\$27,300

Exposure Time and Marketing Time

Based on our review of national, regional and local investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately 12 months. This assumes an active and professional marketing plan would have been employed by the current owner.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within 12 months.

Extraordinary Assumptions

An extraordinary assumption is defined by the USPAP as “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

- None.

Hypothetical Conditions

A hypothetical condition is defined by the USPAP as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

- The 'after' values provided within this report assumes the noted acquisitions are in-place as of the effective date of this report. The impact of each acquisition area will be analyzed independently; each 'after' value is analyzed as if the other acquisition does not exist.

This letter is accompanied by an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). Accordingly, it provides a summary or description of the appraisal process, subject and market data and valuation analyses. The report was also prepared to comply with the requirements of the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book). The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal.

This appraisal has been prepared for the client, and may not be used or relied upon by anyone other than the client for any purposes whatsoever without the express written consent of the appraiser and the client.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,



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