

Community Development Committee

For the Community Development Committee meeting of August 20, 2018

For the Metropolitan Council meeting of September 12, 2018

Subject: Parks Acquisition Opportunity Fund Grant for Grey Cloud Island Regional Park, Kartarik Property, Washington County

District, Member: 12 – Harry Melander

Policy/Legal Reference: Minn. Stat. 85.53, subd. 3(4) and Minn. Stat. 473.315; *2040 Regional Parks Policy Plan* Siting and Acquisition Policy: Strategies 1 and 2

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

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$435,083.63 to Washington County to acquire the two Kartarik parcels comprising 4.24 acres at 10870 Grey Cloud Island Drive in Grey Cloud Island Township for Grey Cloud Island Regional Park.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency (Agency) and Location

Washington County requested this grant on May 22, 2018. A copy of the Agency's request is attached to this item. Grey Cloud Island Regional Park, which is still in the land assembly phase, lies within Grey Cloud Island Township and the City of Cottage Grove in Washington 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 up to 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match. The Council will fund this grant 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 4.24-acre property is an inholding within the Council-approved boundaries of Grey Cloud Island Regional Park. The property lies along Mooers Lake, which is a water basin associated with the Mississippi River. There are structures on the parcels, and Washington County will consider a bid process to either relocate the structures or demolish them.

Acquisition details

This is a straightforward, fee simple transaction with no easements or other property restrictions. When the grant was initially requested, it included three parcels. Section 2.2 of the appraisal indicated that because the eastern-most parcel was often entirely under water, the appraiser ascribed no value to that parcel. A master plan review showed that a large part of this parcel was outside the Council-approved master plan boundary. The Agency then withdrew their request to include the third parcel in its grant request.

Because Section 2.2 of the appraisal did clearly state that parcel had no value, Council staff did not require the Agency to incur the expense to update the appraisal to exclude the parcel entirely. The parcel is still shown on the accompanying aerial images, as well. The Agency is acquiring that parcel, at no cost, but it will not be a part of Regional Parks System.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- Appropriation requirements;
- The master plan for Grey Cloud Island Regional Park, approved by the Council on December 1, 1994; and
- All requirements of PTLF.

Thrive Lens Analysis

This request is consistent with Thrive's Livability outcome because the Council's investment in the regional park will increase access to nature and outdoor recreation, thereby enhancing the region's quality of life.

Funding

Project budget

The appraised value is \$500,000, and the Agency has offered the seller 110% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$550,000.00
Due diligence (appraisal, Phase I environmental site assessment, etc.)	4,480.00
Holding and closing costs	5,631.51
Stewardship	20,000.00
<hr/>	
Total costs	\$580,111.51

Grant structure

State FY 2018 PTLF PAOF	\$157,493.52
State FY 2019 PTLF PAOF	103,556.48
Council bonds	174,033.45
Grant amount not to exceed	\$435,083.63
Local match	\$145,027.88

Fund balance

If this grant is awarded by the Council, it will fully deplete the state fiscal year 2018 PTLF appropriation and its corresponding Council bond match. The combined balance of the state fiscal year 2019 PTLF/Council bond match after this grant is awarded will be \$2,976,814.

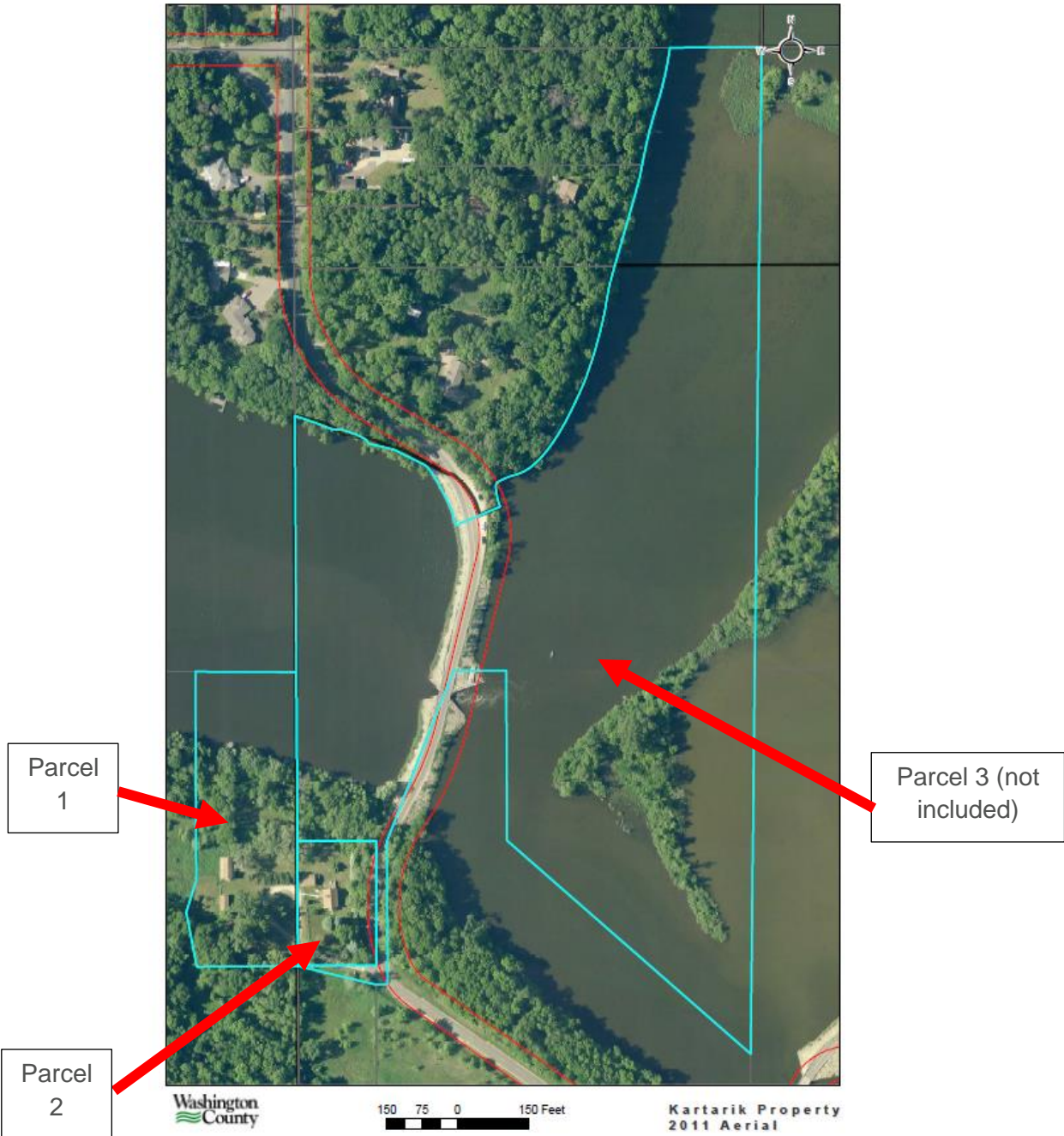
Known Support / Opposition

There is no known opposition. The Metropolitan Parks and Open Space Commission approved the recommendation unanimously at its meeting on August 7, 2018.

Exhibit List

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

Exhibit 1: Images



Metropolitan Parks and Open Space Commission

Meeting date: August 7, 2018

For the Community Development Committee meeting of August 20, 2018

For the Metropolitan Council meeting of September 12, 2018

Subject: Parks Acquisition Opportunity Fund Grant for Grey Cloud Island Regional Park, Kartarik Property, Washington County

MPOSC District: F – Sarah Hietpas

Policy/Legal Reference: MN Statutes 85.53 Subd. 3(4) and MN Statutes 473.315; 2040 Regional Parks Policy Plan Siting and Acquisition Policy: Strategies 1 and 2

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

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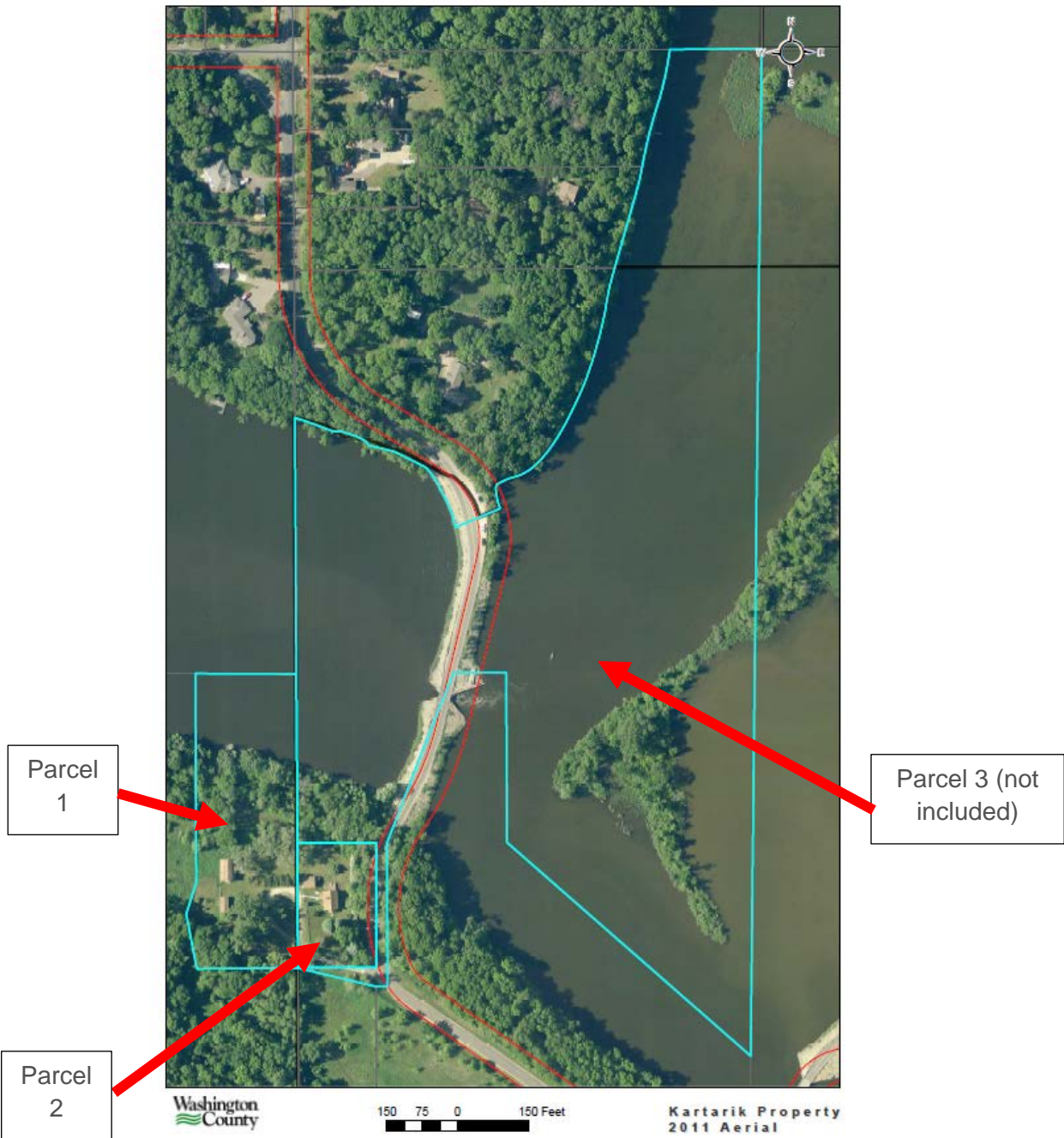
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Exhibit 1: Images





Donald J. Theisen, P.E.
Director

Wayne H. Sandberg, P.E.
Deputy Director/County Engineer

May 22, 2018

Ms. Tori Dupre
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

REQUEST FOR ACQUISITION OPPORTUNITY GRANT FUNDS FOR PURCHASE OF THE KARTARIK PROPERTY IN GREY CLOUD ISLAND REGIONAL PARK

Dear Tori,

Washington County request that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Kartarik property located within the boundary of Grey Cloud Island Regional Park in the City of Cottage Grove and Grey Cloud Island Township. This property is adjacent to an existing Washington County owned parcel, and includes an older home and out buildings that will be removed within a year of purchase. The actual purchase contains three separate parcels. Parcels 25.027.22.44.0005 and 30.027.21.33.0002 are included in this grant request and the third parcel 30.027.21.32.0005 contained within the appraisal was ascribed no value and thus not contained within this application. The agreed upon price is slightly over the Washington County appraised value.

The offer presented here has been signed by both landowner and the Washington County Board on June 5, 2018. Funding for this project is requested to be 75% from Metropolitan Council's Acquisition Opportunity Fund with the remaining 25% funded by Washington County funds.

Estimated Acquisition Costs:

Purchase Price	\$550,000.00
Estimated costs related to purchase	\$ 27,315.51

	\$577,315.51

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$432,986.63
Washington County (25%)	\$144,328.88

	\$577,316.00 (rounded)

Page Two
May 22, 2018

We understand that there are funds available in the 2017 fiscal year and hope to be able to use said funds. If the funds are not available, we request that this acquisition be funded in the 2018 fiscal year. The closing for this property is set for September 14, 2018 following Met Council action on the grant request.

Thank you for your consideration of this request. If you have any questions or need additional information, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sharon M. Price".

Sharon M. Price
Property Acquisition Manager

cc: Sandy Breuer, Parks Director
June Mathiowetz, Land & Water Legacy Program



Phone:* 651-430-4325

Ext.

Fax:

PeopleSoft Vendor Number 0000028637A10

Project description

Please limit acquisition requests to a single park or trail

Park or trail name Grey Cloud Island RP-Washington 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 Grey Cloud Island Regional Park Master Plan 08/25/1994

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.

Is any portion of the property currently in the public domain? No

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? No

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 07/16/2018
Format: mmddyyyy (Do not enter any punctuation.)

Date purchase agreement expires
Format: mmddyyyy (Do not enter any punctuation.)

Appraisal effective date 10/04/2017

Appraisal information

Appraised value \$500,000.00

Amount being offered the seller (net of closing and other costs) \$550,000.00 110.0%
% of appraised value

Appraisal date 06/20/2018

Who performed the appraisal? John Hraba, Mckinzie Metro Appraisal

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

Was a survey done? No

Quality of natural resources - is the property...

...undeveloped?

Fully

Partially

...wooded?

Fully

Yes

Partially

...shoreline?

Fully

Yes

Partially

Describe the existing natural resources it contains

The protection of wildlife habitat within the floodplain areas especially waterfowl. Floodplain zones enhance the corridor's aesthetic character. Sensitive water basins such as Moer's Lake are examples of sensitive areas because they possess diverse habitat and experience value to both wildlife and man.

Suggested funding source

How will the stewardship implementation be funded?

Stewardship implementation will continue to be funded through Washington County Parks, the Metropolitan Council and available grants.

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? No

If yes, how will those funds be used?

Local match**Source of local match**

Local match through the Washington County Land and Water Legacy Program.

Will you be requesting consideration for future reimbursement of any part of your local match? No

If yes, how much? \$0.00

Sellers and parcels

Seller name	Parcel address	PID	Acres	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude
Betty A Kartarik	10870 Grey Cloud Island Drive, Cottage Grove, MN	25.027.22.44.0005	2.27		No	54A	Cottage Grove	Washington	12	F	44.792303	-92.983474
Betty A Kartarik	10870 Grey Cloud Island Drive, Cottage Grove, MN	30.027.21.33.0002	1.97		Yes	54A	Cottage Grove	Washington	12	F	44.792303	-92.983474
			4.24									

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Gary Kriesel	County Board Chair	No
Molly O'Rourke	County Administrator	No
Richard Hodsdon	Assistant County Attorney	Yes

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$550,000.00
Appraisal expenses	
Appraisal	\$1,980.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$2,500.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$20,000.00
Land development	\$0.00

Pro-rated share of all property taxes/assessments	\$1,216.66
Legal services and closing costs	\$0.00
Property tax equivalency payment-473.341	\$1,544.85
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$1,820.00
Title insurance	\$1,000.00
Well disclosure statement	\$50.00
Other holding	\$0.00
Other expenses	
Other expenses	\$0.00
Totals	\$580,111.51

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)	\$580,111.51	\$261,050.18	\$174,033.45	\$145,027.88	\$435,083.63

Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
Section 1 - REQUIRED FOR ALL REQUESTS				
Grant request letter	Kartarik Property Grant Request Letter	Kartarik Property Grant Request Letter .pdf	pdf	60 KB
Master plan documentation (please compress to 5 Mb max)	Grey Cloud Island Regional Park Master Plan	Gregy Cloud Island Reg Park Master Plan1.pdf	pdf	3.8 MB
Aerial photo showing parcel boundary (please compress to 5 Mb max) with parcel overlay	Kartarik Diagram	Kartarick_062818.pdf	pdf	219 KB
For TRAILS, image of full-length trail alignment, with the location of subject property noted. For RP/PR's, image of the entire RP/PR, with the location of subject property noted.				
Governing Board action authorizing grant request	Kartarik Resolution	Amended Resolution_2018-069.pdf	pdf	147 KB
Section 2 - FEE TITLE REQUIREMENTS				
Signed purchase agreement	Kartarik Purchase Agreement	PA date change.pdf	pdf	644 KB
Legal description - in MS Word				
Property appraisal report (please compress to 5 Mb max)	Kartarik Property Appraisal	Kartarik_6-20-18-JH (06-25-18)_Reduced.pdf	pdf	4.0 MB
Appraisal invoice	Kartarik Appraisal Invoice	Kartarik Invoice-11241.pdf	pdf	232 KB
Phase 1 environmental site assessment report	Kartarik Property Phase I	Phase I ESA Report - Kartarik Property 6.25.18Reduced.pdf	pdf	13.6 MB
Phase 1 environmental assessment invoices	Phase I Invoice	BayWest Invoice.pdf	pdf	215 KB
State deed tax or conservation fee invoice	Kartarik State Deed Tax and Conservation Fee	Kartarik Property State Deed_Cons Fee Estimate.pdf	pdf	9 KB
Current property tax statement with pro-rated share of tax due	Kartarik Property 2018 Taxes Estimate	Kartarik Property 2018 Taxes Estimate.pdf	pdf	10 KB
Tax equivalency payment	Kartarik Property Tax Equivalency Payment	Kartarik Property Tax Equivalent Estimate.pdf	pdf	12 KB

BOARD OF COUNTY COMMISSIONERS
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. _____

DATE June 5, 2018

DEPARTMENT Public Works – Parks

MOTION
BY COMMISSIONER _____

SECONDED BY
COMMISSIONER _____

**RESOLUTION TO ACQUIRE KARTARIK PROPERTY
FOR INCLUSION INTO GREY CLOUD ISLAND REGIONAL PARK**

WHEREAS, Washington County is interested in acquiring the property described on Grey Cloud Island for inclusion into the Grey Cloud Island Regional Park; and,

WHEREAS, the owner has agreed to sell the property to Washington County; and,

WHEREAS, the Land and Water Legacy Program has received application for this purchase and has approved this purchase for funding.

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Commissioners hereby authorize its Chairman and Administrator to execute on behalf of the County a Purchase Agreement and any other documents necessary for the County to purchase the property legally described on the attached Exhibit A.

BE IT FURTHER RESOLVED, that Washington County will purchase said property for the sum of \$550,000.

ATTEST:

COUNTY ADMINISTRATOR

COUNTY BOARD CHAIR

MIRON
KARWOSKI
KRIESEL
LAVOLD
WEIK

YES	NO
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT A
Legal Description of the Property

All that part of the West half of the Southwest Quarter of Section 30, Township 27 North, Range 21 West, of the 4th Principal Meridian, Washington County, Minnesota described as follows;

Beginning at the Northwest corner of the West half of the Southwest Quarter of Section 30; thence north 89 degrees 37 minutes 21 seconds East, along the North line of said West half of the Southwest Quarter of Section 30, a distance of 991.63 feet to the Northeast corner of said West half of the Southwest Quarter of Section 30; thence South 00 degrees 37 minutes 09 seconds West along the East line of said West half of the Southwest Quarter of Section 30, a distance of 2,130.81 feet to a point distant 500.00 feet North of the Southeast corner of said West half of the Southwest Quarter of Section 30; thence North 48 degrees 46 minutes 28 seconds West a distance of 685.10 feet; thence north 00 degrees 37 minutes 09 seconds East, parallel with said East line of the West half of the Southwest Quarter of Section 30, a distance of 360.02 feet to the North line of the Southwest Quarter of the Southwest Quarter of Section 30; thence South 89 degrees 34 minutes 26 seconds West, along said North line of the Southwest Quarter of the Southwest Quarter of Section 30, a distance of 118.06 feet; thence South 21 degrees 16 minutes 56 seconds West a distance of 385.84 feet; thence South 00 degrees 18 minutes 39 seconds East, parallel with the West line of said West half of the Southwest Quarter of Section 30, a distance of 304.00 feet; thence south 89 degrees 41 minutes 21 seconds West a distance of 25.00 feet; thence North 76 degrees 41 minutes 09 seconds West a distance of 169.78 feet to said West line of the West half of the Southwest Quarter of Section 30; thence North 00 degrees 18 minutes 39 seconds West, along the West line of the Southwest Quarter of Section 30; a distance of 622.10 feet to the Northwest corner of said Southwest Quarter of the Southwest Quarter of Section 30; thence continuing North 00 degrees 18 minutes 39 seconds West, along said West line of the West half of the Southwest Quarter of Section 30, a distance of 1,316.02 feet to the Northwest corner of the West half of the Southwest Quarter of Section 30 and the point of beginning.

EXCEPT:

All that part of the West half of the Southwest Quarter of Section 30, Township 27 North, Range 21 West, of the 4th Principal Meridian, Washington County, Minnesota, described as follows:

Beginning at the Northwest corner of the West half of the Southwest corner of Section 30; thence running South along the West line of said West half of the Southwest Quarter of Section 30 to a point at the high water mark of Mooers Lake (a/k/a Balden Lake, a/k/a Moore's Lake); thence Easterly along the high water mark of said lake and the slough running into said lake to a point where said slough turns in a northerly direction; thence running in a Northerly direction along the West bank of said slough at high water mark to the North line of said West half of the Southwest Quarter of Section 30; thence South 89 degrees 37 minutes 21 seconds West, along said North line of the West half of the Southwest Quarter of Section 30 to the Northwest corner of the West half of the Southwest Quarter of Section 30 and the point of beginning.

AND

All that part of the East 313.66 feet of the Southeast Quarter of the Southeast Quarter of Section 25, Township 27 North, Range 22 West, of the 4th Principal Meridian, Washington County, Minnesota lying Northerly and Easterly of the following described Line "A":

Commencing at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 25; thence South 00 degrees 18 minutes 39 seconds East, along the East line of said Southeast Quarter of the Southeast Quarter of Section 25, a distance of 622.10 feet, to the point of beginning of Line "A"; thence South 89 degrees 41 minutes 21 seconds West a distance of 213.66 feet; thence North 11 degrees 02 minutes 23 seconds West a distance of 117.62 feet; thence North 17 degrees 54 minutes 54 seconds East a distance of 70.01 feet; thence North 00 degrees 18 minutes 39 seconds West, parallel with said East line of the Southeast Quarter of the Southeast Quarter of Section 25, a distance of 442.49 feet to the North line of said Southeast Quarter of the Southeast Quarter of Section 25, and said Line "A" there terminating.

PURCHASE AGREEMENT

Between

ESTATE of BETTY A. KARTARIK

("SELLER")

and

WASHINGTON COUNTY

("BUYER")

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is made to be effective the ____ day of _____, 2018 (the "Effective Date of this Agreement") between the ESTATE OF BETTY A. KARTARIK, (hereinafter referred to as "Seller") and WASHINGTON COUNTY (hereinafter referred to as "Buyer").

RECITALS AND PRELIMINARY STATEMENT OF FACTS

1. Seller is the owner of certain real property located in the County of Washington, State of Minnesota, and legally described in the attached Exhibit "A" (the "Property").
2. Seller desires to sell and Buyer desires to purchase the Property subject to the terms and conditions hereof.

In consideration of the Recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

COVENANTS

1. **SALE AND PURCHASE** Seller agrees to sell and Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
2. **CLOSING DATE** The "Closing" and "Closing Date" shall be on or before July 31, 2018. *September 30, 2018*
3. **PURCHASE PRICE** The "Purchase Price" shall be Five Hundred Fifty Thousand and no/100 (\$550,000.00) Dollars. The Purchase Price shall be payable in cash or cash equivalent at Closing.
4. **TITLE, TAXES, CLOSING COSTS**

4.1 Within a reasonable time after execution of this Agreement, Seller shall provide Buyer with a commitment for an owner's policy of title insurance for the Property from Stewart Title Guaranty Company, which shall include proper searches covering bankruptcies and state and federal judgments, liens, and levied and pending special assessments (the "Title Commitment"). Buyer shall have ten (10) days after receipt of the Title Commitment to have Buyer's attorney examine the Title Commitment and provide Seller's attorney with written objections. Buyer shall be deemed to have waived any title objection not made within the applicable ten (10) day period. If written objections are received as specified above and Seller agrees to cure such objections, then closing shall be delayed for a reasonable period in order for Seller to cure such objections. If Seller does not agree to cure any such objections, then Buyer may proceed to closing which shall constitute a waiver by Buyer of such objections or this Agreement shall be terminated upon receipt by Seller's attorney of a cancellation of this Agreement executed by Buyer. Seller shall pay the

*1/2018
60/11/18
P.R. 9/29/18
Wash Co.
500
9/29/18*

Seller shall pay the costs to issue the Title Commitment and Buyer shall pay any premium for the owner's policy, any lender's policy and any endorsements.

4.2 Seller and Buyer shall prorate real estate taxes payable in the year 2018 as of the Closing Date. Seller shall pay special assessments levied as of the Effective Date of this Agreement. Buyer shall pay special assessments pending or levied after the Effective Date of this Agreement. Seller is responsible for all taxes due and owing in all previous years.

4.3 On the Closing Date Seller shall deliver to Buyer the following "**Transfer Documents**":

- (i) a Warranty Deed subject to the following exceptions:
 - (a) building and zoning laws, ordinances, state and federal regulations;
 - (b) restrictions relating to use or improvements of the Property without effective forfeiture provisions;
 - (c) any reservation of any mineral or mineral rights to the State of Minnesota;
 - (d) drainage and utility easements which do not interfere with existing improvements;
 - (e) assessments which become pending after the Effective Date of this Agreement;
 - (f) subject to the rights of the public and of the State of Minnesota in that part of the subject property lying below the natural high water mark of Grey Cloud Channel, aka Grey Cloud Slough, and Mooers Lake, aka Moore Lake, aka Moore's Lake, aka Mohr's Lake, aka Balden Lake;
 - (g) subject to matters disclosed by Certificate of Survey dated October 8, 2007 by Michael J. Welling, Washington County Surveyor, Minnesota License No. 26004;
 - Subject to Grey Cloud Islands Drive South, 66 feet in width, as presently existing for public road right-of-way purposes
 - Grey Cloud Island Drive south is subject to overflow per Flowage Easement filed in Book 118 of Deeds, Page 398
 - Right of access to and from that part of the land identified as "Peninsula" and "Island" limited to access by water only
 - A portion of the subject land is landlocked. Practical access to and from said land over an existing driveway crossing is disclosed by available public maps
 - Part of the land is located in the City of Cottage Grove, the remainder is located in Grey Cloud Island Township;

(h) other matters approved by Buyer in writing or deemed to be waived by Buyer in accordance with the terms of this Agreement;

- (ii) a standard form Seller's Affidavit;
- (iii) Closing Statement; and,
- (iv) such other documents as may be reasonably necessary to consummate this transaction.

4.4 Buyer shall pay the Purchase Price at Closing and pay Seller Fifteen Hundred and No/100 Dollars (\$1,500.00) as reimbursement for Seller's appraisal. Buyer shall execute and deliver the following documents at Closing:

- (i) a Certificate of Real Estate Value with respect to the Property;
- (ii) a Closing Statement;
- (iii) all documents relating to any Buyer financing or otherwise reasonably necessary to consummate this transaction.

4.5 Seller shall be responsible for payment of state deed tax and Buyer shall be responsible for payment of all recording fees relating to the Warranty Deed.

- 5. **ENVIRONMENTAL** Seller makes no warranties express or implied with respect to the environmental condition of the Property.
- 6. **NOTICE** All notices required by this Agreement shall be sent in writing and shall be deemed given (1) if and when personally delivered; (2) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth below; or, (3) on the third business day after being deposited in the United States mail to the following addresses by postage prepaid certified or registered mail. Any party may change that party's address for notice by giving written notice thereof in accordance with the provisions of this Section to the other parties.

TO SELLER: Estate of Betty A. Kartarik
c/o Betty Ann O'Shaughnessy and Vera Jansen,
Personal Representatives
3511 Hilltop Street
White Bear Lake, MN 55110

TO BUYER: Washington County
11660 Myeron Road North
Stillwater, MN 55082-9573
ATTN: Sharon M. Price
Property Acquisition Manager

7. **BROKERAGE INDEMNITY AGREEMENT** Seller and Buyer agree that neither has retained any real estate brokers or agents in connection with this transaction. Both parties agree to indemnify and hold the other party harmless from any inaccuracy in their respective foregoing representation with respect to real estate brokers and agents.
8. **SURVIVAL** No covenants or representations of Seller contained in this Agreement shall survive Closing.
9. **DEFAULT** If this transaction is not consummated by reason of default by Seller or Buyer hereunder, then the non-defaulting party shall be entitled to terminate this Agreement upon thirty (30) days' written notice to the other party consistent with Minnesota Statutes § 559.21. In addition, either Buyer or Seller may sue for specific performance or damages, so long as such party commences suit within ninety (90) days after the time the cause of action arises. The non-defaulting party shall be entitled to recover its attorney fees and costs incurred as a result of a default under this Agreement.
10. **ASSIGNABILITY** This Agreement and Buyer's rights hereunder and Buyer's interest in the Property shall not be assigned without Seller's consent.
11. **CONDITION OF PROPERTY** The Property is being purchased by Buyer in its present physical condition and Buyer acknowledges that UPON CLOSING, BUYER SHALL BE DEEMED TO HAVE PURCHASED THE PROPERTY "AS IS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED. Buyer and Seller agree that this Section 11 is an integral and bargained for term of this Agreement. No personal property is included in the sale of the Property. Attached as Exhibit "B" is a list of personal property that Seller will remove from the Property; all other personal property remaining on the Property after Closing shall be deemed abandoned.
12. **WELL DISCLOSURE** Seller certifies that Seller has knowledge of a well on the Property and has attached as Exhibit "C" a Well Disclosure Statement of same.
13. **ISTS DISCLOSURE** Seller discloses that the sewer generated on the Property does not go to a facility permitted by the MPCA and attaches an individual/sewage treatment system disclosure in the attached Exhibit "D", and to the best of Seller's knowledge the last time it was pumped was in 2013.
14. **MISCELLANEOUS**

14.1 The legal description of the Property is established by a survey prepared by the Buyer's survey department (the "Survey") as the remainder parcel from a previous transaction. The Survey was completed in 2007 and the Seller affirms that the boundaries have not changed since that time.

14.2 Buyer may obtain a Phase I Environmental Assessment of the Property. In the event Buyer determines that a Phase II Environmental Assessment or any resultant

corrective action is necessary, such corrective action and an allocation of those costs shall be negotiated between the parties. Seller shall have the right to terminate this Agreement, upon written notice to Buyer, if it elects not to agree to a Phase II Environmental Assessment and, upon such termination. The cost of the Phase I Environmental Assessment shall be borne by the Buyer.

14.3 Buyer and its contractors shall have access to the Property prior to Closing to perform the Phase I Environmental Assessment and other testing and inspection deemed necessary by Buyer. Seller will coordinate with Buyer for access to the buildings.

14.4 This Agreement contains the entire agreement between the parties, and neither party has relied upon any verbal or written representations, agreement or understanding not set forth herein, whether made by any agent or party hereto.

14.5 This Agreement shall be governed by and construed in accordance with the laws of Minnesota. The invalidity or unenforceability of any provision of this Agreement in any particular respect shall not affect the validity and enforceability of any other provision of this Agreement or of the same provision in any other respect.

14.6 This Agreement shall not be binding or effective until properly executed and delivered by Seller and Buyer.

14.7 This Purchase Agreement may be executed and delivered in counterparts, by facsimile or e-mail transmission, and by facsimile signatures, all of which when taken together shall constitute one and the same original agreement. The facsimile signatures of Buyer and Seller shall be as binding as original signatures.

14.8 Time is of the essence with respect to the performance of each provision of this Agreement.

***[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS]***

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the date last below written.

SELLER:

ESTATE OF BETTY A. KARTARIK

By: Betty A O'Shaughnessy
Betty Ann O'Shaughnessy,
Its: Personal Representative

By: Vera P. Jansen
Vera P. Jansen,
Its: Personal Representative

BUYER:

WASHINGTON COUNTY

Buyer Gary Kriesel
Gary Kriesel
Washington County Board Chair

Buyer Molly O'Rourke
Molly O'Rourke
Washington County Administrator

Approved as to form:

Richard H. H. H.
Assistant County Attorney

As per Washington County Board
Resolution No. 2018-050 dated the 5th day
of June, 2018

EXHIBIT A
Legal Description of the Property

All that part of the West half of the Southwest Quarter of Section 30, Township 27 North, Range 21 West, of the 4th Principal Meridian, Washington County, Minnesota described as follows;

Beginning at the Northwest corner of the West half of the Southwest Quarter of Section 30; thence north 89 degrees 37 minutes 21 seconds East, along the North line of said West half of the Southwest Quarter of Section 30, a distance of 991.63 feet to the Northeast corner of said West half of the Southwest Quarter of Section 30; thence South 00 degrees 37 minutes 09 seconds West along the East line of said West half of the Southwest Quarter of Section 30, a distance of 2,130.81 feet to a point distant 500.00 feet North of the Southeast corner of said West half of the Southwest Quarter of Section 30; thence North 48 degrees 46 minutes 28 seconds West a distance of 685.10 feet; thence north 00 degrees 37 minutes 09 seconds East, parallel with said East line of the West half of the Southwest Quarter of Section 30, a distance of 360.02 feet to the North line of the Southwest Quarter of the Southwest Quarter of Section 30; thence South 89 degrees 34 minutes 26 seconds West, along said North line of the Southwest Quarter of the Southwest Quarter of Section 30, a distance of 118.06 feet; thence South 21 degrees 16 minutes 56 seconds West a distance of 385.84 feet; thence South 00 degrees 18 minutes 39 seconds East, parallel with the West line of said West half of the Southwest Quarter of Section 30, a distance of 304.00 feet; thence south 89 degrees 41 minutes 21 seconds West a distance of 25.00 feet; thence North 76 degrees 41 minutes 09 seconds West a distance of 169.78 feet to said West line of the West half of the Southwest Quarter of Section 30; thence North 00 degrees 18 minutes 39 seconds West, along the West line of the Southwest Quarter of Section 30; a distance of 622.10 feet to the Northwest corner of said Southwest Quarter of the Southwest Quarter of Section 30; thence continuing North 00 degrees 18 minutes 39 seconds West, along said West line of the West half of the Southwest Quarter of Section 30, a distance of 1,316.02 feet to the Northwest corner of the West half of the Southwest Quarter of Section 30 and the point of beginning.

EXCEPT:

All that part of the West half of the Southwest Quarter of Section 30, Township 27 North, Range 21 West, of the 4th Principal Meridian, Washington County, Minnesota, described as follows:

Beginning at the Northwest corner of the West half of the Southwest corner of Section 30; thence running South along the West line of said West half of the Southwest Quarter of Section 30 to a point at the high water mark of Mooers Lake (a/k/a Balden Lake, a/k/a Moore's Lake); thence Easterly along the high water mark of said lake and the slough running into said lake to a point where said slough turns in a northerly direction; thence running in a Northerly direction along the West bank of said slough at high water mark to the North line of said West half of the Southwest Quarter of Section 30; thence South 89 degrees 37 minutes 21 seconds West, along said North line of the West half of the Southwest Quarter of Section 30 to the Northwest corner of the West half of the Southwest Quarter of Section 30 and the point of beginning.

AND

All that part of the East 313.66 feet of the Southeast Quarter of the Southeast Quarter of Section 25, Township 27 North, Range 22 West, of the 4th Principal Meridian, Washington County, Minnesota lying Northerly and Easterly of the following described Line "A":

Commencing at the Northeast corner of said Southeast Quarter of the Southeast Quarter of Section 25; thence South 00 degrees 18 minutes 39 seconds East, along the East line of said Southeast Quarter of the Southeast Quarter of Section 25, a distance of 622.10 feet, to the point of beginning of Line "A"; thence South 89 degrees 41 minutes 21 seconds West a distance of 213.66 feet; thence North 11 degrees 02 minutes 23 seconds West a distance of 117.62 feet; thence North 17 degrees 54 minutes 54 seconds East a distance of 70.01 feet; thence North 00 degrees 18 minutes 39 seconds West, parallel with said East line of the Southeast Quarter of the Southeast Quarter of Section 25, a distance of 442.49 feet to the North line of said Southeast Quarter of the Southeast Quarter of Section 25, and said Line "A" there terminating.

EXHIBIT B
List of Personal Property To Be Removed From Property

EXHIBIT C
Well Disclosure Statement

Minnesota Department of Health
Well Management Section
P.O. Box 64975
St. Paul, Minnesota 55164-0975
651-201-4587 or 800-383-9808
www.health.state.mn.us/divs/eh/wells



WELL DISCLOSURE STATEMENT

Prior to signing an agreement to sell or transfer real property, the seller must **always** disclose in writing (well disclosure statement) the location and status (well status defined below) of all wells on the property to the buyer, along with the legal description and county of the property, and a sketch map showing the location of each well or indicate there are no wells on the property.

WELL DISCLOSURE CERTIFICATE

A Well Disclosure Certificate is required to be filed when there are wells on the property.

- At the time of closing, the well disclosure statement information, along with the property buyer's name and mailing address, must be provided on a Well Disclosure Certificate (WDC) form. When recording a deed or other instrument of conveyance requiring a Certificate of Real Estate Value (CRV), a completed WDC must be filed with the county recorder, including a \$50 fee payable to the county recorder.
- If there is a previously filed WDC and the number of wells and/or the well status has changed, a new WDC must be filed. You may search for previously filed WDCs at:
www.health.state.mn.us/divs/eh/wells/disclosures/disclaimer.html.
- If the number and status of wells on the property remain unchanged since the previously filed WDC, a statement must be placed on the deed or other instrument of conveyance that reads *"I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate."* This statement must be certified by the buyer or seller and no WDC is required.

If there are no wells on the property, a Well Disclosure Certificate is not required to be filed. However, the Seller must certify a statement on the deed or other instrument of conveyance that reads *"The Seller certifies that the Seller does not know of any wells on the described real property."*

INSTRUCTIONS FOR COMPLETING THE WELL DISCLOSURE CERTIFICATE

A \$50 fee must be included when submitting this form to the county recorder's office. The fee is to be paid by the buyer or person filing the deed. Please make the check payable to the County Recorder. A copy of this WDC should be provided to the property buyer at the time of closing.

PROPERTY, BUYER, AND SELLER INFORMATION

- A. PROPERTY LOCATION LEGAL DESCRIPTION** - Provide the county name; "unplatted" a metes and bounds description (quartile [one quarter section is required] or government lot, section, township, and range number); and/or "platted" (lot number and/or block number, and addition name); property street address (if applicable), and city (this is the physical location of the property not the mailing address); property ID number or parcel number (optional). Attach a complete legal description of the property.
- B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING** - Provide the buyer's full name (or company name if buyer is a company), full address, and phone number (including area code). Be sure to include a complete mailing address. If the property is jointly owned, provide the name and complete mailing address of the contact person.

Seller's Name - Please provide the name of the seller in space provided (please print).

C. CERTIFICATION BY SELLER - The seller (or designated representative) should sign this certificate before it is submitted to the county recorder's office. If the seller is unable to sign the document, the buyer (or designated representative) may sign the certificate before it is submitted to the county recorder's office.

D. CERTIFICATION BY BUYER - If the seller is unable to sign the document, the buyer (or designated representative) may sign the certificate before it is submitted to the county recorder's office. Where deeds are given in fulfillment of a **Contract for Deed** the WDC must be signed by the buyer or the person authorized to act on behalf of the buyer.

Signature Required - There must be at least one signature on the certificate.

WELL INFORMATION

E. WELL LOCATION LEGAL DESCRIPTION - For each well being disclosed the following physical location information is required:

- county name, quartile (one quarter section is required), section, township, and range number; **and/or**
- county name, government lot, section, township, and range number; **and/or**
- county name, lot number and/or block number, and addition name

WELL STATUS INFORMATION - Indicate the status of each well. **Check only one box.**

In Use - A well is "in use" if the well is operated on a daily, regular, or seasonal basis. A well "in use" includes a well that operates for the purpose of irrigation, fire protection, or emergency pumping.

Not In Use - A well is "not in use" if the well does not meet the definition of "in use" above and has not been sealed by a licensed well contractor.

- If the well is "not in use," is there a Minnesota Department of Health (MDH) variance for this well? Please provide the variance tracking number (TN), if known.
- If the well is "not in use," is there an MDH maintenance permit for this well? Please provide the permit number, if known.

Sealed - A well is "sealed" if a licensed well contractor has completely filled a well by pumping grout material throughout the entire well after removal of any obstructions from the well. A Well and Boring Sealing Record must be on file with the MDH. Contact the MDH to verify if a sealing record is on file. A well is "capped" if it has a metal or plastic cap or cover which is threaded, bolted, or welded onto the top of the well to prevent entry into the well.

A "capped" well is not a "sealed" well.

Important Well Status Information:

- The MDH will follow-up with the property buyer regarding any wells disclosed as "not in use." If a well is "not in use," the property owner must either return the well to "in use," have the well "sealed" by a licensed well contractor, or obtain an annual maintenance permit from the MDH for \$175.
- Maintenance permits are not transferable. If a well is "in use," a maintenance permit is not required.
- If the well has been "sealed" by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status as "not in use."

Additional Well Information - Provide the following information, if known: Minnesota Unique Well Number or Sealing Record Number, date of well construction or sealing, and name of licensed well contractor.

SKETCH MAP - Complete the sketch map as instructed on the WDC. The location of each well must be indicated. If the location of a well is not known, have the well located by a person qualified to locate wells, such as a licensed well contractor.

If you have questions, please contact the MDH Well Management Section at 651-201-4587 or 800-383-9808. To request this document in another format, call 651-201-4600. Deaf and hard-of-hearing: TTY 651-201-5797. Visit the MDH Well Management Section, Well Disclosure Program website at: www.health.state.mn.us/divs/eh/wells/disclosures.

COUNTY USE ONLY

MDH USE ONLY

MINNESOTA DEPARTMENT OF HEALTH
Well Management Section, P.O. Box 64975, St. Paul, Minnesota 55164-0975
651-201-4587 or 800-383-9808

WELL DISCLOSURE CERTIFICATE
PLEASE TYPE OR PRINT ALL INFORMATION

Person filing deed must include a \$50 fee payable to the county recorder.

A. PROPERTY LOCATION LEGAL DESCRIPTION Attach a legal description of the property.						
County		Section No.	Township No.	Range No.	Quarter (or Government Lot)	
Lot No(s).	Block No.	Addition Name			Outlot	Tract
Property Street Address						
City/Township			ZIP Code	Property ID No./Parcel No. (optional)		
B. PROPERTY BUYER MAILING ADDRESS AFTER CLOSING						
First Name		Middle Initial	Last Name			
Company Name (if applicable)						
Mailing Address						
Mailing Address						
City	State/Province		ZIP Code	Telephone No. (including area code)		
Provide Name of Seller (please print) _____						
C. CERTIFICATION BY SELLER I certify that the information provided on this certificate is accurate and complete to the best of my knowledge.						
Signature of Seller or Designated Representative of Seller _____				Date _____		
D. CERTIFICATION BY BUYER <u>For fulfillment of a contract for deed</u> , the buyer or person authorized to act on behalf of the buyer, <u>must</u> sign a Well Disclosure Certificate if there is a well on the property. In the absence of a seller's signature, the buyer, or person authorized to act on behalf of the buyer may sign this Well Disclosure Certificate. No signature is required by the buyer if the seller has signed above. Based on disclosure information provided to me by the seller or other available information, I certify that the information on this certificate is accurate and complete to the best of my knowledge.						
Signature of Buyer or Designated Representative of Buyer _____				Date _____		
IMPORTANT NOTE: The Minnesota Department of Health (MDH) will follow-up with the property buyer regarding any wells disclosed as not in use. If a well is not in use, the property owner must either return the well to use, have the well sealed by a licensed well contractor, or obtain an annual maintenance permit from the MDH for \$175. A copy of this Well Disclosure Certificate should be provided to the property buyer at the time of closing.						



MINNESOTA DEPARTMENT OF HEALTH
WELL DISCLOSURE CERTIFICATE
 PLEASE TYPE OR PRINT ALL INFORMATION

Indicate Total Number of Wells on Property _____

Fill out a separate well information page if more than **two** wells are located on the property.

E. WELL LOCATION LEGAL DESCRIPTION					
WELL #1 - If the property legal description has more than one section, township, or range number; quarter (or government lot); or lot or block number, provide specific legal description information regarding the physical location of this well.					
County		Section No.	Township No.	Range No.	Quarter (or Government Lot)
Lot No.	Block No.	Addition Name		Outlot	Tract
					MN Unique Well No. or Sealing Record No.
WELL STATUS (Check only one box) WELL IS: <input type="checkbox"/> In Use (1) <input type="checkbox"/> Not in Use (2) <input type="checkbox"/> Sealed by Licensed Well Contractor (3)* <i>*Call MDH to verify sealing record is on file.</i>					Date of Well Construction or Sealing
If the well has been sealed by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status as not in use. Also see "IMPORTANT NOTE" on page 1.					Name of Licensed Well Contractor
If well is not in use, is there an MDH variance for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the variance tracking number (TN) _____			If the well is not in use, is there an MDH maintenance permit for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the permit number _____		
WELL #2 - If the property legal description has more than one section, township, or range number; quarter (or government lot); or lot or block number, provide specific legal description information regarding the physical location of this well.					
County		Section No.	Township No.	Range No.	Quarter (or Government Lot)
Lot No.	Block No.	Addition Name		Outlot	Tract
					MN Unique Well No. or Sealing Record No.
WELL STATUS (Check only one box) WELL IS: <input type="checkbox"/> In Use (1) <input type="checkbox"/> Not in Use (2) <input type="checkbox"/> Sealed by Licensed Well Contractor (3)* <i>*Call MDH to verify sealing record is on file.</i>					Date of Well Construction or Sealing
If the well has been sealed by someone other than a licensed well contractor or a licensed well sealing contractor, check the well status as not in use. Also see "IMPORTANT NOTE" on page 1.					Name of Licensed Well Contractor
If well is not in use, is there an MDH variance for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the variance tracking number (TN) _____			If the well is not in use, is there an MDH maintenance permit for this well? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide the permit number _____		
SKETCH MAP - Sketch the location of the well(s) and include estimated distances from roads, streets, and buildings. If more than one well on property, use the well location number above to identify each well. The location of the well(s) must be provided. If the location of a well is not known, have the well located by a person qualified to locate wells, such as a licensed well contractor.					

Information provided on this form is classified as public information under Minnesota Statutes, Chapter 13. To request this document in another format, call 651-201-4600. Deaf and hard-of-hearing: TTY 651-201-5797. Visit the MDH Well Management Section, Well Disclosure Program website at: www.health.state.mn.us/divs/eh/wells/disclosures.
 HE-01387-12 IC# 140-0385 origswell disclosure certificate-instructions 7/21/2011R

Exhibit D
Subsurface Sewage Treatment Disclosure

Form 1517SS (Rev. 10/2012)
Miller/Davis Company · millerdavis.com

SUBSURFACE SEWAGE TREATMENT SYSTEM DISCLOSURE

Disclosure made by _____
("Seller") pursuant to Minn. Stat. § 115.55 regarding the subsurface sewage treatment system
servicing the property located at _____
_____, City of _____
(the "Property"), County of _____, State of Minnesota, legally
described as follows:

(Check the appropriate box)

- Seller has no knowledge regarding any subsurface sewage treatment systems on the Property.
- To the best of Seller's knowledge, sewage generated on the Property goes to a facility permitted by the Minnesota Pollution Control Agency.
- Sewage generated on the Property does not go to a facility permitted by the Minnesota Pollution Control Agency. Sewage is handled by the following type of system: _____
_____. A map of the Property, showing the location of the system, is is not attached. With regard to the system *(please initial)*:

____ Seller does not know whether the system is in compliance with city or county ordinances.

_____ To the best of Seller's knowledge, the system complies with all applicable city or county ordinances.

_____ Seller has knowledge that the system does not comply with local or county ordinances. Seller has has not received a Notice of Noncompliance from a certified inspector. The Notice states that the system must be upgraded replaced discontinued for the following reason(s):

Use of the system must be discontinued, or the repairs or upgrades completed, no later than _____

_____ The system is a straight-pipe system, transferring raw or partially treated sewage directly to a lake, stream, drainage system, or ground surface. A Notice of Noncompliance regarding the straight-pipe system has has not been received by the Seller. If a Notice of Noncompliance has been received, the system must be replaced or use of the system must be discontinued no later than _____ *(ten months after the notice was received)*.

Seller has in his/her possession a previous inspection report completed by a licensed inspection business or certified local government inspector. A copy of that report is attached to this disclosure.

Seller has knowledge of an abandoned sewage treatment system on the Property. A map showing the location of the abandoned system is attached hereto.

Date: _____

Seller: _____

Date: _____

Seller: _____

APPRAISAL REPORT



**Betty Kartarik Estate
10870 Grey Cloud Island Drive
Grey Cloud Island Township, MN 55071**



Appraisal prepared for:

**Washington County Public Works
Ms. Sharon Price, Property Acquisition Manager
11660 Myeron Road North
Stillwater, MN 55082**

Valuation as of October 4, 2017

File No. 17-0919WA-JH

662 Lake Street S
Forest Lake, MN 55025
651-426-7144
Fax 651-426-9458

www.mckinziemetroappraisal.com



March 30, 2018

Ms. Sharon Price
Property Acquisition Manager
Washington County Public Works
11660 Myeron Road North
Stillwater, MN 55082

RE: Appraisal of...

Property at: 10870 Grey Cloud Island Drive
Owner: Betty Kartarik Estate
Inspected: October 4, 2017

Dear Ms. Price:

Per your request, I have completed an appraisal for the above property. It is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP), the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA – “Yellowbook”), DNR Supplemental Appraisal and Appraisal Review Guidelines, the Uniform Act, and Minnesota State Licensing Laws, and is provided to support in a documented fashion the value conclusions formed for the subject property.

In accordance with the appraisal assignment received, I have prepared the appraisal for the purpose of arriving at a current opinion as to the market value of the property. The opinion of value presented in this appraisal is contingent upon the limiting conditions as set forth herein. An extraordinary assumption to disregard any increase/decrease in value as a result of the proposed project.

Based on the data and conclusions set forth in the report that follows, in my opinion, the market value of the real estate as of October 4, 2017 is:

Five Hundred Thousand Dollars
\$500,000

A description of the property appraised, together with an explanation of the appraisal procedures used and conclusions reached are set forth in the body of the report. I am retaining a copy of this report in my files together with field sheets and data from which it was prepared.

Thank you for calling on McKinzie Metro Appraisal to serve your appraisal needs. If you have any questions, or if there is any way that I can be of further service, please contact me.

Sincerely,

John Hraba
MN License #20176982
Certified General Real Property Appraiser

662 Lake Street S
Forest Lake, MN 55025
651-426-7144
Fax 651-426-9458

www.mckinziemetroappraisal.com

Betty Kartarik Estate
10870 Grey Cloud Island Drive, Grey Cloud Island Township, MN

APPRAISAL CERTIFICATION

I hereby certify that:

PROJECT: Washington County Park Acquisition

TRANS #: COUNTY: Washington DATE OF VALUE: 10/04/2017 MARKET VALUE: \$500,000

The property owner or representative was invited to accompany me on my inspection of the property and the property owner or representative: Did accompany me.

The appraiser has not provided any services related to the subject property within the three-year period immediately preceding acceptance of the assignment, or in any other capacity.

There is not a pending purchase agreement on the subject property.

This appraisal has been prepared in compliance with UASFLA.

The appraiser has not observed any environmental concerns on or near the subject property.

I have not been provided a copy of the DNR Landowners Disclosure Form completed by the landowner.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the Minnesota DNR Supplemental Appraisal and Appraisal Review Guidelines (1/1/2016).

The OPINION OF VALUE DATE specified above is the date I personally inspected the property and the date to which my opinion of value applies. I have also made a field inspection of the comparable sales relied upon in making this appraisal which are represented by the photos in the report.

The ESTIMATED MARKET VALUE specified above is my independent opinion for the proposed acquisition on the date specified.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

I am aware that this appraisal and report may be reviewed by a Federal agency.

I understand that the appraisal report is to be used as the basis for an offer of just compensation by the State of Minnesota; that the appraisal has been made in conformity with the appropriate State Laws, regulations, policies, and procedures applicable to appraising land for such purposes; and this report may become public data. To the best of my knowledge, no portion of the value assigned to such property consists of items, which are non-compensable under the established law of the State.

In making this appraisal, I have disregarded any increase or decrease in the before value caused by the project for which the property is being acquired.

I will not reveal the findings and results of this appraisal to anyone other than the proper officials of the State of Minnesota until authorized by State officials to do so, or until I am required to do so by due process of law.

I was provided no significant professional assistance in preparing this report.

I am licensed as a real estate appraiser by the State of Minnesota, license, number 20176982, expiring 08-31-2018. I am licensed and competent to perform an appraisal for the type of property presented in this report.

To the best of my knowledge and belief, the statements contained in the appraisal report are true, and the information upon which my opinions are based is correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

Appraiser:  Date: March 30, 2018

**SUMMARY TABLE
SUMMARY OF SALIENT DATA**

Inspection Date:	October 4, 2017
Effective Date:	October 4, 2017
Signature Date:	March 30, 2018
Type of Property:	Single Family Residential
Property Appraised:	10870 Grey Cloud Island Drive, Grey Cloud Island Twp, MN 55071 Washington County
Owner of Property:	Betty Kartarik Estate
Location:	Approximately 2.8 miles southwest of downtown Cottage Grove, MN
Property Identification Numbers (PID):	25.027.22.44.0005 30.027.21.33.0002 30.027.21.32.0005
Legal Description:	Multiple and Lengthy – See Appendix E.
Parcel Area(s):	3.10 Acres (2.27 Dry Acres) 1.00 Acres (1.00 Dry Acres) 25.33 Acres (3.92 Dry Acres)
Total Subject Area:	29.43 Acres
Wetland Area:	25.19 Acres (below highwater mark)
Land Area:	7.19 Dry Acres
Land Area:	4.24 Acres (above highwater mark)
Current Use:	Residential
Property Rights Appraised:	Fee Simple
Improvements:	Residential with Outbuildings
Intended Use:	Negotiation, Acquisition, and Funding Reimbursement
Intended User(s):	Washington County State of Minnesota DNR Betty Kartarik Estate
Value Employed:	Market Value
Highest and Best Use:	Single Family Residential
Summary of Appraisal:	Market Value
Extraordinary Assumption:	Project has no influence on value
Hypothetical Condition:	None
Estimate of Total Land Value:	\$405,700
Estimate of Total Market Value:	\$500,000

2.0 SUBJECT INFORMATION

2.1 Neighborhood Description

The subject property is located in Grey Cloud Township with a St. Paul Park mailing address; this is common for the area. The cities of St. Paul Park and Cottage Grove are located in the far southern portion of Washington County, MN. Grey Cloud Island Township is a very small community located on two islands on the Mississippi River. It is approximately 12 miles southeast of downtown St. Paul, west of Highway 10. Cottage Grove is considered to be the center of activity for southern Washington County with a population of 34,589 with all the typical amenities of a larger city with public water and sewer, natural gas, schools, parks, cable, internet access, etc.

According to the United States Census Bureau in 2010, the township has a total area of 3.9 square miles. The population density was 98.2 people per square mile; the average household size was 2.62; the median age was 40.0 years; and the median income for a household in the township was \$55,714.

The subject area has experienced relatively slower growth over the past 5 – 10 years due to economy, but appears to have stabilized over the past year. Many of the local residents work in the Twin Cities metro area.

The Cottage Grove area has been a developing area with typical economic growth and residential development. It has some business / commercial land usage, primarily along the major highways. The area is however mainly residential. There remains considerable undeveloped land. Most students attend the Cottage Grove Schools in School District 833.

Based on past and present development in the Cottage Grove area, its reasonably good access and location, and the attractiveness of the area, it is expected that barring any unforeseen changes in the national economy, the real estate market in the area should remain stable.

2.2 Subject Description

The subject property is a single family residential property. There are three separate parcels identified with the subject; two are located in Cottage Grove and one in Grey Cloud Island Township. The subject's total site size is 29.43 acres but only 5.47 acres is considered above the existing water line. The subject has considerable amount of water front on Mooers Lake and Grey Cloud Channel with some land on the peninsula to the east (See aerial). There is approximately 1,200 ft. of water front on Mooers Lake (both north and south shores) and approximately 3,000 ft. of water front on Grey Cloud Channel (both north shore and the peninsula). According to Washington County, the subject has approximately 4.24 acres of dry land on the improved site and approximately 1.23 acres of land on the peninsula. Since the peninsula land and the land that is currently under water are not considered to have any residential utility, it will be removed for the residential valuation analysis and considered as additional features.

The subject's neighborhood could probably be described as Lower Grey Cloud Island. The subject residential site is approximately 4.24 acres of mostly level land that slopes toward Moore

Lake along its northern boundary. The parcel is considered to be a wooded residential lot with access from Grey Cloud Island Drive to its east. The subject has private well and septic systems, which are typical for the area and since no natural gas is currently available, fuel oil is its primary source of heat. No unusual easements were noted for the site. The subject improvements include a 1,036 Sq. Ft. single family home with finished basement, a detached 528 Sq. Ft. two car garage, a 1,350 Sq. Ft. barn with loft, and a 512 Sq. Ft. storage building. See subject photos and site map for further details.

Based on information provided by the property owner, some recent updating that has taken place includes all new windows, new septic system, new stainless-steel chimney liner, new forced air furnace, new kitchen with cabinetry, plumbing, counter tops, etc., new insulation, new deck, new porch, new barn supports, roof, and door, new garage doors and garage siding, new sidewalk, and new fencing. Because of the extensive updating noted, the subject is considered to be in average-good overall condition and compares well with newer homes in the area. (See subject photos)

2.3 Fee Owner and Ten-Year History

Based on county records, no transfers or sales of the subject property were found. The owner of record is the Betty Kartarik Estate.

2.4 Ten-Year Use and Occupancy Description

The subject property is currently used as a single family residential property. The subject has been owner-occupied with residential use for many years and no record of any rental lease was noted.

2.5 Legal Description

The subject has 3 distinct parcels included. The legal descriptions are lengthy and can be found in Appendix B.

2.6 Tax Data

PID	2017 ASSESSED VALUE			TAX
	LAND	BUILDING	TOTAL	
30.027.21.33.0002	\$95,100	\$84,800	\$179,900	\$2,496.00
25.027.22.44.0005	\$66,000	\$17,600	\$83,600	\$1,220.00
30.027.21.32.0005	\$1,300	\$0	\$1,300	\$18.00
Totals:	\$162,400	\$102,400	\$264,800	\$3,734.00

Note: The Assessor’s estimate of market value is utilized for tax purposes only and is not intended to be or considered to be an accurate reflection of the actual market value of the property as defined in this report.

2.7 Flood Data

Community Panel Number	Date	Zone	Census Tract
27163 C 0411E	02/03/2010	X	0714.00

More detailed Flood Map can be found in Appendix C.