

## Community Development Committee

For the Community Development Committee meeting of June 18, 2018

For the Metropolitan Council meeting of June 27, 2018

**Subject:** Parks Acquisition Opportunity Fund Grant for Spring Lake Park Reserve, Sorg Trust II, Dakota County

**District(s), Member(s):** 15 and 16, Council Members Steven Chavez and Wendy Wulff

**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)

**Division/Department:** Community Development / Regional Planning

### Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$1,594,630 to Dakota County to acquire the Sorg Trust parcels along Hillary Path in Nininger Township for Spring Lake Park Reserve;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Dakota County for up to \$1,750,553 from its share of a future Regional Parks Capital Improvement Program for costs associated with the Sorg Trust acquisition; and
4. Inform Dakota County that the Council does not under any circumstances represent or guarantee that future reimbursement will be granted and expenditure of local funds never entitles a park agency to reimbursement.

### Background

**Natural resources.** Dakota County is acquiring the Sorg Trust parcels for Spring Lake Park Reserve. The former Sorg Trust property comprises four parcels along Hillary Path in Nininger Township, totaling 72.1 acres. It is located on Spring Lake, with 1,750 feet of shoreline. The property is 94% forested, with oak woodland and savanna; the balance is grasslands and bluff prairie. The property also contains 90-foot high bluffs with exposed limestone, steep slopes and ravines. A 3,000-foot long segment of the Mississippi River Regional Trail has now been constructed through the former Sorg Trust property.

**Property acquired through eminent domain.** This acquisition was accomplished through condemnation, and special rules apply. To be eligible for reimbursement for properties acquired via eminent domain, the Regional Park Implementing Agency (Agency) must notify the Council prior to filing its petition with the court to begin condemnation proceedings.

These requirements changed when the Council adopted the *2040 Regional Parks Policy Plan* in 2015. On November 5, 2013, the Dakota County Board authorized acquisition of the Sorg Trust property in Spring Lake Park Reserve through “quick take condemnation” for the purpose of constructing a portion of the Mississippi River Regional Trail protecting shoreline and natural resources and advancing the Spring Lake Park Reserve master plan. The County filed its condemnation petition with the court on December 30, 2013. A “Public Need” hearing was conducted on February 19, 2014, and the Sorg Trust waived a challenge to Public Need. The County followed the statutory eminent domain process and took possession of the Sorg

Trust property on March 31, 2014. New timing requirements went into effect with the latest version of the *2040 Regional Parks Policy Plan*. Former Community Development Director Beth Reetz approved a waiver for another Dakota County eminent domain acquisition that was in process during the same time frame. This request is being processed in parallel with that decision.

Dakota County notified the Council that it was acquiring the Sorg Trust land through condemnation on December 9, 2015. The Sorg Trust requested that the associated condemnation hearings be delayed until completion of the Mississippi River Regional Trail before determining fair compensation for the property. The condemnation hearing was delayed by the Sorg Trust until June 2018. However, successful negotiations have now resulted in a Stipulation and Settlement Agreement (Agreement) between the County and the Sorg Trust that avoided a condemnation hearing. The County Board approved the Agreement on May 8, 2018, and all parties have now signed the Agreement. The Agency requested the grant on May 8, 2018. The court certified the Agreement on May 14, 2018. A copy of the request and the eminent domain notification letter are attached to this item as Exhibits 1 and 2.

Environment and Natural Resources Trust Fund dollars cannot be used for eminent domain acquisitions; therefore, this property will be financed through the Parks and Trails Legacy Fund account of the Park Acquisition Opportunity Fund (PTLF/PAOF) and Council bonds.

The total cost of this acquisition is \$4,460,244. The *2040 Regional Parks Policy Plan* limits each Agency to receiving no more than \$1.7 million in Park Acquisition Opportunity Fund grants in a given state fiscal year from PTLF/PAOF. Dakota County has previously received \$105,368 in grants using state fiscal year 2018 PTLF/PAOF funds, leaving \$1,594,632 available for this acquisition. The Agency is requesting the balance of the cost of the acquisition in future reimbursement consideration.

**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.*”

**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.

## Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan;
- Appropriation requirements;
- The Spring Lake Park Reserve master plan, approved by the Council in 2005; and
- All requirements of PTLF/PAOF.

## Thrive Lens Analysis

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

## Funding

Budget item	Requested amount
Purchase price	\$2,108,674
Appraisal	17,500
Total costs	\$2,126,174

### Grant structure

State FY 2018 PTLF/PAOF	\$956,777
Council bonds	637,853
<b>Grant amount not to exceed</b>	<b>\$1,594,630</b>
Local match	\$531,544

Please note that the above amounts are rounded to the nearest dollar.

**Fund balance.** If this grant is awarded by the Council, the balance available for state fiscal year 2018 PTLF/PAOF and Council match will be \$263,408.

**Future reimbursement consideration.** The Agency is also requesting that the Council consider reimbursing its local match of \$1,750,553 for this acquisition at some point in the future as a part of a regular Capital Improvement Program (CIP). A request for “future reimbursement consideration” is the first step in a process Agencies may use to request repayment of their match amount for this acquisition in a future CIP cycle. Because the Council issues bonds to cover exactly 40% of CIP costs for a given state bonding cycle, such reimbursements are limited. The Council is under no obligation to reimburse this amount.

### Known Support / Opposition

There is no known opposition. The Metropolitan Parks and Open Space Commission approved the recommendation at its meeting on June 5, 2018 with a vote of five to one, with Commissioner Fleming voting in opposition to the acquisition.

## Metropolitan Parks and Open Space Commission

Meeting date: June 5, 2018

For the Community Development Committee meeting of June 18, 2018

For the Metropolitan Council meeting of June 27, 2018

**Subject:** Parks Acquisition Opportunity Fund Grant for Spring Lake Park Reserve, Sorg Trust II, Dakota County

**MPOSC District:** H – Todd Kemery

**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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hearing was conducted on February 19, 2014, and the Sorg Trust waived a challenge to Public Need. The County followed the statutory eminent domain process and took possession of the Sorg Trust property on March 31, 2014. New timing requirements went into effect with the latest version of the Policy Plan. Former Community Development Director Beth Reetz approved a waiver for another Dakota County eminent domain acquisition that was in process during the same time frame. This request is being processed in parallel with that decision.

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- Appropriation requirements
- The Spring Lake Park Reserve master plan, approved by the Council in 2005; and
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**Future reimbursement consideration.** The Agency is also requesting that the Council consider reimbursing its local match of \$1,750,553 for this acquisition at some point in the future as a part of a regular Capital Improvement Program (CIP). A request for “future reimbursement consideration” is the first step in a process Agencies may use to request repayment of their match amount for this acquisition in a future CIP cycle. Because the Council issues bonds to cover exactly 40% of CIP costs for a given state bonding cycle, such reimbursements are limited. The Council is under no obligation to reimburse this amount.

### Known Support / Opposition

There is no known opposition.

## **Exhibit List**

- Exhibit 1: Grant request letter
- Exhibit 2: Eminent domain notification letter
- Exhibit 3: Images
- Exhibit 4: Grant application
- Exhibit 5: Appraisal summary
- Exhibit 6: Court settlement





**Physical Development  
Division**

COUNTY

Dakota County  
Western Service Center  
14955 Galaxie Avenue  
Apple Valley, Mn 55124-  
8579

952.891.7000  
Fax 952.891.7031  
[www.dakotacounty.us](http://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  
*Highways*  
*Surveyor's Office*  
*Transit Office*

May 8, 2018

Deb Jensen  
Senior Planner Finance  
Regional Parks Administration and Budget  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN 55101

Re: Request for Acquisition Opportunity Funding (AOF) for the former William and Marion Sorg, Co-Trustees of the Marital Trust under the Will of Loren Sorg and the Credit Trust under the Will of Loren Sorg (Sorg Trust) property in Spring Lake Park Reserve (SLPR)

Dear Deb:

Dakota County respectfully requests Metropolitan Council (MC) consideration for partial AOF reimbursement for Dakota County's acquisition of the former Sorg Trust property in SLPR. See Attachment A: Property Location Map.

The larger Sorg property is 117± acres, of which 90± acres were inholdings within the approved SLPR boundary, is located along Hillary Path in Nininger Township. The County had undertaken extensive negotiations with the Sorg Trust over decades to acquire portions of their property to:

- Secure land control for the construction of the Mississippi River Regional Trail (MRRT)–SLPR segment,
- Advancing the SLPR Master Plan by providing hiking and cultural trail facilities
- Assure permanent protection, management and restoration of high quality natural resources, and
- Achieve public ownership of a key private property that bisected SLPR increasing the efficiency and effectiveness of park operations and management.

While the County has a longstanding practice of working with willing sellers, the Dakota County Board of Commissioner's authorized acquisition of 76.66 acres of the Sorg property and 0.43 acres of the Sorg Cabin property through "quick take" condemnation on November 5, 2013 (Resolution No. 13-601).

An appraisal obtained by the County dated September 30, 2013, established a fair market value of \$1,110,000 for the 76.66 -acre property and an appraisal obtained by the County dated November 1, 2013, established a fair market value of \$130,000 for cabin property.



Through negotiations with the Sorg Trust, the County agreed to remove the 0.5-acre cabin parcel from the acquisition and amend the 76.66-acre fee title acquisition to a 72.1-acre fee title acquisition of and a 4.6-acre permanent buffer easement around the cabin parcel. The buffer easement allows the owner to maintain fee ownership of an area that creates a buffer between the cabin and park property benefiting both the owner and the park users. The buffer easement prohibits the development of the buffer area.

The property owner firmly believed the property acquired by the County is worth significantly more than the \$1,110,000 offer made by the County, but has not made a counteroffer to the County. On March 31, 2014, an order finding public need for the County to acquire the property and transferring title and possession of the property to the County was entered by district court in the eminent domain proceeding. The County deposited \$1,110,000 in a restricted account for acquisition and \$25,000 in the restricted account for attorney fees, expert fees and litigation costs. The final value to be paid for the property acquisition and other costs would be determined through the eminent domain process, which included continued negotiations between the parties. If a negotiated resolution could not be reached, court-appointed condemnation commissioners would determine the just compensation for the property, subject to the parties' rights to appeal the commissioner's award. The Trust requested that the condemnation commissioner's hearing be scheduled after the completion of the MRRT on their property. For a number of reasons, the Sorg Trust delayed the anticipated hearings until June 2018 if the parties cannot reach a settlement.

During this same period, the MC was updating its Parks Policy Plan related to the use of eminent domain. However, the County's schedule for taking possession of the Sorg Trust property was dictated by the eminent domain process and did not quite align with the MC process and schedule for approving the new policy. Although the County took possession of the Sorg Trust property prior to final approval of the Policy Plan, subsequent discussions between the County and Metropolitan Council staff determined that the Sorg Trust acquisition project met the intent of the new policy and was therefore eligible for acquisition opportunity funding. The County submitted the required written notice regarding the Sorg Trust acquisition through quick take condemnation to the MC on December 9, 2015.

During the past year, both the Sorg trust and the County have prepared the necessary information such development plans and appraisals in preparation for the condemnation hearings. At the same time, there have been a series of negotiations between the County and the Sorg Trust in an attempt to settle this matter prior to a condemnation hearing.

A Stipulation and Settlement Agreement was developed that included the following main provisions:

- The County will pay a total of \$3,800,000 for all acquisition-related damages, direct and indirect to the Sorg Trust by June 1, 2018.
- The County will \$200,000 to the Sorg Trust for statutory interest by June 1, 2018.; and
- The County will pay \$400,000 for attorney fees, expert fees, and litigation costs by June 1, 2018.

Both the Sorg Trust and County have now agreed that this agreement is fair and equitable in view of the impacts to the property, real estate market data, the time, additional expense and risk involved in continued litigation and belief that the settlement represents an appropriate allocation of the prospects for success if the matter is allowed to proceed to a commissioners' hearing.

The County Board approved the Stipulation and Settlement Agreement by Resolution No. 18-264 on May 8, 2018.

Once the final agreement is executed by the County and the Sorg Trust, the final certificate will be submitted to the district court for approval. The final court-approved certificate will be submitted to the MC at that time in lieu of a signed purchase agreement.

The total estimated project expense is as follows:

Expense	Amount
Purchase Price	\$3,800,000
Interest Payment by Statute	\$200,000
Attorney and Expert Fees and Litigation Costs	\$400,000
County Appraisal	\$17,500
County Land Planning Professional Services	\$42,361
PILT (1.8 x Nininger Township Property Tax )	\$383
Total Cost	\$4,460,244
75 Percent of Total Cost	\$3,345,183
Available FY18 AOF (Legacy/MC)	\$1,594,630
<b>Requested AOF Funding</b>	<b>\$1,594,630</b>
<b>County AOF Match</b> (25 percent and includes the \$200,000 interest payment)	\$531,543
Total County Payment (64 percent)	\$2,865,614
<b>Requested Eligibility for Future Reimbursement</b>	<b>\$1,750,553</b>

The County is requesting \$1,594,632 in FY 18 AOF and will be utilizing a portion of its approved 2017 Capital Improvement Program acquisition budget and budget reserves to match the AOF funds being requested and complete payment for this acquisition. The County is requesting that the MC also authorize eligibility for the remaining \$1,750,551 of acquisition costs for future reimbursement.

Thank you for considering this request.

Sincerely,



Steve Sullivan, Parks Director  
952-212-9623



Alan Singer, Land Conservation Manager  
952-891-7001

cc: Taud Hoopingarner, Operations Management Director  
Tom Donely, Dakota County Assistant Attorney  
Tara Zgoda, Senior Financial Analyst



Physical Development Division

COUNTY

Dakota County  
Western Service Center  
14955 Galaxie Avenue  
Apple Valley, Mn 55124-8579

December 9, 2015

952.891.7000  
Fax 952.891.7031  
[www.dakotacounty.us](http://www.dakotacounty.us)

Jan Youngquist  
Planning Analyst - Parks and Natural Resource Unit  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN 55101

Environmental Resources  
*Land Conservation*  
*Groundwater Protection*  
*Surface Water*  
*Waste Regulation*  
*Environmental Initiatives*

Office of Planning

Re: Request for acquisition opportunity funding for the former Sorg Trust II (Sorg) inholding in Spring Lake Park Reserve (SLPR)

Operations Management  
*Facilities Management*  
*Fleet Management*  
*Parks*

Dear Jan:

Transportation  
*Highways*  
*Surveyor's Office*  
*Transit Office*

Dakota County respectfully requests Metropolitan Council consideration authorizing acquisition opportunity funding for the former Sorg property inholding in SLPR. See Attachment A: Property Location Map.

The larger Sorg property is 117± acres, of which 90± acres are inholdings within the approved SLPR boundary, is located along Hillary Path in Nininger Township, Minnesota. The acquisition of 72.11 acres in fee title and a 4.55-acre buffer easement on a portion of the inholding provide enhanced public access and both short- and long-term recreation improvements in accordance with the approved SLPR Master Plan. Acquisition of this inholding and associated public benefit provides:

- Land control for the construction of the Mississippi River Regional Trail (MRRT) –SLPR segment,
- Hiking and cultural trail opportunities,
- Permanent protection, management and restoration of high quality natural resources, and
- Contiguous public ownership of park property increasing the efficiency and effectiveness of park operations and management.

After unsuccessful offers and negotiations with the property owner, the County Board authorized acquisition of 76.66 acres of the Sorg property and 0.43 acres of the Sorg Cabin property through “quick take” condemnation on November 5, 2013 (Resolution No. 13-601) for the purpose of constructing a portion of the MRRT– SLPR segment, protecting shoreline and natural resources and advancing the SLPR Master Plan. While the County has a longstanding practice of working with willing sellers, the Dakota County Board of Commissioner’s difficult decision to condemn this and two other properties is the culmination of 40 years of planning, investment and development for this park and trail.

An appraisal obtained by the County dated September 30, 2013, established a fair market value of \$1,110,000 for the 76.66 -acre property and an appraisal obtained by the County dated November 1, 2013, established a fair market value of \$130,000 for cabin property.

Through negotiations with the property owner, the County agreed to remove the 0.5 acre cabin parcel from the acquisition and amend the 76.66-acre fee title acquisition to a 72.11-acre fee title acquisition of and a 4.55-acre permanent buffer easement around the cabin parcel. The buffer easement allows the owner to maintain fee ownership of an area that creates a buffer between the cabin and park property benefiting both the owner and the park users. The buffer easement prohibits the development of the buffer area.

The property owner believes the property acquired by the County is worth more than the \$1,110,000 offer made by the County, but has not made a counteroffer to the County. On March 31, 2014, an order finding public need for the County to acquire the property and transferring title and possession of the property to the County was entered by the court in the eminent domain proceeding. The final value to be paid for the property acquisition will be determined through the eminent domain process, which includes continued negotiations between the parties. If a negotiated resolution cannot be reached, court-appointed condemnation commissioners will determine the just compensation for the property, subject to the parties’ rights to appeal the commissioner’s award. It is anticipated that the condemnation commissioner’s hearing will be scheduled for the fall of 2016 or winter of 2016/2017 if the parties cannot reach a settlement.

**I. This acquisition is aligned with the Dakota County Acquisition Policy**

“The adopted 2008 Dakota County 2030 Park System Plan defines the willing seller approach to acquisition of park and greenway properties as the primary means of acquiring land for park and trail purposes. This approach has been very successful in assembling the existing park and greenway system. However, it’s unlikely that the willing seller approach will result in the complete acquisition of an entire park or greenway in a timely manner. Full development of the parks for public use and protection of the natural resources within them will not be possible until acquisition is complete. The County will likely need to employ other acquisition methods to acquire some of the remaining parcels within the park boundaries or greenway corridors.

Although the willing seller approach is preferred, Dakota County policy also allows for the use of condemnation if the property:

- Interferes with park operations or security
- Interferes with park development
- Impacts park use or user safety
- Degrades or threatens natural resources

- Threatens the inherent quality of the property for park uses
- Means the loss of acquisition or development funds because of grant expiration
- Results in significant change in intensity of use of the property
- Results in a reduction of short- or long-term public expenditures. “

Since each of these considerations were generally present in the Sorg property acquisition, use of eminent domain for this acquisition aligned with County policy.

**II. This acquisition is aligned with the Metropolitan Council 2040 Regional Park Policy Plan**

“Occasionally a park agency may need to acquire land by exercising its power of eminent domain by initiating a condemnation proceeding. When land is acquired through the condemnation process, a Park Acquisition Opportunity Fund grant may be awarded; however, a grant is awarded at the end of the condemnation proceeding that is based on 75% of the final settlement/award and associated grant-eligible costs under applicable provisions of Minn. Stat., Chap. 117, to acquire the land and within the agency maximum for the fiscal year when the grant is awarded. The park agency should notify the Council prior to filing its petition in condemnation with the district court that it is acquiring land through condemnation and will be requesting a Park Acquisition Opportunity Fund grant when the final award is determined. The notification to the Council should be in a letter that contain the park agency’s authorization to file its petition and the accompanying documents containing its appraisal of the land. In condemnation matters, the final settlement/award and final certificate should be submitted to the Council in lieu of a signed purchase agreement.”

As you may recall, this property acquisition was taking place at the same time that the Metropolitan Council was finalizing the revisions to the Parks Policy Plan related to the use of eminent domain. The acquisition schedule was dictated by the eminent domain process and we believed that we would have complied with the process as set forth by the new policy. However, final approval by the full council was delayed one month. As a result, the County took possession of the property prior to final approval of the Policy Plan. Subsequent discussions between the County and Metropolitan Council staff determined that this acquisition project met the intent of the new policy procedures and was therefore eligible for acquisition opportunity funding.

Thank you for consideration to this request.

Sincerely,



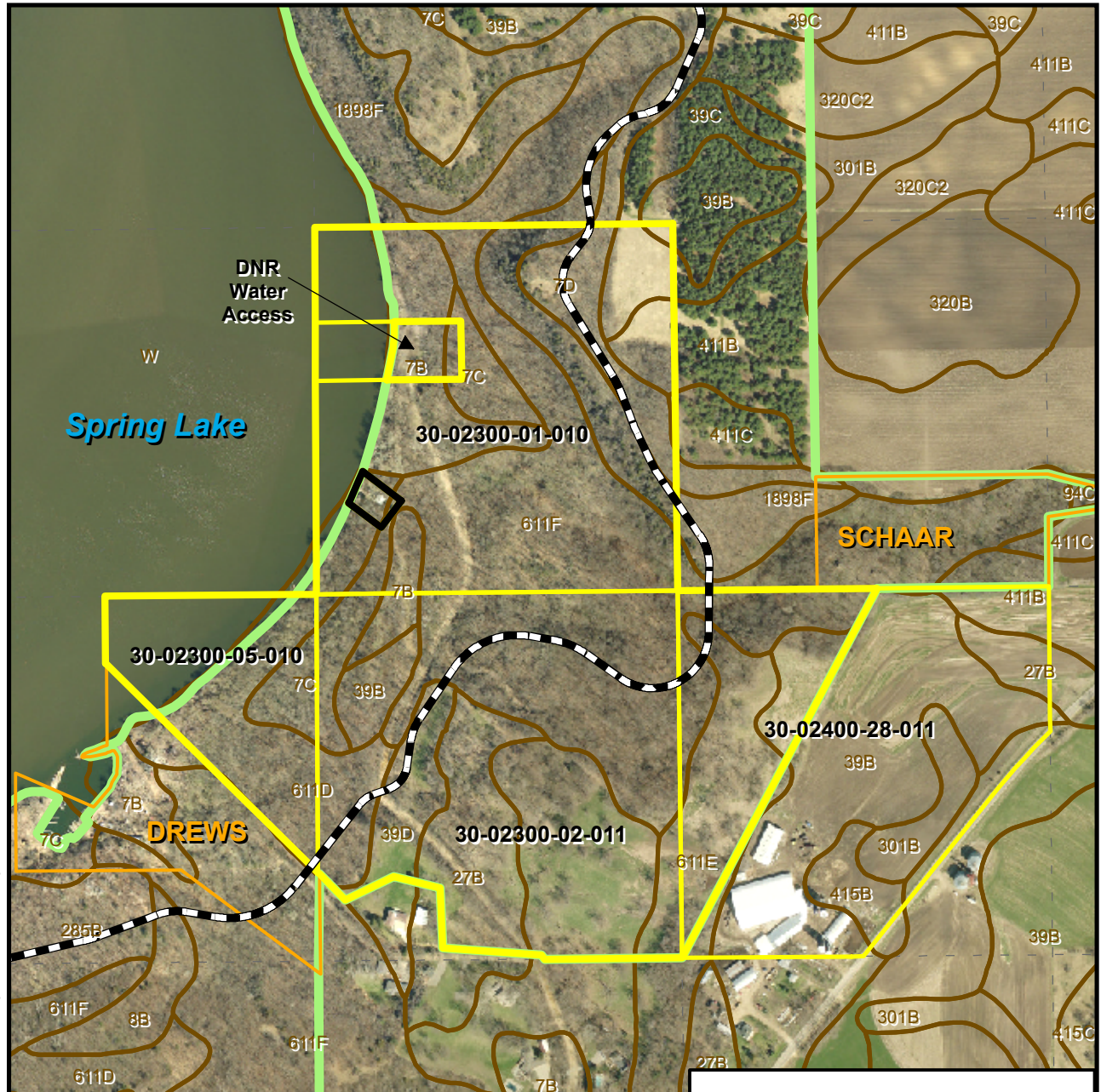
Steve Sullivan, Parks Director  
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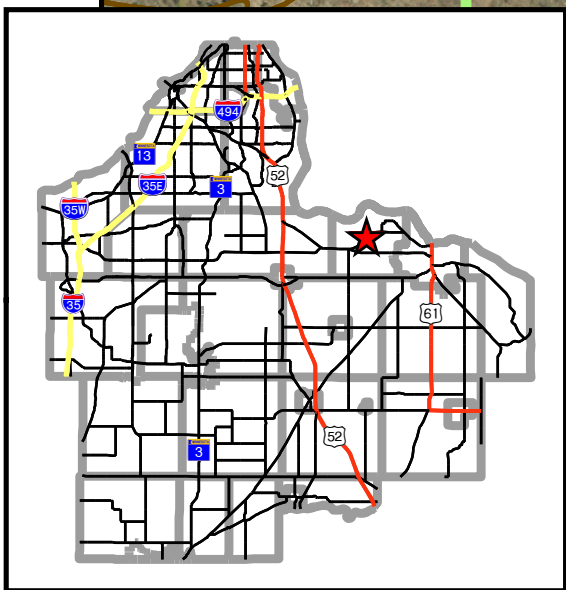
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cc: Taud Hoopingarner, Operations Management Director  
Tom Donely, Dakota County Assistant Attorney  
Tara Zgoda, Senior Financial Analyst





Prepared by Dakota County GIS



**Legend**

- Sorg Trust Property
- Sorg Cabin Property
- MRRT Alignment
- Soils Types
- Park Boundary
- Other Private Property

0      500      1,000 Feet

**Sorg Trust and Sorg Cabin Properties**



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**Application**

**Instructions**

**Print to PDF** will convert the application plus any PDF attachments into a single PDF file. **Release for Review** will change the status of the application to Under Review and move it on to the evaluation process. **Negotiation** will allow you to unlock one or more sections of the application and route the application back to the applicant for further editing. **Annotations** allow internal staff to add notes that are visible to internal staff only and possibly also reviewers if they have a special security privilege. The applicant cannot see these notes. **Versions** will display all component versions that were created as a result of the negotiation process. **Feedback** allows staff to enter feedback about the application to the applicant. The feedback text will appear at the bottom of the application and will be visible to anyone who has access to the application. **Withdraw** changes the status of the application to Withdrawn and removes the app from the evaluation process.

[Application Details](#) | [Map](#) | [Print to PDF](#) | [Release for Review](#) | [Negotiation](#) | [Annotations\(0\)](#) | [Versions](#) | [Feedback](#) | [Withdraw](#)

**08719 - 2017 (FY18) Parks Acquisition Opportunity Fund - Final Application**

**10579 - Acquisition of the Sorg Trust Property within Spring Lake Park Reserve  
Parks Grants Acquisition**

**Status:** Submitted

**Original Submitted Date:** 05/10/2018 3:10 PM

**Last Submitted Date:** 05/21/2018 8:30 AM

**Applicant Information**

**Primary Contact:**

**Name:\*** Lisa Mary West  
Salutation First Name Middle Name Last Name

**Title:\*** Senior Project Manager

**Department:** Dakota County Environmental Resources

**Email:\*** [lisa.west@co.dakota.mn.us](mailto:lisa.west@co.dakota.mn.us)

**Address:\*** 14955 Galaxie Avenue

**\* Phone:\*** 952-891-7018 City State/Province Postal Code/Zip 55124 Ext.

**Fax:** 952-891-7031

**What Grant Programs are you most interested in?\*** Parks Grants Acquisition

**Authorized Official**

**Name:\*** Mr. Steve Sullivan  
Salutation First Name Middle Name Last Name

**Title:\*** Park Director

**Department:**

**Email:\*** [steve.sullivan@co.dakota.mn.us](mailto:steve.sullivan@co.dakota.mn.us)

**Address:\*** 14955 Galaxie Ave

**\* Phone:\*** 952-891-7018 City State/Province Postal Code/Zip 55124



	City	State/Province	Postal Code/Zip
<b>Phone:*</b>	952-891-7088 Phone		Ext.
<b>Fax:</b>			
<b>What Grant Programs are you most interested in?*</b>	Parks Legacy Fund		
<b>Organization Information</b>			
<b>Name:*</b>	DAKOTA COUNTY		
<b>Jurisdictional Agency (if different):</b>			
<b>Organization Type:</b>	County Government		
<b>Organization Website:</b>			
<b>Address:*</b>	PARKS 14955 GALAXIE AVE		
<b>*</b>	APPLE VALLEY City	Minnesota State/Province	55124 Postal Code/Zip
<b>County:*</b>	Dakota		
<b>Phone:*</b>	952-891-7991		Ext.
<b>Fax:</b>			
<b>PeopleSoft Vendor Number</b>	0000026855A13		

## Project description

*Please limit acquisition requests to a single park or trail*

**Park or trail name** Spring Lake PR-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** Spring Lake Park Reserve 11/02/2205  
Name of master plan Council approval date - Format: mmddyyyyy (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** Condemnation

**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 County has had on-going discussions with the Sorg Trust about acquiring their property over the decades, and in 2011-2012, about the location of the Mississippi River Regional Trail (MRRT). After an extensive technical and public review process, the County Board selected the final MRRT alignment of the two remaining unconstructed portions of the MRRT on May 21, 2013. The selected alignment included approximately 3,350 feet within the Sorg Trust property.

Due to deadlines associated with significant federal funding for the MRRT, the County Board of Commissioners authorized acquisition and "quick take" condemnation of 76.7 acres of land owned by the Sorg Trust for the purpose of advancing the SLPR Master Plan and constructing a portion of the MRRT by Resolution No. 13-601 on November 5, 2013. The Condemnation Petition was filed on December 30, 2013. The required Public Need Hearing was held on February 19, 2014. The Sorg Trust agreed to waive any challenge to public need in exchange for removal of a five-acre parcel surrounding their cabin from the condemnation and agreeing to convey a 4.6-acre easement on the excluded parcel to the County. Compensation for the Sorg Trust property would be determined through negotiations or the statutorily-determined condemnation process. The County submitted a "Request for Acquisition Funding" letter on December 9, 2015, in accordance with the recently approved condemnation provisions for park acquisition in the Metropolitan Park system Policy Plan.

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

**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.**

The County took possession of the property on March 31, 2014. The Condemnation Commissioners viewed the property in May 2014. Construction of the MRRT took place in 2015 – 2017. The Trust requested that the Condemnation hearing be scheduled after the public improvements (trail, landscaping, etc.) were completed. The hearing was scheduled for January 2018, but was rescheduled at the Trust's request for June 2018. The settlement eliminates the need for a hearing.

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. 12/30/2013

If condemnation is involved,  
expected settlement date 06/01/2018

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 06/01/2018  
Format: mmdyyyy (Do not enter any punctuation.)

Date purchase agreement expires 06/01/2018  
Format: mmdyyyy (Do not enter any punctuation.)

Appraisal effective date 03/31/2014

#### Appraisal information

Appraised value \$1,450,000.00

Amount being offered the seller  
(net of closing and other costs) \$3,800,000.00 262.07%  
% of appraised value

Appraisal date 03/31/2014

Who performed the appraisal? Integra Realty Services

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

The property includes 1,750 feet of shoreline along Spring Lake; small springs; 90-foot high bluffs, with exposed limestone; steep slopes and ravines; 94 percent forested (floodplain, oak woodland and savanna); and four percent grasslands including dry, bluff prairie.

#### Suggested funding source

For guidance, see the PAOF rules in the 2040 Regional Parks Policy Plan at <http://metrocouncil.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](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 PTLF Legacy / Council match  
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 purchased 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? No

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

**Stewardship and minimal access**

Describe the stewardship plan.

Dakota County will be responsible for ongoing stewardship.

How will the stewardship implementation be funded?

Dakota County Operational Management funds

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

Dakota County

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

If yes, how much? \$1,750,553.00

**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
Sorg Trust		300230002015	21.4	06/01/2018	No	54	Not Available	Dakota	15	H	44.755831	-92.939610
Sorg Trust		300240028013	6.2	06/01/2018	No	54	Not Available	Dakota	15	H	44.756021	-92.933842
Sorg Trust		300230001012	33.8	06/01/2018	No	54	Not Available	Dakota	15	H	44.758417	-92.939194
Sorg Trust		300230005010	10.7	06/01/2018	No	54	Not Available	Dakota	15	H	44.756182	-92.944462
			<b>72.10</b>									

**Grant agreement signatories**

<b>Full name</b>	<b>Title</b>	<b>If this is an attorney, is the signature 'for form only'?</b>
H. Taud Hoopingamer	Operations Management Department Director	

**Acquisition Costs**

<b>Cost Items</b>	<b>Amount</b>
-------------------	---------------

<b>Purchase price</b>		
Negotiated purchase price		\$2,108,674.00
<b>Appraisal expenses</b>		
Appraisal		\$17,500.00
Appraisal review		\$0.00
<b>Environmental expenses</b>		
Phase I environmental site assessment		\$0.00
Phase II environmental site assessment		\$0.00
Environmental contamination remediation		\$0.00
<b>Holding expenses</b>		
Interest		\$0.00
Land stewardship		\$0.00
Land development		\$0.00
Pro-rated share of all property taxes/assessments		\$0.00
Legal services and closing costs		\$0.00
Property tax equivalency payment-473.341		\$0.00
Relocation costs to seller		\$0.00
State deed tax/conservation fee		\$0.00
Title insurance		\$0.00
Well disclosure statement		\$0.00
Other holding		\$0.00
<b>Other expenses</b>		
Other expenses		\$0.00
	<b>Totals</b>	<b>\$2,126,174.00</b>

### Total Estimated Acquisition Costs

<b>Totals</b>	<b>Total acquisition cost</b>	<b>Total paid with state funds</b>	<b>Total paid with metro funds</b>	<b>Total paid by agency</b>	<b>Total grant amount</b>
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$2,126,174.00	\$956,778.30	\$637,852.20	\$531,543.50	\$1,594,630.50

### Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
<b>Section 1 - REQUIRED FOR ALL REQUESTS</b>				
Grant request letter	Grant Request Letter	MC AOF Request for Sorg Trust 5-8-18.docx	docx	142 KB
Master plan documentation (please compress to 5 Mb max)	SLPR Master Plan Web Link	SLPR Master Plan Web Link.pdf	pdf	168 KB
Aerial photo showing parcel boundary (please compress to 5 Mb max)	Parcel map	Sorg Large Aerial.pdf	pdf	5.2 MB
Parcel map showing park/trail master plan boundary (please compress to 5 Mb max)	Parcel map showing trail	EQB Sorg Trust Exhibit B.pdf	pdf	1.8 MB
Governing Board action authorizing grant request	Dakota County Board Resolution	Resolution No. 18-264.pdf	pdf	506 KB
<b>Section 2 - FEE TITLE REQUIREMENTS</b>				
Signed purchase agreement	This is also included as another attachment; but is applicable here. We anticipate a fully executed version on 5/10/18, which will be emailed separately.	Stipulation and Settlement Agreement- unsigned 5-8-17.pdf	pdf	557 KB
Property appraisal report (please compress to 5 Mb max)	Appraisal Summary Pages - file too large	2018-0140 Sorg Property Appraisal Report 5-4-18 - SUMMARY PAGES.pdf	pdf	590 KB
Appraisal invoice	Appraisal Invoice	Appraisal Invoice Integra 5-3-18.pdf	pdf	154 KB
Phase 1 environmental site assessment report	Environmental Assessment	Environmental Assessment of the	docx	27



May 3, 2018

Al Singer  
Land Conservation Manager  
Dakota County  
14955 Galaxie Avenue  
Apple Valley, MN 55124

SUBJECT: Before and After Market Value Appraisal  
Sorg Property  
13525 Mississippi Trail  
Nininger Township, Hastings, Dakota County, Minnesota 55033  
IRR - Minneapolis/St. Paul File No. 124-2018-0140

Dear Mr. Singer:

Integra Realty Resources – Minneapolis/St. Paul is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the before project market value of the fee simple interest in the property. As requested, we also estimate the after project market value and report the difference. The client for the assignment is Dakota County, and the intended use is for presentation at a court appointed commissioner's hearing for assistance in determining just compensation.

The subject in the before project situation is comprised of four tax parcels containing gross area of 116.74 acres. Net area is 103.55 acres excluding 9.65 acres submerged in Spring Lake and 3.54 acres of Hillary Path right-of-way. The property is comprised of a mix of land including buildable shoreland, buildable non-shoreland and land not buildable due to topographic and access constraints. A small cabin and building site with residences and farming support buildings are also present. The cabin is determined as not contributing value in the before situation but does in the after. The improvements on the building site are not influenced by the project and not appraised. The property is zoned Proposed Regional Park Reserve Acquisition (Assumed AG), Agriculture, which permits agriculture and single-family residential.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of Dakota County.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This format contains the greatest depth and detail of IRR’s available report types.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

---

**Value Conclusions**

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Before Project Market Value	Fee Simple	March 31, 2014	\$2,185,000
After Project Market Value	Fee Simple	March 31, 2014	\$735,000
Difference			\$1,450,000

---

**Extraordinary Assumptions and Hypothetical Conditions**

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. As of the date of valuation it is assumed the project would be completed as planned and depicted. The project was subsequently so completed.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. After valuation assumes the project is completed as of the effective date of appraisal.

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

Respectfully submitted,

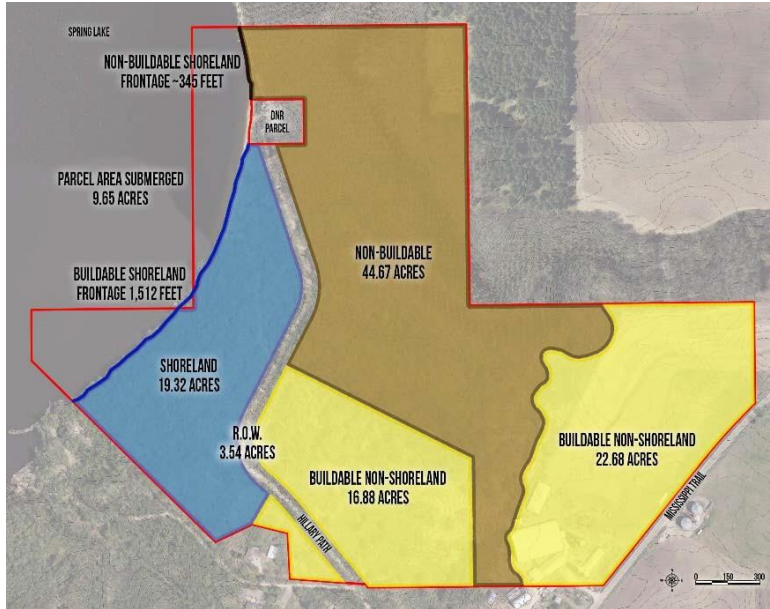
**INTEGRA REALTY RESOURCES - MINNEAPOLIS/ST. PAUL**



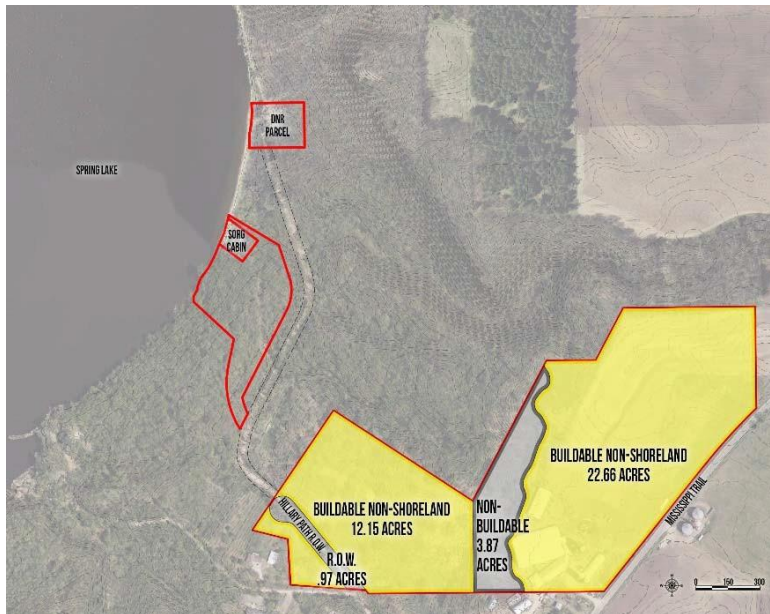
Dan Mueller, MAI, MRICS  
Certified General Real Property Appraiser  
Minnesota Certificate # 4003551  
Telephone: 952-905-2407  
Email: dmueller@irr.com



**Before**



**After**



**Sorg Property**  
13525 Mississippi Trail  
Nininger Township, Hastings, Minnesota



# Summary of Salient Facts and Conclusions

## Part One

Property Name	Sorg Property
Address	13525 Mississippi Trail Nininger Township, Hastings, Dakota County, Minnesota 55033
Property Type	Land and Cabin - other building improvements not appraised
Owner of Record	Wm. Sorg and Marion Sorg. Co-Trustees
Tax ID	30-02300-01-010, 30-02300-02-011, 30-02300-05-010 and 30-02400-28-011

Before Land Area - Total	116.74 acres
Before Land Area (Usable)	103.55 acres
Before Buildable Shoreland	19.32 acres
Before Buildable Non-Shoreland	39.56 acres
Before Non-Buildable	44.67 acres
After Land Area Excluding Cabin (Gross)	39.65 acres
After Land Area (Usable)	38.68 acres
After Buildable Non-Shoreland	34.81 acres
After Non-Buildable	3.87 acres

Gross Building Area - Cabin	705 SF
Year Built; Year Renovated	1947; NA

Zoning Designation	Proposed Regional Park Reserve Acquisition (Assumed AG), Agriculture
Highest and Best Use - As if Vacant	Single family residential and recreation use
Highest and Best Use - As Improved	Residential development and recreational cabin use
Exposure Time; Marketing Period	12 months; 12 months
Date of the Report	May 3, 2018

## Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Before Project Market Value	Fee Simple	March 31, 2014	\$2,185,000
After Project Market Value	Fee Simple	March 31, 2014	\$735,000
Difference			\$1,450,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Dakota County and court appointed real estate commissioners may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

## Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. As of the date of valuation it is assumed the project would be completed as planned and depicted. The project was subsequently so completed.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. After valuation assumes the project is completed as of the effective date of appraisal.

State of Minnesota  
Dakota County

District Court  
First Judicial District

Court File Number: **19HA-CV-13-5036**

Case Type: Condemnation

FILE COPY

**Notice of Filing of Order**

---

**In the Matter of the Petition of the County of Dakota vs. Louis Gramsey et al \*\*\*\*  
ASSIGNED TO JUDGE MCMANUS\*\*\***

You are notified that an order was filed on this date.

Dated: May 15, 2018

Heidi Carstensen  
Court Administrator  
Dakota County District Court  
1560 Highway 55  
Hastings MN 55033  
651-438-8100

cc: THOMAS ROSS DONELY

A true and correct copy of this notice has been served pursuant to Minnesota Rules of Civil Procedure, Rule 77.04.

DAKOTA COUNTY, Court Administrator

**MAY 15 2018**

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF DAKOTA

FIRST JUDICIAL DISTRICT

The County of Dakota,  
(C.P. 97-114 & 97-115)

CASE TYPE: CONDEMNATION

Petitioner,

vs.

**STIPULATION AND  
SETTLEMENT AGREEMENT  
AND ORDER**Louis Gramsey, as Trustee of the Louis Gramsey  
Revocable Trust dated 12/12/1991, et al.,

Respondents.

District Court File No. 19HA-CV-13-5036

**THIS STIPULATION AND SETTLEMENT AGREEMENT** is made by and between DAKOTA COUNTY ("Petitioner") and Respondents Marion Sorg and William Sorg, Co-Trustees of the Credit Trust under the Will of Loren Sorg and the Marital Trust under the Will of Loren Sorg ("Respondents"), collectively referred to herein as the "Parties":

**RECITALS**

1. The following Recitals are part of the Parties' Stipulation and Settlement Agreement and Order for Partial Judgment ("Stipulation and Settlement").
2. On December 30, 2014, Petitioner commenced this condemnation action to acquire interests in real property identified as Parcel No. 3 ("Subject Parcel") in the Petition file in this matter (the "Acquisition").
3. Respondents were the fee owner of the Subject Parcel on of the date of acquisition by Petitioner by quick-take eminent domain on March 31, 2014 and Respondents represent that Respondents have not made any assignment of their claims to the eminent domain proceeds in this matter.

FILED FIRST JUDICIAL DISTRICT  
DAKOTA COUNTY, Court Administrator

MAY 15 2018

4. By stipulation dated March 27, 2014 between Petitioner and Respondents (the "March 27, 2014 Stipulation"), the Parties agreed to amend the acquisition of Parcel No. 3 from the 76.66 acres fee absolute title acquisition identified in the Petition to an acquisition of a buffer easement approximately 4.55 acres around Respondents' cabin property together with fee title to the remaining approximately 72.11 acres of Parcel No. 3.
5. The Findings and Order and Partial Judgment, dated March 28, 2014 and filed on March 31, 2014, authorized the acquisition of Parcel No. 3, as amended by the March 27, 2014 Stipulation, transferring title and possession to the Petition on March 31, 2014 (the "Findings and Order"). The Findings and Order provides the legal description for the amended fee acquisition and the terms and legal description for the "Buffer Easement," as defined by the Finding and Order, for Parcel No. 3.
6. After the Finding and Order was filed, the Parties discovered that the survey for the buffer easement misidentified a utility corridor as the access driveway. It was the intent of the Parties to include the access driveway in the buffer easement.
7. The Parties have reached an agreement to amend Parcel No. 3 to include the access driveway in the Buffer Easement area.
8. Further, Petitioner and Respondents have reached a full and final settlement and compromise of any and all claims related to the Acquisition, including interest, attorney fees, expert fees and costs.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the payment to be made by Petitioner to Respondents and such other consideration as described herein, the sufficiency of which is hereby acknowledged, the Parties to this Stipulation and Settlement, agree, and bind themselves as follows:

1. The Parties agree that the acquisitions for Parcel No. 3 totaling approximately 76.66 acres shall be as follows:
  - a. Fee acquisition of approximately of approximately 72.09, legally described in the attached **Exhibit 1**. (This Exhibit 1 replaces Exhibit D referenced in the Findings and Order.)
  - b. Buffer Easement acquisition of approximately 4.57 acres, legally described in the attached **Exhibit 2**. (This Exhibit 2 replaces Exhibit B referenced in the Findings and Order.) The terms of the Buffer Easement are stated in the Findings and Order and Partial Judgment, dated March 28, 2014 and filed on March 31, 2014.

The acquisition areas for Parcel No. 3 are depicted in **Exhibit 3**. (This Exhibit 3 replaces Exhibit C referenced in the Findings and Order.) The Parties further agree that the Court may enter an order amending the acquisitions for Parcel No. 3 as set forth above.

2. The Parties agree to modify Paragraph 6 of the March 27, 2014 Stipulation by which Petitioner agreed to not use the Sorg name in connection with any existing or future Spring Lake Park Reserve facilities or improvements or in connection

with the Spring Lake Park Reserve itself, including but not limited to the park, trail, bridge and ravine, to permit the Petitioner, pursuant to Respondents' request, to include reference to the Sorg family name and its farm and agricultural use on the site dating back to 1896 in interpretive signage in the Spring Lake Park Reserve. Petitioner agrees to consider Respondents' written suggestions to arrive at a mutually acceptable historical narrative for the interpretive signage.

3. Respondents agree to forever settle, release, waive, and discharge any and all claims for damages occasioned by the acquisition of the property rights described in the condemnation petition, and all damages, if any, to the remaining lands, and are hereby intending to forever settle any and all claims that have been made or could have been made in connection with the Acquisition, including any claim for interest, costs, attorney fees and appraisal fees, statutory or otherwise, with respect to the Acquisition for a total amount of Four Million Four Hundred Thousand dollars (\$4,400,000.00) ("Settlement Amount"). The Settlement Amount is allocated as follows:

- a. \$3,800,000 for all related acquisition damages, direct and indirect. The Petitioner previous paid and the Respondents acknowledge receipt of \$1,110,000, leaving a balance of \$2,690,000;
- b. \$200,000 for interest;

- c. \$400,000 for attorney fees, expert fees, and litigation costs. The Petitioner previous paid and the Respondents acknowledge receipt of \$25,000 towards these costs, leaving a balance of \$375,000.

**The total balance owed by Petitioner to Respondents for the Settlement Amount is \$3,265,000.**

4. Petitioner shall issue a check for the \$3,265,000 balance of the Settlement Amount on or before June 1, 2018 to the following payees: William Sorg, Co-Trustee of the Marital Trust and Credit Trust under the Will of Loren Sorg and LeVander, Gillen & Miller, P.A.

The check shall be picked up by or delivered to:

Daniel Beeson, Esq.  
LeVander, Gillen & Miller, P.A.  
633 South Concord Street, Ste. 400  
South St. Paul, MN 55075

5. Delivery of the balance of the Settlement Amount shall be subject to the Respondent delivering:
  - a. the Respondents' appraisal reports from Lunieski & Associates and Shenehon Company for this matter to Petitioner on or before May 10, 2018;
  - b. Respondents' expert report from Westwood Professional Services for this matter to Petitioner on or before May 10, 2018;



- c. A statement providing a breakdown of the total amounts incurred by Respondents for legal and professional services to Petitioner on or before May 10, 2018;
  - d. Copies of invoices for services performed by Lunieski & Associates, Shenehon Company and Westwood Professional Services for this matter to Petitioner on or before May 25, 2018;
  - e. Copies of invoices/billings for services performed by LeVander, Gillen & Miller, P.A. for this matter to Petitioner on or before May 25, 2018. Such copies may be redacted as necessary to remove attorney-client privilege information;
  - f. A completed W-9 form from the payees listed on the settlement checks to Petitioner on or before May 11, 2018; and
  - g. Any other documentation reasonably required by Petitioner or the Court to issue payment of the Settlement Amount.
  - h. It is understood and agreed by the Parties that Respondents' only obligation is the delivery of items 5(a) – 5(g) to Petitioner. Upon delivery of the documentation Petitioner shall issue the final settlement payment check as provided in Paragraph 4.
6. Respondents warrant that all damages for and related to the Acquisition are to be paid out of the Settlement Amount, and further warrants, to the best of their knowledge, that no entity or person has an interest in the award of damages related to the Acquisition.

7. Petitioner shall file this Stipulation and Settlement with the Court upon execution by all parties. Petitioner and Respondents agree that this Stipulation and Settlement is the full and final settlement of this matter and both Parties waive the right to a condemnation commissioners' hearing to determine damages in this matter. The parties request that the Court adopt this Stipulation and Settlement in lieu of a condemnation commissioners' award of damages in this matter with \$3,800,000 being assigned as the damages award in this matter. The Court shall retain jurisdiction to enforce the terms of this Stipulation and Settlement.
8. Upon full payment of the Settlement Amount, the Petitioner may file a Final Certificate for approval by the Court consistent with the terms of this Stipulation and Settlement.
9. Both parties acknowledge that this Settlement and Stipulation represents a compromise of disputed claims.
10. Petitioner and Respondents shall not contest or appeal this Stipulation and Settlement in any manner, or to the filing of the Final Certificate, and hereby waives and releases the right to challenge this Stipulation and Settlement or the Final Certificate, together or separately.
11. The undersigned state and represent that they have fully read this Stipulation and Settlement, and that they each know and understand the consequences and legal effect thereof. This Stipulation of Settlement contains the entire agreement of the Parties with regard to the matters set forth herein.

12. The Parties agree that this Stipulation and Settlement may be executed in separate counterparts which, taken together, shall be and comprise one agreement.
13. The persons signing this Stipulation and Settlement in their representative capacities represent and warrant that, by signing this Stipulation and Settlement, it is their intent to bind their respective principal to the terms and conditions set forth herein, that the persons signing in their representative capacity have been authorized to bind their respective principal to such terms, and that it is the respective principal's intent to be so bound.
14. The Effective Date of this Stipulation and Settlement shall be the date of its execution by the last party to sign.

[Signature Pages to Follow]

RESPONDENTS

THE CREDIT TRUST UNDER THE WILL OF LOREN SORG

THE MARITAL TRUST UNDER THE WILL OF LOREN SORG

William Sorg  
William Sorg, Co-Trustee  
Dated: 5-8-18

William Sorg  
William Sorg, Co-Trustee  
Dated: 5-8-18

Marion Sorg  
Marion Sorg, Co-Trustee  
Dated: 5-9-18

Marion Sorg  
Marion Sorg, Co-Trustee  
Dated: 5-9-18

Randy Sorg  
Randy Sorg, Co-Trustee  
Dated: 5-9-18

Randy Sorg  
Randy Sorg, Co-Trustee  
Dated: 5-9-18

Mary Lou Foster  
Mary Lou Foster, Co-Trustee  
Dated: 5-09-18

Mary Lou Foster  
Mary Lou Foster, Co-Trustee  
Dated: 5-09-18

ATTORNEYS FOR RESPONDENT

LEVANDER, GILLEN & MILLER PA

By: Daniel Beeson  
Daniel Beeson, # 6142  
633 S Concord St.  
South Saint Paul, MN 55075  
(651) 451-1831  
Dated: 5/8/18

PETITIONER

COUNTY OF DAKOTA

DAKOTA COUNTY ATTORNEY'S OFFICE



Thomas R. Donely  
Assistant County Attorney  
Attorney Registration No. 0349938  
Dakota County Attorney's Office  
Dakota County Judicial Center  
1560 Highway 55  
Hastings, MN 55033  
Phone: (651) 438-4438

Dated: 5-10-18

ATTORNEYS FOR PETITIONER

**ORDER**

IT IS HEREBY ORDERED that the above Stipulation and Settlement is accepted by the Court and completes the condemnation proceeding as to Parcel No. 3.

IT IS FURTHER ORDER that Findings and Order and Partial Judgment, dated March 28, 2014 and filed on March 31, 2014 (the "Findings and Order"), is amended pursuant to the Stipulation and Agreement as follows:

The acquisition of Parcel No. 3 totaling approximately 76.66 acres shall be as follows:

- a. Fee acquisition of approximately of approximately 72.09, legally described in the attached Exhibit 1. (This Exhibit 1 replaces Exhibit D referenced in the Findings and Order.)
- b. Buffer Easement acquisition of approximately 4.57 acres, legally described in the attached Exhibit 2. (This Exhibit 2 replaces Exhibit B referenced in the Findings and Order.) The terms of the Buffer Easement are stated in the Findings and Order and Partial Judgment, dated March 28, 2014 and filed on March 31, 2014.

The acquisition areas for Parcel No. 3 are depicted in Exhibit 3. (This Exhibit 3 replaces Exhibit C referenced in the Findings and Order.)

IT IS FURTHER ORDER that upon full payment of the Settlement Amount stated in the Stipulation and Settlement by Petitioner to Respondent, the Petitioner may file a Final Certificate for approval by the Court consistent with the terms of this Stipulation and Settlement and Order.

BY THE COURT

Date: \_\_\_\_\_

5/14/18



\_\_\_\_\_  
Judge of District Court

**EXHIBIT 1****Legal Description of the Fee Absolute Title Acquisition Totaling Approximately 72.09 Acres**

That part of the Southwest Quarter of the Northeast Quarter of Section 23, T.115N., R.18W., Dakota County, Minnesota lying within the following described parcel:

Beginning at the northeast corner of said Southwest Quarter of the Northeast Quarter; thence westerly, along the north line of said Southwest Quarter of the Northeast Quarter, a distance of 11.44 chains (755.04 feet); thence southerly, parallel with the east line of said Southwest Quarter of the Northeast Quarter, a distance of 5.4 chains (356.40 feet); thence deflecting to the left 45 degrees 00 minutes 00 seconds, 1067.68 feet, more or less, to said east line of the Southwest Quarter of the Northeast Quarter; thence northerly, to the point of beginning and there terminating,

and lying northeasterly of the northeasterly line of Auditor's Sub. No. 45 Nininger, said Dakota County and said northeasterly line extended.

AND

That part of the East Half of the Northeast Quarter of Section 23, T.115N., R.18W., Dakota County, Minnesota lying northeasterly of the northeasterly line of Auditor's Sub. No. 45 Nininger, said Dakota County; and lying northwesterly and northeasterly of the following described line and its southwesterly extension:

Commencing at the Southeast corner of said Section 23; thence on an assumed bearing of NORTH along the east line of said Section 23 a distance of 2014.50 feet; thence North 38 degrees 45 minutes 00 seconds West a distance of 800.00 feet; thence North 85 degrees 00 minutes 00 seconds West, a distance of 542.00 feet; thence North 44 degrees 40 minutes 00 seconds West, a distance of 223.95 feet to the point of beginning of the line to be described; thence North 65 degrees 14 minutes 03 seconds East, 190.31 feet; thence North 34 degrees 56 minutes 29 seconds East, a distance of 670.00 feet; thence South 56 degrees 15 minutes 43 seconds East, a distance of 771.50 feet, more or less, to a point on the east line of said Northeast Quarter, which point is 423.00 feet north of the East Quarter Corner of said Section 23, measured along the east line said Northeast Quarter, and there terminating.



Excepting therefrom that part of the East Half of the Northeast Quarter of Section 23, Township 115 North, Range 18 West, Dakota County, Minnesota, lying easterly of the shoreline of Spring Lake and described as follows:

Commencing at the southwest corner of said East Half of the Northeast Quarter; thence North 00 degrees 19 minutes 36 seconds West, assumed bearing, along the west line of said East Half of the Northeast Quarter a distance of 1360.00 feet to the point of beginning of the property to be described; thence South 47 degrees 20 minutes 39 seconds East a distance of 254.89 feet; thence South 11 degrees 45 minutes 37 seconds West a distance of 125.00 feet; thence southerly a distance of 277.01 feet along a tangential curve concave to the east having a radius of 400.00 feet and a central angle of 39 degrees 40 minutes 43 seconds; thence South 32 degrees 04 minutes 52 seconds East not-tangent to said curve a distance of 30.03 feet; thence North 27 degrees 04 minutes 42 seconds East a distance of 78.32 feet; thence northwesterly a distance of 80.34 feet along a non-tangential curve concave to the northeast having a radius of 334.00 feet and a central angle of 13 degrees 46 minutes 56 seconds, the chord of said curve bears North 18 degrees 27 minutes 23 seconds West; thence North 27 degrees 04 minutes 42 seconds East not-tangent to said curve a distance of 455.95 feet; thence northerly a distance of 156.34 feet along a tangential curve concave to the west having a radius of 197.80 feet and a central angle of 45 degrees 17 minutes 13 seconds; thence North 18 degrees 12 minutes 32 seconds West tangent to said curve a distance of 156.78 feet; thence North 59 degrees 07 minutes 58 seconds West a distance of 465.50 feet to the west line of said East Half of the Northeast Quarter; thence South 00 degrees 19 minutes 36 seconds East, along said west line of the East Half of the Northeast Quarter a distance of 502.00 feet to the point of beginning.

Further excepting therefrom that part of the Northeast Quarter of the Northeast Quarter of said Section 23 lying easterly of the water's edge of Mississippi River Dam Pool #2 and lying within the following described parcel:

Commencing at the northeast corner of said Section 23; thence on an assumed bearing of North 90 degrees 00 minutes West, along the north line of said Section 23, a distance 760.57 feet; thence South 00 degrees 00 minutes West, 340.00 feet to the point of beginning of the parcel to be described; thence South 00 degrees 00 minutes West, 208.0 feet, thence North 90 degrees 00 minutes West to the west line of said Northeast Quarter of the Northeast Quarter; thence northerly on the west line of said Northeast Quarter of the Northeast Quarter to a line that is distant 340.0 feet south of the north line of said Section 23, measured at a right angle to said north line; thence North 90 degrees 00 minutes East, parallel with the north line of said Section 23 to the point of beginning and there terminating.

AND

That part of the Southwest Quarter of the Northwest Quarter of Section 24, T.115N., R.18W., Dakota County, Minnesota described as follows:

Commencing at the Southwest corner of said Southwest Quarter of the Northwest Quarter; thence on an assumed bearing of North 0 degrees 43 minutes 08 seconds West, along the west line of said Southwest Quarter of the Northwest Quarter a distance of 423.00 feet to the point of beginning of the parcel to be described; thence North 27 degrees 48 minutes 37 seconds East a distance of 737.00 feet; thence North 89 degrees 29 minutes 18 seconds East, a distance of 229.50 feet to the intersection with the hereinafter described Line A; thence northeasterly, along said Line A, a distance of 273.97 feet to the north line of said Southwest Quarter of the Northwest Quarter; thence westerly, a distance of 712.35 feet, more or less, to the Northwest corner of said Southwest Quarter of the Northwest Quarter; thence southerly a distance of 888.19 feet to the point of beginning and there terminating.

#### Line A

Beginning at the Southwest corner of said Southwest Quarter of the Northwest Quarter; thence northeasterly to a point on the North line of said Southwest Quarter of the Northwest Quarter, which point is 712.35 feet east of the Northwest corner of said Southwest Quarter of the Northwest Quarter, measured along said North line, and there terminating.

**EXHIBIT 2****Legal Description of the Buffer Easement Totaling Approximately 4.57 Acres**

That part of the East Half of the Northeast Quarter of Section 23, Township 115 North, Range 18 West, Dakota County, Minnesota, lying easterly of the shoreline of Spring Lake and described as follows:

Commencing at the southwest corner of said East Half of the Northeast Quarter; thence North 00 degrees 19 minutes 36 seconds West, assumed bearing, along the west line of said East Half of the Northeast Quarter a distance of 1360.00 feet to the point of beginning of the property to be described; thence South 47 degrees 20 minutes 39 seconds East a distance of 254.89 feet; thence South 11 degrees 45 minutes 37 seconds West a distance of 125.00 feet; thence southerly a distance of 277.01 feet along a tangential curve concave to the east having a radius of 400.00 feet and a central angle of 39 degrees 40 minutes 43 seconds; thence South 32 degrees 04 minutes 52 seconds East not-tangent to said curve a distance of 30.03 feet; thence North 27 degrees 04 minutes 42 seconds East a distance of 78.32 feet; thence northwesterly a distance of 80.34 feet along a non-tangential curve concave to the northeast having a radius of 334.00 feet and a central angle of 13 degrees 46 minutes 56 seconds, the chord of said curve bears North 18 degrees 27 minutes 23 seconds West; thence North 27 degrees 04 minutes 42 seconds East not-tangent to said curve a distance of 455.95 feet; thence northerly a distance of 156.34 feet along a tangential curve concave to the west having a radius of 197.80 feet and a central angle of 45 degrees 17 minutes 13 seconds; thence North 18 degrees 12 minutes 32 seconds West tangent to said curve a distance of 156.78 feet; thence North 59 degrees 07 minutes 58 seconds West a distance of 465.50 feet to the west line of said East Half of the Northeast Quarter; thence South 00 degrees 19 minutes 36 seconds East, along said west line of the East Half of the Northeast Quarter a distance of 502.00 feet to the point of beginning.

EXCEPTING THEREFROM that part of said Northeast Quarter of Section 23, T.115N., R.18W., Dakota County, Minnesota described as follows:

Commencing at a point on the east line of said Section 23, a distance of 2014.50 feet North of the Southeast corner thereof; thence North 39 degrees 23 minutes 40 seconds West, assuming said east line has a bearing of NORTH, a distance of 800.00 feet; thence North 85 degrees 38 minutes 40 seconds West 34.74 feet; thence North 39 degrees 12 minutes 00 seconds West 542.00 feet; thence North 49 degrees 12 minutes 00 seconds West 183.33 feet; thence North 32 degrees 39 minutes 30 seconds West 96.77 feet; thence North 11 degrees 31 minutes 00 seconds East, 149.03 feet; thence North 29 degrees 05 minutes 30 seconds West, 124.80 feet; thence North 8 degrees 08 minutes 30 seconds East, 375.62 feet; thence North 25 degrees 40 minutes 30 seconds East, 170.04 feet; and thence North 21 degrees 39 minutes 00 seconds West, 166.72 feet; thence North 37 degrees 31 minutes 00 seconds East 95.00 feet to the point of beginning of the land to be described; thence South 37 degrees 31 minutes 00 seconds West 120.00 feet; thence North 52 degrees 29 minutes 00 seconds West, 144 feet, more or less, to the shore line of

Spring Lake; thence northeasterly along said shore line to the intersection with a line which bears North 52 degrees 29 minutes 00 seconds West from the point of beginning; thence South 52 degrees 29 minutes 00 seconds East 163 feet, more or less, to the point of beginning.

**EXHIBIT 3**

**Depiction of Parcel No. 3 Acquisition Areas**

116.74 AC. - SITE AREA BEFORE TAKING  
 76.66 AC. - TOTAL AREA OF TAKING  
 72.08 AC. - FEE TAKING  
 4.57 AC. - BUFFER EASEMENT TAKING  
 44.85 AC. - SITE AREA AFTER TAKING  
 39.85 AC. - UNENCHAINED AFTER TAKING

DATE OF TAKING - MARCH 31, 2014

LEGEND

- TAKING AREA
- SORG EASEMENT BOUNDARY
- SORG TRUST BOUNDARY

TAKING EXHIBIT 3

SORG CONDEMNATION NUMBER TOWNSHIP, MN

APRIL 2018  
  
 LOUCKS

