

Metropolitan Parks and Open Space Commission Report

For the Community Development Committee meeting of July 15, 2019

Subject: Park Acquisition Opportunity Fund Grant for Crow-Hassan Park Reserve, Three Rivers Park District (Guzek)

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$255,266.25 to Three Rivers Park District to acquire the 1.02-acre Guzek parcel located at 27060 Sylvan Lake Road in the City of Rogers for Crow-Hassan Park Reserve, contingent on Council approval of the 2019 Quarter 2 Unified Budget Amendment, Business Item 2019-166 JT;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$85,088.75 from its share of a future Regional Parks Bonding Program for costs associated with this purchase; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

Colin Kelly, Planning Analyst, presented this item to the Metropolitan Parks and Open Space Commission (MPOSC) at its meeting on July 9, 2019. Kelly Grissman (Three Rivers Park District, TRPD) was present and responded to questions. Commissioner Andreason asked whether the house on the property could be saved or reused. Grissman responded that TRPD always examines whether homes or other buildings can be reused or repurposed, but that there were challenges that precluded reusing the house at this site, including asbestos materials and accessibility issues.

Chair Yarusso asked if the property could be used for providing a trailhead for the planned Crow River Regional Trail. Grissman responded that TRPD considered that as an option, but that the regional trail master plan calls for a trailhead approximately one mile away from this property.

The Metropolitan Parks and Open Space Commission voted unanimously to recommend the proposed action.

Metropolitan Parks and Open Space Commission

Meeting date: July 9, 2019

For the Community Development Committee meeting of July 15, 2019

For the Metropolitan Council meeting of July 24, 2019

Subject: Park Acquisition Opportunity Fund Grant for Crow-Hassan Park Reserve, Three Rivers Park District (Guzek)

MPOSC District, Member: A, Rick Theisen

Council District, Member: 1, Judy Johnson

Policy/Legal Reference: Minn. Stat. § 85.53, subd. 3(4) and Minn. Stat. § 473.315; *2040 Regional Parks Policy Plan* Siting and Acquisition Policy – Strategy 1; Planning Policy – Strategy 1; System Protection Strategy 4; Finance Strategy 7

Staff Prepared/Presented: Colin Kelly, Planning Analyst, 651-602-1361

Division/Department: Community Development / Regional Planning

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Background

Regional Park Implementing Agency (Agency) and Location

Three Rivers Park District requested this grant on May 3, 2019. A copy of the Agency's request is attached to this item as Exhibit 2. The property is located on the west side of the City of Rogers within the Council-approved boundary of Crow-Hassan Park Reserve.

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/PAOF and Council match.

Council review

Council staff:

- 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 1.02-acre property is an inholding within the Council-approved boundary of the Crow-Hassan Park Reserve. The property is mostly open with a few trees and is surrounded by the park reserve on three sides. The property also includes a partial winter view of North Twin Lake. In the short term, the Agency plans to remove remaining personal property and structures and return the property to natural open space.

The property consists of a house built in 1963 with a 2-stall tuck-under garage. Wood and wire fencing are prevalent throughout the property.

The planned Crow River Regional Trail forms the eastern boundary of much of the park reserve and is adjacent to the subject property.

Acquisition details

This is a straightforward, fee simple transaction with no easements or other property restrictions.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*
 - Planning Policy Strategy 1 requires that before an Agency can receive a grant for acquisition, the proposed project must be consistent with a Council-approved master plan. The subject property is an inholding within the Crow-Hassan Park Reserve master plan boundaries.
 - Siting and Acquisition Strategy 1 requires that lands with natural resource features, access to water, and/or restoration potential will be a priority for the Regional Parks System. The property recommended for acquisition has some of these features, particularly restoration potential.
 - System Protection Strategy 4 requires that a Phase 1 Environmental Site Assessment (ESA) must be completed on land that is suspected to be contaminated or land suspected to have abandoned wells as part of its due diligence process for land acquisition. Terracon Consultants Incorporated completed the ESA on behalf of Three Rivers Park District on April 8, 2019 and found no Recognized Environmental Conditions in connection with the site.
 - Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park lands and matches every \$3 in state funds with \$2 in Council bonds.
- The Crow-Hassan Park Reserve master plan amendment, approved by the Council on August 13, 2014 ([Business Item 2014-140](#)); and

- All requirements of Parks and Trails Legacy Fund and the 2020 appropriation. This funding aligns with the goals of the Parks and Trails Legacy Fund strategic pillar of “Acquire land – create opportunities.”

Thrive Lens Analysis

This request is consistent with *Thrive MSP 2040's* (Thrive) Livability outcome because the Council’s investment in the park reserve will increase access to nature and outdoor recreation, thereby enhancing the region’s quality of life. The request is also consistent with Thrive’s Stewardship outcome, because this land will be restored to a more natural state.

Funding

Project budget

The appraised value is \$275,000, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown in Table 1 below.

Table 1. Project Budget and Grant Structure

Budget item	Requested amount
Purchase price	\$275,000.00
Due diligence (appraisal, Phase I environmental site assessment, etc.)	\$3,400.00
Holding and closing costs	\$6,955.00
Stewardship	\$55,000.00
Total costs	\$340,355.00
Grant structure	
State FY 2020 PTLF/PAOF	\$153,159.75
Council bonds	<u>\$102,106.50</u>
Grant amount not to exceed	\$255,266.25
Local match	\$85,088.75

Future reimbursement consideration

The Agency is also requesting that the Council consider reimbursing its local match of \$85,088.75 for this acquisition at some point in the future as a part of a regular Regional Parks Bonding Program. 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 bonding cycle. Because the Council issues bonds to match every \$3 of state bonding with \$2 of Council bonds 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: Images
- Exhibit 2: Grant request letter
- Exhibit 3: Grant application
- Exhibit 4: Board approval to purchase property
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt

Exhibit 1 – Images



Figure 1: Acquisition location in the context of Crow-Hassan Park Reserve



Figure 2: Aerial map of subject property



Figure 3: Existing site conditions - Guzek residence



Figure 4: Existing site conditions – Backyard, hobby farm

May 3, 2019

**Three Rivers
Park District
Board of
Commissioners**

Mr. Emmett Mullin, Manager
Regional Parks and Natural Resources Unit
Community Development Division
390 North Robert Street
St. Paul, MN 55101

Penny Steele
District 1

RE: Park Acquisition Opportunity Grant Fund Request
Crow-Hassan Park Reserve: Guzek Property

Jennifer DeJournett
District 2

Dear Emmett,

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Crow-Hassan Park Reserve (Crow-Hassan) in the amount of approximately \$255,266.25 for acquisition of 1.02 acres located in the City of Rogers. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee and Metropolitan Council for consideration and approval.

Daniel Freeman,
Vice Chair
District 3

Background Summary

Staff have been working with the property owner since October 2017 when the property owner first reached out to Three Rivers to explore selling their property to Three Rivers. Staff worked with the owner to develop a relationship, monitor the property value and walk through the acquisition process so when the property owner was ultimately ready and comfortable to sell, Three Rivers would be in a strong position to move forward with acquisition. This effort and resulting relationship has paid off as Three Rivers and the property owner successfully negotiated a purchase agreement reflective of the appraised value.

John Gunyou,
Chair
District 4

The additional 1.02 acres proposed for inclusion has comparable natural resource value to Crow-Hassan park land already owned by Three Rivers. In addition, this is one of the last remaining inholdings in Crow-Hassan Park Reserve.

John Gibbs
District 5

Natural Resource Summary

The subject property is mostly open with a few trees, surrounded by Crow-Hassan Park Reserve on three sides and overlooks parkland including a partial winter view of North Twin Lake. Upon Three Rivers ownership, the property will be returned to natural open space increasing its natural resource value and supporting the existing surround natural resources within current parkland.

Larry Blackstad
Appointed
At Large

Steve Antolak
Appointed
At Large

Cris Gears
Superintendent

Funding Request and Timing

Three Rivers requests FY2020 Parks and Trails Legacy Fund and Metropolitan Council acquisition funding consideration at the Council's earliest opportunity in preparation with a pending closing date in late summer/early fall. The seller has expressed a significant interest in closing as soon as possible to expediate their relocation to a property which has little to no maintenance prior to the winter months as they are no longer able to maintain and care for the property in a safe manner during the winter season.

Thank you for your continued assistance through this process.

A handwritten signature in blue ink that reads "Heather Kuikka". The signature is written in a cursive, flowing style.

Heather Kuikka
Planning Administrative Specialist

C: Jonathan Vlaming, Associate Superintendent
Kelly Grissman, Director of Planning
Deb Jensen, Metropolitan Council



Application

10851 - 2019 Parks Acquisition Opportunity Fund

12258 - Guzek Property Acquisition at 27060 Sylvan Lake Road in Crow-Hassan Park Reserve.

Parks Grants Acquisition

Status: Under Review
Submitted Date: 05/06/2019 9:01 AM

Primary Contact

Name:* Ms. Heather Kuikka
Salutation First Name Middle Name Last Name

Title: Administrative Specialist - Planning

Department:

Email: Heather.Kuikka@threeriversparks.org

Address: 3000 Xenium Lane N

***** Plymouth Minnesota 55441
City State/Province Postal Code/Zip

Phone:* 763-559-9000
Phone Ext.

Fax:

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

Organization Information

Name: THREE RIVERS PARK DISTRICT

Jurisdictional Agency (if different):

Organization Type:

Organization Website:

Address:

RESERVATIONS
3000 XENIUM LN N

*

PLYMOUTH Minnesota 55441-2661
City State/Province Postal Code/Zip

County:

Hennepin

Phone:*

763-559-6700
Ext.

Fax:

PeopleSoft Vendor Number

0000057347A1

Project description

PAOF grants are limited to a single park or trail. Do not mix properties from more than one park or trail on a single request.

Park or trail name

Crow Hassan PR-Three Rivers Park District

Master plan

An acquisition request will not be considered complete 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

Crow-Hassan Park Reserve 02/10/1981
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**.*

This is a standard willing-seller acquisition of an inholding.

Does this acquisition involve eminent domain? No

Eminent domain

If eminent domain is being used:

(1) you must upload a copy of the notice your Agency provided to the Council that the petition to the Court was filed.

(2) Include documentation of your governing body's authorization (on the Other Acquisition Attachments web page).

When was the Council notified of your intention to use eminent domain?

Date the petition was filed.

Settlement date

Public domain

Note that ENRTF funding cannot be used for acquisitions of property already in the public domain unless a minimum of 12 LCCMR commissioners approve the transaction. If this is a public domain acquisition and if you propose using ENRTF, be sure your closing schedule accommodates planning to be included on a future LCCMR agenda.

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.

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 standard one-year grant term unless prior approval is obtained from the Council or the grant term is amended.*

Estimated closing date 09/16/2019

Format: mmdyyy (Do not enter any punctuation.)

Type of agreement Purchase Agreement

i.e., purchase agreement, offer letter, etc.

Date agreement expires

Format: mmdyyy (Do not enter any punctuation.)

Relocation costs

Payment of relocation costs is required by both state and federal law, unless the seller waives those rights. Please consult with Agency attorneys to determine applicability for this acquisition. If the seller has waived relocation rights, you must upload an executed copy of the waiver.

Does the requested grant amount include relocation costs? No

Appraisal

*The appraisal must have an effective date within one year of the date the purchase agreement is signed. The appraisal **MUST** list the Metropolitan Council as an intended user, and the intended use must include "negotiation and grant reimbursement."*

Appraisal effective date 03/26/2019

Appraised value \$275,000.00

Amount being offered the seller (net of closing and other costs) \$275,000.00 100.0%
% of appraised value

Who performed the appraisal? Day Group LLC

Who contracted for the appraisal (i.e., was it done at arms' length)? Three Rivers Park District

Survey

Was a survey done? No

Quality of natural resources - is the property...

...undeveloped? Yes
Fully Partially

...wooded? Yes
Fully Partially

...shoreline? Partially
Fully

Describe the existing natural resources it contains

The subject property has a single-family home with several outbuildings which supported onsite gardening and former hobby farm animals. The small, 1-acre, property has been maintained in a rural/small hobby farm for several decades and is mostly open with a few trees. Views extend across the property to Crow-Hassan Park Reserve with a partial winter view of North Twin Lake. Upon acquisition, the property will be restored to mirror the adjacent resources of Crow-Hassan Park Reserve (prairie/woodlots).

Known opposition

Is the Agency aware of any opposition to this acquisition? No

If yes, explain:

Encumbrances

To your knowledge, are there any current or anticipated assessments or liens on property? No

If yes, describe.

Are there easements or other encumbrances on any part of the property? No

If yes, describe

Clear title

To your knowledge, does the current owner have clear title to the property? Yes

If not, what must be done to clear the title, and when will that be completed?

Suggested funding source

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

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

Anticipated funding source PTLF Legacy / Council match

Select as many as apply

Funding source comments, if desired

Structures currently on the property

Does the property contain ANY structures? Yes

If yes, are there any habitable structures? Yes

Does the property currently contain any revenue-generating businesses? No

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

The house and outbuildings will be demolished, fencing removed and the site returned to a natural state.

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

This has not been explored; however, due to the year of construction (1963) it is likely that there are materials such as asbestos which may this more problematic to move. In addition, much of the structure is dated and would likely require significant upgrades.

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

The property consists of a house built in 1963 with a 2-stall tuck-under garage. Wood and wire fencing are prevalent throughout the property. Currently, there is small shed (unsafe structure), a chicken coop and a small swing set. The chicken coop and swing set may be removed by owner prior to closing.

For ENRTF funding only

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

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

Stewardship and minimal access

Describe the stewardship plan.

The short-term stewardship cost is to remove any remaining personal property and structures (house, fencing, chicken coop, shed, and miscellaneous trash).

The long-term ecological restoration and management plan is to remove invasive species, if any, and add native vegetation that is consistent with what is already in Crow-Hassan Park Reserve. Vegetation will most likely come from the Park District's nursery, located in Crow-Hassan Park Reserve, which grows herbaceous and woody native plant materials using local ecotypes. The plant material will be selected based on site conditions (soil type, flood plain, etc.).

How will the stewardship implementation be funded?

Three Rivers intends to fund long-term stewardship costs utilizing general operation funds, asset management funds (GO Bonds) and/or Land Acquisition Development and Betterment fund.

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?

Site Description

Land Use History

Current land uses Residential

Select as many as apply

Previous land uses Residential

Select as many as apply

Adjacent land uses Park

Select as many as apply

Inspection

Does the property contain any of the following?

Wells, Septic, Potential asbestos-containing materials

Select as many as apply

Sellers and parcels

Seller name	Parcel addresses	PID	Acres (SF for easements)	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude	
Roger E Guzek Sr	27060 Sylvan Lake Road, Rogers, MN	2012023220002	1.02	04/26/2019	Yes	34A	Rogers	Hennepin	1	A	45.193089	-93.623784	
			1										

Local match

Source of local match

Three Rivers Land Acquisition Development and Betterment Fund.

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

If yes, how much? \$85,088.75

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Boe R. Carlson	Superintendent and Secretary to the Board	No
Eric Quiring	General Counsel	No

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$275,000.00

Appraisal expenses

Appraisal	\$1,500.00
Appraisal review	\$0.00

Environmental expenses

Phase I environmental site assessment	\$1,900.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00

Holding expenses

Interest	\$0.00
Land stewardship	\$55,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$850.00
Legal services and closing costs	\$3,000.00
Property tax equivalency payment-473.341	\$1,155.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$950.00
Title insurance	\$700.00
Well disclosure statement	\$300.00
Other holding	\$0.00

Other expenses

Other expenses	\$0.00
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Totals	\$340,355.00
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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)	\$340,355.00	\$153,159.75	\$102,106.50	\$85,088.75	\$255,266.25

Required Attachments - Acquisition

Attachment	Description	File Name	File Size	Type
SECTION 1 - All of the following are required to BEGIN review unless otherwise indicated				
				1.0 Grant request letter (REQ'D)
Grant Request Letter	CrowHassan_Guzek Grant Request Letter.pdf	14.8 MB	pdf	2.0 Master plan documentation (REQ'D)
Crow-Hassan Master Plan 1972. Note that a new master plan is in progress.	Crow-Hassan Park Reserve Development Concept - 1972-November.pdf	14.8 MB	pdf	3.0 RECORDED Governing Board action authorizing grant request (REQ'D)
Board action approval	04-25-19 Motion Crow-Hassan P.R. - 27060 Sylvan Lake Road Rogers.docx	14.8 MB	docx	4.0 Signed purchase agreement/instrument (REQ'D)
Signed purchase agreement	Guzek Purchase Agreement Signed.pdf	14.8 MB	pdf	5.1 Appraisal report (REQ'D)
Appraisal	Guzek_Appraisal_Reduced.pdf	14.8 MB	pdf	5.2 Appraisal review report (NOT req'd)
		14.8 MB		5.3 Client's instructions to appraiser (REQ'D)
Instructions to appraiser	Instructions to Appraiser.docx	14.8 MB	docx	5.4 Title documentation (Req'd before finalization)
Title work explanation	Additional Met Council Info_HK.docx	14.8 MB	docx	6.1 Phase 1 ESA (if land may be contaminated or have abandoned wells)
ESA	Guzek Property_Rogers MN_Phase I ESA_Reduced.pdf	14.8 MB	pdf	6.2 Phase II environmental assessment report (required if indicated in Phase I)
Phase 2 explanation	Additional Met Council Info_HK.docx	14.8 MB	docx	7.0 Survey report (NOT req'd)

		14.8 MB		8.0 Legal description in Microsoft Word that includes PIDs and, if available, address
Legal, PID, address	Legal_PID_address.docx	14.8 MB	docx	9.0 Land stewardship plan
Land stewardship plan	Land Stewardship.docx	14.8 MB	docx	10.0 Relocation description and estimated costs OR signed waiver of relocation rights
		14.8 MB		SECTION 2 - Condemnation only - all required for eminent domain
				11.1 For condemnations, copy of notice to Council advising court filing
	14.8 MB			11.2 Condemnation or administrative settlement
	14.8 MB			11.3 Documentation of when petition was filed with court
	14.8 MB			SECTION 3 - Matching grant
				12.0 If this grant will serve as match to another grant, copy of other grant is required
14.8 MB				SECTION 4 - Required images & GIS information
	13.1 Aerial photo showing park/trail boundary with parcel overlay (REQ'D)	Aerial photo showing park boundary and parcel location	Guzek Property_inholding location.pdf	14.8 MB

pdf	13.2 For trails, parcel map showing trail route (Required for trails)			14.8 MB	
	13.3 Image documenting location of property within RPS unit (REQ'D)	Whole park with parcel shown	Guzek Property_Whole Park.pdf	14.8 MB	
pdf	13.4 GIS shape-file for property (REQ'D)	GIS Shapefile	Guzek Shapefile.zip	14.8 MB	
zip	SECTION 5 - Invoices				
	14.1 Invoices: State deed tax or conservation fee (REQ'D)	State Deed estimate	Additional Met Council Info_HK.docx	14.8 MB	docx
	14.2 Invoices: Current property tax statement with pro-rated share of tax due (REQ'D)	Share of property taxes	Property Taxes.pdf	14.8 MB	pdf
	14.3 Invoices: Tax equivalency payment (REQ'D)	Tax equivalency payment to City of Rogers	City of Rogers Taxes Payable.pdf	14.8 MB	pdf
	14.4 Invoices: Phase 1 environmental assessment (Required if claimed in application)	Phase 1 ESA invoice	TB98564.pdf	14.8 MB	pdf
	14.5 Invoices: Phase II environmental assessment (Required if claimed in application)			14.8 MB	
	14.6 Invoices: Appraisal (Required if claimed in application)	2017 ball park appraisal and 2019 full appraisal invoices.	Invoices Guzek_2017_2019 Appraisals.pdf	14.8 MB	pdf
	14.7 Invoices: Appraisal review invoice (Required if claimed in application)			14.8 MB	

14.8 Invoices: Title insurance (Required if claimed in application)	Closing invoices explanation	Additional Met Council Info_HK.docx	14.8 MB	docx
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**SECTION 6 -
Estimated costs**

Itemized closing cost estimate	Itemized Closing Cost Estimate.docx	14.8 MB	docx
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Estimated land stewardship cost	Land stewardship costs.docx	14.8 MB	docx
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14.8 MB

15.1 Estimated costs: Itemized ESTIMATE of closing costs

15.2 Estimated costs: Land stewardship

15.3 Estimated costs: Minimal access development

15.4 Estimated costs: Other (NOT req'd)

Additional attachments

A. Crow-Hassan Park Reserve Inholding Acquisition

MOTION by Kay, seconded by Antolak, TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$275,000 FOR THE ACQUISITION OF 27060 SYLVAN LAKE ROAD LOCATED IN THE CITY OF ROGERS, AN INHOLDING IN CROW-HASSAN PARK RESERVE, AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$350,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

All ayes, no nays, MOTION ADOPTED

REQUEST FOR BOARD ACTION

Meeting Date: 04/25/19

Business Item: New

Item Number:

7A

Division: Planning, Design & Technology Originating Source: Jonathan Vlaming, Assoc. Supt.

Agenda Item: Crow-Hassan Park Reserve Inholding Acquisition

Superintendent's Recommendation:

MOTION TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$275,000 FOR THE ACQUISITION OF 27060 SYLVAN LAKE ROAD LOCATED IN THE CITY OF ROGERS, AN INHOLDING IN CROW-HASSAN PARK RESERVE, AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$350,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

The following information was prepared by Heather Kuikka, Administrative Specialist - Planning.

Background:

Staff recommend entering into a purchase agreement for the acquisition of a 1.02-acre, high priority inholding located at 27060 Sylvan Lake Road in Rogers, MN within Crow-Hassan Park Reserve (***References 7A-1 and 7A-2***). The property includes a house, shed, fencing and gardens. The proposed purchase price reflects the appraised value of \$275,000.

Staff have been working with the property owner since October 2017 when the property owner first reached out to Three Rivers to explore potentially selling their property to Three Rivers. Staff worked with the owner to develop a relationship, monitor the property value and walk through the acquisition process so when the property owner was ultimately ready and comfortable to sell, Three Rivers would be in a strong position to move forward with acquisition.

The purchase agreement includes several standard contingencies to reflect acquisition rules and processes Three Rivers is required to follow, including but not limited to, municipal consent, partial funding by the Metropolitan Council, environmental assessment and similar.

Funding

The estimated total acquisition cost of \$350,000 includes the purchase cost, appraisal, environmental assessment work, land stewardship/demolition/restoration, legal fees and title commitment/insurance. The acquisition is eligible for up to 75% acquisition reimbursement (\$262,500) from the Metropolitan Council Park Acquisition Grant Fund. Staff recommends funding the remaining 25% local match (\$87,500) from the Land Acquisition Development and Betterment fund. The current LADB balance is approximately \$2 million.

Relationship to the Vision Plan

The Request for Action supports the following element(s) of the Vision Plan:

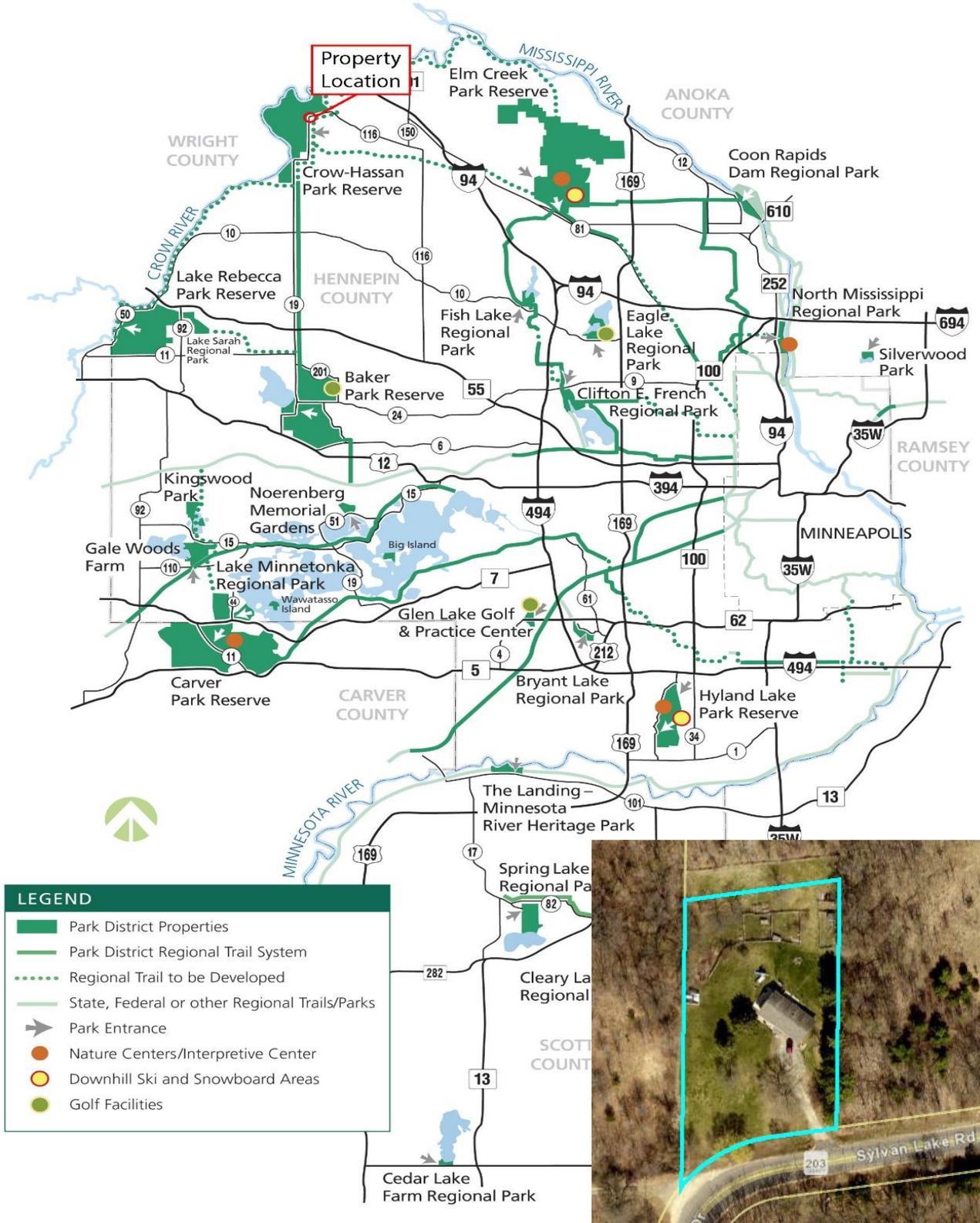
- Inspire people to recreate
- Connect people to nature
- Collaborate across boundaries

Relationship to the Policy Statement

The Request for Action supports the following element(s) of the Policy Statement:

- Policy VII – Land Acquisition
 - A. Method of Acquisition

Reference 7A-1



PURCHASE AGREEMENT

Click below to view/print agreement.

[2019 Board References\04-25 Crow-Hassan Inholding Purchase Agreement.pdf](#)

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is entered into by and between **Three Rivers Park District**, a public corporation and political subdivision of the State of Minnesota ("Buyer") and **Roger E. Guzek Sr.**, ("Seller").

RECITALS

WHEREAS, Buyer is a political subdivision of the State of Minnesota, whose primary duties are acquisition, development and maintenance of large parks, wildlife sanctuaries or other reservations, and means for public access to historic sites and to lakes, rivers and streams and to other natural phenomena, and to acquire, establish, operate and maintain trail systems; and

WHEREAS, Seller owns property located at 27060 Sylvan Lake Road, Rogers, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 1.02 acres; and

WHEREAS, Seller and Buyer wish to enter into an agreement for the conveyance of the Subject Property from Seller to Buyer.

NOW THEREFORE, for and in consideration of the above premises and the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Conveyance. Seller hereby agrees to convey to Buyer and Buyer agrees to accept from Seller the Subject Property together with all improvements and fixtures.

2. Consideration. In consideration of the conveyance, transfer and delivery by the Seller to the Buyer of the Subject Property, the Buyer shall pay to the Seller the sum of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) ("Purchase Price") at Closing.

3. Deed/Marketable Title. Subject to performance by the Buyer, Seller agrees to execute and deliver a Warranty Deed in recordable form conveying marketable title to Subject Property subject only to the following exceptions:

- (a) Building and zoning laws, ordinances, State and Federal regulations; and
- (b) Reservation of any minerals or mineral rights to the State of Minnesota.

4. Real Estate Taxes. Real estate taxes due and payable in the year of Closing shall be prorated between Seller and Buyer on a calendar year basis to the actual date of Closing. Seller shall pay the prorated portion of the real estate taxes up to and including the date prior to the date of Closing. Buyer shall pay its prorated portion of the real estate taxes from and after the date of Closing. Real estate taxes payable in the years prior to Closing shall be paid by Seller on or before the date of Closing. Real estate taxes payable in the years subsequent to Closing shall be paid by Buyer.

5. Special Assessments. Seller shall pay on or before the date of Closing all special assessments levied or pending against the Subject Property as of the date of this Agreement.

6. Prorations. Except as otherwise provided herein, all items customarily prorated and adjusted in connection with the Closing of the sale of the Subject Property shall be prorated as of the date of Closing. It shall be assumed that the Buyer will own the property for the entire date of the Closing.

7. Damages To Real Property. Except for Buyer's inspection activities pursuant to Section 8(d), if there is any loss or damage to the Subject Property between the date hereof and the date of Closing, for any reason, the risk of loss shall be on the Seller. Seller shall notify Buyer of loss or damage to the Subject Property promptly upon such occurrence. If the Subject Property is destroyed or damaged before the Closing, this Agreement shall become null and void, at Buyer's sole option. Buyer shall have the right to terminate this Agreement within 30 days after Seller notifies Buyer of such damage. If Buyer elects to not terminate this Agreement, the proceeds of all insurance covering the Subject Property conveyed by this Agreement payable by reason of such damage or destruction shall be paid to the Buyer.

8. Title and Documents.

(a) Documents and Information to be provided. Within 15 days after the acceptance of this Agreement by the parties hereto, Seller shall provide Buyer with the following:

- (i) Copies of any environmental audits or assessments of the Subject Property that are in Seller's possession.
- (ii) Copies of any certificates, authorizations, permits, licenses and approvals which have been issued covering the Subject Property.
- (iii) Copies of any surveys that are in Seller's possession.
- (iv) Copies of any written agreements affecting the ownership and use of the Subject Property known to Seller.
- (v) An abstract of the Subject Property if in Seller's possession.

(b) Title Commitment. Buyer agrees to obtain an owner's title commitment. Buyer shall pay the title commitment fee and shall pay the premium for any title insurance desired by Buyer.

(c) Review of Commitment. Buyer shall have 30 days after receipt of the title commitment within which to object to the contents. If said objections are not made in writing within such time period, Buyer shall be deemed to have waived such objections. If Buyer objects to the contents of the title documents, Seller shall have 120 days from the date of such objections to make title marketable. If title is not made marketable within 120 days, this Agreement shall be null and void at the sole option of Buyer and neither party shall have any further obligation under this Agreement.

(d) Inspections; Document Review. With respect to all of the above items other than the title documents, Buyer shall have 90 days after delivery of the foregoing to Buyer during which to inspect all such items. Further, Buyer may inspect the Subject Property and conduct such other and further inspections or other review as seems necessary by Buyer during such period. If such review and/or inspection by the Buyer shall be unsatisfactory to Buyer, Buyer shall notify Seller within such time period, and this Agreement shall be null and void at the sole discretion of the Buyer. If said period should expire without notice of Buyer's intention to terminate this Agreement, then this Agreement shall be considered in full force and effect and Buyer shall be deemed to have waived any objections based upon such review and inspection. Seller hereby grants Buyer and/or its agents the right to enter upon the Subject Property for the purpose of inspection and to prepare topographical studies, planning, surveys, soil tests and other engineering studies, and environmental inspection and testing that may be deemed necessary; provided however that Buyer shall pay all costs thereof and shall protect, defend, indemnify, save and hold Seller and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmens and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer and also any legal fees and court costs that may be expended or incurred in defending or releasing such liens. Notwithstanding anything to the contrary herein, this indemnification shall survive termination or cancellation of this Agreement.

9. Environmental. To Seller's knowledge, and except as disclosed in the reports and other documents provided to Buyer, Seller's operations are in compliance with all applicable federal, state and local statutes, laws, rules, regulations, ordinances, orders, judicial or administrative decisions of any governmental authority or court of competent jurisdiction in effect and in each case, if applicable, as amended as of the Closing relating to (a) pollution of the environment, (b) a Release, as defined below, or threatened Release of Hazardous Materials, as defined below, or (c) the handling, storage, transport or disposal of Hazardous Materials (collectively, "Environmental Laws").

During the period of Seller's ownership of the Subject Property, to the Seller's knowledge, and except as disclosed in the reports and other documents provided to the Buyer (a) there has been no Release, as defined below, of any Hazardous Materials, as defined below, on the Subject Property, and (b) there have not been, and Seller has not received any notices from any governmental authority of any underground storage tanks on the Subject Property. For purposes of this Agreement, "Release" shall mean, in violation of applicable Environmental Laws, depositing, discharging, injecting, spilling, leaking, leaching, dumping, emitting, escaping, emptying, seeping or placing and other similar actions into or upon any land, water or air, or otherwise entering into the environment, and "Hazardous Materials" shall mean (a) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous substances," "toxic substances," "pollutant or contaminant" or words of similar import, under applicable Environmental Laws; (b) any petroleum or petroleum products, natural or synthetic gas, radioactive materials, polychlorinate, biphenyls, asbestos in any form that is friable, urea formaldehyde foam insulation or radon, and (c) any other chemical, material or substance,

the handling, storage, transport or disposal of which is prohibited, limited or regulated by any governmental authority under applicable Environmental Laws.

Seller has disclosed to the Buyer all reports and other documents in their possession concerning environmental matters relating to the Subject Property. To Seller's knowledge there are no existing claims or causes of action, and there are no pending claims regarding the Subject Property against the Subject Property or Seller involving the violation of Environmental Laws, and Seller has no such claims against third parties.

Seller shall indemnify and hold Buyer harmless from and against any and all claims brought under Environmental Laws pertaining to conditions in existence and known to Seller prior to conveyance to Buyer.

10. Seller's Warranties. As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Seller represents and warrants to and covenants with Buyer that to the best of Seller's knowledge at the time of Closing there are no persons in possession of the property, including, but not limited to tenants, licensees, or permittees.

11. Defaults/Right to Terminate. In addition to the other rights to terminate this Agreement granted to each of the parties pursuant to this Agreement, either party may cancel this Agreement upon 30 day's written notice to the other party at any such time as such other party is in default of its agreements hereunder and remains in such default for 30 days following the written notice of such default.

12. Due Authorization. Seller and Buyer hereby represent to the other that each has the requisite power and authority to execute this Agreement and the documents referred to herein and to perform its obligations hereunder and thereunder; and the individuals executing this Agreement and all such other documents that have a legal power, right and actual authority to bind each of the parties hereto to the terms and conditions of the Agreement and all other such documents. Further, each of the parties to this Agreement hereby represents to the other that its execution and performance of this Agreement and all other documents referred to herein shall not violate any applicable statute, ordinance, governmental restriction or regulation, or any prior restriction or agreement.

13. Closing; Contingencies.

(a) Performance at Closing. Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on September 16, 2019 or at such other time as may be agreed upon between the parties.

(i) At the Closing Seller shall:

- (a) sign an Affidavit of Seller confirming the absence of judgments, mechanics liens and unrecorded interests against the Subject Property not disclosed herein;
- (b) deliver any documents necessary to clear title in accordance with this Agreement, if any;

- (c) sign the well disclosure statement required by Minnesota Statutes §103I.235,
 - (d) sign the warranty deed, and
 - (e) pay the deed tax.
 - (ii) At the Closing, Buyer shall:
 - (a) pay the title commitment fee, if not paid pursuant to paragraph 8(b);
 - (b) pay the premium for title insurance, if desired by Buyer;
 - (c) pay any and all other Closing costs including all filing fees; and
 - (d) Pay to the Seller the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) Contingencies. Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies and that following the completion of each contingency Buyer shall notify Seller in writing of contingency satisfaction:
 - (i) Buyer shall obtain consent of the City of Rogers to its acquisition of the Subject Property pursuant to Minn. Stat. §398.09(b)(1);
 - (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;
 - (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement based on the environmental inspection findings which will occur within the 90-day inspection window or in the event any storage, dumping or release of hazardous materials, chemicals, pollution or similar occurs after the 90-day inspection window;
 - (iv) This Agreement and the obligations of Buyer hereunder are strictly contingent upon approval of this Agreement by Buyer's Board of Commissioners; and
 - (v) Approval of reimbursement to Buyer by Metropolitan Council.

Any failure to satisfy any contingency contained herein with the exception of satisfactorily completing a contingency within the agreed upon timeframes shall render this Agreement null and void and the parties shall execute any instruments necessary to cancel this Agreement.

14. Condemnation. In the event of the initiation of proceedings for condemnation (or sale in lieu thereof) of any portion of the Subject Property prior to Closing, Buyer shall have the right to cancel this Agreement, in which case this Agreement shall be deemed null and void and neither of the parties shall have any further obligations. Conversely, Buyer may elect to purchase Subject Property and close the transaction notwithstanding such proceedings and, if Buyer shall so elect, all awards or payments made for such portion of Subject Property by the condemning authority to which Seller is entitled shall be paid to Buyer and Buyer shall proceed to close the transactions herein and pay the full Purchase Price to Seller.

15. Possession. Seller shall deliver possession of the Subject Property on the date of Closing.

16. Representations and Warranties. The obligations of the Buyer under this Purchase Agreement are contingent on the representations and warranties of Seller contained in this Purchase Agreement which must be true as of the date of this Agreement and on the date of Closing. All representations of the parties hereto shall survive Closing and delivery of the deed.

17. No Intent to Acquire by Condemnation. Buyer and Seller agree that Buyer has not indicated an intent to acquire the Subject Property through eminent domain.

18. Time. Time is of the essence for performance of the terms of this Agreement.

19. Binding Effect. The provisions of this Agreement shall inure to the benefit and shall be binding on representatives, successors and assigns of the parties hereto, provided that neither party hereto shall have the right to assign its rights or obligations hereunder without the prior consent of the other party.

20. Waivers. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing. Any party may waive any provision of this Agreement intended for its benefit; provided, however, such waiver shall in no way excuse the other party from the performance of any of its other obligations under this Agreement.

21. Amendment. No amendment of this Agreement shall be effective unless set forth in writing expressing the intent to so amend and signed by both parties.

22. Notices. Any notices to be provided pursuant to the terms of this Agreement shall be in writing and shall be given by personal delivery or by express courier or by deposit in U.S. Certified Mail, Return Receipt Requested, postage prepaid, addressed to the Buyer or Seller at the addresses set forth below or at such other address as either party may designate in writing. The date notice is given shall be the date on which the notice is delivered, if notice is given by personal delivery, or the date notice is sent by express courier or U.S. Mail if otherwise.

If to Seller:

Roger E Guzek, Sr.
27060 Sylvan Lake Road

Rogers, MN 55374

If to Buyer:

Three Rivers Park District
Office of the Superintendent
c/o General Counsel
3000 Xenium Lane North
Plymouth, MN 55441

23. Governing Law. This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Minnesota.

24. Survival of Covenants. All covenants, agreements, representations and warranties contained herein shall survive delivery of the deed from Seller to Buyer and be enforceable by Seller or Buyer after delivery of the deed.

25. Entire Agreement. This written Agreement constitutes the complete agreement between the parties and supersedes any and all other oral or written agreements, negotiations, understandings, and representations between the parties regarding the Subject Property.

26. Brokers. No brokers are involved in this real estate transaction.

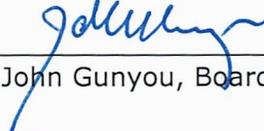
27. Disclosures. Seller makes the following disclosures to Buyer:

- (a) Seller is not a foreign person for purposes of income taxation, and Seller will provide Buyer with a FIRPTA Affidavit at Closing.
- (b) Seller is not aware of any methamphetamine production that has occurred on the Subject Property.
- (c) Seller is not aware of any human remains, burials or cemeteries located on the Subject Property.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement. The effective date of this Agreement shall be the latest date beside the signatory lines below.

THREE RIVERS PARK DISTRICT, a public corporation and political subdivision of the State of Minnesota

Dated: April 25, 2019

By 
John Gunyou, Board Chair

Dated: April 25, 2019

By 
Boe R. Carlson, Superintendent and Secretary to the Board

SELLER:

Dated: APR 9, 2019

By 
Roger E. Guzek, Sr.

EXHIBIT A

Legal Description of Subject Property

UNPLATTED 20 120 23 COM AT THE INTERSEC OF N LINE OF CO ROAD NO 119 AND W LINE OF NW ¼ OF NW ¼ TH E ALONG SAID ROAD LINE 10 RODS TH N PAR WITH W LINE OF NW ¼ 16 OD TH W PAR WITH SAID ROAD LINE TO W LINE OF NW ¼ TH S TO BEG, HENNEPIN COUNTY, MN.

Property Identification Number: 20-120-23-22-0002