

Metropolitan Parks and Open Space Commission Report

For the Community Development Committee meeting of July 20, 2020

For the Metropolitan Council meeting of August 12, 2020

Subject: Park Acquisition Opportunity Fund Grant for Grey Cloud Island Regional Park (Kulvich), Washington County

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$261,525 to Washington County to acquire the 41.15-acre Kulvich property located at 11523 Grey Cloud Trail South in the City of Cottage Grove for Grey Cloud Island Regional Park, contingent on Council approval of the July 2020 Special Budget Amendment, Business Item 2020-182 JT and on the anticipated closing date occurring before the purchase agreement expiration date.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Parks Planner, presented the staff report to the Metropolitan Parks and Open Space Commission at its meeting on July 9, 2020.

Chair Tony Yarusso asked about the closing date and purchase agreement expiration as reported in the WebGrants application. Ms. Lee responded that the application was submitted several months ago, and that the closing date has been moved up from September to August to match the purchase agreement date. This date has been corrected in the business item attachments. Chair Yarusso requested that the first action be modified to include this statement. This update has been made and reflected in the proposed action above.

The Metropolitan Parks and Open Space Commission voted to recommend the proposed action, as amended.

Metropolitan Parks and Open Space Commission

Meeting date: July 9, 2020

For the Community Development Committee meeting of July 20, 2020

For the Metropolitan Council meeting of August 12, 2020

Subject: Park Acquisition Opportunity Fund Grant for Grey Cloud Island Regional Park (Kulvich), Washington County

MPOSC District: District F, Cecily Harris

Council District, Member: 12, Francisco Gonzalez

Policy/Legal Reference: Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; *2040 Regional Parks Policy Plan*, Chapter 4, Siting and Acquisition Policy- Strategy 1; Chapter 5, Planning Policy- Strategy 1; Chapter 8, Finance Policy- Strategy 7.

Staff Prepared/Presented: Jessica Lee, Senior Parks Planner (651-602-1621)

Division/Department: Community Development

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$261,525 to Washington County to acquire the 41.15-acre Kulvich property located at 11523 Grey Cloud Trail South in the City of Cottage Grove for Grey Cloud Island Regional Park, contingent on Council approval of the July 2020 Special Budget Amendment, Business Item 2020-182 JT.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Park Acquisition Opportunity Fund (PAOF)

The Council's Park Acquisition Opportunity Fund (PAOF) provides funding 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 by matching every \$3 in state funds with \$2 in Council bonds.

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.

Regional Park Implementing Agency (Agency) and Location

Washington County requested this grant on March 16, 2020. A copy of the Agency's request is attached to this item as Exhibit 2. Grey Cloud Island Regional Park is in the southwestern portion of Washington County, in the City of Cottage Grove. The park has not yet been developed nor is it open for public use, as the County is waiting until they own a sufficient cross section of land within the park boundary. The Kulvich property is located in the eastern portion of the island along the Mississippi River inland channel.

Project budget

The appraised value of the property is \$313,800, and the Seller has agreed to a purchase price of \$319,000 (101.6% of the appraised amount). The total project cost including legal fees, taxes, and stewardship is \$348,700, as shown in Table 1 below.

Table 1. Project Budget

Budget item	Requested amount
Purchase price	\$319,000
Due diligence (appraisal)	\$1,800
Holding and closing costs, taxes	\$4,950
Phase I environmental site assessment	\$2,150
Stewardship (including building removal and site restoration)	\$20,800
Total costs	\$348,700
Grant structure	
State FY 2021 PTLF PAOF	\$156,915
Council bonds	\$104,610
Grant amount not to exceed	\$261,525
Local match	\$87,175

Council review

Council staff conduct review of each PAOF request on a first-come-first-served basis under the following standards:

- the proposed acquisition complies with state statute and Council policy
- all necessary documentation for the acquisition is in place
- the appraisal is reasonable and appropriate

Subject property

The subject 41.15-acre property is within the Council-approved boundary of the Grey Cloud Island Regional Park. Of the 41.15 acres, approximately 3.7 acres are land acres, which are highlighted on the maps in Figures 1 and 2. The remaining acreage is submerged by an inland channel of the Mississippi River that was created in the 1930s due to the establishment of a lock and dam. The property also contains a home built in 1950 that will eventually be removed. Restoring this site to its native state will help protect the Mississippi River and enhance the natural resource base of the future regional park.

Acquisition details

This is a straightforward, fee simple transaction. There is a flowage easement on 40 acres given the amount of land under water. The current landowner will retain a life estate on the property. Upon vacation of the property, control will transfer to Washington County

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 Council approved the master plan for Grey Cloud Island Regional Park in 1994, and this property is identified as part of the park in that master plan.

- 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 will be restored to its natural state and be added to the existing natural resource features of Grey Cloud Island Regional Park.
- Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park lands and matching every \$3 in state funds with \$2 in Council bonds.
- All requirements of PTLF and the 2021 appropriation. This funding aligns with the goals of the 25-year, Parks and Trails Legacy Plan, strategic direction of “Acquire land – create opportunities.”

Thrive Lens Analysis

This request is consistent with Thrive’s Livability and Stewardship outcomes. The Council’s investment in Grey Cloud Island Regional Park will provide additional access to outdoor recreation, enhance quality of life, and further protect natural resources including the Mississippi River.

Funding

The Council will fund this grant through Council Bonds (\$104,610) and State Fiscal Year 2021 Parks and Trails Legacy Funds (\$156,915). Funds are available in the Council’s Authorized Capital Program.

Washington County will provide a local match of \$87,175.

Future reimbursement consideration

Washington County is not requesting future reimbursement consideration.

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

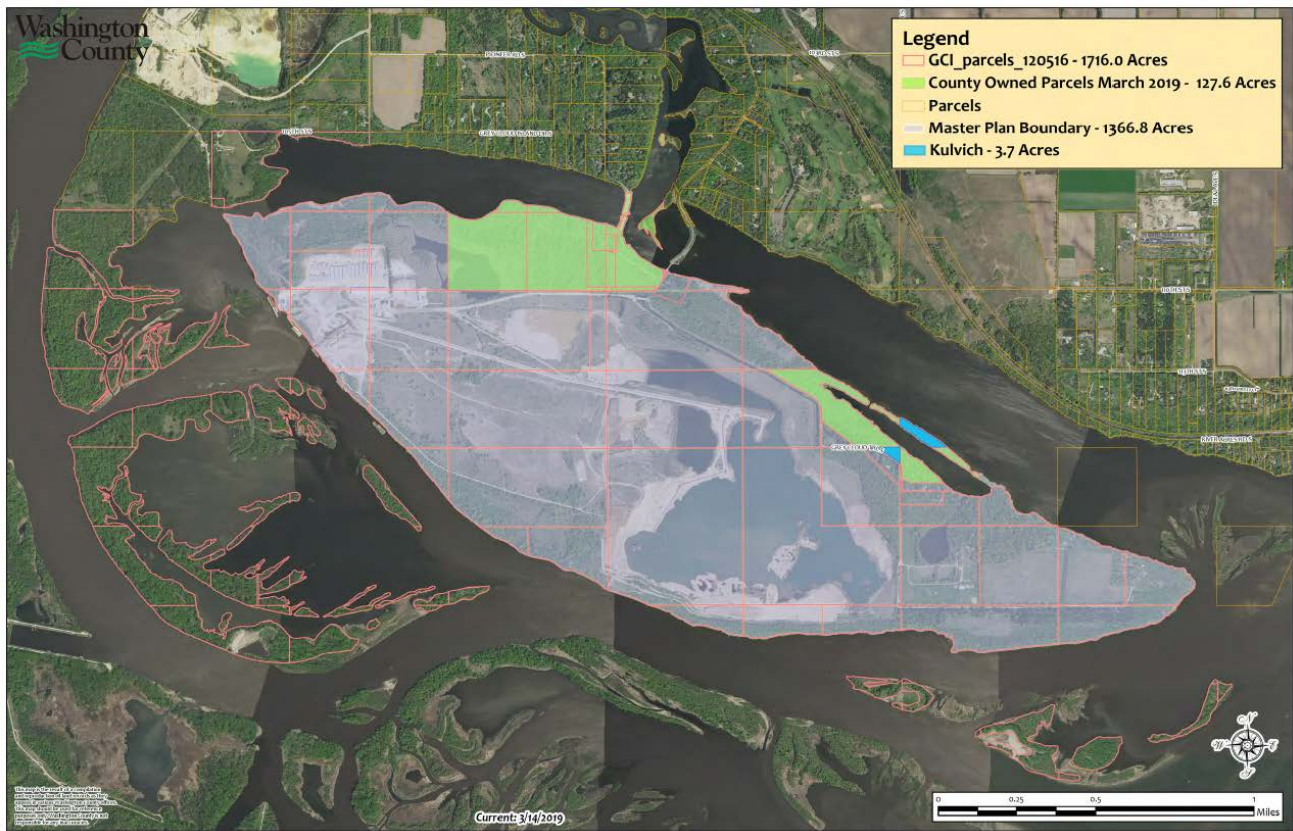


Figure 1. Map of Grey Cloud Island Regional Park and the land portion of the Kulvich property



Figure 2. Aerial image of the land portion of the Kulvich property


 Donald J. Theisen, P.E.
 Director

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

March 16, 2020

Ms. Jessica Lee
 Senior Parks Planner
 Metropolitan Council
 390 North Robert Street
 St. Paul, MN 55101

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

Dear Ms. Lee:

Washington County request that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Kulvich property located within the boundary of Grey Cloud Island Regional Park in the City of Cottage Grove. This property is along the eastern portion of the island along the Mississippi River inland channel, and includes an older home and an out building that will be removed within a year of the life tenants departure. The agreed upon price is slightly over the Washington County appraised value.

The offer presented here has been signed by both landowner and the Washington County Board on November 12, 2019. Funding for this project is requested to be 75% from Metropolitan Council's Acquisition Opportunity Fund with the remaining 25% funded by Washington County funds.

Estimated Acquisition Costs:

Purchase Price	\$ 319,000.00
Estimated costs related to purchase	\$ 29,697.49

	\$ 348,697.49

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$ 261,523.12
Washington County (25%)	\$ 87,174.37

	\$ 348,697.49

We understand that there are funds available in the 2020 fiscal year and hope to be able to use said funds. If the funds are not available, we request that this acquisition be funded in the 2021 fiscal year. We anticipate closing on this property in August or September of 2020 following Met Council action on the grant request.

Page Two
March 16, 2020

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Sharon M. Price". The signature is fluid and cursive, with the first name "Sharon" and last name "Price" clearly distinguishable.

Sharon M. Price
Property Acquisition Manager

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

Exhibit 3: Grant application



Application

10851 - 2019 Parks Acquisition Opportunity Fund

12522 - GCIRP - Kulvich Property

Parks Grants Acquisition

Status: Under Review
Submitted Date: 03/17/2020 3:59 PM

Primary Contact

Name:* Ms. Sharon Price
Salutation First Name Middle Name Last Name

Title: Land Acquisition

Department:

Email: Sharon.Price@co.washington.mn.us

Address: 11660 Myeron Road N.

***:** Stillwater Minnesota 55082
City State/Province Postal Code/Zip

Phone:* 651-430-4391
Phone Ext.

Fax:

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

Organization Information

Name: WASHINGTON CTY

Jurisdictional Agency (if different):

Organization Type:

Organization Website:

Address:

PUBLIC WORKS

11660 MYERON RD

*

STILLWATER

Minnesota

55082

City

State/Province

Postal Code/Zip

County:

Washington

Phone:*

651-430-4325

Ext.

Fax:

PeopleSoft Vendor Number

0000028637A10

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

Grey Cloud Island RP-Washington County

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

Grey Cloud Island Regional
Park Master Plan

09/13/1994

Name of master plan

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

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

No

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**.*

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 08/31/2020

Format: mmdyyy (Do not enter any punctuation.)

Type of agreement Purchase Agreement

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

Date agreement expires 08/31/2020

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 01/22/2019

Appraised value \$313,800.00

Amount being offered the seller (net of closing and other costs) \$319,000.00 101.66%
% of appraised value

Who performed the appraisal? John Hraba

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

Survey

Was a survey done? No

Quality of natural resources - is the property...

...undeveloped? Fully Partially

...wooded?		Yes
	Fully	Partially
...shoreline?		Yes
	Fully	Partially

Describe the existing natural resources it contains

The wildlife habitat along the shoreline area especially waterfowl, birds and other species are examples of natural resources that are pertinent to this parcel.

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)?

Currently the structures will remain until the life tenant is no longer able to reside on the property. Then we will look at having the structures either removed or demolished.

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

We will consider a bid process to either relocate the structures or demolish the structures.

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

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.

Implementation of the regional park will occur over an extended period of time. Implementation and operation of active or passive recreational uses during that acquisition period will be focused on stewardship activities, e.g. fencing, stabilizing, and rehabilitation of natural resources, preventative deterioration of existing structures, road removal or maintenance, etc.

The park will not be developed until a sufficient cross-section of land is assembled to provide the combined active-passive experience desired. In other words, no attempt would be made to develop camping or other facilities until such time that sufficient area would be assembled to support those activities and passive/interpretative experiences. It is, therefore, possible that contract private recreation services may be allowed on an interim basis with revenues devoted to operating and maintenance activities.

How will the stewardship implementation be funded?

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

Are you requesting funds to provide minimal access to the property (prior to it being open to the public) as part of this grant request? No

If yes, how will those funds be used?

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**

Residential

*Select as many as apply***Inspection****Does the property contain any of the following?**

Wells, Septic

*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	
Eujean a C. Kulvich Revocable Trust	11523 Grey Cloud Island Trail South	31.027.21.41.002 & 32.027.21.23.001	0	11/12/2019	Yes	54A	Cottage Grove	Washington	12		44.78273	-92.96512	
			0										

Local match**Source of local match**

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

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

If yes, how much?

\$0.00

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Fran Miron	County Board Chair	
Kevin Corbid	County Administrator	
Richard Hodsdon	Assistant County Attorney	Yes

Acquisition Costs

Cost Items	Amount	State funds	Metro funds	Match funds
Purchase price				
Negotiated purchase price	\$319,000.00	\$143,550.00	\$95,700.00	\$79,750.00
Appraisal expenses				
Appraisal	\$1,800.00	\$810.00	\$540.00	\$450.00
Appraisal review	\$0.00	\$0.00	\$0.00	\$0.00
Environmental expenses				
Phase I environmental site assessment	\$2,150.00	\$967.50	\$645.00	\$537.50
Phase II environmental site assessment	\$0.00	\$0.00	\$0.00	\$0.00
Environmental contamination remediation	\$0.00	\$0.00	\$0.00	\$0.00
Holding expenses				
Interest	\$0.00	\$0.00	\$0.00	\$0.00
Land stewardship	\$20,800.00	\$9,360.00	\$6,240.00	\$5,200.00
Land development	\$0.00	\$0.00	\$0.00	\$0.00
Pro-rated share of all property taxes/assessments	\$600.00	\$270.00	\$180.00	\$150.00
Legal services and closing costs	\$500.00	\$225.00	\$150.00	\$125.00
Property tax equivalency payment-473.341	\$1,242.00	\$558.90	\$372.60	\$310.50
Relocation costs to seller	\$0.00	\$0.00	\$0.00	\$0.00
State deed tax/conservation fee	\$1,058.00	\$476.10	\$317.40	\$264.50
Title insurance	\$1,500.00	\$675.00	\$450.00	\$375.00
Well disclosure statement	\$50.00	\$22.50	\$15.00	\$12.50
Other holding	\$0.00	\$0.00	\$0.00	\$0.00
Other expenses				
Other expenses	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$348,700.00	\$156,915.00	\$104,610.00	\$87,175.00

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)	\$348,700.00	\$156,915.00	\$104,610.00	\$87,175.00	\$261,525.00

Required Attachments - Acquisition

Exhibit 4: Board approval to purchase property

BOARD OF COUNTY COMMISSIONERS
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. 2019-120

DATE November 12, 2019
MOTION
BY COMMISSIONER Miron

DEPARTMENT Public Works - Parks
SECONDED BY
COMMISSIONER Johnson

**RESOLUTION TO PURCHASE 11523 GREY CLOUD TRAIL SOUTH
GREY CLOUD ISLAND REGIONAL PARK**

WHEREAS, Washington County is interested in acquiring the property described herein in the City of Cottage Grove, Minnesota, for inclusion into the Grey Cloud Island Regional Park; and,

WHEREAS, the owners agree to sell the property to the County.

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Commissioners hereby authorizes its Chairman and Administrator to execute on behalf of the County a Purchase Agreement and any other documents necessary for the County to purchase the property legally described as follows:

Parcel 1

That part of the Northeast Quarter of the Southeast Quarter of Section Thirty-one (31), Township Twenty-seven (27) North, Range Twenty-one (21), West described as follows:



Commencing at a point on the East Line of the Northeast Quarter of the Southeast Quarter of said Section Thirty-one (31) Sixteen (16) rods South of the Northeast corner thereof, and thence running North to the same Northeast corner of the said Northeast Quarter of the Southeast Quarter; thence West on the North line of said Northeast Quarter of the Southeast Quarter of said Section 31, a distance of Twenty-three (23) rods, thence Southeasterly diagonally across the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section Thirty-one (31) in a straight line to the place of beginning, it being the intention of said first parties to convey all the part of the Northeast Quarter of the Northeast Quarter of the Southeast of said Section Thirty-one (31) lying North and East of the public road.

AND

Parcel 2

The Southwest Quarter of the Northwest Quarter (SW ¼ of NW ¼) of Section Thirty-two (32), Township Twenty-seven (27) North, Range Twenty-one (21) West, subject to flowage right in favor of the United State of America.

For the sum of \$319,000.00.

ATTEST: 
COUNTY ADMINISTRATOR

COUNTY BOARD CHAIR

	YES	NO
MIRON	<u>X</u>	___
KARWOSKI	<u>X</u>	___
KRIESEL	<u>X</u>	___
JOHNSON	<u>X</u>	___
WEIK	<u>X</u>	___

PURCHASE AGREEMENT

Between

**EUJEANA C. KULVICH REVOCABLE TRUST
AGREEMENT U/A/D 05/25/2011**

("SELLER")

and

WASHINGTON COUNTY

("BUYER")

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made to be effective the ____ day of _____, 2018 (the "**Effective Date of this Agreement**") between the _____, the Trustee of the EUJEANA C. KULVICH REVOCABLE TRUST AGREEMENT U/A/D 05/25/2011, (hereinafter referred to as "**Seller**") and WASHINGTON COUNTY (hereinafter referred to as "**Buyer**").

RECITALS AND PRELIMINARY STATEMENT OF FACTS

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

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

COVENANTS

1. **SALE AND PURCHASE** Seller agrees to sell and Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
2. **CLOSING DATE** The "**Closing**" and "**Closing Date**" shall be on or before August 31, 2020.
3. **PURCHASE PRICE** The "**Purchase Price**" shall be Three Hundred Nineteen Thousand and no/100 (\$319,000.00) Dollars. The price reflects that the buyer acquires the property subject to a life estate interest of the seller as reflected herein. The Purchase Price shall be payable in cash or cash equivalent at Closing.
4. **TITLE, TAXES, CLOSING COSTS**

4.1 Within ten (10) days after execution of this Agreement, Seller shall provide Buyer with an updated abstract of title or a commitment for an owner's policy of title insurance for the Property, which shall include proper searches covering bankruptcies and state and federal judgments, liens, and levied and pending special assessments (the "**Title Commitment**"). Buyer shall have fifteen (15) days after receipt of the Title Commitment to have Buyer's attorney examine the Title Commitment and provide Seller's attorney with

written objections. Buyer shall be deemed to have waived any title objection not made within the applicable time period. If written objections are received as specified above and Seller agrees to cure such objections, then closing shall be delayed for a reasonable period in order for Seller to cure such objections. If Seller does not agree to cure any such objections, then Buyer may proceed to closing which shall constitute a waiver by Buyer of such objections or this Agreement shall be terminated upon receipt by Seller's attorney of a cancellation of this Agreement executed by Buyer. Seller shall pay the costs to issue the Title Commitment and Buyer shall pay any premium for the owner's policy, any lender's policy and any endorsements.

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

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

- (i) a Warranty Deed subject to a life estate and the following exceptions:
 - (a) building and zoning laws, ordinances, state and federal regulations;
 - (b) restrictions relating to use or improvements of the Property without effective forfeiture provisions;
 - (c) any reservation of any mineral or mineral rights to the State of Minnesota;
 - (d) drainage and utility easements which do not interfere with existing improvements;
 - (e) assessments which become pending after the Effective Date of this Agreement;
 - (f) other matters approved by Buyer in writing or deemed to be waived by Buyer in accordance with the terms of this Agreement;
- (ii) any and all trust documents necessary to conduct the sale of the property;
- (iii) a standard form Seller's Affidavit;
- (iv) Closing Statement; and,
- (v) such other documents as may be reasonably necessary to consummate this transaction.

4.4 Buyer shall pay the life estate purchase price at Closing. Buyer shall execute and deliver the following documents at Closing:

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

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

5. **ENVIRONMENTAL** Seller makes no warranties express or implied with respect to the environmental condition of the Property.

6. **NOTICE** All notices required by this Agreement shall be sent in writing and shall be deemed given (1) if and when personally delivered; (2) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth below; or, (3) on the third business day after being deposited in the United States mail to the following addresses by postage prepaid certified or registered mail. Any party may change that party's address for notice by giving written notice thereof in accordance with the provisions of this Section to the other parties.

TO SELLER: Eujeana C. Kulvich
11523 Grey Cloud Trail South
Cottage Grove, MN 55016

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

7. **BROKERAGE INDEMNITY AGREEMENT** Seller and Buyer agree that neither has retained any real estate brokers or agents in connection with this transaction. Both parties agree to indemnify and hold the other party harmless from any inaccuracy in their respective foregoing representation with respect to real estate brokers and agents.

8. **LIFE ESTATE TERMS** The following are terms and conditions relating to the life estate being retained by Eujeana C. Kulvich:

8.1 Notwithstanding Eujeana C. Kulvich retains a life estate in the property, if it is determined that Eujeana C. Kulvich is no longer able to reside and maintain the Property, the life estate will terminate and if physically able to do so Eujeana C. Kulvich will convey her remainder interest to Washington County by quit claim deed to Washington

County. If Eujeana C. Kulvich is incapacitated and unable to execute such a deed, Washington County may prepare and record such documents as deemed necessary to terminate the Eujeana C. Kulvich's life estate.

8.2 Eujeana C. Kulvich (or her representative) will notify in writing Washington County of her leaving the Property and will have 90 days from the date of the letter to have all personal property removed from the Property. If there is personal property remaining on the property after the 90 day time line, it will be deemed abandoned.

8.3 The life estate created herein is non-transferable. Eujeana C. Kulvich is the only party to hold this life estate on the Property and the life of estate is as to her life solely and exclusively.

8.4 Eujeana C. Kulvich is not allowed to encumber the Property including but not limited to: mortgages, tax liens or other liens of any kind during the term of this life estate. If such encumbrance is found on the title of the Property, the Buyer shall provide Seller notice of the encumbrance, and the Seller shall have thirty (30) days from the receipt of said notice to remove the encumbrance. If the Seller fails to remove the encumbrance within the 30 days, the life estate will be terminated immediately and all parties and personal property will be vacated within 72 hours.

8.5 Taxes on the property will be paid in full each year. If the taxes are not paid in full in any given year, the Buyer shall provide Seller notice of the unpaid taxes, and the Seller shall have thirty (30) days from the receipt of said notice to pay the taxes. If the Seller fails to pay the taxes within the 30 days, the life estate will be terminated immediately and all parties and personal property will be vacated within 72 hours.

8.6 At Eujeana C. Kulvich's expense the Property will be maintained and cared for in a manner that meets all health and habitability requirements, which can include an annual inspection from a Washington County representative to verify the habitability. Requirements for health and habitability include the following: the house is structurally sound, clean, weathertight and in good repair; if physically handicapped person, is free of any architectural barriers; has heating as required by climate conditions; and has habitable sleeping area that is adequately ventilated and sufficient to accommodate the occupants. If the property has any of these deficiencies, Eujeana C. Kulvich will have ten days to rectify the situation. Upon the tenth day if the deficiencies are not remedied, the life estate will be terminated immediately and all parties and personal property will be vacated within 72 hours.

8.7 Items identified in this section will survive after Closing and will be incorporated into the transfer deed.

9. **WELL DISCLOSURE** Seller certifies that Seller has knowledge of a well on the property.

10. **SEPTIC SYSTEM** Seller does know of a private sewer system on the property.

11. **DEFAULT** If this transaction is not consummated by reason of default by Seller or Buyer hereunder, then the non-defaulting party shall be entitled to terminate this Agreement upon thirty (30) days' written notice to the other party consistent with Minnesota Statutes § 559.21. In addition, either Buyer or Seller may sue for specific performance or damages, so long as such party commences suit within ninety (90) days after the time the cause of action arises. The non-defaulting party shall be entitled to recover its attorney fees and costs incurred as a result of a default under this Agreement.

12. **ASSIGNABILITY** This Agreement and Buyer's rights hereunder and Buyer's interest in the Property shall not be assigned without Seller's consent.

13. **MISCELLANEOUS**

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

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

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

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

13.5 Buyer is a participant in the grant program authorized by chapter 563, Laws of Minnesota, 1974. This program was established pursuant to the law to provide for acquisition, preservation, protection, development, and betterment of regional recreational open space for public use. This purchase is conditioned upon Buyer being approved to receive these grant funds. If these funds are denied or no longer available to Buyer, this Agreement shall be null and void and neither party shall be liable for damages to the other.

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

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

SELLER:

By: Eujana C. Kulvich
Eujana C. Kulvich
Its: Trustee

By: _____
Its: Trustee

BUYER:

WASHINGTON COUNTY

Buyer Stanley G. Karwoski
Stanley G. Karwoski
Washington County Board Chair

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

Approved as to form:

Richard Holton
Assistant County Attorney

As per Washington County Board Resolution
No. 2019-120 dated the 12th day
of November, 2019.

EXHIBIT A
Legal Description of the Property

Parcel 1

That part of the Northeast Quarter of the Southeast Quarter of Section Thirty-one (31), Township Twenty-seven (27) North, Range Twenty-one (21), West described as follows:

Commencing at a point on the East Line of the Northeast Quarter of the Southeast Quarter of said Section Thirty-one (31) Sixteen (16) rods South of the Northeast corner thereof, and thence running North to the same Northeast corner of the said Northeast Quarter of the Southeast Quarter; thence West on the North line of said Northeast Quarter of the Southeast Quarter of said Section 31, a distance of Twenty-three (23) rods, thence Southeasterly diagonally across the Northeast Quarter of the Northeast Quarter of the Southeast Quarter of said Section Thirty-one (31) in a straight line to the place of beginning, it being the intention of said first parties to convey all the part of the Northeast Quarter of the Northeast Quarter of the Southeast of said Section Thirty-one (31) lying North and East of the public road.

AND

Parcel 2

The Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section Thirty-two (32), Township Twenty-seven (27) North, Range Twenty-one (21) West, subject to flowage right in favor of the United State of America.

All in Washington County, Minnesota



APPRAISAL RECERTIFICATION

Subject Property:

Eujeana C. Kulvich
11523 Grey Cloud Trail S
Cottage Grove, MN 55016



Appraisal prepared for:

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

Appraiser:

John Hraba

Inspection Dates:

January 22, 2019, June 22, 2020

Effective Date:

January 22, 2019

File Number:

20-0608KU-JH



June 22, 2020

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

RE: Appraisal of...

Property at: 11523 Grey Cloud Trail S
Owner: Eujeana C. Kulvich
Inspected: January 22, 2019, June 22, 2020

Dear Ms. Price:

Per your request, I have completed another inspection of the subject property, from the street, to verify that the property status has not changed. Based on my exterior inspection, the improvements appear to be in similar condition as it was in the previous inspection.

I have also performed another thorough comparable sale search and found no new sales comparison data that would cause me to amend my conclusions from the original appraisal completed on February 18, 2019 as well as the most recent updated appraisal dated June 16, 2020.

Intended Use: The intended use of the recertification/appraisal update is for the client to evaluate the property that is the subject of this report to determine if the property has declined in value since the original appraisal.

Intended User: The intended user of the recertification/appraisal update is the client noted above.

Scope of Work: The appraiser concurs with the conclusions of the original appraisal, completed an exterior inspection of the subject property from the street, and researched, verified, and analyzed current market data in order to determine if the property has declined in value since the effective date of the original appraisal.

Based on my search of current market sale data and the overall market conditions in the subject area, the value of the subject property has no declined since the effective date of the prior appraisal.

Appraiser's Certification: The appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal recertification/update in accordance with the scope of work requirements stated in this appraisal recertification/update report and concur with the analysis and conclusions in the original appraisal.
2. I performed this appraisal recertification/update in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The

Appraisal Foundation and that were in place at the time this appraisal recertification/update was prepared.

3. I have updated the appraisal by incorporating the original appraisal report.
4. I have summarized my analysis and conclusions in the appraisal recertification/update and retained all supporting data in my work file.

This letter is not intended to be a “stand-alone” document; it relies on the prior appraisal completed on June 16, 2020. (MMA File #20-0608KU-JH)

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

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

Respectfully submitted,



John Hraba
MM Appraisal
Certified General Real Property Appraiser
MN License #20176982

**SUMMARY TABLE
SUMMARY OF SALIENT DATA**

Inspection Date:	January 22, 2019
Effective Date:	January 22, 2019
Signature Date:	June 16, 2020
Type of Property:	Single Family Residential
Property Appraised:	11523 Grey Cloud Trail S, Cottage Grove, MN 55016 Washington County
Owner of Property:	Eujeana C. Kulvich
Location:	Approximately 3.4 miles south of downtown Cottage Grove, MN
Property Identification Numbers (PID):	31.027.21.41.0002 32.027.21.23.0001
Legal Description(s):	See Appendix E.
Parcel Area(s):	1.1503 Acres 40.0000 Acres
Total Subject Area:	41.1503 Acres
Existing Flowage Easement:	40.0000 Acres
Unencumbered Area:	1.1503 Acres
Current Use:	Residential
Property Rights Appraised:	Fee Simple
Improvements:	Residential
Intended Use:	Negotiation, Acquisition, and Funding Reimbursement
Intended User(s):	Washington County State of Minnesota DNR Metropolitan Council Eujeana C. Kulvich
Value Employed:	Market Value with Life Estate
Highest and Best Use:	Single Family Residential
Summary of Appraisal:	Market Value
Extraordinary Assumption:	Project has no influence on value
Hypothetical Condition:	None
Estimate of Total Land Value:	\$262,400
Estimate of Market Value without a Life Estate:	\$315,000
Estimate of Market Value with a Life Estate:	\$313,800