

Community Development Committee

For the Metropolitan Council meeting of August 24, 2016

Subject: Park Acquisition Opportunity Fund Grant for Rush Creek Regional Trail (Becklin), Three Rivers Park District

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$50,947 to Three Rivers Park District to acquire the Becklin parcel at 10510 Holly Lane North in Maple Grove for the Rush Creek Regional Trail;
2. Advise Three Rivers Park District that demolition costs may not be paid from Environment and Natural Resources Trust Fund dollars and that it may not close on the property until after the Council awards the grant;
3. Consider reimbursing Three Rivers Park District up to \$16,982 from its share of a future Regional Parks Capital Improvement Program for its 25% local match for this acquisition;
4. Inform Three Rivers Park District that the Council does not under circumstances represent or guarantee that reimbursement will be granted, and expenditure of local funds never entitles a park agency to reimbursement; and
5. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Summary of Committee Discussion/Questions

The Community Development Committee recommended approval of the proposed action as part of its consent agenda on Monday, August 15, 2016.

Community Development Committee

Meeting date: August 15, 2016

For the Metropolitan Council meeting of August 24, 2016

Subject: Park Acquisition Opportunity Fund Grant for Rush Creek Regional Trail (Becklin), Three Rivers Park District

District(s), Member(s): 1 – Katie Rodriguez

Policy/Legal Reference: MN Constitution, Article XI, Sec. 15 and MN Statutes 473.315

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

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

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5. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency. This grant was requested by Three Rivers Park District (Park District) on January 29, 2016. A copy of the Park District's request is attached to this item as Exhibit 1. The future Rush Creek Regional Trail is located in Maple Grove in northern Hennepin County.

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

Funding sources. The Council's Park Acquisition Opportunity Fund (PAOF) provides resources to purchase property and easements via two state sources: the Parks and Trails Fund and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes further by matching every \$3 in state funds with \$2 in Council bonds proceeds. Between them, state and Council funds contribute 75% of the purchase price and eligible costs; the Regional Park Implementing Agency contributes the remaining 25% as local match. This grant would be funded through ENRTF and Council bonds. The property is listed on the approved ENRTF 2014 work plan, as amended in July 2016.

Subject property. The subject property is within the Council-approved boundaries of the planned regional trail; an aerial photo of the property is attached as Exhibit 2. Natural resources located on the property include both

upland and wetland divided by a line of trees. Rush Creek runs through the wetland, which is located on the eastern section of the property.

The property is located on the southeast corner of Holly Lane and 105th Street. An adjacent grade-separated crossing over Interstate 94 is currently under construction along 105th Street, and the future regional trail will share the crossing. The Park District is purchasing this property from the estate of a deceased couple and is splitting the parcel with the City of Maple Grove. The City is using its portion of the property for utility work and other infrastructure-related purposes. The Park District will retain the portion of the property located away from the intersection and along the creek.

In the short term, the Park District plans on demolishing an uninhabitable residence currently on the property, capping an existing well, removing the driveway and removing or terminating utilities. A letter from the City of Maple Grove documenting that the house is uninhabitable is attached as Exhibit 3.

There are other properties to be acquired to complete the regional trail. Until those acquisitions are complete, the property will be available to the public for passive recreation, but the Park District will not promote the property in its literature. In the long term, plans call for adding native vegetation to serve ecological functions (wildlife habitat, air quality, stormwater management, erosion control, etc.) and provide recreation value by buffering the regional trail from adjacent existing and future development.

Acquisition details.

ENRTF funding cannot be used to purchase properties with encumbrances without approval from the Legislative Citizens Commission on Minnesota Resources. The property is encumbered with the following:

- The MCES Rush Creek Interceptor easement runs along the south border of the site and does not significantly impact the property.
- A public easement encumbers the rear wetland portion but allows for trail development. This easement is for bridal paths, trail ways, walking paths and bicycle paths including small recreational motorized vehicles but not limited to snowmobiles and mini-bikes over and upon the paths. However, this easement is over the wetland portion of the property. The regional trail will not be built across the wetland.
- The Minnesota Department of Transportation owns a permanent right of way plus a temporary construction easement along the driveway and frontage through December 1, 2019. These easements do not affect the portion of the property the Park District will retain.
- There are protective covenants established in 1972 to protect the rural residential neighborhood. These covenants have no impact on the proposed purchase.

LCCMR staff have reviewed and approved the use of ENRTF funds for this property with these current encumbrances.

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

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

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan;
- Appropriation requirements;
- The Rush Creek Regional Trail master plan, approved by the Council in February 2008; and
- Requirements of Environment and Natural Resources Trust Fund.

This property comprises 3.86 acres, of which the Park District will acquire 3.17 acres and the City of Maple Grove will acquire 0.69 acres. Acquisition of this site will add one of the necessary parcels that will contribute to adding 11 miles of trail to the regional system.

Funding

Project budget. The appraised value is \$92,500 and the Park District has negotiated a purchase price of 100% of that amount. The purchase price along with closing and other associated costs shown below will be split on a square-footage basis between the Park District and the City of Maple Grove, as determined by the property appraisal (attached as Exhibit 7) submitted with the application (attached as Exhibit 4). Based on the proportional square footage of the property that the Park District will retain, its share of the purchase price is \$49,850. Only the portion retained by the Park District – and therefore eligible for grant reimbursement – is represented below.

| Budget item | Requested amount |
|--|-------------------------|
| Purchase price | \$49,850 |
| Due diligence (appraisal, Phase I environmental site assessment, etc.) | 3,500 |
| Holding and closing costs | 8,980 |
| Stewardship | <u>5,600</u> |
| Total grant-eligible costs | \$67,930 |
| Grant structure | |
| ENRTF PAOF | \$30,568 |
| Council bonds | 20,379 |
| Grant amount not to exceed | \$50,947 |
| Local match | \$16,983 |

Fund balance.

As of July 28, 2016, the combined balance available for ENRTF PAOF and Council match was \$3,816,382. If this grant is awarded by the Council, the balance will be \$3,765,435. Please note there is a concurrent request for a second Rush Creek Regional Trail acquisition (the Segal/Enclave property) also being presented for action on August 9, 2016. That request, if approved along with this one, would reduce the available balance to \$3,478,858.

Known Support / Opposition

The Metropolitan Parks and Open Space Commission approved the item unanimously. There is no known opposition.

Metropolitan Parks and Open Space Commission

Meeting date: August 10, 2016

For the Community Development Committee meeting of August 15, 2016

For the Metropolitan Council meeting of August 24, 2016

Subject: Park Acquisition Opportunity Fund Grant for Rush Creek Regional Trail (Becklin), Three Rivers Park District

MPOSC District: A – Rick Theisen

Policy/Legal Reference: MN Constitution, Article XI, Sec. 15 and MN Statutes 473.315

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

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Subject property. The subject property is within the Council-approved boundaries of the planned regional trail; an aerial photo of the property is attached as Exhibit 2. Natural resources located on the property include both upland and wetland divided by a line of trees. Rush Creek runs through the wetland, which is located on the eastern section of the property.

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Known Support / Opposition

There is no known opposition.

Exhibit Listing

| | |
|-----------|---|
| Exhibit 1 | Park District's Request Letter |
| Exhibit 2 | Aerial photo of property |
| Exhibit 3 | City letter certifying house is uninhabitable |
| Exhibit 4 | Grant application |
| Exhibit 5 | Board resolution authorizing grant request |
| Exhibit 6 | Purchase agreement |
| Exhibit 7 | Appraisal excerpt |



January 29, 2016

Three Rivers
Park District
Board of
Commissioners

Ms. Debra Jensen, Parks Finance
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
Rush Creek Regional Trail: 10510 Holly Lane North Reimbursement Request

Jennifer DeJournett
District 2

Dear Ms. Jensen,

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant Fund grant in the amount of \$50,944, for acquisition of 3.17 acres along Rush Creek Regional Trail in the City of Maple Grove. Please process and forward this request to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Daniel Freeman,
Vice Chair
District 3

Furthermore, since there are not sufficient funds in the 2016 fiscal year for this acquisition grant, the Park District requests that the Metropolitan Council authorize this acquisition grant request under the Special Circumstances – Lack of Available Acquisition Opportunity Funds section of the Regional Parks Policy Plan with funding available after July 2, 2016.

John Gunyou,
Chair
District 4

Acquisition Partnership with City of Maple Grove

The Park District has a purchase agreement in place to purchase a 3.86-acre property, 10510 Holly Lane North, along Rush Creek Regional Trail; however, only 3.17 acres of the property is necessary to achieve the regional trail goals. The Park District has entered into an agreement with the City of Maple Grove to subdivide the property and sell the remaining .69 acres to Maple Grove. Each party will pay for the property it will retain on a square foot basis as determined by the enclosed appraisal. Both parties have also agreed to split most associated acquisition costs including but not limited to appraisal, environmental review, demolition, site restoration, survey work, and similar.

John Gibbs
District 5

Gene Kay
Appointed
At Large

Summary of Grant Request Costs

The grant request in the amount of \$50,944, is only for acquisition costs directly associated with the property the Park District will permanently retain. The property division summary and proposed cost share summary is on the following page.

Steve Antolak
Appointed
At Large

Boe Carlson
Superintendent

Land Subdivision Summary

| | Upland | | | Wetland | | | Combined/Total | | |
|---------------------------|--------|------------|-------------------|---------|------------|-------------------|----------------|---------|----------|
| Status | Sq Ft | Sq Ft Cost | Rounded Sub Total | Sq Ft | Sq Ft Cost | Rounded Sub Total | Sq Ft | Acreage | Cost |
| Entire Parcel | 55,000 | 1.41 | \$77,500 | 113,260 | 0.13 | \$15,000 | 168,260 | 3.86 | \$92,500 |
| Parcel A Maple Grove | 30,264 | 1.41 | \$42,650 | 0 | 0.13 | \$0 | 30,264 | 0.69 | \$42,650 |
| Parcel B Park District | 24,736 | 1.41 | \$34,850 | 113,260 | 0.13 | \$15,000 | 137,996 | 3.17 | \$49,850 |

Proposed Cost Share Summary

| | Metropolitan Council | | Park District | | Maple Grove | | Total |
|---|----------------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|
| | % | Amount | % | Amount | % | Amount | |
| Property | 75% of Parcel B | \$37,387 | 25% of Parcel B | \$12,463 | 100% of Parcel A | \$42,650 | \$92,500 |
| Appraisal | | \$750 | | \$250 | | \$1,000 | \$2,000 |
| Environmental Assessment/Demolition Study | | \$1,875 | | \$625 | | \$2,500 | \$5,000 |
| Survey | 37.5% ¹ | \$3,150 | 12.5% | \$1,050 | 50% | \$4,200 | \$8,400 |
| Closing Fee/Legal Services | | \$1,500 | | \$500 | | \$2,000 | \$4,000 |
| State Deed Tax | | \$64 | | \$21 | | \$85 | \$170 |
| Prorated Taxes | | \$529 | | \$176 | | \$705 | \$1,410 |
| Demolition/Site Clean-up | 11% ² | \$4,200 | 39% | \$15,800 | | \$20,000 | \$40,000 |
| Title Commitment | 75% ³ | \$510 | 25% | \$170 | 0% | \$0 | \$680 |
| Payment in Lieu of Tax Payment | | \$979 | | \$326 | | \$0 | \$1,305 |
| Total | | \$50,944 | | \$31,381 | | \$73,140 | \$155,465 |

¹ 37.5% is 75% of Park District's portion of the acquisition costs as laid out in the Acquisition Agreement between the Park District and Maple Grove.

² Approximately 14% of the structure is on Parcel B as such 14% (\$5,600) of the total demolition and site clean-up costs are attributed to portion of the structure on Parcel B. 75% of \$5,600 is \$4,200 or 11% of total demolition and site clean-up costs.

³ Costs split below Metropolitan Council and Park District only – no Maple Grove contribution.

Additional Acquisition Background

Uninhabitable Residential Structure

There is an uninhabitable residential structure, built in 1974, that remains on the property. The excerpt below from page 43 and supported by photos on pages 43-58, of the enclosed appraisal, provides a summary of the structure's condition:

"Most components appear to be originals, its condition is very poor, and is not habitable. Nearly every component of the house is in need of replacement/renovation. The exterior has dated siding and windows, the deck and patio door have collapsed, there is an uneven front concrete pad, a poor condition driveway, and overgrown

landscaping. Major plumbing, electrical and heating replacements appear likely, and the interior finishing needs complete replacement and renovation. In addition to significant cat urine permeating many of the surfaces and subfloor, there is damaged drywall, water stains in the ceilings and walls, damaged kitchen counter tops and cabinets, missing kitchen appliances, and the main floor bath's tub and toilet do not appear functional."

Due to the condition of the structure, the appraised value is completely attributed to the value of the land with no value attributed to the structure.

Natural Resource Summary

The eastern two-thirds of the property are predominately wetland and floodplain associated with Rush Creek which runs through the eastern third of the property. In addition, there are pockets of treed areas on the property the Park District will retain.

Support Material

The following documents are enclosed for your review and records:

- Brief Overview of the Acquisition Request
- Acquisition Opportunity Grant Fund Checklist
- Agreements and Board Approval: Purchase Agreement and Maple Grove Acquisition Agreement
- Appraisal
- Legal Description
- Maps and Survey: Project Location, Aerial, Property Survey, and Proposed Lot Split
- Estimated Cost Background: Appraisal Invoice, Survey Proposal and Invoice, Tax Background, Title Commitment Quote, and Demolition and Site Clean-up Calculation Analysis
- Excerpts of the Rush Creek Regional Trail Master Plan

Site Visit

If Metropolitan Council staff and/or potential funding source representatives would like to tour the property, please let me know and I will be happy to arrange it.

Property Closing

A closing date is tentatively planned for June 1, 2016; however, it will be delayed if the Metropolitan Council has not approved the requested acquisition grant.

Please let me know the intended approval schedule by end of day February 5, 2016, so I can notify the City of Maple Grove and property owner and schedule a tentative closing date.

Thank you for your continued assistance through this process.

Sincerely,



Kelly Grissman
Director of Planning

Enclosures

C: Jonathan Vlaming, Associate Superintendent



Rush Creek Regional Trail

Potential Acquisition Opportunity: 105th Ave and Holly Lane

- Existing
- General Master Planned Route (Not Alignment)
- Subject Property
- TRPD Property



This map is a compilation of data from various sources and is provided "as is" without warranty of any representation of accuracy, timeliness, or completeness. The user acknowledges and accepts the limitations of the Data, including the fact that the Data is dynamic and in a constant state of maintenance, correction, and update.



12800 Arbor Lakes Parkway, P.O. Box 1180, Maple Grove, MN 55311-6180 763-494-6000

June 27, 2016

Kelly Grissman, Director of Planning
Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441

Dear Ms. Grissman:

The structure located at 10510 Holly Lane within the City of Maple Grove is not habitable. The City recommends and supports the Park District removal of the structure upon its acquisition of the property.

While the list below is not exhaustive, it illustrates many of the factors that determined that this structure is not safe or appropriate for anyone to live in.

- Structural concerns (deck and patio door have collapsed)
- Water damage (damaged drywall, water stains on ceilings and walls)
- Missing or non-working appliances
- Missing or non-working plumbing (Copper piping was removed, fixtures are not in working order)
- Structure is not weather tight
- Significant deferred maintenance
- Cat urine permeating many of the surfaces and subfloor

This conclusion is based on information provided in the property appraisal and visual observation from the exterior of the property.

If you have any further questions you may contact me at 763-494-6351.

Sincerely,

Ken Ashfeld, P.E.
Director of Public Works/City Engineer

KA:rkq



Application

04280 - 2016 Parks Acquisition Grants

04619 - TRPD Rush Creek RT PAOF ENRTF Becklin 10510 Holly Lane

Parks Grants Acquisition

Status: Submitted
 Submitted Date: 06/03/2016 10:11 AM

Primary Contact

Name:* Ms. Kelly Kristin Grissman
Salutation First Name Middle Name Last Name

Title: Director of Planning

Department: Planning

Email: kgrissman@threeiversparkdistrict.org

Address: 3000 Xenium Lane North

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

Phone:* 763-694-7635
Phone Ext.

Fax: 763-557-5248

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

Please limit acquisition requests to a single park or trail

Park or trail name

Rush Creek RT-Three Rivers Park District

Master plan

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

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

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

Rush Creek RT Master Plan
Name of master plan Council approval date - Format: mmddyyyy
(Do not enter any punctuation.)

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**.*

- Fee title from the estate of a deceased couple
- Collaborative acquisition between TRPD and Maple Grove. Total site is 3.86 acres, of which TRPD will acquire 3.17. TRPD will acquire the whole site, coordinate demo and restoration, subdivide property and sell Maple Grove the unneeded property. Maple Grove will pay the appraised value of the parcel they are acquiring and split all associated acquisition, demo, and restoration costs. **This reimbursement request is only for the costs associated with the land TRPD will retain in perpetuity.**
- Closing date unspecified in PA; however, there is a desire to close in August so house removal may occur shortly thereafter.
- No exclusions
- Contingencies:
 - TRPD needs consent of City of Maple Grove to acquire property (MS 398.09(b)(1) and all other consents required from governmental or regulatory agencies including TRPD Board (*Obtained Jan 19, 2016*)
 - Consent of MC for grant
 - TRPD may terminate for environmental reasons at any time
 - TRPD may terminate if condemnation proceedings are begun by Maple Grove
 - PA signed 1/7/16
 - Highest and best use is continued rural residential due to condition of the home.
 - Delinquent on real estate taxes

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

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

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

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

If condemnation is involved, expected settlement date

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

If yes, describe

- See pages 38-41 of the appraisal.
- Rush Creek interceptor easement along the south border of the site does not significantly impact the subject.
- A "Public Easement" is included within a protective covenants document that encumbers the rear wetland portions. While this easement allows for trail development, locating the regional trail through the wetland is not preferred and not consistent with wetland protection laws.
- MnDOT recently acquired a 25,146 SF permanent ROW, plus a 3,255 SF temporary construction easement encumbering the front driveway and frontage until 12/1/2019. These easements and permanent right-of-way do not affect the portion of the property TRPD will retain. A map of encumbrances is attached.
- Protective covenants were established during 1972 to protect the rural residential neighborhood.

Closing date

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

Estimated closing date 08/17/2016

Format: mmdyyy (Do not enter any punctuation.)

Date purchase agreement expires

Format: mmddyyyy (Do not enter any punctuation.)

Appraisal information

| | | |
|--|------------------------------|---|
| Appraised value | \$92,500.00 | |
| Amount being offered the seller (net of closing and other costs) | \$92,500.00 | 100.0% <small>% of appraised value</small> |
| Appraisal date | 10/23/2015 | |
| Who performed the appraisal? | Thomas J. Day, Day Group LLC | |
| Who contracted for the appraisal (i.e., was it done at arms' length)? | Three Rivers Park District | |
| Quality of natural resources - is the property... | | |

| | | |
|-----------------|-------|-----------|
| ...undeveloped? | | Yes |
| | Fully | Partially |
| ...wooded? | | Yes |
| | Fully | Partially |
| ...shoreline? | | Yes |
| | Fully | Partially |

Describe the existing natural resources it contains

The property is a combination of upland and wetland. The 1.26 acres of upland, the western section of the property, includes the uninhabitable residential structure and adjacent unmaintained yard area. Most of this area (everything minus the area immediately adjacent to the structure) as well as the entire wetland area is within the floodplain/floodway of Rush Creek.

A line of trees demarks the transition from upland to wetland. The wetland, the eastern section of the property, is about 2.6 acres. Rush Creek runs through the wetland providing about .07 miles of frontage (755' measuring both sides of creek on property, 405' if measuring creek centerline, and 455' on west side and 340' on the east side).

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 ENRTF / Council match

Select as many as apply

For ENRTF funding only

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

This parcel is within the boundaries of the Council approved master plan for the regional trail and has been part of acquisition plan for eight years. Acquisition of this parcel as well as several others along the Rush Creek are critical to the long-term regional trail vision to extend the existing 7.2 miles of regional trail (Mississippi River at Coon Rapids Dam Regional Park to Elm Creek Park Reserve) 11 miles to Crow-Hassan Park Reserve providing a high-quality destination regional trail greenway across the northern half of Hennepin County. The overall route, which includes this parcel, was developed to incorporate and highlight the natural resources of the area including the Rush Creek, wetland complexes, wooded areas, and unique bluffs along Rush Creek near Elm Creek Park Reserve. Further, this parcel is immediately adjacent to a new grade-separated crossing of I-94 (currently under construction) that includes the regional trail. The adjacency and connectivity to this grade-separated crossing make acquisition of this parcel critical to the long-term success of the entire regional trail corridor.

There are no other existing or planned regional or local bike and pedestrian facilities that span the entire corridor or overcome the significant barriers this corridor does (Mississippi River and TH 169) and will (I-94, Rush Creek, and Burlington-Northern railroad). The planned extension parallels Rush Creek for several miles, abuts several wetland complexes, and goes through or adjacent to several wooded areas providing people utilizing the regional trail system an opportunity to view, interact, and experience undeveloped natural places and resources close to home.

Acquisition of this parcel at this time is critical as the Park District predominately acquires property on a willing seller basis. In this case, there is a willing seller and a purchase agreement was prepared and entered into.

Does the property contain habitable structures?

No

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

Full demolition

Does the property currently contain any revenue-generating businesses?

No

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

The house is uninhabitable and must be demolished. The appraisal said, "as is, the improvements to the property provide no measurable value contribution."

- Valued at \$92,500, allocated at \$15,000 for wetland portion (\$5,759/acre) and \$77,500 for upland portion (\$61,380/acre)
- Assessed market value \$139,500
- House is uninhabitable, per appraisal (all value ascribed to the land): "deck and patio door have collapsed . . . interior finishing needs complete replacement . . . in addition to significant cat urine permeating many of the surfaces and subfloor there is damaged drywall, water stains in the ceilings and walls, damaged kitchen counter tops and cabinets, missing kitchen appliances, and the main floor bath's tub and toilet do not appear functional."
- House has been vacant since May 2015 and continues to deteriorate as no significant maintenance has occurred.

Stewardship and minimal access

Describe the stewardship plan.

Grant agreement signatories

| Full name | Title | If this is an attorney, is the signature 'for form only'? |
|----------------|----------------|---|
| Boe R. Carlson | Superintendent | No |

Acquisition Costs

| Cost Items | Amount |
|---|--------------------|
| Purchase price | |
| Negotiated purchase price | \$49,850.00 |
| Appraisal expenses | |
| Appraisal | \$1,000.00 |
| Appraisal review | \$0.00 |
| Environmental expenses | |
| Phase I environmental site assessment | \$2,500.00 |
| Phase II environmental site assessment | \$0.00 |
| Environmental contamination remediation | \$0.00 |
| Holding expenses | |
| Interest | \$0.00 |
| Land stewardship | \$5,600.00 |
| Land development | \$0.00 |
| Pro-rated share of all property taxes/assessments | \$705.00 |
| Legal services and closing costs | \$2,000.00 |
| Property tax equivalency payment | \$1,310.00 |
| Relocation costs to seller | \$0.00 |
| State deed tax/conservation fee | \$85.00 |
| Title insurance | \$680.00 |
| Well disclosure statement | \$0.00 |
| Other holding | \$0.00 |
| Other expenses | |
| Other expenses | \$4,200.00 |
| Totals | \$67,930.00 |

Total Estimated Acquisition Costs

| Totals | Total acquisition cost | Total paid with state funds | Total paid with metro funds | Total paid by agency |
|--|-------------------------------|------------------------------------|------------------------------------|-----------------------------|
| Total Estimated Acquisition Cost (calculated after costs above are entered) | \$67,925.00 | \$30,566.25 | \$20,377.50 | \$16,981.25 |

Required Attachments

RESOLUTION NO. 16-005

RESOLUTION OF SUPPORT FOR THE ACQUISITION OF OUTLOT B OF THE ENCLAVE ON RUSH CREEK IN THE CITY OF MAPLE GROVE.

WHEREAS, the City of Maple Grove ("City") participated in and passed Resolution No. 08-018 in support for the Rush Creek Regional Trail master plan on February 19, 2008; and

WHEREAS, implementation of the Rush Creek Regional Trail corridor requires acquisition of land sufficient to design, build, operate and maintain a regional trail; and

WHEREAS, the Park District is required to obtain municipal consent via resolution when acquiring property; and

WHEREAS, the Park District with the support of the City worked with The Enclave on Rush Creek development to create an outlot specifically for regional trail purposes along Rush Creek; and

WHEREAS, the Park District will acquire the outlot on a willing seller basis; and

WHEREAS, the property is legally described below:

OUTLOT B, THE ENCLAVE ON RUSH CREEK, Hennepin County, Minnesota.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Maple Grove, Minnesota:

1. The City approves the direct purchase of property rights of the aforementioned property by the Park District for the Rush Creek Regional Trail.

Adopted by the City Council on this 19th day of January, 2016.

The motion for the adoption of the foregoing Resolution was made by Councilmember Hanson, seconded by Mayor Steffenson, and upon vote being duly taken thereon, the following voted in favor thereof: Mayor Steffenson and Councilmembers Jaeger, Johnson and Hanson

and the following were against: None

and the following were absent: Councilmember Leith

where upon, the resolution was declared duly passed and adopted the 19th day of January, 2016.

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS.
CITY OF MAPLE GROVE)

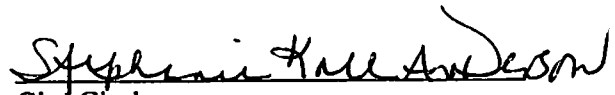
I, the undersigned, being the duly qualified and acting Clerk of the City of Maple Grove, Hennepin County, Minnesota, a Minnesota municipal corporation, hereby certify that the above and foregoing Resolution No. 16-005 is a true and correct copy of the Resolution as adopted by the City Council on the 19th day of January, 2016.

Stephanie Hall Anderson
City Clerk

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS.
CITY OF MAPLE GROVE)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Maple Grove, Hennepin County, Minnesota, hereby certify that I have carefully compared the attached resolution with the original thereof on file and of record in my office, and the same is a full, true, and correct copy of Resolution No. 16-005.

WITNESS, my hand and seal this 20th day of January, 2016.


City Clerk



**City of Maple Grove
and
Three Rivers Park District**

**10510 Holly Lane North
Land Acquisition Agreement**

This agreement (the "Agreement") is made and entered into this ___ day of ___ 2015, by and between the Three Rivers Park District, a body corporate and politic and a political subdivision of the State of Minnesota ("Park District"), and the City of Maple Grove, a Minnesota municipal corporation ("City"; Park District and City sometime individually "Party" and collectively "Parties").

WHEREAS, Park District is a political subdivision of the State of Minnesota authorized by statute to acquire, establish, operate, and maintain park facilities and regional trail systems; and

WHEREAS, Park District and City envision extending the Rush Creek Regional Trail ("Regional Trail") corridor from Elm Creek Park Reserve in the City to Crow-Hassan Park Reserve in the City of Rogers (formerly Hassan Township); and

WHEREAS, Park District with the support and participation of the City prepared a master plan for the Regional Trail; and

WHEREAS, the master plan calls for the location of the Regional Trail along Rush Creek within the City limits and envisions the Regional Trail to be scenic in nature and incorporate adjacent lands of natural resource and recreation value; and

WHEREAS, Park District approved the Regional Trail master plan on May 15, 2008; and

WHEREAS, City passed Resolution NO. 08-18 in of support for the Regional Trail master plan on February 19, 2008; and

WHEREAS, the City's comprehensive plan includes the Regional Trail and calls for mixed use development in the northeast quadrant of Interstate 94 and 105th Street; and

WHEREAS, Park District and City desire to acquire a property located 10510 Holly Lane North located in the northeast quadrant of Holly Lane and 105th Street for securing land for the Regional Trail and reconfiguring the local road network to maximize the mixed use land use potential.

NOW THEREFORE, in consideration of the mutual covenants herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, City and Park District agree as follows:

- A. Acquisition by the Park District.** Park District shall make every reasonable effort to secure fee title ownership of 10510 Holly Lane North, Maple Grove, MN ("Property"). Park District, shall be responsible for all associated work items including appraisals, environmental reviews, negotiations, closing work, and similar. If the Park District is unable to secure fee title ownership of the Property due to purchase price, inability for seller to provide a clean title, environmental concerns, or similar, this Agreement shall be null and void. Upon approval of this Agreement, City shall consider, for approval, the Park

District's acquisition of the Property via the form of resolution attached hereto as Exhibit A.

- B. Subdivision of the Property.** The Property shall be divided into two parcels as conceptually shown on Exhibit B with the City ultimately owning the western portion and Park District retaining ownership of the eastern portion. Upon approval of the final subdivision configuration by the Park District Superintendent or his/her designee and City Administrator or his/her designee, Park District shall be responsible to complete all work necessary to subdivide the Property. Any complete application for subdivision of the Property shall be subject to the review and approval of the City and the City shall waive the application fee and the fee for reviewing the application. Subdivision request shall not be unreasonably withheld.
- C. Demolition and Site Clean Up.** Park District shall be responsible to demolish any structures on the Property, conduct required environmental cleanup, remove and/or cap any utilities, and similar. Any application for necessary permits related for demolition and site cleanup are subject to the review and approval of the City. Demolition and site cleanup permits shall not be unreasonably withheld. The Park District agrees to cooperatively work with the City to allow the City Fire Department to utilize the existing structure(s) on the Property for fire training purpose. The City shall have the right to enter the Property for said training activities.
- D. Costs.** City shall pay the Park District the actual cost of acquiring the Property that will be transferred to the City with a cost not to exceed \$1.41 per square foot, up to a maximum purchase of 54,885 square feet and half of all related acquisition, subdivision, and demolition and site cleanup costs including but not limited to appraisals, environmental review, surveys, closing fees, recording fees, building demolition, and similar expenses, with the exception of title insurance in which the Park District shall pay its title commitment and title insurance costs for the acquisition of the Property set forth in Paragraph A. above and the City shall pay its title commitment and title insurance costs for the acquisition of that portion of the Property set forth in Paragraph E below.
- E. Property Transfer to the City.** Upon completion of acquisition, subdivision, demolition and site cleanup, and payment of acquisition and associated costs from City to Park District, Park District will transfer the western portion of the Property to City via a limited warranty deed. At closing on the transaction, the Park District shall execute a standard Seller's Affidavit form.
- F. Future Coordination.** City agrees to allow the Regional Trail to cross Holly Lane at the intersection of Holly Lane and 105th Avenue and to allow the Regional Trail to be located in the right-of-ways of Holly Lane and 105th Avenue as shown on Exhibit B. Final trail and road right-of-way design and construction shall be mutually agreeable to both the Park District and the City.
- G. Assessments.** City hereby agrees that the Park District shall only be subject to assessment by the City pertaining to improvements made on the lands included in, or adjacent to, the Regional Trail corridor as allowed by Minn. Stat. ch. 429.
- H. Indemnification.** Each Party is responsible for its own acts and omissions and the results thereof to the extent authorized and limited by law. Minnesota Statutes Chapter 466 and other applicable law govern the Parties' liability. To the full extent permitted by law, this Agreement is intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the

purposes of liability, all as set forth in Minnesota Statutes, Section 471.59, Subd. 1a (a); provided further that for purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of the other Party. In addition to the foregoing, nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to either Party, whether set forth in Minnesota Statutes, Chapter 466 or otherwise.

- I. Successor and Assigns.** The Agreement shall be binding upon the Parties hereto and their respective successors and assigns, provided, however, that neither City nor Park District shall have the right to assign its rights, obligations and interests in or under this Agreement to any other Party without the prior written consent of the other Party.
- J. Amendment, Modification or Waiver.** No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing and signed by the Party or Parties to be bound, or its duly authorized representative. Any waiver by either Party shall be effective only with respect to the subject matter thereof and the particular occurrence described therein, and shall not affect the rights of either Party with respect to any similar or dissimilar occurrences in the future.
- K. Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and no right or remedy at law or in equity which either Party hereto might otherwise have by virtue of a default under this Agreement nor the exercise of any such right or remedy by either Party will impair such Party's standing to exercise any other right or remedy.
- L. No Agency.** Nothing contained herein and no action by either Party hereto will be deemed or construed by such Parties or by any third person to create the relationship of principal and agent or a partnership or a joint venture or any other association between or among the Parties hereto.
- M. Termination.** This Agreement may be terminated by Park District or City by mutual agreement or as otherwise provided in this Agreement. This Agreement shall be terminable by either Party upon a material breach by the other Party.

The provisions of Section H survive termination with respect to claims that arise from actions or occurrences that occurred prior to termination.
- N. Governing Laws.** This Agreement will be construed in accordance with the laws of the State of Minnesota.
- O. Time is of the Essence.** Time is of the essence under this Agreement.

P. Notices. Any notice given under this Agreement shall be deemed given on the first business day following the date the same is deposited in the United States Mail (registered or certified) postage prepaid, addressed as follows:

If to the Park District:

Superintendent
Three Rivers Park District
c/c Legal Counsel
3000 Xenium Lane North
Plymouth, MN 55441

If to City:

City Administrator

City of Maple Grove
12800 Arbor Lakes Pkwy N
P.O. Box 1180
Maple Grove, MN 55311v

With Copy to:

George C. Hoff
Hoff, Barry and Kozar
775 Prairie Center Drive
Eden Prairie, MN 55344

IN WITNESS WHEREOF, Park District and City have entered into this Agreement as of the date and year first above written.

Three Rivers Park District, a public corporation and political subdivision of the State of Minnesota

Dated: 12/17/15

By: 
Its Chair - Board of Commissioners

Dated: 12/17/15

By: Boe R. Carlson
Its Superintendent
And Secretary to the Board

City of Maple Grove, a Minnesota municipal corporation

Dated: 1/19/16

By: 
Its Mayor

Dated: 1/19/14

By: Suzanne Kelle Anderson
Its City Clerk



Fernbrook Business Center
14232 23rd Avenue North
Plymouth, MN 55447

763.205.6966
Fax 763.208.3928
www.daygroupmn.com

October 23, 2015

Jeffrey Brauchle, General Counsel
Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441

RE: Market value appraisal report
Rural residential property at 10510 Holly Lane North
Maple Grove, Minnesota 55369

Dear Mr. Brauchle:

In accordance with your request, an inspection and a market value appraisal analysis on the referenced property have been completed. We have considered the relevant factors relating to the subject property and the current market forces. The attached report contains the summary of the analysis completed, commentary, and value conclusions. The client and intended user is Three Rivers Park District; there are no other intended users. The intended use of the appraisal is for potential acquisition purposes to accommodate a future regional trail. Reportedly, the City of Maple Grove has interest in the remainder unused portion. The appraisal as developed and reported is only for the stated intended use and user. Day Group LLC assumes no responsibility for any unintended uses or users of the appraisal. The date of value is October 7, 2015, the fee simple interest has been appraised based upon its "as-is" status, and no personal property has been included in the valuation.

The subject is a distressed rural residential property. It contains a 1,252-sf, ranch single-family detached dwelling having an attached 2-car garage. The improvements are in very poor condition. Minimal, if any, updates have been made to the dwelling since construction. Nearly every component and surface is in need of replacement. The exterior has dated siding and windows, the deck and patio door have collapsed, there is an uneven front concrete pad, a poor condition driveway, and overgrown landscaping. Major plumbing, electrical and heating replacements appear likely, and the interior finishing needs complete replacement & renovation. In addition to significant cat urine permeating many of the surfaces and subfloor, there is damaged drywall, water stains in the ceiling & walls, damaged kitchen countertops and cabinets, missing kitchen appliances, and the main floor bath's tub and toilet do not appear functional.

The site consists of 3.86 acres (net of a recent MnDOT acquisition) of which 1.26 acres is upland (with some upland area in a floodplain/floodway, usable for yard space). The eastern wetland area includes Rush Creek. Views of the creek and wetland area are good. In coordination with the Hwy 610 extension construction project, adjacent 105th Ave N is being re-routed with a bridge over I-94. Major construction is anticipated to be completed within the next year, and will provide improved access to the district; currently access is somewhat circuitous. The site is benefitted by Rush Creek, yet adverse growing traffic nuisance from 105th Ave N is likely. The subject and district are guided Mixed-Use Development, yet the districts south of the subject will need to be developed first. There is no public sewer and water within the neighborhood, and future reuse development is years away.

The proposed full acquisition is understood to be a collaborative effort between Three Rivers Park District and the City of Maple Grove, and would result in a splitting of the parcel. The park district is interested in the wetland portion and narrow regional trail corridor at the east edge of the upland portion. The City is interested in the remaining upland portion. The appraisal analysis includes valuation of the entire property, with allocations being made between the wetland and upland portions.

This appraisal has been made in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), applicable local, state and federal regulations pertaining to appraisal practice and procedure, and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. Attached is an "Appraisal Report" as defined by USPAP, with additional supporting data retained in our workfile.

We have completed a credible appraisal analysis consistent with the intended use of the appraisal, the requirements of the intended user, and within conformity of the Scope of Work Rule per USPAP. Please refer to the body of the attached report for descriptions of assignment conditions and the details of the scope of work employed in our development of the conclusions.

Due to the subject's distressed "as-is" status, and to future reuse development being distant and speculative in today's market, its highest and best use is for a continued rural residential use. The distressed improvements provide no measurable value contribution. The analysis involves development of the sales comparison approach. The appraisal is subject to the general limiting conditions, extraordinary assumptions and hypothetical conditions contained on pages 6 and 7 (please review these before any of the values or conclusions are relied upon). It appears the subject is delinquent on past real estate taxes, yet the appraisal is based on any liens/bills assumed to have been paid in full. Allocation of the value is based upon the assumption that a rural residential site may continue for the upland portion, and that a variance in lot size could easily be obtained.

Neither our employment to make this appraisal nor the compensation received is contingent upon the conclusions or values reported herein. Based upon our investigation and analysis, it is our opinion that the subject had a fee simple market value, subject to limitations and conditions as hereinafter stated, in the amount shown below:

**NINETY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$92,500)
ALLOCATED AT \$15,000 FOR WETLAND PORTION (\$5,769/acre or \$0.13/sf)
\$77,500 FOR UPLAND PORTION (\$61,380/acre or \$1.41/sf)**

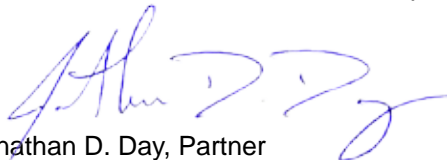
Based upon the exact size and location of the trail corridor, the above rates could be used to determine the appropriate valuations between the park district and the City. Preliminary trail location maps provided to the appraisers depict an adequate setback from the existing residence or future building pad. Hence, no severance or value loss would be merited to the upland remainder of the site. It has been a pleasure to serve you in this manner. Feel free to contact us if you have any questions or concerns.

Respectfully submitted,

DAY GROUP LLC



Thomas J. Day, MAI, SRA, Senior Partner
Minnesota Certified General Real Property Appraiser #4000814



Jonathan D. Day, Partner
Minnesota Certified General Real Property Appraiser #20480945