

Community Development Committee

For the Metropolitan Council meeting of September 12, 2018

Subject: Park Acquisition Opportunity Fund Grant for West Mississippi River Regional Trail, Three Rivers Park District – Goodin Property

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$325,839.68 to Three Rivers Park District to acquire the 7.3-acre Goodin parcel at 17180 Dayton River Road in the City of Dayton for West Mississippi River Regional Trail;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$108,613.22 from its share of a future Regional Parks Capital Improvement Program for costs associated with this item; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that future reimbursement will be granted and expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

The Community Development Committee unanimously approved the recommendation at its meeting on August 20, 2018.

Metropolitan Parks and Open Space Commission

Meeting date: August 7, 2018

For the Community Development Committee meeting of August 20, 2018

For the Metropolitan Council meeting of September 12, 2018

Subject: Parks Acquisition Opportunity Fund Grant for West Mississippi River Regional Trail, Three Rivers Park District – Goodin Property

MPOSC District: A – Rick Theisen

Policy/Legal Reference: MN Constitution, Article XI, Sec. 15 and MN Statutes 473.315; 2040 Regional Parks Policy Plan Siting and Acquisition Policy: Strategies 1 and 2

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

Division/Department: Community Development / Regional Planning

Proposed Action

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3. Consider reimbursing Three Rivers Park District for up to \$108,613.22 from its share of a future Regional Parks Capital Improvement Program for costs associated with this item; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that future reimbursement will be granted and expenditure of local funds never entitles a park agency to reimbursement.

Background

Regional Park Implementing Agency (Agency) and Location

Three Rivers Park District requested this grant on June 22, 2018 to support development of the West Mississippi River Regional Trail. A copy of the Agency's request is attached to this item. The West Mississippi River Regional Trail is a destination trail located in Hennepin County and, when complete, it will run through the communities of Dayton, Champlin, Brooklyn Park, and Brooklyn Center.

Policy

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

Funding sources

The Council's Park Acquisition Opportunity Fund (PAOF) provides resources to purchase property and easements via two state sources: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes further by matching every \$3 in state funds with \$2 in Council bonds proceeds. Between them, state and Council funds contribute up to 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match.

The Council will fund this grant through ENRTF and Council match. Funding for this project was provided by the Minnesota Environment and Natural Resources Trust Fund as recommended by the Legislative-Citizen Commission on Minnesota Resources (LCCMR). The Trust Fund is a permanent fund constitutionally established by the citizens of Minnesota to assist in the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources.

Currently 40% of net Minnesota State Lottery proceeds are dedicated to growing the Trust Fund and ensuring future benefits for Minnesota's environment and natural resources.

Council review

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

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

Subject property

The subject 7.3-acre property is an inholding within the Council-approved alignment of the regional trail. The purchase will protect property that includes 830 feet of shoreline within the Mississippi River Corridor Critical Area. It is adjacent to the City of Dayton's Goodin Park and to Goodin Island, which is owned by the Minnesota Department of Natural Resources. The property is gently sloping, with a wooded northeasterly portion and an open southwesterly portion. Approximately 64% of the site is within the floodway/floodplain and has easy access to the river.

ENRTF funding rules prohibit the purchase of a property that contains habitable structures. This property does contain a barn with converted living quarters, but it has suffered from deferred maintenance and extensive damage to the interior. The City of Dayton has provided a statement that the living quarters are uninhabitable. The structures will be removed, and the Agency is working to salvage the building materials.

Acquisition details

This is a straightforward, fee simple transaction. There are easements for drainage and utility purposes that are primarily located in the floodway and do not significantly impact the use of the property as a regional asset.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- Appropriation requirements; and
- The West Mississippi River Regional Trail master plan, approved by the Council on April 25, 2018.

Thrive Lens Analysis

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

Funding

Project budget

The appraised value is \$368,500, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$368,500.00
Due diligence (appraisal, Phase I environmental site assessment, etc.)	25,000.00
Holding and closing costs	10,952.90
Stewardship	<u>30,000.00</u>
Total costs	\$434,452.90
Grant structure	
State FY 2014 ENRTF/PAOF	\$195,503.81
Council bonds	130,335.87
Grant amount not to exceed	\$325,839.68
Local match	\$108,613.22

Fund balance

If this grant is awarded by the Council, the combined balance available for the state fiscal year 2014 ENRTF appropriation and the standard Council match will be \$527,873.99. It should be noted that a second ENRTF/PAOF grant recommendation will be presented to the Council concurrent with this item, and the combined balance after both grants will be \$53,518.49 for the 2014 appropriation. The Council also has a combined \$4.2 million available from 2015 and 2017 ENRTF appropriation, with their accompanying regional bond match.

Future reimbursement consideration

The Agency is also requesting that the Council consider reimbursing its local match of \$108,613.22 for this acquisition at some point in the future as a part of a regular Capital Improvement Program (CIP). A request for "future reimbursement consideration" is the first step in a process Agencies may use to request repayment of their match amount for this acquisition in a future CIP cycle. Because the Council issues bonds to cover exactly 40% of CIP costs for a given state bonding cycle, such reimbursements are limited. The Council is under no obligation to reimburse this amount.

Known Support / Opposition

There is no known opposition.

Exhibit List

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

Figure 3 Riverbank



Figure 4 Uninhabitable living quarters



June 22, 2018

Three Rivers
Park District
Board of
Commissioners

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

Penny Steele
District 1

RE: Park Acquisition Opportunity Grant Fund Request for West Mississippi River Regional Trail

Jennifer DeJournett
District 2

Dear Emmett,

Daniel Freeman,
Vice Chair
District 3

Three Rivers Park District (Park District) respectfully requests a Park Acquisition Opportunity Grant for West Mississippi River Regional Trail (WMRRT) in the amount of \$325,839.68 for acquisition of 7.3 acres located in the City of Dayton. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

John Gunyou,
Chair
District 4

Background Summary

In spring 2018, Park District staff was made aware of and commenced the initial acquisition process for 7.3 acres of land for sale located at 17180 Dayton River Road/CR 12, Dayton MN (PID: 0512022230009) along the WMRRT corridor. The seller indicated a willingness to accept the appraised value of the property and a strong desire to close in the near future. As such, staff drafted a purchase agreement with a purchase price of \$368,500 of which the seller agreed to.

John Gibbs
District 5

The WMRRT, defined primarily as a destination regional trail, is intended to incorporate areas adjacent to the trail to improve wildlife habitat, protect natural resources, minimize construction impacts on the land and associated costs and provide 'touchpoints' to view and experience the river.

Larry Blackstad
Appointed
At Large

The WMRRT Dayton segment is planned adjacent to Dayton River Road/CR 12, within the road right-of-way. Within this stretch there are several areas with identified construction constraints due to steep ravines adjacent to the road shoulder which will require significant engineering and/or land acquisition to fully realize the complexity of a separate, off-road WMRRT facility. As the master plan recommends, opportunity for additional river touchpoints via property acquisition in this area of Dayton River Road/CR 12 is a priority.

Steve Antolak
Appointed
At Large

Cris Gears
Superintendent

The property contains an extended area of steep ravine adjacent to the road shoulder requiring additional property rights to satisfactory achieve the off-road multi-use regional trail vision.

Additionally, property ownership will:

- Alleviate construction constraints, as the required pedestrian bridge could be placed in a manner that is more cost-effective and scenic.
- Establish an additional scenic Mississippi River 'touchpoint' for WMRRT users.
- Preserve 830 feet of Mississippi River shoreline in the wild and scenic portion of the Mississippi National River and Recreation Area.
- Preserve open space, wildlife habitat and natural resources.

Please process this request in order to close on property on or before September 14, 2018.

Thank you for your continued assistance throughout this process.



Ann Rexine
Principal Planner

Enclosures

C: Jonathan Vlaming, Associate Superintendent
Kelly Grissman, Director of Planning
Heather Kuikka, Planning Administrative Specialist

Please limit acquisition requests to a single park or trail

Park or trail name West Mississippi Regional Trail

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 West Mississippi River Regional Trail 04/25/2018

Name of master plan

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

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

Acquisition method

Acquisition method Fee title

If the acquisition method is anything other than routine, provide more detail.

This question seeks a general description of the acquisition method - is this a routine purchase, or does it involve a land donation, park dedication fees, condemnation, or some combination? Please use this space to describe the overall acquisition **project**.

In spring 2018, Three Rivers Park District staff was made aware of, and commenced the initial acquisition process for, 7.3 acres of land for sale located at 17180 Dayton River Road/CR 12, Dayton MN (PID: 0512022230009) along the WMRRT corridor. The seller indicated a willingness to accept the appraised value of the property and a strong desire to close in the near future. As such, Park District staff drafted a purchase agreement with a purchase price of \$368,500 of which the seller agreed to.

An appraisal was completed on April 17, 2018 and updated via letter June 21, 2018. The purchase agreement reflects the June 21, 2018 valuation.

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.

N/A

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

Based upon the provided survey map, a large portion of the property is encumbered by easements for drainage and utility purposes. There is a drainage and utility easement along the northwesterly property boundary, in addition to a large drainage easement that encumbers the northeasterly portion of the property. The majority of these easement areas are located within the floodway/floodplain and/or wetland areas, and are not buildable to begin with. Therefore, these easements do not have a significant effect upon the subject's market value or marketability. There are no other apparent easements or encumbrances that would have a significant effect upon the subject's market value or marketability.

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 09/14/2018
Format: mmddyyyy (Do not enter any punctuation.)

Date purchase agreement expires 09/14/2018
Format: mmddyyyy (Do not enter any punctuation.)

Appraisal effective date 06/21/2018

Appraisal information

Appraised value \$368,500.00

Amount being offered the seller (net of closing and other costs) \$0.00 0%
% of appraised value

Appraisal date 06/21/2018

Who performed the appraisal? Patchin Messner Dodd & Brumm

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

Was a survey done? No

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 subject property is a 7.3 acres tract of land, located along Dayton River Road in the northwesterly portion of Dayton, adjacent to Goodin Park (owned by City of Dayton) and Goodin Island (owned by MnDNR). The property has Mississippi River frontage along the southwesterly shore and contains gently sloping terrain that is primarily open in the southwesterly portion of the property and wooded in the northeasterly portion of the property. Approximately 64% of the site is within the floodway/floodplain. The property enjoys convenient access to the Mississippi River.

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

Structures currently on the property

Does the property contain ANY structures? Yes

If yes, are there any habitable structures? No

If yes, what is the plan for the structure(s)? The appraisal indicates that the property's 1 (one) barn and two (2) detached garages have no remaining economic life. The buildings contain enough deferred maintenance (collapsed ceilings, mold, water damage, holes in roof) that they are not considered habitable, and as such Three Rivers Park District plans to demolish the structures and return the site to open space.

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

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.

The property was identified in the West Mississippi River Regional trail Master Plan as a property within the trail corridor that contains an extended area of steep ravine adjacent to the road shoulder requiring additional property rights to satisfactorily achieve the off-road multi-use regional trail vision. In addition, acquisition of this property:

- Alleviates construction constraints, as the required pedestrian bridge could be placed in a manner that is more cost-effective and scenic.
- Establishes an additional a scenic Mississippi River 'touchpoint' for WMRRT users.

- Preserves 830 feet of Mississippi River shoreline in the wild and scenic portion of the Mississippi National River and Recreation Area.
- Preserves open space, wildlife habitat and natural resources.

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

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

N/A

Stewardship and minimal access

Describe the stewardship plan.

Three Rivers estimates that the removal of structures, preliminary restoration of the property and any environmental contamination/remediation will be \$40,000 based on similar acquisition/demos/stewardship costs. The exact distribution between the demo/stewardship work and environmental work is unknown but for estimating purposes assigns \$30,000 for demo/stewardship and \$10,000 for environmental clean-up.

Three Rivers immediate stewardship plan includes conducting an environmental assessment, appropriately addressing any concerning findings, removing all of the personal property and structures and returning the property to a natural state. The long-term stewardship plan is to remove invasive species, improve the condition and composition of the native plant communities which improves the ecological function (wildlife habitat, air quality, stormwater management, erosion control, etc.) as well as improving recreational value by buffering the regional trail from adjacent existing and future development, and address any potential erosion along the creek corridor. While regional trail construction is likely 10+ years out, construction will follow industry best management practices to reduce potential environmental impacts (wetland buffers, rain gardens, etc.).

How will the stewardship implementation be funded?

The immediate stewardship plan will be partly funded by the requested grant (Legacy/Met Council bonds - not ENRTF) and Three Rivers. The long-term stewardship plan would likely be funded by Three Rivers operation funds which are funded primarily from Suburban Hennepin County property taxes.

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? N/A

Local match

Source of local match

Three Rivers land acquisition land development and betterment fund (LADB)

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

If yes, how much? \$108,613.22

Sellers and parcels

Seller name	Parcel address	PID	Acres	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude
GRC Investments LLC	17180 Dayton River Road	0512022230009	7.3	06/20/2018	No	Joyce Peppin - MN House 34A	Dayton	Hennepin	1	District A	45.233066	-93.498010
			7.30									

Grant agreement signatories

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

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$368,500.00
Appraisal expenses	
Appraisal	\$5,000.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$5,000.00
Phase II environmental site assessment	\$5,000.00
Environmental contamination remediation	\$10,000.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$30,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$1,200.00
Legal services and closing costs	\$5,000.00
Property tax equivalency payment-473.341	\$2,500.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$1,252.90
Title insurance	\$1,000.00
Well disclosure statement	\$0.00
Other holding	\$0.00
Other expenses	
Other expenses	\$0.00
Totals	\$434,452.90

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	\$434,452.90	\$195,503.81	\$130,335.87	\$108,613.22	\$325,839.68

costs above are entered)

Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
Section 1 - REQUIRED FOR ALL REQUESTS				
Grant request letter	Grant request letter	Goodin Letter to Met Council Grant Request.pdf	pdf	108 KB
Master plan documentation (please compress to 5 Mb max)	WMRRT Master Plan - Excerpts	WMRRT5_17_2018_Goodin.pdf	pdf	2.1 MB
Aerial photo showing parcel boundary (please compress to 5 Mb max) with parcel overlay	Goodin Property	WMRRT_Goodin.jpg	jpg	3.7 MB
For TRAILS, image of full-length trail alignment, with the location of subject property noted. For RP/PR's, image of the entire RP/PR, with the location of subject property noted.				
Governing Board action authorizing grant request	Board Action	06-21 Board Action Goodin.pdf	pdf	31 KB
Section 2 - FEE TITLE REQUIREMENTS				
Signed purchase agreement	Goodin Purchase Agreement	Goodin Property - Fully Executed Purchase Agreement 06-21-18.pdf	pdf	1.9 MB
Property appraisal report (please compress to 5 Mb max)	Goodin Property Appraisal	Goodin Appraisal with Update.pdf	pdf	4.8 MB
Appraisal invoice	Appraisal invoice	Patchin Invoice_Goodin_Combined.pdf	pdf	683 KB
Phase 1 environmental site assessment report	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Phase 1 environmental assessment invoices	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
State deed tax or conservation fee invoice	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Current property tax statement with pro-rated share of tax due	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Tax equivalency payment	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Title insurance invoice	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Itemized estimate of closing costs	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Minimal access development estimated costs	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Land stewardship plan	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Land stewardship estimated costs	Additional Met Council Info	Goodin Additional Met Council Info.pdf	pdf	70 KB
Legal description of the property	Goodin Legal Description	Legal Description of Goodin Property.pdf	pdf	50 KB
Survey report	Survey	Goodin Survey Colored.jpg	jpg	382 KB
Section 3 - CONDITIONALLY REQUIRED ATTACHMENTS				
Appraisal review report				
Appraisal review invoice				
Phase II environmental assessment report				
Phase II environmental assessment invoices				
REQUIRED FOR TRAILS Parcel map showing trail route	Goodin WMRRT Map	WMRRT_Goodin.jpg	jpg	3.7 MB
Other acquisition costs report				
Required if this grant will serve as partial or full match to another grant Copy of federal or other grant				
Relocation description and estimated costs				
SECTION 4 - CONDEMNATIONS				
Condemnation settlement				
Documentation of notice to Council prior to initiating condemnation procedures				
Administrative settlement				
Section 5 - EASEMENT REQUIREMENTS				
Signed easement				

Additional attachments

REQUEST FOR BOARD ACTION

REVISED

Meeting Date: 6/21/2018 Business Item: New Item Number: **7D**

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

Agenda Item: West Mississippi River Regional Trail: Acquisition Opportunity

Superintendent's Recommendation:

MOTION TO ENTER INTO A PURCHASE AGREEMENT IN THE AMOUNT OF \$368,500 WITH GRC INVESTMENTS LLC FOR THE ACQUISITION OF 7.3 ACRES LOCATED AT 17180 DAYTON RIVER ROAD, DAYTON, MN AND ALONG THE WEST MISSISSIPPI RIVER TRAIL CORRIDOR AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$435,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

The following information was prepared by Ann Rexine, Principal Planner.

Background:

In spring 2018, staff was made aware of and commenced the initial acquisition process for 7.3 acres of land for sale located at 17180 Dayton River Road/CR 12, Dayton MN (PID: 0512022230009) along the WMRRT corridor (**Reference 7D-1**). Ultimately, a competing open market offer was made and accepted by the seller at which time staff ceased further acquisition work on the property. Due to extenuating circumstances with that competing offer, the property was relisted early this week.

The seller indicated a willingness to accept the appraised value of the property and a strong desire to close in the near future. As such, staff drafted a purchase agreement with a purchase price of \$368,500 of which the seller agreed to (**Reference 7D-2**).

The WMRRT, defined primarily as a destination regional trail, is intended to incorporate areas adjacent to the trail to improve wildlife habitat, protect natural resources, minimize construction impacts on the land and associated costs and provide 'touchpoints' to view and experience the river.

The WMRRT Dayton segment is planned adjacent to Dayton River Road/CR 12, within the road right-of-way. Within this stretch there are several areas with identified construction constraints due to steep ravines adjacent to the road shoulder which will require significant engineering and/or land acquisition to fully realize the complexity of a separate, off-road WMRRT facility. As the master plan recommends, opportunity for additional river touchpoints via property acquisition in this area of Dayton River Road/CR 12 is a priority.

The property contains an extended area of steep ravine adjacent to the road shoulder requiring additional property rights to satisfactory achieve the off-road multi-use regional trail vision. Property ownership:

- Alleviates construction constraints, as the required pedestrian bridge could be placed in a manner that is more cost-effective and scenic
- Establishes an additional scenic Mississippi River 'touchpoint' for WMRRT users.
- Preserves 830 feet of Mississippi River shoreline in the wild and scenic portion of the Mississippi National River and Recreation Area.
- Preserves open space, wildlife habitat and natural resources.

Funding

The estimated total acquisition cost is approximately \$435,000 including purchase cost, appraisal, environmental assessment work, legal fees, title commitment/insurance, closing costs, taxes, building demolition, land stewardship and similar.

The acquisition is eligible for a Metropolitan Council Park Acquisition Opportunity Fund grant for up to 75 percent acquisition reimbursement (\$326,250). Staff recommends funding the local match in the estimated amount of \$108,750 from the Land Acquisition Development and Betterment fund.

Relationship to the Vision Plan

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

- Inspire people to recreate
- Collaborate across boundaries
- Complete the critical links in the existing regional trail network within the fully-developed cities of suburban Hennepin County

Relationship to the Policy Statement

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

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

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is entered into by and between **Three Rivers Park District**, a public corporation and political subdivision of the State of Minnesota ("Buyer") and **GRC Investments, LLC**, a Minnesota limited liability company ("Seller").

RECITALS

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

WHEREAS, Seller owns property located at 17180 Dayton River Road, Dayton, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 7.3 acres; and

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

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

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

2. Consideration. In consideration of the conveyance, transfer and delivery by the Seller to the Buyer of the Subject Property, the Buyer shall pay to the Seller the sum of Three Hundred Sixty-Eight Thousand Five Hundred Dollars and no cents (\$368,500.00) ("Purchase Price") at closing.

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

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

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

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

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

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

8. Title and Documents.

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

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

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

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

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

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

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

Seller has disclosed to the Buyer all reports and other documents in their possession concerning environmental matters relating to the Subject Property. To Seller's knowledge

there are no existing claims or causes of action, and there are no pending claims regarding the Subject Property against the Subject Property or Seller involving the violation of Environmental Laws, and Seller has no such claims against third parties.

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

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

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

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

13. Closing; Contingencies.

(a) **Performance at Closing.** Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on or before September 14, 2018 or at such other time as may be agreed upon between the parties.

(i) At the Closing Seller shall:

- (a) sign an Affidavit of Seller confirming the absence of judgments, mechanics liens and unrecorded interests against the Subject Property not disclosed herein;
- (b) deliver any documents necessary to clear title in accordance with this Agreement, if any;
- (c) sign the well disclosure statement required by Minnesota Statutes §103I.235,
- (d) sign the warranty deed, and
- (e) pay the deed tax.

- (ii) At the Closing Buyer shall:
 - (a) pay the title commitment fee, if not paid pursuant to paragraph 8(b);
 - (b) pay the premium for title insurance, if desired by Buyer;
 - (c) pay any and all other closing costs including all filing fees; and
 - (d) Pay to the Seller the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.

- (b) **Contingencies.** Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies:
 - (i) Buyer shall obtain consent of the City of Dayton to its acquisition of the Subject Property pursuant to Minn. Stat. § 398.09(b)(1);
 - (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;
 - (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement for environmental reasons at any time prior to Closing;
 - (iv) This Agreement and the obligations of Buyer hereunder are strictly contingent upon approval of this Agreement by Buyer's Board of Commissioners; and
 - (v) Approval of reimbursement to Buyer by Metropolitan Council and the Legislative Citizen Commission on Minnesota Resources.

Any failure to satisfy any contingency contained herein shall render this Agreement null and void and the parties shall execute any instruments necessary to cancel this Agreement.

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

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

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

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

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

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

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

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

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

If to Seller:

GRC Investments, LLC
19230 Evans St. NW, Ste. 115
Elk River, MN 55330

If to Buyer:

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

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

Dated: 6/21/18

By [Signature]
John Gunyou, Board Chair

Dated: 6/21/18

By [Signature]
Boe R. Carlson, Superintendent

GRC INVESTMENTS, LLC

Dated: 6/20/18

By [Signature]
Its Chief Manager

Dated: 06/20/2018

By [Signature]
Its [Signature]
Authentisign
E:20/2018 5:40:29 AM CDT

This instrument was drafted by:
Eric Quiring
Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441
763-559-6718

EXHIBIT A

Legal Description of Subject Property

Lot 1, Block 1, the Goodin Homestead, HENNEPIN COUNTY, MINNESOTA.

Property Identification Number: 0512022230009



Edina Realty

AMENDMENT TO PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS[®], which disclaims any liability arising out of use or misuse of this form. © 2006 Minnesota Association of REALTORS[®], Edina, MN

1. Date 06/20/2018

2. The undersigned parties to a Purchase Agreement, dated June 21st, 2018, pertaining to
3. the purchase and sale of the property at 17180 Dayton River Rd
4. Dayton MN 55327

5. hereby mutually agree to amend said Purchase Agreement as follows:

6. * As reflected in MLS Listing # 4888769 Gregory P. Corrow is an
7. Owner/Agent for this property.

- 8.
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30. All other terms and conditions of the Purchase Agreement to remain the same.

Authentisign
Gregory Corrow 06/21/2018
6/21/2018 3:23:07 AM EDT
(Seller) Gregory P Corrow (Date)

Eric J. Quigg 6/21/18
(Buyer) John Cunyou - Board Chair (Date)
General Counsel

Richard Foster 6/21/18
(Seller) Richard Foster (Date)

(Buyer) Boe R. Carlson - Superintendent (Date)

33. THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.
34. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.



a Berkshire Hathaway affiliate

DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT

This form approved by the Minnesota Association of REALTORS[®], which disclaims any liability arising out of use or misuse of this form.
© 2014 Minnesota Association of REALTORS[®], Edina, MN

1. Page 1

2.

ARBITRATION DISCLOSURE

3. You have the right to choose whether to have any disputes about disclosure of material facts affecting the use
4. or enjoyment of the property that you are buying or selling decided by binding arbitration or by a court of law. By agreeing
5. to binding arbitration, **you give up your right to go to court.** By signing the RESIDENTIAL REAL PROPERTY
6. ARBITRATION AGREEMENT ("ARBITRATION AGREEMENT") on page two (2), you agree to binding arbitration under the
7. Residential Real Property Arbitration System ("Arbitration System") administered by National Center for Dispute Settlement
8. ("NCDS") and endorsed by the Minnesota Association of REALTORS[®] ("MNAR"). The ARBITRATION AGREEMENT is
9. enforceable only if it is signed by all buyers, sellers and licensees representing or assisting the buyers and the sellers.
10. The ARBITRATION AGREEMENT is not part of the *Purchase Agreement*. **Your *Purchase Agreement* will still be
11. valid whether or not you sign the ARBITRATION AGREEMENT.**

12. The Arbitration System is a private dispute resolution system offered as an alternative to the court system. It
13. is not government sponsored. NCDS and the MNAR jointly adopt the rules that govern the Arbitration System. NCDS
14. and the MNAR are not affiliated. Under the ARBITRATION AGREEMENT you must use the arbitration services of
15. NCDS.

16. All disputes about or relating to disclosure of material facts affecting the use or enjoyment of the property, excluding
17. disputes related to title issues, are subject to arbitration under the ARBITRATION AGREEMENT. This includes claims
18. of fraud, misrepresentation, warranty and negligence. Nothing in this Agreement limits other rights you may have under
19. MN Statute 327A (statutory new home warranties) or under private contracts for warranty coverage. An agreement to
20. arbitrate does not prevent a party from contacting the Minnesota Department of Commerce, the state agency that
21. regulates the real estate profession, about licensee compliance with state law.

22. The administrative fee for the Arbitration System varies depending on the amount of the claim, but it is more
23. than initial court filing fees. In some cases, conciliation court is cheaper than arbitration. The maximum claim allowed
24. in conciliation court is \$15,000. This amount is subject to future change. In some cases, it is quicker and less expensive
25. to arbitrate disputes than to go to court, but the time to file your claim and pre-hearing discovery rights are limited. The
26. right to appeal an arbitrator's award is very limited compared to the right to appeal a court decision.

27. **A request for arbitration must be filed within 24 months of the date of the closing on the property or
28. else the claim cannot be pursued. In some cases of fraud, a court or arbitrator may extend the 24-month
29. limitation period provided herein.**

30. A party who wants to arbitrate a dispute files a Demand, along with the appropriate administrative fee, with
31. NCDS. NCDS notifies the other party, who may file a response. NCDS works with the parties to select and appoint an arbitrator
32. to hear and decide the dispute. A three-arbitrator panel will be appointed instead of a single arbitrator at the request
33. of any party. The party requesting a panel must pay an additional fee. Arbitrators have backgrounds in law, real estate,
34. architecture, engineering, construction or other related fields.

35. Arbitration hearings are usually held at the home site. Parties are notified about the hearing at least 14 days
36. in advance. A party may be represented by a lawyer at the hearing, at the party's own expense, if he or she gives five
37. (5) days advance notice to the other party and to NCDS. Each party may present evidence, including documents or
38. testimony by witnesses. The arbitrator must make any award within 30 days from the final hearing date. The award must
39. be in writing and may provide any remedy the arbitrator considers just and equitable that is within the scope of the
40. parties' agreement. The arbitrator does not have to make findings of fact that explain the reason for granting or denying
41. an award. The arbitrator may require the party who does not prevail to pay the administrative fee.

42. **This Arbitration Disclosure provides only a general description of the Arbitration System and a general
43. overview of the Arbitration System rules.** For specific information regarding the administrative fee, please see the
44. Fee Schedule located in the NCDS Rules. Copies of the Arbitration System rules are available from NCDS by calling
45. (866) 777-8119 or (866) 727-8119 or on the Web at www.ncdsusa.org or from your REALTOR[®]. If you have any questions
46. about arbitration, call NCDS at (866) 777-8119 or (866) 727-8119 or consult a lawyer.



a Berkshire Hathaway affiliate

DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT

47. Page 2

48. THIS IS AN OPTIONAL, VOLUNTARY AGREEMENT.
49. READ THE ARBITRATION DISCLOSURE ON PAGE ONE (1) IN FULL BEFORE SIGNING.

50. RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT

51. For the property located at 17180 Dayton River Rd

52. City of Dayton, County of Hennepin, State of Minnesota.

53. Any dispute between the undersigned parties, or any of them, about or relating to material facts affecting the use or
54. enjoyment of the property, excluding disputes related to title issues of the property covered by the Purchase Agreement
55. dated June 21st, 2018, including claims of fraud, misrepresentation, warranty and
56. negligence, shall be settled by binding arbitration. National Center for Dispute Settlement shall be the arbitration service
57. provider. The rules adopted by National Center for Dispute Settlement and the Minnesota Association of REALTORS®
58. shall govern the proceeding(s). The rules that shall govern the proceeding(s) are those rules in effect at the time the
59. Demand for Arbitration is filed and include the rules specified in the Arbitration Disclosure on page one (1). This
60. Agreement shall survive the delivery of the deed or contract for deed in the Purchase Agreement. This Agreement is
61. only enforceable if all buyers, sellers and licensees representing or assisting the buyers and sellers have agreed to
62. arbitrate as acknowledged by signatures below. For purposes of this Agreement, the signature of one licensee of a
63. broker shall bind the broker and all licensees of that broker.

64. [Signature] 6/20/18
(Seller's Signature) (Date)

[Signature] (Buyer's Signature) (Date)

65. Richard Foster
(Seller's Printed Name)

John Gunyou - Board Chair
(Buyer's Printed Name)

66. [Signature] 06/21/2018
(Seller's Signature) (Date)

[Signature] (Buyer's Signature) (Date)

67. Gregory Corrow
(Seller's Printed Name)

Boe R. Carlson - Superintendent
(Buyer's Printed Name)

68. [Signature] 06/21/2018 3:22:56 AM CDT
(Licensee Representing or Assisting Seller) (Date)

[Signature] (Licensee Representing or Assisting Buyer) (Date)

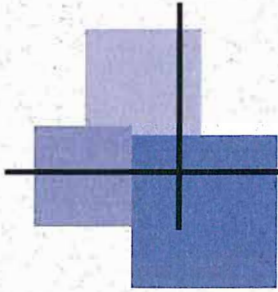
69. Edina Realty, Inc.
(Company Name)

[Signature] (Company Name)

70. THE RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT IS A LEGALLY BINDING CONTRACT
71. BETWEEN BUYERS, SELLERS AND LICENSEES. IF YOU DESIRE LEGAL ADVICE, CONSULT A LAWYER.

MN:DS:ADRAA-2 (8/14)

Declined
Eric J. King 6/21/18
General Counsel



PATCHIN MESSNER DODD & BRUMM

VALUATION COUNSELORS

June 21, 2018

Ann Rexine, ASLA, Principal Planner
Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441

RE: Goodin Homestead Property
17180 Dayton River Road
Dayton, Minnesota

Dear Ms. Rexine:

Based on your request for confirmation of our previous April 17, 2018 conclusion of value at \$365,000, we did a brief search for new comparables, and the comparables used in our appraisal are still the most relevant.

The only adjustment we would recommend is to account for market conditions. In our report, we used a 5% per annum adjustment from 2016 to the present. Since it has been three months since our date of valuation, a 1% appreciation could be applied to our previous conclusion. Therefore, our conclusion of value could change to approximately of \$368,000 to \$369,000.

Sincerely,

PATCHIN MESSNER DODD & BRUMM

Sherril L. Brumm, MAI
Certified General Real Property Appraiser
Minnesota License 20249948

Community Development Committee

For the Community Development Committee meeting of August 20, 2018

For the Metropolitan Council meeting of September 12, 2018

Subject: Parks Acquisition Opportunity Fund Grant for West Mississippi River Regional Trail, Three Rivers Park District – Goodin Property

District, Member: 1 – Katie Rodriguez

Policy/Legal Reference: Minn. Const. art. XI, sec. 15; and Minn. Stat. 473.315; *2040 Regional Parks Policy Plan* Siting and Acquisition Policy: Strategies 1 and 2

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

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$325,839.68 to Three Rivers Park District to acquire the 7.3-acre Goodin parcel at 17180 Dayton River Road in the City of Dayton for West Mississippi River Regional Trail;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$108,613.22 from its share of a future Regional Parks Capital Improvement Program for costs associated with this item; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that future reimbursement will be granted and expenditure of local funds never entitles a park agency to reimbursement.

Background

Regional Park Implementing Agency (Agency) and Location

Three Rivers Park District requested this grant on June 22, 2018 to support development of the West Mississippi River Regional Trail. A copy of the Agency's request is attached to this item. The West Mississippi River Regional Trail is a destination trail located in Hennepin County and, when complete, it will run through the communities of Dayton, Champlin, Brooklyn Park, and Brooklyn Center.

Policy

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

Funding sources

The Council's Park Acquisition Opportunity Fund (PAOF) provides resources to purchase property and easements via two state sources: the Parks and Trails Legacy Fund (PTLF) and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes further by matching every \$3 in state funds with \$2 in Council bonds proceeds. Between them, state and Council funds contribute up to 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match. The Council will fund this grant through ENRTF and Council match. Funding for this project was

provided by the Minnesota Environment and Natural Resources Trust Fund as recommended by the Legislative-Citizen Commission on Minnesota Resources (LCCMR). The Trust Fund is a permanent fund constitutionally established by the citizens of Minnesota to assist in the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Currently 40% of net Minnesota State Lottery proceeds are dedicated to growing the Trust Fund and ensuring future benefits for Minnesota's environment and natural resources.

Council review

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

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

Subject property

The subject 7.3-acre property is an inholding within the Council-approved alignment of the regional trail. The purchase will protect property that includes 830 feet of shoreline within the Mississippi River Corridor Critical Area. It is adjacent to the City of Dayton's Goodin Park and to Goodin Island, which is owned by the Minnesota Department of Natural Resources. The property is gently sloping, with a wooded northeasterly portion and an open southwesterly portion. Approximately 64% of the site is within the floodway/floodplain and has easy access to the river.

ENRTF funding rules prohibit the purchase of a property that contains habitable structures. This property does contain a barn with converted living quarters, but it has suffered from deferred maintenance and extensive damage to the interior. The City of Dayton has provided a statement that the living quarters are uninhabitable. The structures will be removed, and the Agency is working to salvage the building materials.

Acquisition details

This is a straightforward, fee simple transaction. There are easements for drainage and utility purposes that are primarily located in the floodway and do not significantly impact the use of the property as a regional asset.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- Appropriation requirements; and
- The West Mississippi River Regional Trail master plan, approved by the Council on April 25, 2018 ([*Business Item 2018-85*](#)).

Thrive Lens Analysis

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

Funding

Project budget

The appraised value is \$368,500, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$368,500.00
Due diligence (appraisal, Phase I environmental site assessment, etc.)	25,000.00
Holding and closing costs	10,952.90
Stewardship	<u>30,000.00</u>
Total costs	\$434,452.90
Grant structure	
State FY 2014 ENRTF/PAOF	\$195,503.81
Council bonds	130,335.87
Grant amount not to exceed	\$325,839.68
Local match	\$108,613.22

Fund balance

If this grant is awarded by the Council, the combined balance available for the state fiscal year 2014 ENRTF appropriation and the standard Council match will be \$527,873.99. It should be noted that a second ENRTF/PAOF grant recommendation, 2018-203, will be presented to the Council concurrent with this item, and the combined balance after both grants will be \$53,518.49 for the 2014 appropriation. The Council also has a combined \$4.2 million available from 2015 and 2017 ENRTF appropriation, with their accompanying regional bond match.

Future reimbursement consideration

The Agency is also requesting that the Council consider reimbursing its local match of \$108,613.22 for this acquisition at some point in the future as a part of a regular Capital Improvement Program (CIP). A request for "future reimbursement consideration" is the first step in a process Agencies may use to request repayment of their match amount for this acquisition in a future CIP cycle. Because the Council issues bonds to cover exactly 40% of CIP costs for a given state bonding cycle, such reimbursements are limited. The Council is under no obligation to reimburse this amount.

Known Support / Opposition

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

Exhibit List

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

Community Development Committee

For the Metropolitan Council meeting of September 12, 2018

Subject: Parks Acquisition Opportunity Fund Grant for West Mississippi River Regional Trail, Three Rivers Park District – Goodin Property

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$325,839.68 to Three Rivers Park District to acquire the 7.3-acre Goodin parcel at 17180 Dayton River Road in the City of Dayton for West Mississippi River Regional Trail;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$108,613.22 from its share of a future Regional Parks Capital Improvement Program for costs associated with this item; and
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that future reimbursement will be granted and expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

The Community Development Committee unanimously approved the recommendation at its meeting on August 20, 2018.