

Community Development Committee

For the Metropolitan Council meeting of September 12, 2018

Subject: Parks Acquisition Opportunity Fund Grant for Baker-Carver Regional Trail, Three Rivers Park District – Hodgson Property

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$474,355.50 to Three Rivers Park District to acquire the 55.94-acre Hodgson parcel at 7300 Halstead Drive in Minnetrista for the Baker-Carver 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 \$158,118.50 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.

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 Baker-Carver Regional Trail, Three Rivers Park District – Hodgson Property

District, Member: 3 – Jennifer Munt

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 \$474,355.50 to Three Rivers Park District to acquire the 55.94-acre Hodgson parcel at 7300 Halstead Drive in Minnetrista for the Baker-Carver Regional Trail;
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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 Baker-Carver River Regional Trail. A copy of the Agency's request is attached to this business item. When complete, the Baker-Carver River Regional Trail will be 17 miles long, traveling through Medina, Maple Plain, Independence, Minnetrista, Victoria, and Laketown Township. The subject property is in Minnetrista.

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 ENRTF 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 55.94-acre property is an inholding along the Council-approved trail alignment. About half of the property is agricultural land that is currently being farmed; the property will not close until after the crop has been harvested and the lease terminates. The remainder of the property is wetland, woods, and upland field. A creek bisects the property and ultimately feeds into Lake Minnetonka and Minnehaha Creek.

Acquisition details

This is a straightforward, fee simple transaction with a single utility easement that runs generally from the northeast to southwest, which will cross the trail alignment near the center of the property.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- Appropriation requirements;
- The Baker-Carver Regional Trail Master Plan, approved by the Council on May 20, 2015 ([*Business Item 2015-79*](#)).

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 \$610,000, 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	\$610,000.00
Due diligence (appraisal, Phase I environmental site assessment, etc.)	8,300.00
Holding and closing costs	9,174.00
Stewardship	5,000.00
<hr/>	
Total costs	\$632,474.00
Grant structure	
State FY 2014 ENRTF/PAOF	\$284,613.30
Council bonds	189,742.20
Grant amount not to exceed	\$474,355.50
Local match	\$158,118.50

Fund balance

This is the second of two ENRTF/PAOF recommendations presented on this agenda. If both grants are awarded by the Council, the combined balance available for the state fiscal year 2014 ENRTF appropriation and the standard Council match will be \$53,518.49. 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 \$158,118.50 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.

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 Baker-Carver Regional Trail, Three Rivers Park District – Hodgson Property

MPOSC District: B – Robert Moeller

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

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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

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- 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
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Acquisition details

This is a straightforward, fee simple transaction with a single utility easement that runs generally from the northeast to southwest, which will cross the trail alignment near the center of the property.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- Appropriation requirements;
- The Baker-Carver 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

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Future reimbursement consideration

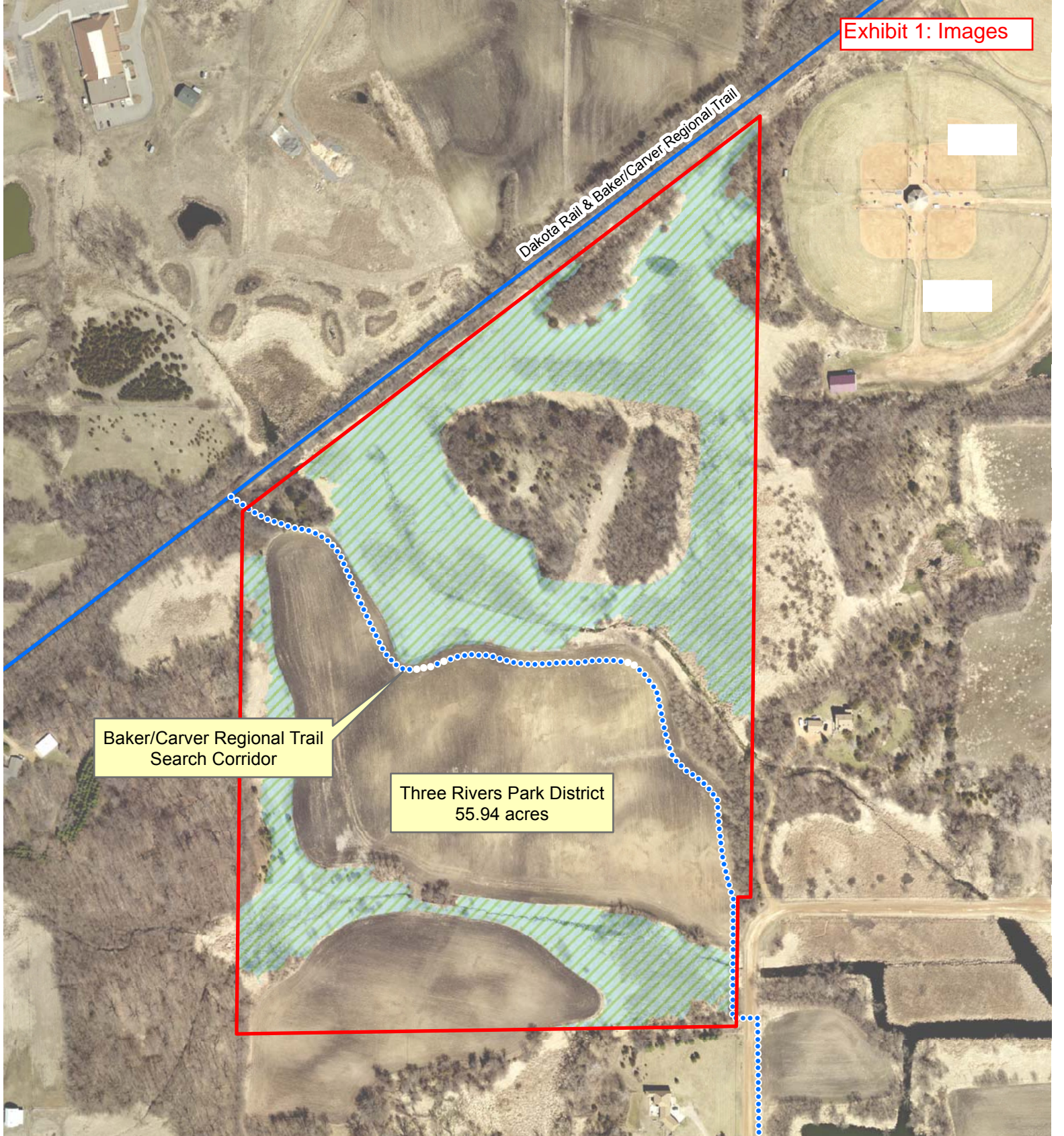
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Known Support / Opposition

There is no known opposition.

Exhibit List

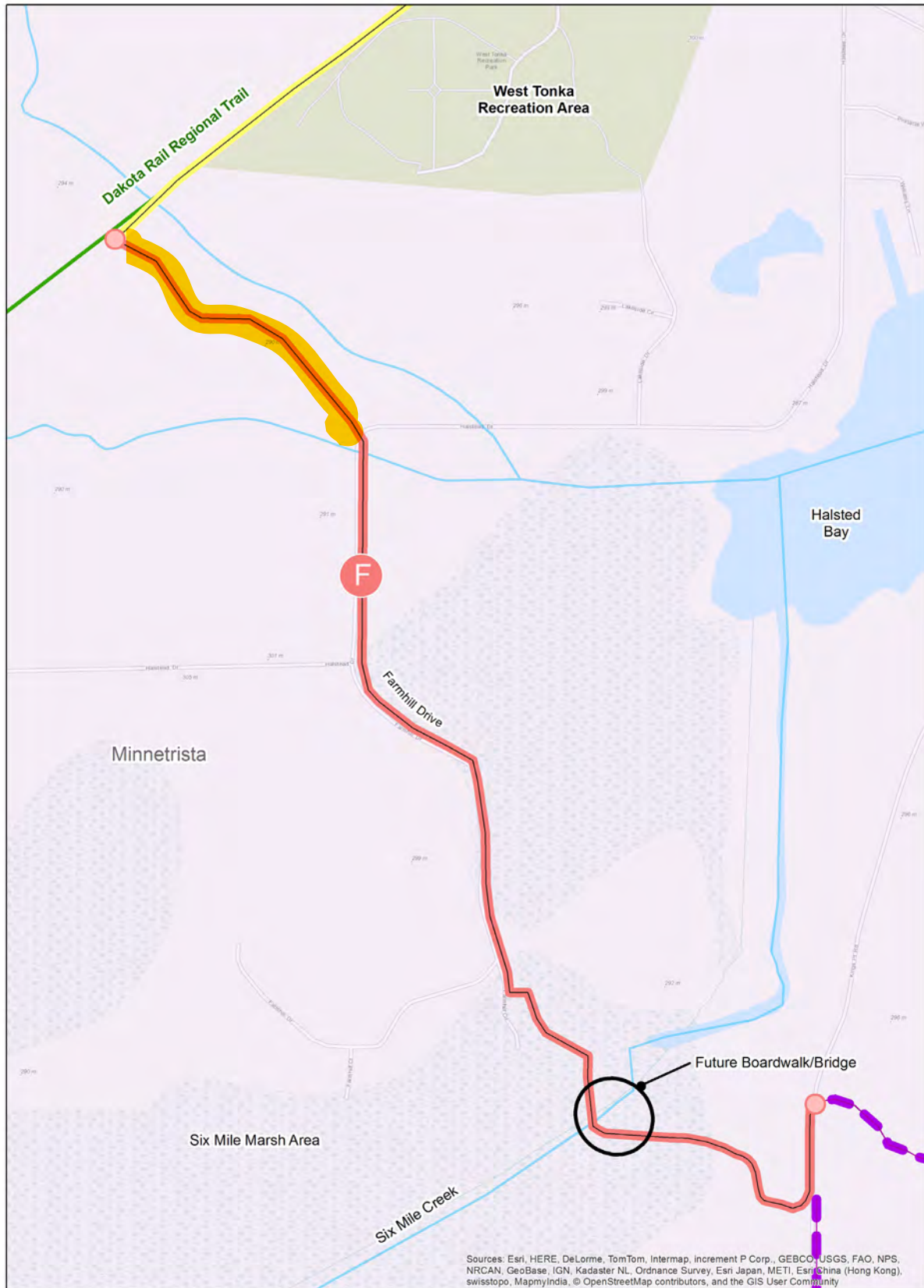
- Exhibit 1: Images
- Exhibit 2: Grant request letter
- Exhibit 3: Grant application
- Exhibit 4: Board approval to request grant
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt



Dakota Rail & Baker/Carver Regional Trail

Baker/Carver Regional Trail Search Corridor

Three Rivers Park District
55.94 acres



Proposed Regional Trail | Segment F

Status: Tentative Construction 10+ Years

Map prepared by Three Rivers Park District
Planning Department - HK August 11, 2014

This GIS Data 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 is in a constant state of maintenance, correction, and update.



0 0.05 0.1 0.2 Miles



June 22, 2018

Three Rivers
Park District
Board of
Commissioners

Penny Steele
District 1

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

Jennifer DeJournett
District 2

RE: Park Acquisition Opportunity Grant Fund Request for Baker/Carver Regional Trail

Dear Emmett,

Daniel Freeman,
Vice Chair
District 3

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Baker/Carver Regional Trail in the amount of \$474,355.50 for acquisition of 55.94 acres located in the City of Minnetrista. 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 2017, staff was contacted by a Hennepin County resident to inform the Park District that land located along the Baker/Carver Regional Trail corridor in Minnetrista was for sale on the open market. Staff immediately commenced discussion with the property representatives to determine if there was an interest to sell the property to the Park District. After an eight month negotiation process, Three Rivers and the property owner successfully negotiated a purchase agreement reflective of the appraised value.

John Gibbs
District 5

Larry Blackstad
Appointed
At Large

The Baker/Carver Regional Trail, defined primarily as a destination regional trail, is intended to incorporate areas adjacent to the trail to improve wildlife habitat and protect natural resources. Currently, the property is a mix of agriculture fields and open space/wetland complexes, with scenic vistas across the rolling topography. The subject property provides a critical link from Halstead Drive to the Dakota Rail – Baker/Carver Regional Trail shared corridor.

Steve Antolak
Appointed
At Large

Thank you for your continued assistance throughout this process.



Cris Gears
Superintendent

Heather Kuikka
Planning Administrative Specialist

Enclosures



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Review

Application Details

[Print to PDF](#) | [Review](#) | [Funding Opportunity](#) | [Annotations\(0\)](#)

08719 - 2018 Parks Acquisition Opportunity Fund

10685 - Baker-Carver Regional Trail - Hodgson Property
Parks Grants Acquisition

Applicant Information

Primary Contact:

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

Title:* Administrative Specialist - Planning

Department:

Email:* Heather.Kuikka@threeriversparks.org

Address:* 3000 Xenium Lane N

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

Phone:* 763-559-9000 **Ext.:**

Fax:

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

Organization Information

Name:* THREE RIVERS PARK DISTRICT

Jurisdictional Agency (if different):

Organization Type:

Organization Website:

Address:* RESERVATIONS
3000 XENIUM LN N

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

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 Baker-Carver 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 Baker/Carver Regional Trail

Name of master plan

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

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

Acquisition method

Acquisition method Fee title

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

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

This is a routine fee-title acquisition. The purchase price is consistent with the appraised value and there are no habitable structures on the property. The property is undeveloped and is currently a mix of agricultural and open space comprised of wetland, fields and wooded areas.

There is an agricultural lease on the land which will be fully terminated prior to Three Rivers closing on the property to eliminate any potential conflict between the funding rules/regulations and property use.

The Park District appraised the property fall 2017 and updated the appraisal in spring 2018. Both documents are attached as the first appraisal includes the majority of the analysis and assessment and the second is simply an update to that work.

The seller had listed the property on the open market for \$670,000 and has accepted a purchase price of \$610,000 - \$60,000 below asking.

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? No

If yes, describe

It is understood that the property is encumbered by a gas pipeline easement. Its width and exact location is not known but will be fully understood at which title work is complete and prior to closing. Due to the type of easement/utility it is not expected to conflict with the long-term use of the provided as regional open space/greenway/regional trail.

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 11/15/2018
Format: mmddyyyy (Do not enter any punctuation.)

Date purchase agreement expires
Format: mmddyyyy (Do not enter any punctuation.)

Appraisal effective date 05/08/2018

Appraisal information

Appraised value \$610,000.00

Amount being offered the seller (net of closing and other costs) \$610,000.00 100.0%
% of appraised value

Appraisal date 05/23/2018

Who performed the appraisal? Day Group LLC

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

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 property is undeveloped. About half the property is agricultural land and the rest undeveloped open space comprised of wetland, woods and upland field. There is a ditch/creek that bisects the property and ultimately feeds into Lake Minnetonka/Minnehaha Creek.

Suggested funding source

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

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?**

No

If yes, are there any habitable structures?**If yes, what is the plan for the structure(s)?****If there are habitable structures, could they be relocated? If yes, how? If no, why not?****For ENRTF funding only**

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

NOTICE: ENRTF funding has specific requirements for disseminating information to the public when property is 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.

This parcel is within the boundaries of a Council approved master plan for the regional trail and has been part of the acquisition plan for several years. Acquisition of this parcel as well as others with high-quality (potential for high-quality) natural resources are critical to the long-term regional trail vision to Connect Carver Park Reserve to Lake Minnetonka Regional Park to Gale Woods Farm to Kingswood Special Recreation Feature to Bake Park Reserves as well as the Lake Minnetonka and Dakota Rail Regional Trails and Luce Line State Trail. When complete the 17-mile Baker-Carver Regional Trail will provide a high-quality destination regional trail greenway in southwest Hennepin County. The overall route, which includes this parcel, was developed to incorporate and highlight the natural resources of the area including Stieger Lake, Six Mile Creek, Little Long Lake, Painter Creek, wetland complexes, wooded areas, and other natural areas that capture and highlight the undeveloped landscape.

Further this parcel is essential to the long-term connectivity of the regional trail as it removes a critical gap between a public road right-of-way where the trail is planned and the Dakota Rail Regional Trail. With each additional parcel retained, the vision for the natural resource based trail corridor becomes closer and closer to reality.

Acquisition of this parcel is critical as the Park District predominately acquires property on a willing seller basis. In this case, there is a willing seller whom has signed a purchase agreement for the sale of their property and has accepted a purchase price significantly less than currently listed price on the open market for \$670,000.

Does the property currently contain any revenue-generating businesses? No**If the property contains habitable structures or revenue-generating businesses, describe:****Stewardship and minimal access****Describe the stewardship plan.**

The short term stewardship cost is to remove any remaining personal property from the property which is very limited (i.e. hunting blinds and any miscellaneous trash). Any costs of this work will be paid for from Three River's local match and Met Council Bond funds and not ENRTF.

The long-term ecological restoration and management plan is to remove invasive species and to add native vegetation which will serve both an ecological function (wildlife habitat, air quality, stormwater management, erosion control, etc.) as well as provide recreation value by buffering the regional trail from adjacent existing and future development and creating an opportunity to experience and appreciate nature while using the regional trail. Vegetation will most likely come from the Park District's nursery which grows herbaceous and woody native plant materials using local ecotypes. The plant material will be selected based on site conditions (soil type, flood plain, etc.).

How will the stewardship implementation be funded?

Short-term stewardship costs of this work will be paid for from Three River's local match and Met Council Bond funds and not ENRTF.

Long-term ecological restoration will be paid for from Three Rivers General Operation Fund which is primarily funded through property taxes of Suburban Hennepin County.

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

If yes, how will those funds be used?

Local match

Source of local match

Three Rivers Land Acquisition Development and Betterment Fund

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

If yes, how much? \$158,118.50

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
Hodgson Family Ltd Partnership	7300 Halstead Drive, Minnetrista, MN 55364	28-117-24-12-0003	55.94	06/21/2018	No	33A	Minnetrista	Hennepin	3	B	44.918718	-93.713888
			55.94									

Grant agreement signatories

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

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$610,000.00
Appraisal expenses	
Appraisal	\$8,300.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$0.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$5,000.00

Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$250.00
Legal services and closing costs	\$5,000.00
Property tax equivalency payment-473.341	\$850.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$2,074.00
Title insurance	\$1,000.00
Well disclosure statement	\$0.00
Other holding	\$0.00
Other expenses	
Other expenses	\$0.00
Totals	\$632,474.00

Total Estimated Acquisition Costs

Totals	Total acquisition cost	Total paid with state funds	Total paid with metro funds	Total paid by agency	Total grant amount
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$632,474.00	\$284,613.30	\$189,742.20	\$158,118.50	\$474,355.50

Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
Section 1 - REQUIRED FOR ALL REQUESTS				
Grant request letter	request letter	Hodgson Letter to Met Council Grant Request.pdf	pdf	51 KB
Master plan documentation (please compress to 5 Mb max)	excerpts attached. Full master plan available upon request	master plan excerpts.pdf	pdf	1.1 MB
Aerial photo showing parcel boundary (please compress to 5 Mb max)	Parcel Boundary Map	Aerial with parcel boundary.pdf	pdf	228 KB
Parcel map showing park/trail master plan boundary (please compress to 5 Mb max)	1st map is a zoomed in parcel map, 2nd and 3rd maps are acquisition maps from the master plan showing the minimum acquisition needs for this segment	Parcel Map and Master Plan Acquisition Maps.pdf	pdf	1.2 MB
Governing Board action authorizing grant request	Board approval	Hodgson Board Action.docx	docx	1.1 MB
Section 2 - FEE TITLE REQUIREMENTS				
Signed purchase agreement	Purchase agreement	Hodgson Property - Fully Executed Purchase Agreement 06-21-18.pdf	pdf	592 KB
Property appraisal report (please compress to 5 Mb max)	Original Appraisal	Hodgson Appraisal.pdf	pdf	11.4 MB
Appraisal invoice	1st appraisal invoice	Day Group Invoice_Hodgson.pdf	pdf	326 KB
Phase 1 environmental site assessment report	No environmental assessment planned	Additional Met Council Info.docx	docx	15 KB
Phase 1 environmental assessment invoices	Not applicable	Additional Met Council Info.docx	docx	15 KB
State deed tax or conservation fee invoice	estimate	Additional Met Council Info.docx	docx	15 KB
Current property tax statement with pro-rated share of tax due	tax info	Additional Met Council Info.docx	docx	15 KB
Tax equivalency payment	tax payment info	Additional Met Council Info.docx	docx	15 KB

Title insurance invoice	Title work not yet complete. Estimate only.	Additional Met Council Info.docx	docx	15 KB
Itemized estimate of closing costs	Not yet complete, will be prepared prior to closing	Additional Met Council Info.docx	docx	15 KB
Minimal access development estimated costs	Not applicable	Additional Met Council Info.docx	docx	15 KB
Land stewardship plan	stewardship info	Additional Met Council Info.docx	docx	15 KB
Land stewardship estimated costs	stewardship cost - short term	Additional Met Council Info.docx	docx	15 KB
Legal description of the property	Legal Description	Legal Description.docx	docx	13 KB
Survey report	Not Applicable	Additional Met Council Info.docx	docx	15 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 Parcel map with trail route

[Baker_Carver Corridor_Hodgson
Property_Full Park District
Ownership.pdf](#)

pdf 901
KB

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

File Name	Description	File Size
Day Group Invoice_Hodgson_Ok to Pay.pdf (244 KB)	Updated appraisal invoice	244 KB
Hodgson_Report_5-23-18_HQ.pdf (1.9 MB)	Updated appraisal	1.9 MB
tax details.pdf (60 KB)	Hen Cty Tax Info	60 KB

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REQUEST FOR BOARD ACTION

Meeting Date: 06/21/18 Business Item: Unfinished Item Number: **6C**

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

Agenda Item: Baker-Carver Regional Trail: Hodgson Purchase Agreement

Superintendent's Recommendation:

MOTION TO ENTER INTO A PURCHASE AGREEMENT IN THE AMOUNT OF \$610,000 WITH HODGSON FAMILY LTD PARTNERSHIP FOR THE ACQUISITION OF 55.94 ACRES LOCATED AT 7300 HALSTEAD DRIVE, ADJACENT TO THE BAKER/CARVER REGIONAL TRAIL CORRIDOR IN THE CITY OF MINNETRISTA, MN AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$630,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

The following information was prepared by Ann Rexine, Principal Planner

Background:

Following initial staff review and Board approval in August 2017, staff commenced formal actions to acquire 55 acres of land located at 7300 Halsted Drive along the Baker/Carver Regional Trail corridor in Minnetrista (***Reference 6C-1***). After several months of negotiations, Park District staff and the property owner representatives agreed on a purchase price of \$610,000 which is supported by the appraisal valuation. The subsequent purchase agreement is enclosed for Board consideration and approval (***Reference 6C-2***). Upon approval by Park District Board, approval from the City of Minnetrista will need to be received. City staff to date has indicated support.

The Baker/Carver Regional Trail, defined primarily as a destination regional trail, is intended to incorporate areas adjacent to the trail to improve wildlife habitat, protect natural resources and create opportunities for high-quality recreation. Currently, the property is a mix of agriculture fields and open space/wetland complexes, with scenic vistas across the rolling topography. The property is comprised of 35 acres upland and 20 acres wetland. The subject property provides a critical link from Halstead Drive to the Dakota Rail Regional Trail.

Funding

The estimated total acquisition cost is approximately \$630,000 including purchase cost, appraisal, any environmental assessment work, legal fees, title commitment/insurance, closing costs, taxes and similar.

The acquisition is eligible for a Metropolitan Council Park Acquisition Opportunity Fund grant for up to 75 percent acquisition reimbursement (\$472,500). Staff recommends funding the local match in the estimated amount of \$157,500 from the Land Acquisition Development and Betterment fund.

Relationship to the Vision Plan

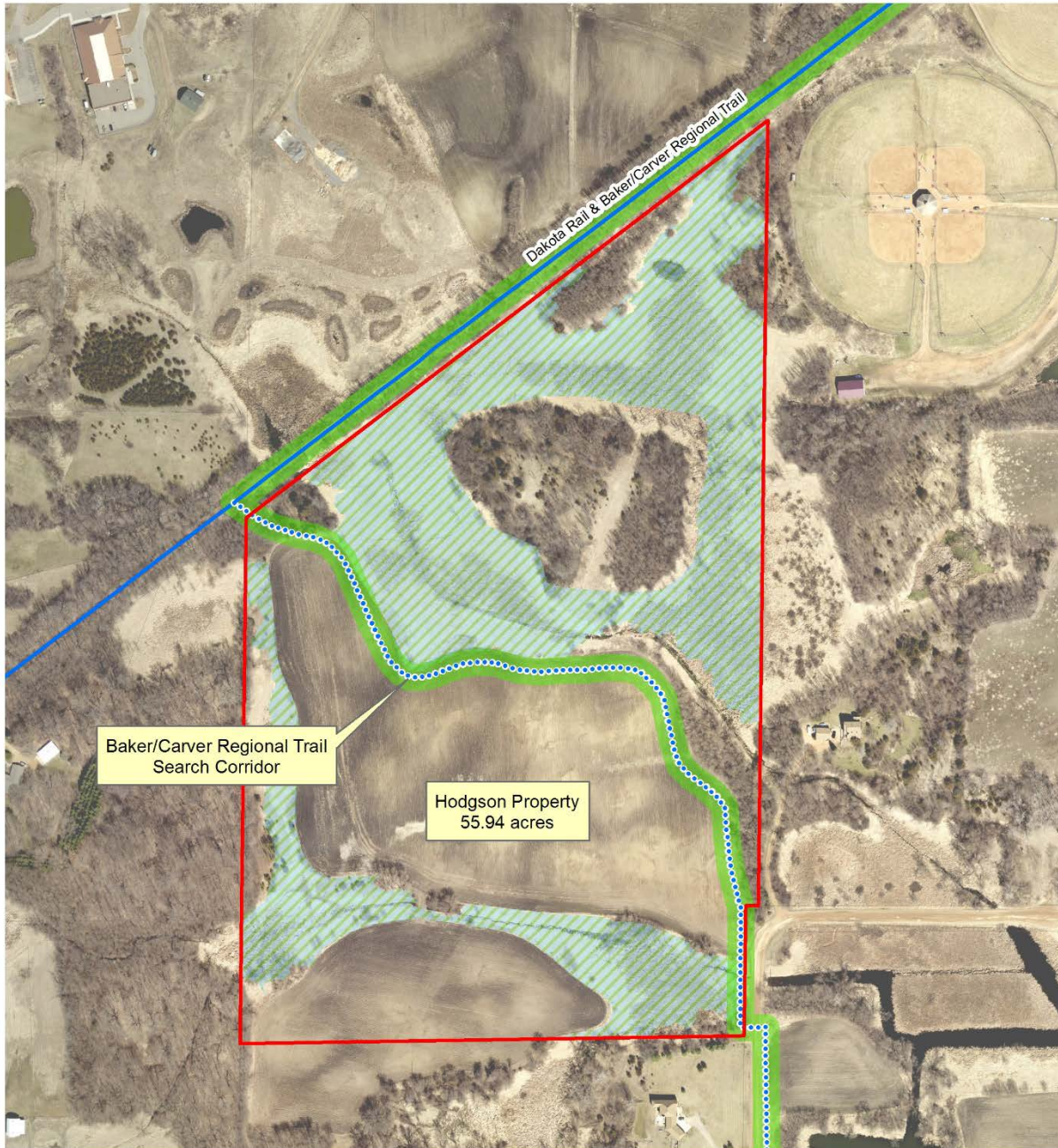
The Request for Action supports the following element(s) of the Vision Plan:

- 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
 - A. Method of Acquisition



Baker/Carver Regional Trail Search Corridor

Hodgson Property
55.94 acres

0 0.04 0.08 0.12 0.16 Miles

-  Hodgson Property
-  Wetland/Open Water



Hodgson Property
7300 Halsted Dr., Minnetrista, MN

Map prepared by Three Rivers Park District
Planning Department - AR June 6, 2018

This GIS Data 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 is in a constant state of maintenance, correction, and update.

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 **Hodgson Family Limited Partnership**, a Minnesota limited partnership ("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 7300 Halstead Drive, Minnetrista, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 55.94 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 Six Hundred Ten Thousand Dollars and no cents (\$610,000.00) ("Purchase Price") at closing.

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

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

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

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

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

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

8. Title and Documents.

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

- (i) Copies of any environmental audits or assessments of the Subject Property that are in Seller's possession;
- (ii) Copies of any certificates, authorizations, permits, licenses and approvals which have been issued covering the Subject Property;
- (iii) Copies of any surveys that are in Seller's possession;
- (iv) Copies of any written agreements affecting the ownership and use of the Subject Property known to Seller; 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 about November 15, 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 Minnetrista 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;
 - (v) Approval of reimbursement to Buyer by Metropolitan Council and the Legislative Citizen Commission on Minnesota Resources;
 - (vi) Completion of road work/grading on the Subject Property to Buyer's satisfaction; and
 - (vii) Termination of any and all leases on the Subject Property.

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:
Hodgson Family Limited Partnership
205 Janalyn Circle
Minneapolis, MN 55416

With a Copy to:
Tim Landon, ReMax Realtors
4154 Shoreline Drive #100
Spring Park, MN 55384

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 
John Gunyou, Board Chair

Dated: 6/21/18


By 
Boe R. Carlson, Superintendent

HODGSON FAMILY LIMITED PARTNERSHIP

Dated: 6/2/18

By 
Its General Partner

Dated: 6/2/18

By 
Its General Partner

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

THAT PART OF W 1/2 OF NE 1/4 LYING N OF S 986 FT THOF AND LYING SELY OF RR R/W
ALSO THAT PART OF W 1/2 OF SE1/4 OF SEC 21 T 117 R 24 WHICH LIES SELY OF RR R/W
EXCEPT ROAD, HENNEPIN COUNTY, MINNESOTA.

Property Identification Number: 2811724120003



**2018 Market Value
Updated Restricted Appraisal Report Attachment**

**Rural Residential Acreage
7300 Halstead Drive
Minnetrista, Minnesota**

Owner is Hodgson Family Ltd Partnership

Client is Three Rivers Park District





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

763.205.6966
Fax 763.208.3928
www.daygroupmn.com

May 23, 2018

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

RE: Updated Market value Restricted Appraisal Report Attachment
7300 Halstead Drive
Minnetrista, Minnesota 55364
Owner is Hodgson Family Ltd Partnership

Dear Ms. Rexine:

I completed an appraisal report on the above-referenced property having a Day Group LLC job number of 2017126, a valuation date of 9/7/2017, and a report date of 9/22/2017. This "Restricted Appraisal Report," as defined by USPAP, is an update attachment report based on a new date of value (5/8/2018) and investigation into new comparables. This updated report is to be attached to the original report, and can only be understood and relied upon when the original report is available in its entirety. While the original appraisal analyzed the subject as a development site both before and after acquisition, this update analyzes only the "as-is" value. I have not reinspected the property and assume a status similar to the original inspection date. Please see the original work for the location analysis, zoning, subject description, market overview, and highest and best use. These sections remain useful for this updated work. For this updated attachment report, the appraiser is only addressing things that have changed.

In accordance with your request, a market value appraisal analysis on the referenced property have been completed. I have considered the relevant factors relating to the subject property and the current market forces. This report attachment contains the summary of the analysis completed, commentary, and value conclusions in areas which have changed since the original assignment. 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 for a future regional trail. 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 the revised value is May 8, 2018, the fee simple interest has been appraised based upon its "as-is". No crop value has been included in the valuation.

Before relying upon any of the conclusions, please refer to the original appraisal and the body of this attached updated appraisal report for statements or descriptions on the effective date of value, a definition of market value, assignment conditions, identification and description of the subject property, any personal property included, and the scope of work employed in my analysis of the subject property.

The subject remains an unimproved rural residential acreage parcel containing 5 building eligibilities "as-is". It contains 55.94 gross acres of which 34.54 acres are upland. It is bisected by a gas pipeline easement and has an overall terrain of rolling and mostly open (heavily treed at the north upland area).

The subject has similar features to a nearby development known as Waterset which obtained approval for a cluster development and increased density. While considered too speculative without approvals for this appraisal, if a cluster development/PUD was allowed on the subject, an increase in the subject's market values would be merited.

This updated 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.

I 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. The appraisal is subject to the general limiting conditions, extraordinary assumptions and hypothetical conditions within this updated appraisal, along with the original work (please review these before any of the values or conclusions are relied upon). A condition of this report remains that the assessments associated with the Halstead Dr roadway project have been paid.

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

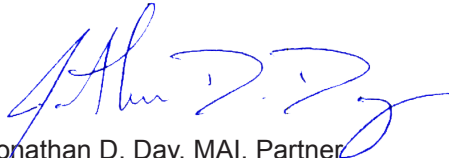
UPDATED "AS-IS" MARKET VALUE CONCLUSION:
SIX HUNDRED TEN THOUSAND DOLLARS
(\$610,000)

The conclusion of this updated attachment appraisal is \$60,000 above the 2017 appraisal report conclusion (\$550,000), and amounts to a 11% increase in value. This value increase is merited as the most recent comparables provide market evidence support for an increase in value. While the overall rural residential acreage market is reported to be slow, the recent comparables show there has been an increase in sale prices.

It has been a pleasure to serve you in this manner. Feel free to contact me if you have any questions or concerns.

Respectfully submitted,

DAY GROUP LLC



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