

Community Development Committee

For the Metropolitan Council meeting of January 9, 2019

Subject: Park Acquisition Opportunity Fund Grant for Kingswood Special Recreation Feature, Three Rivers Parks District (Baker)

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$1,650,000 to Three Rivers Park District to acquire the 17.97-acre Baker parcel in the City of Minnetrista at 1705 Retreat Circle for the Kingswood Special Recreation Feature;
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 \$550,000 from its share of a future Regional Parks Bonding Program; 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

Senior Finance Planner Deb Jensen presented the staff report to the Committee. There were no questions. The Community Development Committee unanimously approved the recommendation at its meeting on December 17, 2018.

Community Development Committee

For the Community Development Committee meeting of December 17, 2018

For the Metropolitan Council meeting of January 9, 2019

Subject: Park Acquisition Opportunity Fund Grant for Kingswood Special Recreation Feature, Three Rivers Parks District (Baker)

District(s), Member(s): 3 – Jennifer Munt

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

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

Division/Department: Community Development / Regional Planning

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Background

Regional Park Implementing Agency (Agency) and Location

Three Rivers Park District requested this grant on October 19, 2018. A copy of the Agency's request is attached to this item as Exhibit 2. The Kingswood Special Recreation Feature is located in the City of 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) Program 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 Parks and Trails Legacy Fund and Council match.

Council Review

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

- reviews each Park Acquisition Opportunity Fund 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 17.97-acre property is adjacent to the Council-approved boundaries of the Special Recreation Feature. The Agency has requested an acquisition master plan amendment to bring the property within the boundary; this acquisition request is contingent upon the Council's approval of the acquisition master plan amendment.

The proposed acquisition has 660 linear feet of shoreline located on the east side of Little Long Lake, the most pristine lake in Hennepin County. The lake has a two-tier fishery, and its watershed is small and relatively undeveloped, making it feasible to protect the lake in perpetuity. Portions of the property are maple-basswood forest, with butternut, black walnut, spruce, red pine, and wetland. The topography is generally undulating with a ridge line along the eastern edge of the lake with a steep embankment to the lake. In the short term, the Agency plans on demolishing the structures and driveway and restoring the site to a natural condition.

The property contains a large home. Because of the size of the structure and the long, winding driveway, the Park District has determined that the home cannot be moved. Access to the property is from the east, and the home is set as far to the west and connected via a narrow driveway with tight, challenging turns. Bringing in equipment and trucks to the developed area of the property without impacting the site's natural resources is not readily feasible.

Acquisition Details

This is a straightforward, fee simple transaction. There is a small driveway easement in the northeast corner of the property. The property to which the easement provided access has a new driveway, and the easement is no longer needed. As a part of the title work, the Agency will work with the adjacent owner to vacate the easement.

Rationale

This acquisition is consistent with:

- *The 2040 Regional Parks Policy Plan*
 - Planning Policy Strategy 1 requires that before an Agency can receive a grant for acquisition, the proposed project must be consistent with a Council-approved master plan. The Council approved the master plan for this special recreation feature in 2013.
 - Siting and Acquisition Strategy 1 requires that lands with natural resource features, access to water, and/or restoration potential will be a priority for the Regional Parks System. The property recommended for acquisition has lake frontage and is wooded.

- Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park lands and matching every \$3 in state funds with \$2 in Council bonds.
- Appropriation requirements.
- All requirements of Parks and Trails Legacy Fund.
- The Kingswood Special Recreation Feature master plan, as amended with the concurrent Business Item 2018-330.

Thrive Lens Analysis

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

Funding

Project budget

The appraised value was \$2.1 million as of the appraisal date of May 17, 2018, 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	\$2,100,000
Due diligence (appraisal, Phase I environmental site assessment, etc.)	10,800
Holding and closing costs	27,190
Stewardship (demolition)	\$62,010
<hr/>	
Total costs	\$2,200,000

Grant structure

State FY 2019 PTLF PAOF	\$990,000
Council bonds	<u>660,000</u>
Grant amount not to exceed	\$1,650,000
Local match	\$550,000

Future reimbursement consideration

The Agency is also requesting that the Council consider reimbursing its local match of \$550,000 for this acquisition at some point in the future as a part of a regular Bonding Program request. 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 cycle. Because the Council issues bonds to cover exactly 40% of Bonding Program 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.

Summary of Discussion

Senior Planner Deb Streets Jensen presented the staff report to the Metropolitan Parks and Open Space Commission (MPOSC) at its meeting on December 4, 2018. There were no questions from commissioners. The Metropolitan Parks and Open Space Commission approved the recommendation unanimously.

Metropolitan Parks and Open Space Commission

Meeting date: December 4, 2018

For the Community Development Committee meeting of December 17, 2018

For the Metropolitan Council meeting of January 9, 2019

Subject: Park Acquisition Opportunity Fund Grant for Kingswood Special Recreation Feature, Three Rivers Parks District (Baker)

MPOSC District: District B, Robert Moeller

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The property contains a large home. Because of the size of the structure and the long, winding driveway, the Park District has determined that the home cannot be moved. Access to the property is from the east, and the home is set as far to the west and connected via a narrow driveway with tight, challenging turns. Bringing in equipment and trucks to the developed area of the property without impacting the site's natural resources is not readily feasible.

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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 purchase property
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt

Exhibit 1 – Images



Figure 1: Aerial photograph with parcel boundary overlay. Driveway easement is shown in red circle.



Figure 2: View of Little Long Lake



October 19, 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 Kingswood Special Recreation Feature

Dear Emmett,

Jennifer DeJournett
District 2

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Kingswood Special Recreation Feature in the amount of \$1,650,000 for acquisition of 17.96 acres located in the City of Minnetrista.

Daniel Freeman,
Vice Chair
District 3

Kingswood SRF is instrumental in protecting the quality of Little Long Lake – known for its outstanding water clarity and two-tiered fishery that supports trout. The glacial landforms surrounding the lake created a very small watershed, and Kingswood, with this acquisition, protects over half of that watershed. The acquisition will also result in the removal of the only house directly on Little Long Lake – and will preserve natural lakeshore and views for future generations.

John Gunyou,
Chair
District 4

The property is adjacent to, but not currently within, the approved 2013 Acquisition Master Plan boundary of Kingswood SRF. Three Rivers is also submitting to the Council an Acquisition Master Plan Amendment to include this property for consideration concurrently with this acquisition request.

John Gibbs
District 5

The appraised value of the property and the agreed purchase price are \$2,100,000. In addition, Three Rivers estimates acquisition stewardship costs of \$100,000 for removal of buildings and roads as well as other incidentals such as closing costs and the appraisal. The total costs of the acquisition is estimated to be \$2.2 million.

Larry Blackstad
Appointed
At Large

Three Rivers requests acquisition funding of \$1,650,000 from the Parks and Trails Legacy Acquisition Fund. Three Rivers also requests that its match of \$550,000 be eligible for future reimbursement through the Capital Improvement Program. Thank you for your continued assistance through this process.

Steve Antolak
Appointed
At Large

Respectfully,

A handwritten signature in black ink, appearing to read "Jonathan Vlaming".

Jonathan Vlaming
Associate Superintendent

Cris Gears
Superintendent

C: Kelly Grissman, Director of Planning
Deb Jensen, Metropolitan Council



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Application

Instructions P

Print to PDF will convert the application plus any PDF attachments into a single PDF file. Release for Review will change the status of the application to Under Review and move it on to the evaluation process. Negotiation will allow you to lock one or more sections of the application and route the application back to the applicant for further editing. Annotations allow internal staff to add notes that are visible to internal staff only and possibly reviewers if they have a special security privilege. The applicant can also see these notes. Versions will display all component versions that were created as a result of the negotiation process. Feedback allows staff to enter feedback about the application to the applicant. The feedback text will appear at the bottom of the application and will be visible to anyone who has access to the application. Withdraw changes the status of the application to Withdrawn and removes the app from the evaluation process.

Application Details P Map | Print to PDF | Release for Review | Negotiation | Annotations(0) | Versions | Feedback | Withdraw

10857P - 2019 Parks Acquisition Opportunity Fund - Final Application

11677 - Kingswood - Baker
Parks Grants Acquisition

Status: Submitted P Submitted Date: 10/19/2018 9:51 AM

Applicant Information

Primary Contact: P

Name:* Ms. Kelly Kristin G rissman P
Salutation First Name Middle Name Last Name

Title:* Director of Planning

Department: Planning

Email:* deb.jensen@metc.state.mn.us P

Address:* P 3000 Xenium Lane North

P kgrissman@threeriversparkdistrict.org

* P Lymouth P Minnesota P 55441
City State/ Province P Postal Code/Zip

Phone:* P 763-694-7635 P
Phone Ext.

Fax: P 763-557-5248 P

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: P

Address:* P RESERVATIONS
3000 XENIUM LN N

* P LYMOUTH P Minnesota P 55441-2661
City State/ Province P Postal Code/Zip

County:* P Hennepin

Phone:* P 763-559-6700 P
Ext.

Fax:

PeopleSoft Vendor Number P 0000057347A1 P

Project description

Please limit acquisition requests to a single park or trail

Park or trail name Kingswood SRF-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? P No

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

Name of master plan P 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? Yes

Acquisition method

Acquisition method P 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 acquisition except that the master plan has to be amended to include this property within the approved master plan boundary. A master plan amendment request is being submitted simultaneously. P

In addition, this property is eligible for both ENRTF and TLF acquisition funds. However, Three Rivers understands that ENRTF funds are not currently available. As such this request is for exclusive use of TLF. Should ENRTF funds become available, Three Rivers is open to splitting the funding request between the two sources. In the event TLF are not available, Three Rivers requests to be first in line for when funding does become available.

In recognition of the potential funding challenges, Three Rivers worked with the seller to obtain an August 2019 closing which was not ideal for the seller.

Public domainP

Is any portion of the property currently in the public domain? P 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.

Eminent domain

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? P Yes

If yes, describe

The appraisal indicated that there may be a very small driveway easement in the northeast corner of the property. The exact location and size is unknown but will be further reviewed as part of title work. This easement would not prohibit fulfillment of Three Rivers vision for the property. If the easement is no longer needed as the adjacent property that it serves has a new driveway and road access not through this area, steps will be taken to evaluate and possibly vacate the easement should it exist.

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 P 08/30/2019
Format: mmddyyyy (Do not enter any punctuation.)

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

Appraisal

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

Appraisal effective date P 05/17/2018

Appraised value P \$2,100,000.00

Amount being offered the seller (net of closing and other costs) P \$2,100,000.00 P 100.0%
% of appraised value

Appraisal date 08/30/2018

Who performed the appraisal? Nagell Appraisal & Consulting

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

Was a survey done? P No

Quality of natural resources - is the property...

...undeveloped? Yes
Fully P Partially

...wooded? Yes P
Fully P Partially

...shoreline? Yes
Fully P Partially

Describe the existing natural resources it contains

The property is located directly on Little Long Lake - the most pristine lake in Hennepin County. The lake has a two-tier fishery and its watershed is small and relatively undeveloped making the long-term goal of protecting the lake in perpetuity feasible. Acquisition and restoration of this property to a natural state helps achieve this goal.

Options of the property are maple- basswood forest, red pine and wetland. The topography is generally undulating leading to ridge line along the eastern edge and steep embankment to the lake.

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 TLF Legacy / 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? Yes

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

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

Not easily due to the size of the structure and access to the home. Access to the property is from the east and the home is set as far to the west as possible and connected via a narrow driveway with tight, challenging turns and some topography challenges getting equipment and trucks to the developed area of the property without impacting the greater property is not easily feasible.

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.

While ENRTF funds are not proposed at this time due to the temporary freeze to correct acreage minimums, this property is a good candidate for ENRTF. Should the acreage requirement be corrected in the immediate future allowing access to those funds, Three Rivers would be open to using those funds to support acquisition of the property.

As part of the acquisition of Kingswood Special Recreation Features, Three Rivers made a commitment to further protecting the water quality and health of Little Long Lake and its watershed. One strategy to achieve this goal is through the long-term protection of the watershed – acquiring this property and returning it to a natural, native state helps accomplish this goal.

At the time the original Kingswood Special Recreation Feature Acquisition Master Plan was developed, it focused solely on the present opportunity which was acquiring Camp Kingswood as it was the only willing seller. Since Three Rivers is committed to a willing seller approach, and did not want to jeopardize the Camp Kingswoods acquisition opportunity, a decision was made to not include additional properties in the original master plan and instead to amend the master plan should additional opportunities that mirrored the benefits and opportunities of Camp Kingswood present themselves and only if they were locally supported.

Since then, this property owner reached out to Three Rivers with an interest in selling to Three Rivers for the long-term protection of the property and its resources. Due to the natural resource value, Three Rivers is amending the acquisition master plan to include this property and intends to amend the master plan in the future, should additional similar opportunities arise. P

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

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

Yes, this property contains a 3,838 sq ft single family home built in 1998. Details below.

Main level features include, but are not limited to: P

- Vaulted ceilings throughout
- Floor-to-ceiling prismatic windows highlighting the natural surrounding vistas
- Entry foyer
- Powder room (half bathroom)
- Living room with fireplace and large windows overlooking lake
- Music room P
- Kitchen with center island (vegetable sink), double oven, cooktop and range hood
- Solid surface counters throughout
- Breakfast dinette with large windows overlooking lake
- Sunken living room with fireplace P
- Formal dining room P
- Guest bedroom with bathroom ensuite
- Main level laundry area P
- Master suite with large windows overlooking wooded yard and private terrace overlooking lake; master suite also includes a large walk-in-closet
- Master bathroom with soaking tub, walk-in shower, and double vanity
- Screen porch P
- Patio deck (located above tuck-under garage)
- Two staircases to lower level P

Lower level features include, but are not limited to:

- Walkout to rear yard
- Media room with fireplace and large windows overlooking lake
- Billiards room/Recreation Room
- Wet Bar
- Office with built-ins
- Bedroom with bathroom ensuite and large windows overlooking lake
- Bedroom P
- Dog suite with built-in wash station
- Shop room with concrete floors and walkout doors to rear yard
- Storage Room
- Crawl space beneath master bedroom (wall access only)
- 3-car garage (heated and insulated) P

Stewardship and Minimal Access P

Describe the stewardship plan.

The short-term stewardship cost are for the removal of the home, garden shed, utilities and driveway and the restoration of the developed areas of the site to a natural condition. Any costs of this work will be paid for from Three Rivers' local match, Met Council Bond funds and TLP and not ENRTF. ENRTF funds be used to assist with acquisition of the undeveloped portions of the property. P

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 removing the only residential structure on the northern portion allowing swimmers, boaters and anglers an unimpeded view and experience with nature. P

The red pine plantation will remain until which time it declines or there is ample capacity to remove and revegetate the area to best match the soil conditions, historic plant community patterns and changes in the Minnesota climate. P

Vegetation will most likely come from the Park District's nursery which grows herbaceous and woody native plant materials using local ecotypes. PP

How will the stewardship implementation be funded?

Immediate Stewardship work (demo and restoration of the developed areas of the property) will be funded through this grant and the associated Three Rivers local match.

Long-term stewardship will come from Three Rivers operational budget, Asset Management program and/or additional grant opportunities. P

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? P

Site Description

Land Use History

Current land uses Residential
Select as many as apply

Previous land uses Residential
Select as many as apply

Adjacent land uses Residential
Select as many as apply

Inspection

Does the property contain any of the following? Wells, Septic
Select as many as apply

Sellers and parcels

Seller name	Parcel address	PID	Acres	Date signed	Habitat structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude
Liz Barber	1708 Retreat Circle, Minnetrista, MN 55364	15-117-24-PP 22-0004 PP	17.97	10/18/2018	Yes	33A	Minnetrista	Hennepin	3	District B	44.9825	-93.70116
			17.97									

Local match

Source of local match

The River: 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? \$581,997.50

Grant Agreement Signatories

Full name	Title	If this is an attorney, is this signature 'for form only'?
Bob R. Carlson	Superintendent and Secretary to the Board	

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$2100,000.00
Appraisal expenses	
Appraisal	\$5800.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$5800.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land Stewardship	\$78,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$7,000.00
Legal services and closing costs	
Property tax equivalency payment-478341P	\$78,000.00
Relocation costs to seller	\$0.00

State deed tax/conservation fee	\$7,140.00
Title insurance	\$3,000.00
Well disclosure statement P	\$50.00
Other holding P	\$0.00
Other expenses	
Other expenses P	\$0.00
Totals P	\$2,207,990.00

This amount was amended to match the board authorization of \$2.2M.

Total Estimated Acquisition Costs

Totals P	Total acquisition cost P	Total paid with state funds P	Total paid with metro funds P	Total paid by agency P	Total grant amount
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$2,207,990.00	\$993,595.50	\$660,007.00	\$551,007.50	\$1,605,992.50
	\$2,100,000	\$990,000	\$660,000	\$550,000	

Required Attachments - Acquisition P

P	Attachment P	Description P	File Name P	Type	File Size
Section 1 - REQUIRED FOR ALL REQUESTS P					
	grant request letter (REQUIRED) G	grant request letter P	Kingswood Acquisition funding request letter_JV Edits_Final.pdf P	pdf	111 KB
	Master plan documentation (please compress to 5 MB max) REQUIRED P	See attached. P	Oct 18 Amendment 1 Kingswood Acquisition Master Plan - reduced.pdf P	pdf	3.0 MB
	Aerial photo showing parcel boundary (please compress to 5 MB max) with parcel overlay - REQUIRED P	Aerial attached. P	Baker Property.pdf P	pdf	1.2 MB
	For TRAILS, image of full-length trail alignment, with the location of su jet property noted. REQUIRED P	Parcel outlined in pink/purple. P	Amended Boundary.pdf P	pdf	1.2 MB
	R / R's, image of the entire R / R, with the location of su jet property noted. REQUIRED P				
	Governing Board action authorizing grant request - REQUIRED P	Board Action P	REQUEST FOR BOARD ACTION.docx P	docx	30 KB
Section 2 - FREE TIME REQUIREMENTS P					
	Signed purchase agreement - REQUIRED P	Signed Purchase Agreement P	10-18-18 Baker Purchase Agreement Signed - Kingswood SRF.pdf P	pdf	1.1 MB
	Legal description - in MS Word - REQUIRED P	See attached. P	legal description.docx P	docx	14 KB
	Property appraisal report (please compress to 5 MB max) - REQUIRED P	Appraisal P	Final Appraisal - 1705 Retreat Circle Mound_REDUCED.pdf P	pdf	4.4 MB
	Appraisal invoice P	Appraisal Invoice P	Appraisal Invoice.pdf P	pdf	94 KB
	Phase 1 environmental site assessment report P	Not yet complete P	Additional Met Council Info.docx P	docx	15 KB
	Phase 1 environmental assessment invoices P	Not yet complete P	Additional Met Council Info.docx P	docx	15 KB
	State deed tax or conservation fee invoice P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
	Current property tax statement with pro-rated share of tax due P	See attached and see Additional Met Council.doc for calculation. P	2018 TaxRes.pdf P	pdf	60 KB
	Tax equivalency payment P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
	Title insurance invoice P	Not yet complete P	Additional Met Council Info.docx P	docx	15 P

Itemized estimate of closing costs P	Not yet complete. P	Additional Met Council Info.docx P	docx	15 KB
Minimal access development estimated costs P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
Land stewardship plan P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
Land stewardship estimated costs P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
Legal description of the property	Legal description	legal description.docx	docx	14 KB
Survey report	N/A - did not complete P	Additional Met Council Info.docx P	docx	15 KB
Section 3 - CONDITIONALLY REQUIRED ATTACHMENTS P				
Appraisal review report P	See attached P	Additional Met Council Info.docx P	docx	15 KB
Appraisal review invoice P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
Phase II environmental assessment report P	See attached. P	Additional Met Council Info.docx P	docx	15 KB
Phase II environmental assessment invoices P	See attached. P	Additional Met Council Info.docx	docx	15 KB
REQUIRED FOR TRAILS Parcel map showing trail route P	See attached. P	Additional Met Council Info - Easements and Trails_NA.docx P	docx	14 KB
Other acquisition costs report	See attached. P	Additional Met Council Info.docx	docx	15 KB
Required if this grant will serve as partial or full match to another grant Copy of federal or other grant	See attached. P	Additional Met Council Info - Easements and Trails_NA.docx	docx	14 KB
Relocation description and estimated costs P	See attached. P	Additional Met Council Info - Easements and Trails_NA.docx	docx	14 KB
SECTION 4 - CONDEMNATIONS				
Condemnation settlement	See attached. P	Additional Met Council Info - Easements and Trails_NA.docx	docx	14 KB
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 P
10-18-18 Kingswood SRF Acquisition Opportunity & Master Plan Amendment Motions.docx (13 KB) P	Motion to approve master plan amendment	13 KB
Dev-Non Dev Split Appraisal Invoice.pdf (93 KB)	Appraisal invoice for breakdown improvements/land.	93 KB
Dev-Non Dev Split Appraisal Report.pdf (828 KB)	Appraisal breakdown improvements/land.	828 KB

P

REQUEST FOR BOARD ACTION

Meeting Date: 10/18/18 Business Item: Unfinished Item Number: **6B**

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

Agenda Item: Kingswood SRF Acquisition Opportunity and Master Plan Amendment

Superintendent's Recommendation:

MOTION TO AUTHORIZE THE SUPERINTENDENT TO ENTER INTO A PURCHASE AGREEMENT IN THE AMOUNT OF \$2.1 MILLION FOR 1705 RETREAT CIRCLE, MINNETRISTA, MN LOCATED ADJACENT TO KINGSWOOD SPECIAL RECREATION FEATURE AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$2.2 MILLION WITH LOCAL MATCH FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

MOTION TO AMEND THE 2013 KINGSWOOD SPECIAL RECREATION FEATURE ACQUISITION MASTER PLAN TO INCLUDE 1705 RETREAT CIRCLE, MINNETRISTA, MN WITHIN THE MASTER PLAN BOUNDARY AND TO UPDATE THE COMPLETED RESTORATION WORK; AND TO SEEK ALL NECESSARY GOVERNMENTAL APPROVALS.

The following information was prepared by Kelly Grissman, Director of Planning.

Background:

At the September 2018 Regular Board meeting, the Board authorized the Superintendent to negotiate a purchase agreement for 1705 Retreat Circle located in Minnetrista (parcel #15-117-24-22-0004) and adjacent to Kingswood Special Recreation Feature on Little Long Lake. Staff are finalizing the purchase agreement and if any additional changes are made prior to the Board meeting, staff will walk the Board through those changes (***Reference 6B-1***). The purchase amount is \$2.1 million and consistent with the appraisal valuation.

The property is outside of the 2013 Acquisition Master Plan approved boundary, which then requires a master plan amendment to secure funding from the Metropolitan Council's Park Acquisition Opportunity Fund. The request for funding and the Acquisition Master Plan amendment can be considered for approval concurrently by the Metropolitan Council. With Board approval, staff are prepared to also submit the required acquisition master plan amendment which includes 1705 Retreat Circle within the park boundary and acknowledges the restoration work that is already underway (***Reference 6B-2***).

The City of Minnetrista Planning and Park Commissions are supportive of the acquisition opportunity and master plan amendment. The City Council is anticipated to consider approval of the acquisition and master plan amendment on November 13, 2018.

Funding:

Upon Metropolitan Council approval of the Acquisition Master Plan Amendment, this property is eligible for Metropolitan Council acquisition funding. The total acquisition cost is

estimated at \$2.2 million to account for the cost of the property, appraisal, environmental assessment, demolition, basic site restoration and other incidental costs.

The Metropolitan Council share of the acquisition would be \$1,650,000 (75 percent acquisition costs) and Three Rivers' local match would be \$550,000 (25 percent) with funding from the Land Acquisition Development and Betterment fund.

Funding by the Council is on a first-come, first-serve basis. Dependent on what (if any) acquisitions from all regional park agencies are submitted prior to Three River's submittal, the Council will either fund the acquisition using their current funds, or will agree to fund the acquisition with funds that are available in July of 2019.

With this uncertainty in mind, staff negotiated a purchase agreement with a tentative August 2019 closing date. In consideration for the length of time the property owner may wait before all the approvals and funding is in place, the purchase agreement includes a clause that after the typical duration for closing (February 28, 2019 in this case), the property owner may terminate the purchase agreement if they receive another bone fide offer equal to or better than Three Rivers' offer. In addition, due to the prolonged period until closing on the property, staff will provide updates on its progress.

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

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

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 **Lizbeth and Douglas Baker**, married to each other, ("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 1705 Retreat Circle, Minnetrista, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 17.97 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, except as set forth in Section 2.

2. Personal Property. No personal property is included with the sale and conveyance of the Subject Property, and Seller reserves the right to remove the following items of personal property, whether or not these items are considered to be fixtures: three (3) faucets – i.e., 1. the bar sink faucet in the kitchen center island; 2. the powder bathroom faucet in the powder bathroom sink; and 3. the faucet in the lower-level bathroom sink; five (5) mirrors that are not permanently attached to the walls in the bathrooms – i.e., 2 in the master bath, 1 in the guest bedroom bath, 1 in the powder bath, 1 in the lower level bathroom; propane heater in the garage; four (4) wall sconce light fixtures in the master bathroom; keg refrigerator and tap in lower level bar; and similar.

3. Consideration. In consideration of the conveyance, transfer and delivery by the Seller to the Buyer of the Subject Property, the Buyer shall pay to the Seller the sum of Two Million One Hundred Thousand Dollars (\$2,100,000.00) ("Purchase Price") at Closing.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. Title and Documents.

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

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

(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 protect, defend, indemnify, save and hold Seller and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmen and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer and also any legal fees and court costs that may be expended or incurred in defending or releasing such liens. Notwithstanding anything to the contrary herein, this indemnification shall survive termination or cancellation of this Agreement.

10. 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.

11. 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.

12. 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.

13. 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.

14. Closing; Contingencies.

- (a) Performance at Closing. Subject to satisfaction of Paragraphs 9 and 14(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on August 30, 2019 or at such other time as may be agreed upon between the parties.
- (i) At the Closing Seller shall:
 - (a) sign an Affidavit of Seller confirming the absence of judgments, mechanics liens and unrecorded interests against the Subject Property not disclosed herein;
 - (b) deliver any documents necessary to clear title in accordance with this Agreement, if any;
 - (c) sign the well disclosure statement required by Minnesota Statutes §103I.235,
 - (d) sign the warranty deed, and
 - (e) pay the deed tax.
 - (ii) At the Closing, Buyer shall:
 - (a) pay the title commitment fee, if not paid pursuant to paragraph 9(b);
 - (b) pay the premium for title insurance, if desired by Buyer;
 - (c) pay any and all other Closing costs including all filing fees; and
 - (d) pay to the Seller the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) Contingencies. Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies and that following the completion of each contingency Buyer shall notify Seller via email of contingency satisfaction:
- (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) on or before December 1, 2018;
 - (ii) Buyer shall have the right, at its sole discretion, to terminate this Agreement based on the environmental inspection findings which will occur within the 90-day inspection window or in the event any storage, dumping or release of hazardous materials,

chemicals, pollution or similar occurs after the 90-day inspection period;

- (iii) This Agreement and the obligations of Buyer hereunder are strictly contingent upon approval of this Agreement by Buyer's Board of Commissioners on October 18, 2018;
- (iv) Approval of reimbursement to Buyer by Metropolitan Council on or before August 16, 2019; and
- (v) Approval of amendment to Kingswood Special Recreation Feature Master Plan by Metropolitan Council, City of Minnetrista, and Buyer's Board of Commissioners on or before January 31, 2019.

Any failure to satisfy any contingency contained herein with the exception of satisfactorily completing a contingency within the agreed upon timeframes shall render this Agreement null and void and the parties shall execute any instruments necessary to cancel this Agreement. In the event Buyer does not complete a contingency by the agreed upon timeframe, Seller reserves the option to terminate the Agreement or extend the agreed upon completion dates.

If the Buyer becomes aware of any situation that jeopardizes the Buyer's ability to close by August 30, 2019, Buyer shall immediately notify Seller in writing and Seller may terminate the Agreement.

- (c) Seller's Option. Seller reserves the right to market the Subject Property during the term of this Agreement. In the event Seller obtains a bona fide offer for the purchase of the Subject Property in an amount equal to or greater than the Purchase Price from another interested buyer after February 28, 2019, Seller shall notify Buyer in writing of the offer. Upon receipt of said written notice, Buyer shall have 60 days to complete Closing on the purchase of the Subject Property or this Agreement may be terminated by Seller following the expiration of said 60-day period by written notice to Buyer.
- (d) Seller's Termination. Seller reserves the right to terminate the Agreement in the event Lizbeth or Douglas Baker dies, becomes disabled or develops a serious illness.
- (e) Seller's Extension. Seller shall have the right to extend the date of Closing for a maximum period of 12 months after the Metropolitan Council acquisition funding approval by written notice to Buyer.

15. 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.

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

17. 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.

18. 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.

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

20. 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.

21. 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.

22. 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.

23. 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:
Lizbeth and Douglas Baker
1705 Retreat Circle
Mound, Minnesota 55364

If to Buyer:

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

24. 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.

25. 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.

26. 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.

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

28. Condition. Buyer is purchasing the Subject Property AS IS and WHERE IS with all faults and no warranties as to the condition thereof, subject to Buyer's inspection rights.

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

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

30. Statements. The following statements are attached to and made a part of this Agreement:

- (a) Subsurface Sewage Treatment System (SSTS) Disclosure Statement.
- (b) Well Disclosure Statement.

[The signatories for this Agreement appear on the following page.]

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

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

Dated: 10/18/18

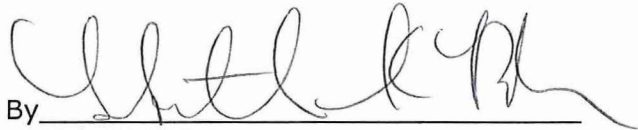
By 
John Gunyou, Board Chair

Dated: 10/18/18

By 
Boe R. Carlson, Superintendent

SELLER:

Dated: 10/18/18

By 
Lizbeth Baker

Dated: 10/18/18


By 
Douglas Baker

EXHIBIT A

Legal Description of Subject Property

Lot 1, Block 1, Baker Game Farm Addition, Hennepin County, Minnesota.

Property Identification Number: 15-117-24-22-0004

DISCLOSURE OF SEWAGE TREATMENT SYSTEM.

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WARNING TO PREPARER: Make no changes to this form unless such changes are visible.

[Complete this next paragraph if this form is used as an addendum to a Purchase Agreement:]

This addendum is a continuation of the Purchase Agreement dated October, 2018 by and between Lizbeth and Douglas Baker, married to each other, as Sellers, and Three Rivers Park District, a public corporation and political subdivision of the State of Minnesota, as Buyers, for property described below in Section A.

The Disclosure Law. Pursuant to Minnesota Statutes Section 115.55, Subdivision 6, before signing an agreement to sell or to transfer real property, the seller or transferor must disclose in writing to the buyer or transferee information on how sewage generated at the property is managed. Unless the buyer/transferee and seller/transferor agree to the contrary in writing before the closing of the sale, a seller/transferor who fails to disclose the existence or known status of a subsurface sewage treatment system at the time of sale, and who knew or had reason to know of the existence or known status of the system is liable to the buyer/transferee for costs relating to bringing the system into compliance with the subsurface sewage treatment system rules and for reasonable attorney fees for collection of costs from the seller/transferor. An action under this subdivision must be commenced within two years after the date on which the buyer/transferee closed the purchase or transfer of the real property where the system is located.

IF YOU DO NOT UNDERSTAND THIS LAW, CONSULT YOUR LAWYER.

A. PROPERTY DESCRIPTION.	
Property Identification Number (Tax Parcel No.): 15-117-24-22-0004	
Quarter: NW of NW	Section: 15 Township: 117 Range: 24 County: Hennepin
Legal Description: Lot 1, Block 1, (plat name) Baker Game Farm Addition	
(If metes-and-bounds description, attach legal description on separate sheet.)	
Street Address: 1705 Retreat Circle, Minnetrista MN 55364	
B. STATUTORY DISCLOSURE OF SEWAGE SYSTEM.	
<i>[Seller/Transferor must complete this section.]</i>	
M.P.C.A. PERMITTED FACILITY: [Check only one from 1, 2, and 3:]	
<input type="checkbox"/>	1. Seller/Transferor states that sewage generated at the property goes to a facility permitted by the Minnesota Pollution Control Agency (for example, the sewer lines on the property are connected to a municipal sewer system or public sewage treatment system).
<input checked="" type="checkbox"/>	2. Seller/Transferor states that sewage generated at the property does not go to a facility permitted by the Minnesota Pollution Control Agency, and is therefore subject to applicable requirements.
<input type="checkbox"/>	3. Seller/Transferor states that no sewage is generated at the property.

IN-USE SUBSURFACE ON-SITE SEWAGE TREATMENT SYSTEM: *[Check either 4 or 5:]*

- 4. Seller/Transferor has no knowledge whether there is a subsurface sewage treatment system in use on the property.
- 5. Seller/Transferor knows that there ~~are~~ **are no** subsurface sewage treatment systems in use on the property. If Seller/Transferor discloses the existence of a subsurface sewage treatment system on the property, then Minnesota law requires that the location of the system be disclosed to Buyer/Transferee with a map. *[Complete the map below in Section C.]*

ABANDONED SUBSURFACE ON-SITE SEWAGE TREATMENT SYSTEM: *[Check either 6 or 7:]*

- 6. Seller/Transferor has no knowledge whether there is an abandoned subsurface sewage treatment system on the property.
- 7. Seller/Transferor knows that there ~~are~~ **are no** abandoned subsurface sewage treatment systems on the property. If Seller/Transferor discloses the existence of an abandoned subsurface sewage treatment system on the property, then Minnesota law requires that the location of the system be disclosed to Buyer/Transferee with a map. *[Complete the map below in Section C.]*

C. SUBSURFACE SEWAGE TREATMENT SYSTEMS (IN-USE OR ABANDONED) ON THE PROPERTY. Describe all in-use and abandoned systems on the property.

- 1 For each sewage treatment system in use, state the type of System:
- Septic Tank with: standard drainfield mound system drainfield
 - Sealed System (holding tank or contained cesspool)
 - Other (describe) seepage tank cesspool dry well leaching pit

2 **SKETCH MAP:** Sketch the location of the house, garage, accessory buildings, well, septic tank, drainfield, mound, or other components of the sewer system. Also show the location of the components of any abandoned sewage treatment systems (tanks, pipes, drainfields, pits, etc.) Include estimated distances from all roads, streets and buildings. Use additional sheets of paper, if necessary.

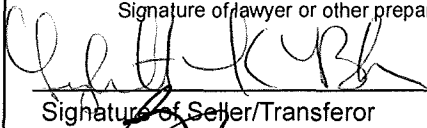
SEE ATTACHED MAP

3 **SELLER/TRANSFEROR DISCLOSURE:** Pursuant to Minnesota Statutes Section 115.55, Subdivision 6, the Seller/Transferor shall disclose to the Buyer/Transferee what the Seller/Transferor has knowledge of relative to the compliance status of the subsurface treatment system, and whether, to the best of the Seller's/Transferor's knowledge, a straight-pipe system exists. A Seller/Transferor who has in their possession a previous inspection report completed by a licensed inspection business or certified local government inspector in accordance with Section 115.55, Subdivision 5 (new construction) or 5a (existing systems), shall attach a copy to the disclosure statement that is provided to the Buyer/Transferee.

STATEMENT BY SELLER/TRANSFEROR: To my knowledge, the property ~~[strike one]~~ is / ~~is not~~ in compliance with all applicable sewage treatment laws and rules. To the best of my knowledge, a straight-pipe system ~~[strike one]~~ does / does not exist. A previous inspection report ~~[strike one]~~ does / does not exist; and if one exists, it is attached to this Disclosure.

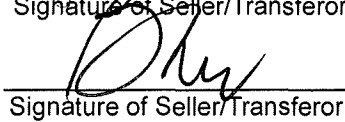
Certification: I certify that none of the published text of this form has been deleted or altered except as indicated by strike out or by additional text shown in a typeface different than the published form.

Name of lawyer or other preparer Bryan Wm Huber
Signature of lawyer or other preparer _____


Signature of Seller/Transferor

Lizbeth Baker
Print Name of Seller/Transferor

10/18/18
Date


Signature of Seller/Transferor

Douglas Baker
Print Name of Seller/Transferor

10/18/18
Date

4 **ACKNOWLEDGMENT AND RECEIPT BY BUYER/TRANSFEREE:** I have received this disclosure on [date] _____.

Signature of Buyer/Transferee

Signature of Buyer/Transferee

SUPPLEMENTAL DISCLOSURE REGARDING SUBSURFACE ON-SITE SYSTEM.

This supplemental disclosure asks for information that is not required as part of the statutory disclosure. Completion of this Supplement is voluntary.

<p>D. INFORMATION REGARDING PERFORMANCE AND USE. Seller's answers to these questions might assist a state-licensed inspector in evaluating the performance of the subsurface on-site sewage treatment system. [See MINN. RULES, chapter 7080.]</p>	
1	<p>a. The property is [check one] <input type="checkbox"/> in full time residential use <input type="checkbox"/> in part-time, seasonal, or recreational use (lake cabin, etc.)</p> <p>b. What is the average number of people who have used the system during the past two years? _____</p>
2	How many toilets flush into the system? _____
3	Does a dishwasher empty into the system? <u>yes / no</u> If "yes," how many times per week? _____
4	Does a garbage disposal empty into the system? <u>yes / no</u> If "yes," how many times per week? _____
5	Does a clothes washer empty into the system? <u>yes / no</u> If "yes," how many loads of wash per week? _____
6	Are there any other sources of water which drain into the system? <u>yes / no</u> If "yes," describe:
7	Has the system malfunctioned while you have owned the property? <u>yes / no</u> If "yes," describe:
8	Describe the work performed on the system while you have owned the property, including routine maintenance and pumping:
<p>E. INFORMATION REGARDING LOCATION. If Seller/Transferor is unable to provide answers to these questions, Buyer should obtain this information from other sources. Minnesota law and local ordinances restrict the ability to build or to rebuild improvements within flood plains, shorelands, and wetlands. You might also be restricted from using the property if the property does not have enough land area to install a new drainfield. These restrictions affect wells and subsurface on-site sewage treatment systems. If the subsurface on-site sewage treatment system fails, you might not be allowed to rebuild in its present location.</p>	
1	Is any part of the system, including all drainfields, located in a Flood Plain ? <u>yes / no / unknown</u>

2	Is any part of the system, including all drainfields, located in a Shoreland Zone ? <u>yes / no / unknown</u>
3	Is any part of the system, including all drainfields, located in or near a wetland or low lying area? <u>yes / no / unknown</u> If "yes," describe:
4	Is the system, including all drainfields, located within the property lines ? <u>yes / no / unknown</u> If "no," describe encroachment or easement:
5	Is the system, including all drainfields, located within the setback lines ? <u>yes / no / unknown</u> If "no," describe encroachment:

F. INFORMATION REGARDING GOVERNMENTAL NOTICES AND SELLER'S/TRANSFEROR'S KNOWLEDGE.

1	Have you received any notices regarding your system from any governmental unit? <u>yes / no</u> If "yes," explain:
2	Do you know of any defects in the sewer system? <u>yes / no</u> If "yes," describe:
3	Is there enough useable land area on the property to construct a new drainfield? <u>yes / no / unknown</u>
4	Do you have any other information about repairs or maintenance of the system that has not already been disclosed in this form? <u>yes / no</u> If "yes," describe:

SUPPLEMENTAL SHEET

WELL DISCLOSURE STATEMENT

© Copyright 2005, 2017 by Minnesota State Bar Association, Minneapolis, Minnesota. No copyright is claimed for statutory text.

This document, dated October, 2018, concerns the real property located at:

[street address] 1705 Retreat Circle, Minnetrista MN 56364

and legally described as: Lot 1, Block 1, Baker Game Farm Addition

County, Minnesota [the "Property"].

Minnesota Statutes Section 103I.235 Real property sale; disclosure of location of wells. Subdivision 1. Disclosure of wells to buyer. (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

The sealing of a well must be done in accordance with the rules adopted by the Minnesota Commissioner of Health. Minn. Stat. Section 103I.301, Subdivision 4.

Seller discloses that there are 2 Wells on the Property.

<i>For each well on the Property, check the appropriate columns:</i>	In use	Not in use	Sealed
Well No. 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well No. 2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Well No. 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well No. 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

All wells on the Property, known to Seller, are depicted on this map:

SEE ATTACHED MAP

49
50
51
52
53
54
55
56
57

At closing, Seller shall provide a Well Disclosure Certificate that complies with the requirements of Minnesota Statutes Section 103I.235.

Minnesota Statutes Section 103I.235 Subd. 2. Liability for failure to disclose. Unless the buyer and seller agree to the contrary, in writing, before the closing of the sale, a seller who fails to disclose the existence or known status of a well at the time of sale and knew or had reason to know of the existence or known status of the well, is liable to the buyer for costs relating to sealing of the well and reasonable attorney fees for collection of costs from the seller, if the action is commenced within six years after the date the buyer closed the purchase of the real property where the well is located.

Seller(s) signatures: *DM* *[Signature]*

Buyer received this Disclosure on [date]: _____

Buyer(s) signatures: _____



Hennepin County Property Map

Date: 10/8/2018



PARCEL ID: 1511724220004

OWNER NAME: Lizbeth Baker

PARCEL ADDRESS: 1705 Retreat Cir, Minnetrista MN 55364

PARCEL AREA: 17.97 acres, 782,711 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2017, PAYABLE 2018
 PROPERTY TYPE: Residential
 HOMESTEAD: Homestead
 MARKET VALUE: \$1,298,000
 TAX TOTAL: \$17,207.50

ASSESSED 2018, PAYABLE 2019
 PROPERTY TYPE: Residential Lake Shore
 HOMESTEAD: Homestead
 MARKET VALUE: \$1,330,000

Comments:

1705 Retreat Circle

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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SUMMARY OF IMPORTANT FACTS & CONCLUSIONS



Front View



Rear View

General Description:	Acreage Lakeshore Single-Family Home
Appraisal Report:	Appraisal Report
Current Use:	Single-Family Residential Lakeshore
Extraordinary Assumptions & Hypothetical Conditions:	Yes , see rear of report
Site Size:	17.97 acres (782,711 SF), per County
Building Size (GLA):	3,838 SF, per plans and owner (above grade)
Age:	1998, per County
Quality-Appeal / Condition:	Good / Good
Zoning:	A, Agriculture District
Highest and Best Use:	Current use
Property Interest:	Fee Simple Interest
Property Components Appraised:	Real Estate Only
Cost Approach:	Not Applied
Income Approach:	Not Applied
Sales Comparison Approach:	\$2,100,000
Final Opinion of Market Value	\$2,100,000