

Community Development Committee

For the Metropolitan Council meeting of August 14, 2019

Subject: Park Acquisition Opportunity Fund Grant for the Big Marine Park Reserve, Washington County – Nelson Property

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$813,048.22 to Washington County to acquire the 75.4-acre Nelson property located at 12096 170th Street in the City of Marine on St. Croix for Big Marine Park Reserve, contingent on Council approval of the 2019 Quarter 2 Unified Budget Amendment, Business Item 2019-166 JT; and
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Grants Administrator, presented this item to the Community Development Committee at its meeting on July 15, 2019.

Council Member Wulff asked how many acres remain as private inholdings in the Big Marine Park Reserve. Council Member Johnson asked if there were any relocation considerations. Ms. Lee responded that there are not.

The Community Development Committee approved the proposed action unanimously.

Metropolitan Parks and Open Space Commission Report

For the Community Development Committee meeting of July 15, 2019

Subject: Park Acquisition Opportunity Fund Grant for the Big Marine Park Reserve, Washington County – Nelson Property

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$813,048.22 to Washington County to acquire the 75.4-acre Nelson property located at 12096 170th Street in the City of Marine on St. Croix for Big Marine Park Reserve, contingent on Council approval of the 2019 Quarter 2 Unified Budget Amendment, Business Item 2019-166 JT; and
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Grants Administrator, presented this item to the Metropolitan Parks and Open Space Commission (MPOSC) at its meeting on July 9, 2019.

Chair Tony Yarusso asked about the funding sources- using Parks and Trails Legacy Fund versus Environment and Natural Resources Trust Fund (ENRTF). The Nelson property has four parcels, and one of them contains a house. The Chair asked whether the other three parcels could use ENRTF. Emmett Mullin, Regional Parks Manager, explained that there is now 2020 Legacy funding available, and the existing 2015 and 2017 ENRTF appropriations are accounted for with planned future acquisitions.

Commissioner Taylor asked how much property remains to be acquired within the Big Marine Park Reserve. Sandy Breuer, Washington County Park Director, answered that the Park boundary contains 1,800 acres, and about half of the land is still in private ownership.

The Metropolitan Parks and Open Space Commission voted unanimously to recommend the proposed action.

Metropolitan Parks and Open Space Commission

Meeting date: July 9, 2019

For the Community Development Committee meeting of July 15, 2019

For the Metropolitan Council meeting of July 24, 2019

Subject: Park Acquisition Opportunity Fund Grant for Big Marine Park Reserve, Washington County (Nelson)

MPOSC District: F, Cecily Harris

District(s), Member(s): 12, Francisco J. Gonzalez

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; Planning Policy – Strategy 1; System Protection Strategy 4; Finance Strategy 7.

Staff Prepared/Presented: Jessica Lee, Senior Grants Administrator 651-602-1621

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$813,048.22 to Washington County to acquire the 75.4-acre Nelson property located at 12096 170th Street in the City of Marine on St. Croix for Big Marine Park Reserve, contingent on Council approval of the 2019 Quarter 2 Unified Budget Amendment, Business Item 2019-166 JT; and
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency (Agency) and Location

Washington County requested this grant on February 11, 2019. A copy of the Agency's request is attached to this item as Exhibit 2. The Nelson property is located within the Council-approved boundary of Big Marine Park Reserve ([Business Item 2010-393](#)).

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). In the PAOF program, the Council matches every \$3 in state funds, with \$2 in Council bonds. State and Council funds contribute up to 75% of the purchase price and eligible costs; the Agency contributes the remaining 25% as local match.

Council review

Council staff:

- 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 75.4-acre property is an inholding within the Council-approved boundary of the Big Marine Park Reserve (note Figure 1, Exhibit 1). The property includes natural resources consisting of prairie, hardwoods, pines, open water, and wetlands. There is a single-family residential dwelling (built in 1959), a barn, and a storage shed on the property. These structures will be either relocated or demolished. In the short term, the Agency plans on restoring prairie, savanna, wetlands, and open water shorelines. After removing the structures, vegetation will be planted to stabilize the site. Longer term restoration efforts will consist of plantings consistent with the Big Marine Park Reserve master plan.

Acquisition details

This is a straightforward, fee simple transaction with no easements or other property restrictions.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*
 - Siting and Acquisition Strategy 1 requires that lands with natural resource features, access to water, and/or restoration potential will be a priority for the Regional Parks System. The property recommended for acquisition has natural prairie, hardwoods, pines, open water, and wetlands.
 - 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 master plan for this park reserve was approved by the Council in 1988 and updated in 2010.
 - System Protection Policy – Strategy 4 requires that a Phase 1 Environmental Site Assessment (ESA) be completed on land that is suspected to be contaminated or land suspected to have abandoned wells as part of its due diligence process for land acquisition. The assessment revealed no evidence of recognized environmental conditions in connection with the Property except for the following:
 - REC #1- Historic equipment maintenance in the barn, and
 - REC #2- Oil storage in the grain shed.
 - Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park lands and matches every \$3 in state funds with \$2 in Council bonds.
- The Big Marine Park Reserve master plan was updated and approved by the Council on December 8, 2010 ([Business Item 2010-393](#)); and
- All requirements of PTLF and the 2020 appropriation have been reviewed by Council staff. This funding aligns with the goals of the Parks and Trails Legacy Fund strategic pillar of “Acquire land – create opportunities.”

Thrive Lens Analysis

This request is consistent with Thrive’s Livability outcome because the Council’s investment in the Park Reserve will increase access to nature and outdoor recreation, thereby enhancing the region’s quality of life. This request is also consistent with Thrive’s Stewardship outcome, because the land will be restored to a more natural state.

Funding

The Council will fund this grant through PTLF and Council match. Funding is included in the Quarter 2 Budget Amendment Business Item 2019-166 JT which is pending approval in the July 15, 2019 Community Development Committee and July 24, 2019 Metropolitan Council meeting.

Project budget

The appraised value is \$1,050,000, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown in Table 1 below.

Table 1. Project Budget and Grant Structure

Budget item	Requested amount
Purchase price	\$1,050,000.00
Due diligence (appraisal, Phase I environmental site assessment, etc.)	\$7,500.00
Holding and closing costs	\$6,564.29
Stewardship	\$20,000.00
<hr/>	
Total costs	\$1,084,064.29
Grant structure	
State FY 2020 PTLF PAOF	\$487,828.93
Council bonds	<u>\$325,219.29</u>
Grant amount not to exceed	\$813,048.22
Local match	\$271,016.07

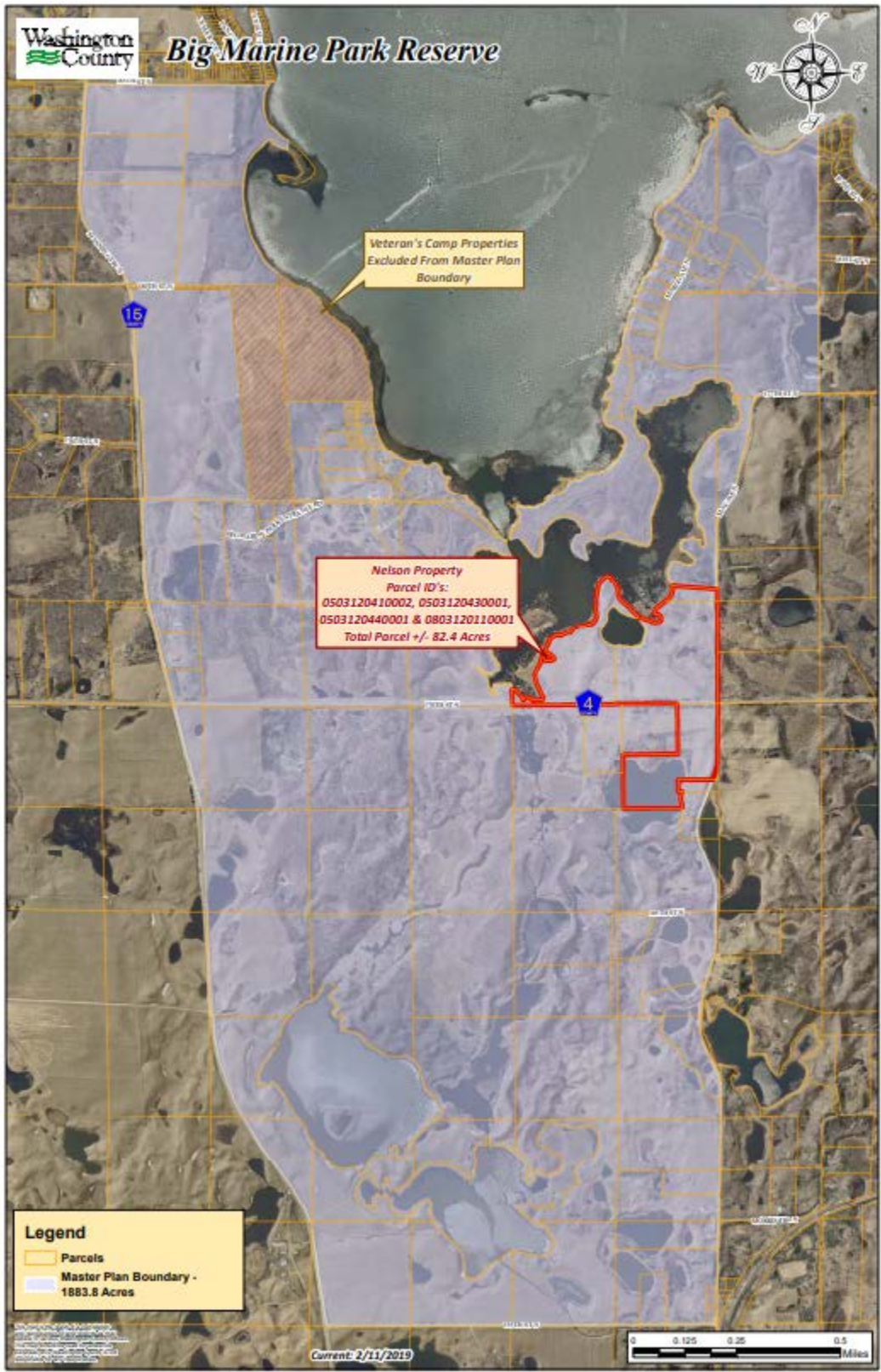
Known Support / Opposition

There is no known opposition.

Exhibit List

- Exhibit 1: Map of Big Marine Park Reserve and Nelson Property
- 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 – Map of Big Marine Park Reserve and Nelson Property





Donald J. Theisen, P.E.
Director

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

February 7, 2019

Ms. Tori Dupre
Metropolitan Council
390 North Robert Street
St. Paul, MN 55101

REQUEST FOR ACQUISITION OPPORTUNITY GRANT FUNDS FOR PURCHASE OF THE NELSON PROPERTY IN BIG MARINE PARK RESERVE

Dear Tori,

Washington County request that the Metropolitan Council consider providing acquisition opportunity grant funds for the purchase of the Nelson property located within the boundary of Big Marine Park Reserve in May Township. This property includes an older home and out buildings that will be removed within a year of purchase. The agreed upon price is the same as the appraised value.

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

Estimated Acquisition Costs:

Purchase Price	\$1,050,000.00
Estimated costs related to purchase	\$ 34,064.29

	\$1,084,064.29

Proposed Revenue Sources:

Acquisition Opportunity Fund (75%)	\$ 813,048.22
Washington County (25%)	\$ 271,016.07

	\$1,084,064.29

We understand that there are funds available in the 2018 fiscal year and hope to be able to use said funds. If the funds are not available, we request that this acquisition be funded in the 2019 fiscal year. We anticipate closing this at the end of July, 2019 following Met Council action on the grant request.

Page Two
February 7, 2019

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Sharon M. Price".

Sharon M. Price
Property Acquisition Manager

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



Application

10851 - 2019 Parks Acquisition Opportunity Fund - Final Application

12099 - BMPR - 12096 170th St (Nelson)
Parks Grants Acquisition

Status: Submitted

Original Submitted Date: 02/11/2019 10:54 AM

Last Submitted Date: 05/06/2019 3:27 PM

Applicant Information

Primary Contact:

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

Title:* Land Acquisition

Department:

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

Address:* 11660 Myeron Road N.

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

Phone:* 651-430-4391
Phone Ext.

Fax:

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

Organization Information

Name:* WASHINGTON CTY

Jurisdictional Agency (if different):

Organization Type:

Organization Website:

Address:* PUBLIC WORKS
11660 MYERON RD

* STILLWATER Minnesota 55082
City State/Province Postal Code/Zip

County:* Washington

Phone:* 651-430-4325
Ext.

Fax:

PeopleSoft Vendor Number 0000028637A10

Project description

PAOF grants are limited to a single park or trail. Do not mix properties from more than one park or trail on a single request.

Park or trail name Big Marine PR-Washington County

Master plan

An acquisition request will not be considered complete until the property is included in a Council-approved master plan.

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

If yes, name of master plan and date of Council approval Big Marine Park Reserve Master Plan

Name of master plan

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

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

Acquisition method

Acquisition method Fee title

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

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

Does this acquisition involve eminent domain?

Eminent domain

If eminent domain is being used:

(1) you must upload a copy of the notice your Agency provided to the Council that the petition to the Court was filed.

(2) Include documentation of your governing body's authorization (on the Other Acquisition Attachments web page).

When was the Council notified of your intention to use eminent domain?

Date the petition was filed.

Settlement date

Public domain

Note that ENRTF funding cannot be used for acquisitions of property already in the public domain unless a minimum of 12 LCCMR commissioners approve the transaction. If this is a public domain acquisition and if you propose using ENRTF, be sure your closing schedule accommodates planning to be included on a future LCCMR agenda.

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

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

Closing date

The Council will process all acquisition requests expeditiously, but we do not guarantee that the approval process will be completed to meet your requested closing date. This date will be considered an **estimate** only. However, the acquisition must be completed during the standard one-year grant term unless prior approval is obtained from the Council or the grant term is amended.

Estimated closing date 07/31/2019
Format: mmddyyyy (Do not enter any punctuation.)

Type of agreement Purchase Agreement
i.e., purchase agreement, offer letter, etc.

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

Relocation costs

Payment of relocation costs is required by both state and federal law, unless the seller waives those rights. Please consult with Agency attorneys to determine applicability for this acquisition. If the seller has waived relocation rights, you must upload an executed copy of the waiver.

Does the requested grant amount

include relocation costs? No

Appraisal

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

Appraisal effective date 08/21/2018

Appraised value \$1,050,000.00

Amount being offered the seller (net of closing and other costs) \$1,050,000.00 100.0%
% of appraised value

Who performed the appraisal? Kelly Lindstrom

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

Survey

Was a survey done? No

Quality of natural resources - is the property...

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

Describe the existing natural resources it contains

Big Marine Park Reserve is comprised of diverse natural systems with many lakes and wetlands throughout. This parcel contains a mix of prairie, hardwoods and pines together with open water and wetlands that provide important habitat for wildlife used for nesting, foraging, loafing and a traveling corridor.

Known opposition

Is the Agency aware of any opposition to this acquisition? No

If yes, explain:

Encumbrances

To your knowledge, are there any current or anticipated assessments or liens on property? No

If yes, describe.

Are there easements or other encumbrances on any part of the property? No

If yes, describe

Clear title

To your knowledge, does the current owner have clear title to the property? Yes

If not, what must be done to clear the title, and when will that be completed?

Suggested funding source

For guidance, see the PAOF rules in the 2040 Regional Parks Policy Plan at <http://metro council.org/Parks/Publications-And-Resources/POLICY-PLANS/2040-Regional-Parks->

Policy-Plan.aspx; for **ENRTF fee title acquisition project requirements**, see http://www.lccmr.leg.mn/pm_info/enrtf_fee-title-acquisition-project-requirements.pdf

The Council will review your project specifics and work with you to determine the optimal funding source(s).

Anticipated funding source

Select as many as apply

Funding source comments, if desired

Structures currently on the property

Does the property contain ANY structures? Yes

If yes, are there any habitable structures? Yes

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

If yes, what is the plan for the structure(s)? We are looking at having these structures either removed or demolished.

If there are habitable structures, could they be relocated? If yes, how? If no, why not? We will consider a bid process to either relocate the structures or demolish the structures.

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

For ENRTF funding only

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

NOTICE: ENRTF funding has specific requirements for disseminating information to the public when property is purchase through the Trust Fund. It is the agency's responsibility to meet those requirements and to provide documentation to the Council BEFORE payment will be made.

The property for purchase is an old hobby farm containing 82.4 acres (75.4 acres net right of way). All of the property, with the exception of the 4.7 acre improved lot could be eligible for ENRTF funds as they do not contain any structures.

Stewardship and minimal access

Describe the stewardship plan.

The Nelson property contains various types of natural resources and the plan surrounding this area to manage would include prairie restoration, savanna restoration and wetland restoration including managing the open water shorelines to minimize the potential for erosion and prevent contaminated runoff from draining directly into surface water areas. The first step in making this transition from a home site to a restoration area is to remove the structures; followed closely by planting vegetation in the disturbed areas. The initial vegetation planted would be a wildlife cover to stabilize the site. Longer term restoration efforts over this area would consist of plantings consistent within the Big Marine Park Reserve master plan.

How will the stewardship implementation be funded?

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

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

If yes, how will those funds be used?

Site Description

Land Use History

Current land uses Residential
Select as many as apply

Previous land uses Residential, Agricultural
Select as many as apply

Adjacent land uses Wetland
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 (SF for easements)	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude
Estate of Marian Nelson	12096 170th Street, May Township, MN	05.031.20.44.0001	0	02/12/2019	Yes	39A	Marine-on-St. Croix	Washington	12	F	45.197280	-92.856695
			0.00									

Local match

Source of local match

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

If yes, how much? \$0.00

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Stan Karwoski	County Board Chair	
Molly O'Rourke	County Administrator	
Richard Hodsdon	Assistant County Attorney	Yes

Acquisition Costs

Cost Items	Amount
Purchase price	

Negotiated purchase price	\$1,050,000.00
Appraisal expenses	
Appraisal	\$5,000.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$2,500.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$20,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$1,156.09
Legal services and closing costs	\$0.00
Property tax equivalency payment-473.341	\$688.20
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$3,470.00
Title insurance	\$1,200.00
Well disclosure statement	\$50.00
Other holding	\$0.00
Other expenses	
Other expenses	\$0.00
Totals	\$1,084,064.29

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)	\$1,084,064.29	\$487,828.93	\$325,219.29	\$271,016.07	\$813,048.22

Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
SECTION 1 - All of the following are required to BEGIN review unless otherwise indicated				
1.0 Grant request letter (REQ'D)	Nelson Property - Grant Request Letter	Nelson Property Grant Request Letter .pdf	pdf	60 KB
2.0 Master plan documentation (REQ'D)	Big Marine Master Plan	Big Marine Master Plan-2010_Reduced.pdf	pdf	12.1 MB
3.0 RECORDED Governing Board action authorizing grant request (REQ'D)	Nelson Resolution to Acquired (Approval 2-12-19)	Resolution to Acquire Nelson_2-12-19.pdf	pdf	18 KB
4.0 Signed purchase agreement/instrument (REQ'D)	Nelson Purchase Agreement	Owner Signed PA.pdf	pdf	345 KB
5.1 Appraisal report (REQ'D)	Nelson Property Appraisal	Report Nelson Property Report_Reduced.pdf	pdf	8.5 MB
5.2 Appraisal review report (NOT req'd)				
5.3 Client's instructions to appraiser (REQ'D)	Nelson Property Appraisal Contract	Lindstrom 11990.pdf	pdf	1.9 MB
5.4 Title documentation (Req'd before finalization)				
6.1 Phase 1 ESA (if land may be contaminated or have abandoned wells)				
6.2 Phase II environmental assessment report (required if indicated in Phase I)				
7.0 Survey report (NOT req'd)				
8.0 Legal description in Microsoft Word that includes PIDs and, if available, address	Nelson Property Legal Description	Nelson Property Legal Description.docx	docx	14 KB
9.0 Land stewardship plan	Nelson Property - Land Stewardship Plan	Nelson Property Stewardship Plan.pdf	pdf	9 KB
10.0 Relocation description and estimated costs OR signed waiver of relocation rights				

SECTION 2 - Condemnation only - all required for eminent domain

- 11.1 For condemnations, copy of notice to Council advising court filing
- 11.2 Condemnation or administrative settlement
- 11.3 Documentation of when petition was filed with court

SECTION 3 - Matching grant

- 12.0 If this grant will serve as match to another grant, copy of other grant is required

SECTION 4 - Required images & GIS information

- 13.1 Aerial photo showing park/trail boundary with parcel overlay (REQ'D)
- 13.2 For trails, parcel map showing trail route (Required for trails)
- 13.3 Image documenting location of property within RPS unit (REQ'D)
- 13.4 GIS shape-file for property (REQ'D)

Nelson Property Map within Park Boundary	BMPRPropertyMapFebruary.pdf	pdf	916 KB
--	-----------------------------	-----	--------

SECTION 5 - Invoices

- 14.1 Invoices: State deed tax or conservation fee (REQ'D)
- 14.2 Invoices: Current property tax statement with pro-rated share of tax due (REQ'D)
- 14.3 Invoices: Tax equivalency payment (REQ'D)
- 14.4 Invoices: Phase 1 environmental assessment (Required if claimed in application)
- 14.5 Invoices: Phase II environmental assessment (Required if claimed in application)
- 14.6 Invoices: Appraisal (Required if claimed in application)
- 14.7 Invoices: Appraisal review invoice (Required if claimed in application)
- 14.8 Invoices: Title insurance (Required if claimed in application)

Nelson Property - Estimated State Deed Tax and Conservation Fee	Nelson Property State Deed_Cons Fee Estimate.pdf	pdf	9 KB
Nelson Property - Estimate of 2019 Prorated Taxes	Nelson Property 2019 Taxes Estimate.pdf	pdf	12 KB
Nelson Property - Estimated 2019 Tax Equivalency for May Township	Nelson Property Tax Equivalent Estimate.pdf	pdf	15 KB
Nelson Property - Phase I Estimate (waiting on completed report and invoice)	Nelson Property Phase I ESA Estimate.docx	docx	13 KB
Nelson Appraisal Invoice	Nelson Appraisal Invoice.pdf	pdf	208 KB
Nelson Property - Estimated Title Insurance	Nelson Property Title Insurance.pdf	pdf	9 KB

SECTION 6 - Estimated costs

- 15.1 Estimated costs: Itemized ESTIMATE of closing costs
- 15.2 Estimated costs: Land stewardship
- 15.3 Estimated costs: Minimal access development
- 15.4 Estimated costs: Other (NOT req'd)

Nelson Property - Estimate of Closing Costs	Nelson Property Closing Cost Estimate.pdf	pdf	9 KB
Nelson Property - Land Stewardship Estimate	Nelson Property Stewardship Estimate.pdf	pdf	14 KB

Additional attachments

Exhibit 4: Board Approval to Purchase Property

BOARD OF COUNTY COMMISSIONERS
WASHINGTON COUNTY, MINNESOTA

RESOLUTION NO. 2019-015

DATE February 12, 2019
MOTION
BY COMMISSIONER Miron

DEPARTMENT Public Works - Parks
SECONDED BY
COMMISSIONER Johnson

**RESOLUTION TO PURCHASE NELSON PROPERTY
BIG MARINE PARK RESERVE**

WHEREAS, Washington County is interested in acquiring the property described herein in May Township, Minnesota, for inclusion into the Big Marine Park Reserve; and,

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

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

Government Lots Three and Four and the South Two acres of Government Lot Two, all in Section 5, Township 31 North, Range 20 West, Washington County Minnesota.

AND

The North Half of the Northeast Quarter of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota,

EXCEPT the North 624.00 feet of the West 698.00 feet of the East 1213.70 feet of the North Half of the Northeast Quarter of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota.

And EXCEPT that part of the North Half of Northeast Quarter of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota, lying west of the East 1,213.70 feet thereof.

And EXCEPT all that part of the Northeast Quarter of Section 8, Township 31 North, Range 20 West, May Township, Washington County, State of Minnesota, described as follows: Commencing at the northeast corner of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota; thence South along the east line of said Section 8 for 1107.3 feet to the point of beginning of this description; thence continuing south along said east line of Section 8 for 350.0 feet; thence West and parallel with the north line of Section 8 for 507.0 feet to the present easterly shoreline of the un-meandered lake; thence northerly along said present easterly shoreline of the lake for 375 feet, more or less, to its intersection with a line drawn parallel with the last described course and at a distance of 350 feet northerly therefrom; thence east and parallel with said north line of Section 8 for 515.7 feet to the point of beginning.

And EXCEPT the north 137 feet of the South 350 feet of the east 515.7 feet of the Northeast Quarter of the Northeast Quarter of Section 8, Township 31 North, Range 21 West.

For the sum of \$1,050,000.

ATTEST: 

COUNTY ADMINISTRATOR



COUNTY BOARD CHAIR

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

Exhibit 5: Purchase Agreement

PURCHASE AGREEMENT

Between

ESTATE OF MARIAN R. NELSON

("SELLER")

and

WASHINGTON COUNTY

("BUYER")

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made to be effective the ____ day of _____, 2019 (the "**Effective Date of this Agreement**") between the Estate of Marian R. Nelson, (hereinafter referred to as "**Seller**") and Washington County (hereinafter referred to as "**Buyer**").

RECITALS AND PRELIMINARY STATEMENT OF FACTS

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

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

COVENANTS

1. **SALE AND PURCHASE** Seller agrees to sell and Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
2. **CLOSING DATE** The "**Closing**" and "**Closing Date**" shall be on or before September 30, 2019.
3. **PURCHASE PRICE** The "**Purchase Price**" shall be One Million Fifty Thousand and no/100 (\$1,050,000.00) Dollars. The Purchase Price shall be payable in cash or cash equivalent at Closing.
4. **TITLE, TAXES, CLOSING COSTS**

4.1 Within fourteen (14) days after full execution of this Agreement, Seller shall provide Buyer with an updated abstract of title (certified to within 30 days of acceptance of this Purchase Agreement) to include proper searches and covering bankruptcy, state and federal judgments and liens, levied and pending assessments. Buyer shall have fifteen (15) days after receipt of the Title to have Buyer's attorney examine the Title and provide Sellers and/or their attorney with written objections Buyer shall be deemed to have waived any title objection not made within the applicable fifteen (15) day period. If written objections are received as specified above and Seller agrees to cure such objections, then closing shall be delayed for a reasonable period in order for Seller to cure such objections. If Seller does not agree to cure any such objections, then Buyer may proceed to closing which shall constitute a waiver by Buyer of such objections or this Agreement shall be terminated upon receipt by

Seller's attorney of a cancellation of this Agreement executed by Buyer. Seller shall pay the costs of the updated Abstract of Title.

4.2 Seller and Buyer shall prorate real estate taxes payable in the year 2019 as of the Closing Date. Seller shall pay special assessments either pending or levied as of the Effective Date of this Agreement. Seller is responsible for all taxes due and owing in all previous years.

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

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

4.4 Buyer shall execute and deliver the following documents at Closing:

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

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

5. **ENVIRONMENTAL** Seller makes no warranties express or implied with respect to the environmental condition of the Property.
6. **NOTICE** All notices required by this Agreement shall be sent in writing and shall be deemed given (1) if and when personally delivered; (2) upon receipt if sent by a nationally recognized overnight courier addressed to a party at its address set forth below; or, (3) on the third business day after being deposited in the United States mail to the following addresses by postage prepaid certified or registered mail. Any party may change that party's address for notice by giving written notice thereof in accordance with the provisions of this Section to the other parties.

TO SELLER: Jeff Nelson, Personal Representative
Estate of Marian R. Nelson
P. O Box 43
Scandia, MN 55073

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

7. **BROKERAGE INDEMNITY AGREEMENT** Seller and Buyer agree that neither has retained any real estate brokers or agents in connection with this transaction. Both parties agree to indemnify and hold the other party harmless from any inaccuracy in their respective foregoing representation with respect to real estate brokers and agents.
8. **SURVIVAL** No covenants or representations of Seller contained in this Agreement shall survive Closing.
9. **DEFAULT** If this transaction is not consummated by reason of default by Seller or Buyer hereunder, then the non-defaulting party shall be entitled to terminate this Agreement upon thirty (30) days' written notice to the other party consistent with Minnesota Statutes § 559.21. In addition, either Buyer or Seller may sue for specific performance or damages, so long as such party commences suit within ninety (90) days after the time the cause of action arises. The non-defaulting party shall be entitled to recover its attorney fees and costs incurred as a result of a default under this Agreement.
10. **ASSIGNABILITY** This Agreement and Buyer's rights hereunder and Buyer's interest in the Property shall not be assigned without Seller's consent.

11. **CONDITION OF PROPERTY** The Property is being purchased by Buyer in its present physical condition and Buyer acknowledges that UPON CLOSING, BUYER SHALL BE DEEMED TO HAVE PURCHASED THE PROPERTY "AS IS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED. Buyer and Seller agree that this Section 11 is an integral and bargained for term of this Agreement. No personal property is included in the sale of the Property. All personal property remaining on the Property after Closing shall be deemed abandoned.

12. **WELL DISCLOSURE** Seller certifies that Seller has knowledge of a well on the Property.

13. **ISTS DISCLOSURE** Seller discloses that the sewer generated on the Property does not go to a facility permitted by the MPCA and to the best of Seller's knowledge the last time it was pumped was 2018.

14. **MISCELLANEOUS**

14.1 Buyer may obtain a Phase I Environmental Assessment of the Property. In the event Buyer determines that a Phase II Environmental Assessment or any resultant corrective action is necessary, such corrective action and an allocation of those costs shall be negotiated between the parties. The cost of the Phase I Environmental Assessment shall be borne by the Buyer.

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

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

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

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

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

14.7 This Purchase Agreement may be executed and delivered in counterparts, by facsimile or e-mail transmission, and by facsimile signatures, all of which when taken together shall constitute one and the same original agreement. The facsimile signatures of Buyer and Seller shall be as binding as original signatures.


14.8 Time is of the essence with respect to the performance of each provision of this Agreement.

***[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS]***

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


SELLER:

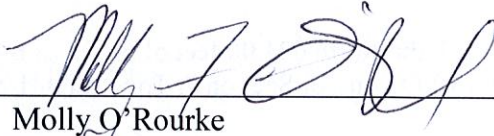
ESTATE OF MARIAN R. NELSON

By: 
Jeffrey Nelson
Its: Personal Representative

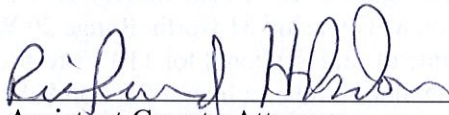
BUYER:

WASHINGTON COUNTY

By: 
Stan Karwoski
Its Washington County Board Chair

By: 
Molly O'Rourke
Washington County Administrator

Approved as to form:


Assistant County Attorney

As per Washington County Board Resolution
No. 2019-015 dated the 12th day
of February, 2019.

EXHIBIT A
Legal Description of the Property

Government Lots Three and Four and the South Two acres of Government Lot Two, all in Section 5, Township 31 North, Range 20 West, Washington County Minnesota.

AND

The North Half of the Northeast Quarter of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota,

EXCEPT the North 624.00 feet of the West 698.00 feet of the East 1213.70 feet of the North Half of the Northeast Quarter of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota.

And EXCEPT that part of the North Half of Northeast Quarter of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota, lying west of the East 1,213.70 feet thereof.

And EXCEPT all that part of the Northeast Quarter of Section 8, Township 31 North, Range 20 West, May Township, Washington County, State of Minnesota, described as follows: Commencing at the northeast corner of Section 8, Township 31 North, Range 20 West, Washington County, Minnesota; thence South along the east line of said Section 8 for 1107.3 feet to the point of beginning of this description; thence continuing south along said east line of Section 8 for 350.0 feet; thence West and parallel with the north line of Section 8 for 507.0 feet to the present easterly shoreline of the un-meandered lake; thence northerly along said present easterly shoreline of the lake for 375 feet, more or less, to its intersection with a line drawn parallel with the last described course and at a distance of 350 feet northerly therefrom; thence east and parallel with said north line of Section 8 for 515.7 feet to the point of beginning.

And EXCEPT the north 137 feet of the South 350 feet of the east 515.7 feet of the Northeast Quarter of the Northeast Quarter of Section 8, Township 31 North, Range 21 West.

Exhibit 6: Appraisal Excerpt

APPRAISAL SUMMARY

Project Proposed total acquisition of 12096 170 th Street North, May Township, MN	Acquisition No. N/A	Project No. S.P. N/A	Parcel 12096 170th Street North May Township, MN	County Washington County
---	------------------------	-------------------------	---	--------------------------------

APPRAISER: Kelly Lindstrom 11042 Sweetwater Path Woodbury, MN 55129 Telephone No. (651) 436-8842		OWNER: Estate of Marian F. Nelson 12096 170 th Street North, May Township, MN Telephone No. 612-964-3785 Jeff Nelson's cell	
County Property Tax I.D. Number 05.031.20.41.0002	Section 05	Township 031	Range 020
County Property Tax I.D. Number 05.031.20.44.000	Section 05	Township 031	Range 020
County Property Tax I.D. Number 05.031.20.43.0001	Section 05	Township 031	Range 020
County Property Tax I.D. Number 08.031.20.11.0001	Section 08	Township 031	Range 020
Zoning Rural Residential with Shoreland District	Township/Municipality May Township	Population 2,776 (2010)	School District 831
Real Estate Taxes - Current Year \$2,672.00	Delinquent Amount \$ 0.00	Special Assessments \$ 0.00	Assessment Balance \$ 0.00

Road Frontage: X Paved Gravel - feet Road Name: 170th Street North and May Avenue North

Water Frontage: X Lake Stream - feet Water Body: Big Marine Lake

Recreational Quality of Water Frontage: Fishing and Swimming Fishing Only X None


Public Hazards: None

Total contiguous ownership consists of +/- 75.4 acres / +/- 3,589,344 square feet (SF)

Proposed ACQUISITION consists of: 75.4 acres at \$1,050,000

Marketing Time Estimate 6-12 Months

TOTAL: \$1,050,000.00

Appraiser's Signature  License # <u>20315256</u>	Date <u>October 15, 2018</u>
---	-------------------------------------

*Kelly Lindstrom, Certified General Appraiser
11042 Sweetwater Path, Woodbury, MN 55129
651-436-8842*

October 15, 2018

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

RE: Appraisal Report
Estate of Marian F. Nelson Property
12096 170th Street North, May Township, MN

Dear Ms. Price:

Pursuant to your request, a market value appraisal has been performed and an appraisal report prepared for the above referenced property. The appraisal estimates the August 21, 2018 (the date of the most recent property inspection) fee simple market value of the subject property subject to the certification, assumptions and limiting conditions herein stated. The methods and reasoning used in the analyses, as well as the data gathered during the investigation of the property and marketplace are also detailed in this report.

After careful consideration of all the pertinent factors influencing fair market value, it is my opinion that the value of the subject property, in fee simple estate, as of August 21, 2018 (the date of the most recent property inspection), is:

One Million Fifty Thousand and no/100 Dollars (\$1,050,000.00)

This appraisal report has been completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the American Appraisal Foundation, Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the UASFLA (Minnesota DNR Supplemental) Guidelines. All statements of fact contained in this report upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct to the best of my knowledge.

Please feel free to contact me if you have any questions regarding this report. Thank you for the opportunity to assist you in this valuation matter.

Respectfully Submitted,



Kelly Lindstrom, Certified General Appraiser
Minnesota Certified General Appraiser License # 20315256

APPRAISAL CERTIFICATION

I hereby certify that:

COUNTY: Washington

DATE OF VALUE:

8/21/2018

MARKET VALUE: \$ 1,045,000

The property owner or representative was invited to accompany me on my inspection of the property and the property owner's representative did accompany me during the inspection on 8/21/2018.

The appraiser has not provided any services related to the subject property within the three year period immediately preceding acceptance of the assignment, or in any other capacity.

There is not a pending purchase agreement on the subject property (attach if applicable).

This appraisal has been prepared in compliance with UASFLA.

The appraiser has not observed any environmental concerns on or near the subject property.

I have been provided a copy of the DNR Landowners Disclosure Form completed by the landowner or representative.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and with the Minnesota DNR Supplemental Appraisal and Appraisal Review Guidelines (1/1/16).

The OPINION OF VALUE DATE specified above is the date I personally inspected the property and the date to which my opinion of value applies. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.) I have also made a field inspection of the comparable sales relied upon in making this appraisal which are represented by the photos in the report.

The ESTIMATED MARKET VALUE specified above is my independent opinion for the proposed acquisition on the date specified.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

I am aware that this appraisal and report may be reviewed by a Federal agency.

I understand that the appraisal report is to be used as the basis for an offer of just compensation by the State of Minnesota; that the appraisal has been made in conformity with the appropriate State Laws, regulations, policies, and procedures applicable to appraising land for such purposes; and that should the State acquire the property, this report will be considered public data. To the best of my knowledge, no portion of the value assigned to such property consists of items, which are non-compensable under the established law of the State.

In making this appraisal, I have disregarded any increase or decrease in the before value caused by the project for which the property is being acquired.

I will not reveal the findings and results of this appraisal to anyone other than the proper officials of the State of Minnesota until authorized by State officials to do so, or until I am required to do so by due process of law.

I was provided no significant professional assistance in preparing this report.

I am licensed as a real estate appraiser by the State of Minnesota, license, number 2031526, expiring 8-31-19. I am licensed and competent to perform an appraisal for the type of property presented in this report.

To the best of my knowledge and belief, the statements contained in the appraisal report are true, and the information upon which my opinions are based is correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

That use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Kelly Lindstrom, have completed the Standards and Ethics Education Requirement for the Candidates/Practicing Affiliates of the Appraisal Institute.

A handwritten signature in black ink that reads "Kelly Lindstrom". The signature is written in a cursive style with a large, stylized "L" for Lindstrom. Below the signature is a horizontal line.

Kelly A. Lindstrom
Certified General Appraiser; Minn. # 2031526