

Community Development Committee Report

For the Metropolitan Council meeting of January 08, 2019

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

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$435,925 to Three Rivers Park District to acquire the 5.27-acre Higgins property located at 10530 Holly Lane North in the City of Maple Grove for the Rush Creek Regional Trail.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.
3. Consider reimbursing Three Rivers Park District for up to \$170,245 from its share of a future Regional Parks Capital Bonding Program for costs associated with their local match.
4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Parks Planner, presented this Park Acquisition Opportunity Fund grant request to the Community Development Committee at its meeting on December 16, 2019. Council Member Johnson asked how much of the parcel is developable, and Ms. Lee responded that 1.33 of the 5.27 acres are developable. Council Member Johnson expressed concern with the cost of the acquisition but stated she would vote for the project. The Committee approved the proposed actions unanimously.

Metropolitan Parks and Open Space Commission Report

For the Community Development Committee meeting of December 16, 2019

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

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$435,925 to Three Rivers Park District to acquire the 5.27-acre Higgins property located at 10530 Holly Lane North in the City of Maple Grove for the Rush Creek Regional Trail.
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4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Summary of Committee Discussion/Questions

Jessica Lee, Senior Parks Planner, presented this Park Acquisition Opportunity Fund grant request to the Metropolitan Parks and Open Space Commission at its meeting on December 5, 2019.

Commissioner Rick Theisen asked about the development plans for the trail. Ms. Lee responded that the trail development was at least ten years out. Jonathan Vlaming, Associate Superintendent of Planning for Three Rivers Park District, confirmed that they are currently in the land acquisition phase of the trail development, and construction will not occur for ten years or more. Commissioner Robert Moeller asked about opportunities to use the house that is currently on the property until Three Rivers Park District is ready to start construction of the trail. Three Rivers Park District will remove the house shortly after the acquisition purchase, with many of the materials salvaged for reuse.

The proposed actions were approved unanimously by the Metropolitan Parks and Open Space Commission.

Metropolitan Parks and Open Space Commission

Meeting date: December 5, 2019

For the Community Development Committee meeting of December 16, 2019

For the Metropolitan Council meeting of January 8, 2020

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

MPOSC District: District A, Rick Theisen

Council District, Member: 1, Judy Johnson

Policy/Legal Reference: Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; *2040 Regional Parks Policy Plan*, Chapter 4, Siting and Acquisition Policy- Strategy 4; Chapter 5, Planning Policy- Strategy 1; Chapter 8, Finance Policy- Strategy 7.

Staff Prepared/Presented: Jessica Lee, Senior Parks Planner (651-602-1621)

Division/Department: Community Development

Proposed Action

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4. Inform Three Rivers Park District that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

Background

Park Acquisition Opportunity Fund (PAOF)

The Council's Park Acquisition Opportunity Fund (PAOF) provides funding 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 by matching 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 Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match.

Regional Park Implementing Agency (Agency) and Location

Three Rivers Park District requested this grant on October 24, 2019. A copy of the Agency's request is attached to this item as Exhibit 2. Rush Creek Regional Trail is in the northern portion of Hennepin County. An existing 7-mile trail connects Elm Creek Park Reserve to the Coon Rapids Dam Regional Park. A planned trail extension will add 11 miles of trail between Elm Creek and Crow Hasson Park Reserves. The Higgins property is in the planned trail corridor and acquiring this land will allow for future trail construction.

Project budget

The appraised value of the property is \$500,000, and the Seller has agreed to 100% of the appraised amount. The City of Maple Grove will be purchasing a 17-foot right-of-way from TRPD after the closing, and this right-of-way has been valued at \$8,830. Therefore, TRPD included \$491,170 as the total purchase price for this acquisition.

The total project cost including legal fees, taxes, and stewardship is \$606,170, as shown below. The Parks and Trails Legacy Fund and Council Bond match has only \$435,925 remaining in FY2020, so TRPD will be providing 28% of the total project cost rather than the standard 25%.

Budget item	Requested amount
Purchase price	\$491,170
Due diligence (appraisal)	\$2,700
Holding and closing costs, taxes	\$9,900
Phase I environmental site assessment	\$2,400
Stewardship (including building removal and site restoration)	\$100,000
<hr/> Total costs	<hr/> \$606,170
Grant structure	
State FY 2020 PTLF PAOF	\$261,555
Council bonds	<u>\$174,370</u>
Grant amount not to exceed	\$435,925
Local match	\$170,245

Council review

Council staff conduct review of each PAOF request on a first-come-first-served basis under the following standards:

- the proposed acquisition complies with state statute and Council policy
- all necessary documentation for the acquisition is in place
- the appraisal is reasonable and appropriate

Subject property

The subject 5.27-acre property is within the Council-approved boundary of the Rush Creek Regional Trail, and contains 1.33 acres of homestead/upland, and 3.94 acres of undeveloped wetlands. Rush Creek runs through the eastern half of the property for approximately 670 feet and is surrounded by a large wetland complex. The upland portion of the property is currently mowed turf grass with trees and contains a house. Shortly after the property is purchased, grant funds will be used to remove the structure and restore the disturbed area to a natural state. A wetland buffer will be established using local ecotype herbaceous and woody native plant materials likely from the Park District's nursery. These

Acquisition details

This is a straightforward, fee simple transaction. The property is subject to a public trailway easement held by the City of Maple Grove. The easement, which is over the wetland portion of the property, does not impact Three Rivers Park District's use, as they will be building the trail in the upland portion of the property, out of the floodplain. However, this easement gives the City permission to build local connections to the Regional Trail if someday desired.

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 Rush Creek Regional Trail in 2007.
 - Siting and Acquisition Strategy 4 requires that new regional trails serve a regional audience and provide connections between regional park units without duplication. The recommended easement will establish a needed link for the regional trail without duplication, thereby providing uninterrupted trail access to serve a regional audience.
 - 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.
- The Rush Creek Regional Trail master plan.
- All requirements of PTLF and the 2020 appropriation. 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 outcomes because the Council’s investment in the Regional Trail will provide access to outdoor recreation, enhance quality of life, and offer opportunities for increased health and wellness.

Funding

The Council will fund this grant through Council Bonds (\$174,370) and State Fiscal Year 2020 Parks and Trails Legacy Funds (\$261,555). Funds are available in the Council’s Authorized Capital Program.

Three Rivers Park District will provide a local match of \$170,245.

Future reimbursement consideration

The Agency is also requesting that the Council consider reimbursing its local match of \$170,245 for this acquisition at some point in the future through the Regional Parks Bonding Program. A request for “future reimbursement consideration” is the first step in a process Agencies may use to request repayment of their match amount in a future bonding cycle. The Council is under no obligation to reimburse this amount.

Known Support / Opposition

There is no known opposition.

Exhibit List

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

Exhibit 1 – Images

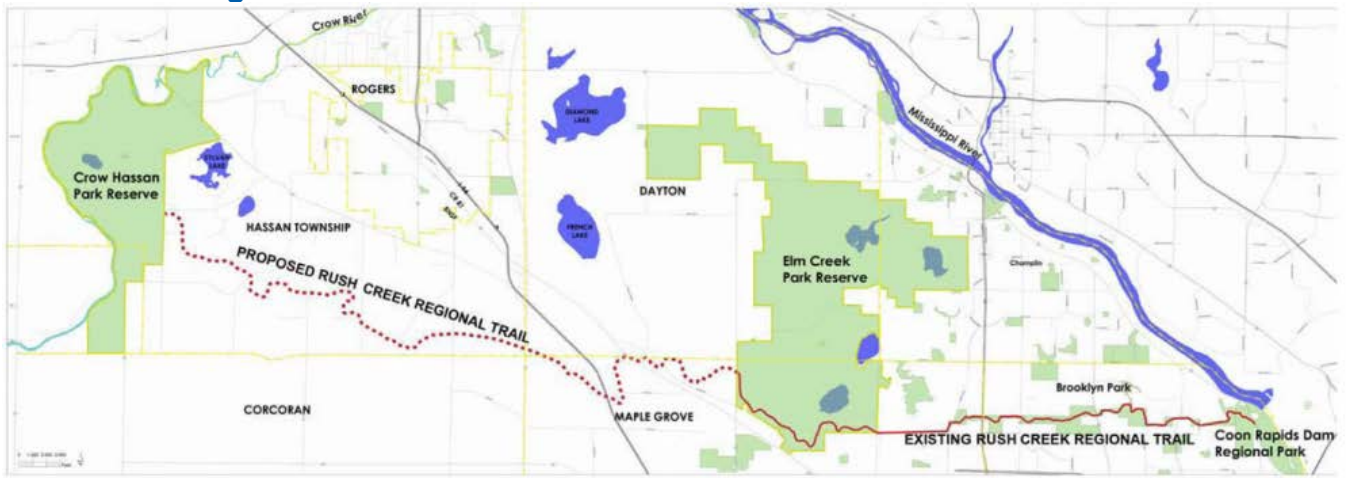
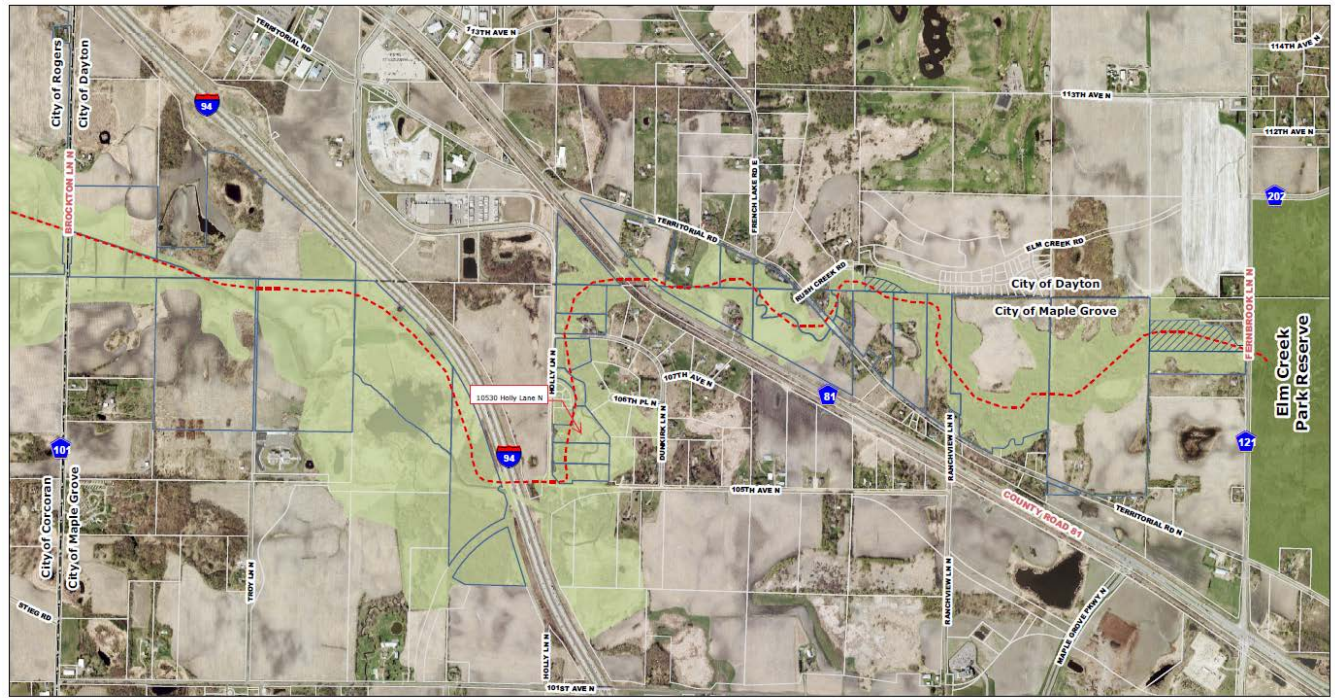


Figure 1. Map of Entire Rush Creek Regional Trail- existing and proposed trail.



Rush Creek Regional Trail Greenway Corridor

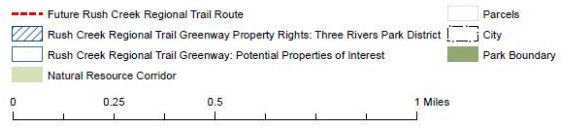


Figure 2. Map of Rush Creek Regional Trail Greenway Corridor for the proposed trail extension.



Figure 3. Aerial image of subject 5.27-acre parcel.

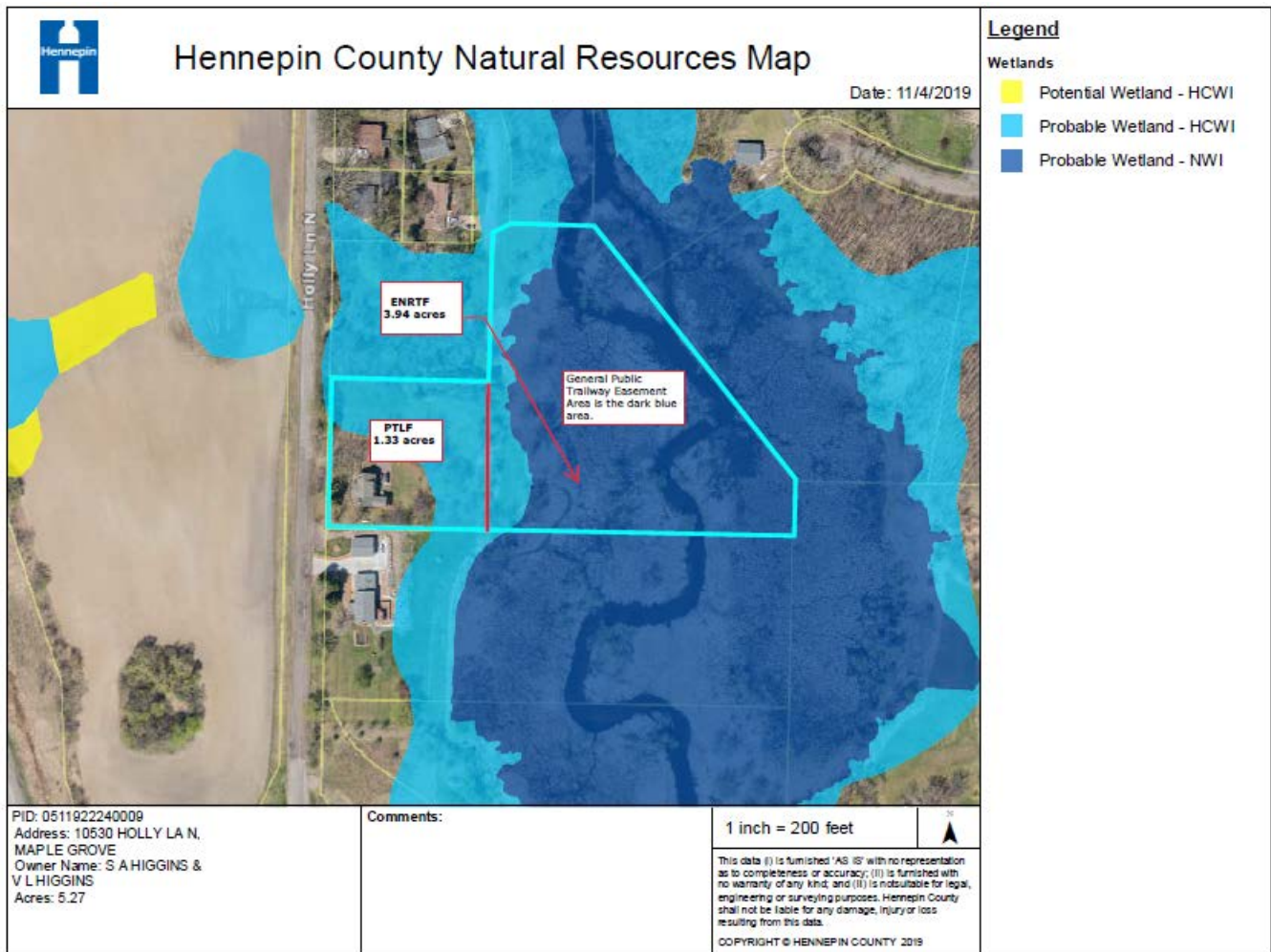


Figure 4. Map of subject parcel showing location of Rush Creek and surrounding wetlands, with the recreation easement location in dark blue, coinciding with the area most prone to seasonal flooding.



October 24, 2019

**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

Marge Beard
District 1

RE: Trail Acquisition Opportunity Grant Fund Request for Rush Creek Regional Trail

Jennifer DeJournett
District 2

Dear Emmett,

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Rush Creek Regional Trail in the amount of \$454,628.29 for acquisition of 5.27 acres located in the City of Maple Grove. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Daniel Freeman
Vice Chair
District 3

Background Summary

Three Rivers and the City of Maple Grove staff are collaborating on the long-term planning near and adjacent to the Rush Creek Regional Trail corridor as part of Maple Grove master planning efforts, the new Dayton Parkway Interchange and other related transportation and development growth. With development and land use changes imminent, several residents have expressed an interest in selling their property to Three Rivers. This property, located at 10530 Holly Lane North, is one of the properties currently under acquisition consideration. Acquisition of the property supports the long-term vision of the Rush Creek Regional Trail corridor.

John Gunyou
Chair
District 4

John Gibbs
District 5

Funding Request and Flexibility

This property is a strong candidate for the Parks and Trails Legacy Fund and a portion of the property is also a strong candidate for Environmental Natural Resource Trust Fund. Three Rivers understands that both funds have limited capacity and that the full 75% reimbursement may not be available.

Steven Antolak
Appointed
At Large

Three Rivers is requesting PAOF funding for all acquisition related expenses for the Higgins parcels except for the portion of the property located directly along Holly Lane. The excluded property is shown below, limited to 17' along the most westerly boundary along Holly Lane and would not be subject to Metropolitan Council deed restrictions.

Gene Kay
Appointed
At Large

Boe Carlson
Superintendent

Excluding this portion of the property is in recognition of the following components:

- PAOF funding is approximately \$25,000 short of fulfilling the max 75% grant contribution
- Maple Grove has requested an additional 17' of ROW along Holly Lane

Excluding this property from the PAOF request better aligns the deed restriction with the property PAOF partially funded. It also supports efficient and effective coordination with Maple Grove and the Met Council as it eliminates the future need to work through park land conversion process which requires significant staff time and elected body approvals of all involved agencies.

Three Rivers would accept a lower grant amount of approximately \$435,924, the estimated amount of remaining FY 2020 PAOF/PTLF funds and requests future consideration for reimbursement for the entire final local match amount. In addition, if there are any remaining ENRTF funds, Three Rivers would also appreciate consideration for those funds as well. The appraisal assigned a value of \$32,000 for the 3.94 acres of undeveloped natural area (eastern three-fourths of the property) which is ENRTF eligible. Should this opportunity exit, Three Rivers is happy to provide additional detail on the natural resources and stewardship plan for the property.

Regional Recreation Amenity

Acquisition of this parcel, as well as several others along Rush Creek, are critical to the long-term Rush Creek Regional Trail vision. When complete, the regional trail will span over 18 miles across the northern half of Hennepin County from the Mississippi River at Coon Rapids Dam Regional Park to the Crow River at Crow-Hassan Park Reserve via Elm Creek Park Reserve. As envisioned the regional trail will incorporate and highlight the natural resources of the area including Rush Creek, wetland complexes, wooded areas and unique bluffs along Rush Creek near Elm Creek Park Reserve providing a high-quality destination regional trail greenway.

Acquisition of parcels along the corridor, specifically parcels with high natural resource value, are critical to achieving this vision. In 2016, Three Rivers acquired a property south of this parcel, making this property a more critical acquisition.

Natural Resource Summary

The property totals 5.27 acres including approximately 1.33 acres of homestead/upland and 3.94 acres of undeveloped land with the majority of it classified as wetland. The Rush Creek runs through the undeveloped portions of the property. The homestead/upland areas include a home/outbuildings/driveway and mowed lawn with good tree coverage whereas the undeveloped portions of the portions of the property include smooth brome grass, cattails and some areas of mowed lawn. The majority of the property is subject to periodically flooding.

Thank you for your continued assistance through this process.



Heather Kuikka
Planning Administrative Specialist

Enclosures

C: Jonathan Vlaming, Associate Superintendent
Kelly Grissman, Director of Planning
Jessica Lee, Metropolitan Council

Exhibit 3: Grant application



Application

10851 - 2019 Parks Acquisition Opportunity Fund

13221 - Rush Creek Regional Trail - Higgins Acquisition

Parks Grants Acquisition

Status: Under Review
Original Submitted Date: 10/08/2019 9:03 AM
Last Submitted Date: 11/20/2019 11:43 AM

Primary Contact

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

Title: Administrative Specialist - Planning

Department:

Email: Heather.Kuikka@threeriversparks.org

Address: 3000 Xenium Lane N

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

Phone:* 763-559-9000
Phone Ext.

Fax:

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

Organization Information

Name: THREE RIVERS PARK DISTRICT

Jurisdictional Agency (if different):

Organization Type:

Organization Website:

Address: RESERVATIONS
3000 XENIUM LN N

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

County: Hennepin

Phone:* 763-559-6700 Ext.

Fax:

PeopleSoft Vendor Number 0000057347A1

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 Rush Creek RT-Three Rivers Park District

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 Rush Creek Regional Trail 03/22/2007
Name of master plan Council approval date - Format: mmddyyyy
(Do not enter any punctuation.)

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

Acquisition method

Acquisition method Fee title

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

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

Three Rivers is requesting PAOF funding for all acquisition related expenses for the Higgins parcels except for the portion of the property located directly along Holly Lane. The excluded property is shown on an attached map, limited to 17' along the most westerly boundary along Holly Lane and would not be subject to Met Council deed restrictions.

Excluding this portion of the property is in recognition of the following components:

- PAOF funding is approximately \$25,000 short of fulfilling the max 75% grant contribution
- Maple Grove has requested an additional 17' of ROW along Holly Lane

Excluding this property from the PAOF request better aligns the deed restriction with the property PAOF partially funded. It also supports efficient and effective coordination with Maple Grove and the Met Council as it eliminates the future need to work through park land conversion process which requires significant staff time and elected body approvals of all involved agencies.

Does this acquisition involve eminent domain? No

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 02/28/2020

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 09/30/2019

Appraised value \$500,000.00

Amount being offered the seller (net of closing and other costs) \$500,000.00 100.0%
% of appraised value

Who performed the appraisal? Day Group LLC

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

Survey

Was a survey done? No

Quality of natural resources - is the property...

...undeveloped? Fully Yes Partially

...wooded? Fully Yes Partially

...shoreline? Fully Yes Partially

Describe the existing natural resources it contains

Rush Creek traverses along the entire eastern portion of the property. None of the trees hold a significant value and are buckthorn, ash, and silver maple. Most of the property is mowed by the owner. Because almost the entire parcel is in the floodplain, a significant portion of the eastern side is cattail.

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? Yes

If yes, describe

The City of Maple Grove holds a public trailway easement in the area that is deemed "wetland". A map has been provided that shows this area. The easement does not affect the value of the property in any way.

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 PTLF Legacy / Council match

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)? The house and shed will be demolished.

If there are habitable structures, could they be relocated? If yes, how? If no, why not? No. It is not economically feasible to move the house. The seller's are not interested in keeping the house and relocating it.

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

All related stewardship and demolition costs will be paid for with PTLF, Met Council Bonds, the Three Rivers funds.

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 purchased 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.

Stewardship and minimal access

Describe the stewardship plan.

Three rivers immediate stewardship plan includes conducting an environmental assessment, appropriately addressing any concerning findings, removing all the personal property and structures and returning the property to a natural state by putting down native grass seed. We will not be removing any trees in the near future.

The long-term stewardship plan is to remove any invasive species, improve the condition and composition of the native plant communities which improves the ecological function, as well as improving recreation value by buffering the regional trail from adjacent existing and future development and address any potential erosion along the creek corridor.

While regional trail construction is likely 10+ years out, construction will follow industry best management practices to reduce potential environmental impacts.

How will the stewardship implementation be funded?

The immediate stewardship plan will be funded by the grant and Three Rivers. The long-term stewardship plan would likely be funded by Three Rivers operation funds.

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

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, Underground tanks

Select as many as apply

Sellers and parcels

Seller name	Parcel addresses	PID	Acres (SF for easements)	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude	
Sidney & Vicki Higgins	10530 Holly Lane North, Maple Grove, MN 55369	05-119-22-24-0009	5.27	10/10/2019	Yes	34A	Maple Grove	Hennepin	1	District A	45.147640	-93.495710	
			5										

Local match

Source of local match

Three Rivers Park District Land Acquisition and Betterment Fund (LADB).

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

If yes, how much? \$170,246.94

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Boe R. Carlon	Superintendent	
Eric J. Quiring	General Counsel	

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$491,171.05
Appraisal expenses	
Appraisal	\$2,700.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$2,400.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$100,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$3,900.00
Legal services and closing costs	\$2,000.00
Property tax equivalency payment-473.341	\$1,800.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$1,000.00
Title insurance	\$900.00
Well disclosure statement	\$100.00
Other holding	\$0.00
Other expenses	
Other expenses	\$200.00
Totals	\$606,171.05

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
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Total Estimated
Acquisition Cost
(calculated after
costs above are
entered)

\$606,171.05

\$261,554.47

\$174,369.64

\$170,246.94

\$435,924.11

Exhibit 4: Board approval to purchase property

REQUEST FOR BOARD ACTION

Meeting Date: 10/10/19 Business Item: Current Item Number: **6B**

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

Agenda Item: Rush Creek Regional Trail Acquisition Opportunity

Superintendent's Recommendation:

MOTION TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$500,000 FOR THE ACQUISITION OF 10530 HOLLY LANE NORTH LOCATED IN THE CITY OF MAPLE GROVE FOR THE RUSH CREEK REGIONAL TRAIL AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$620,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

The following information was prepared by Kelly Grissman, Director of Planning and Heather Kuikka, Administrative Specialist.

Background:

In December 2018 staff updated the Board on the planning and acquisition efforts of the Rush Creek Regional Trail corridor in relation to known acquisition opportunities, Maple Grove master plan efforts, the new Dayton Parkway Interchange and other related development growth. Since then staff have been staying actively engaged with the local communities and property owners resulting in an additional acquisition opportunity to secure a critical property along the Rush Creek Regional Trail corridor.

The 5.27-acre acquisition opportunity is located at 10530 Holly Lane North in Maple Grove, MN (***Reference 6B-1***). The property includes a house and shed, and Rush Creek runs through the western portion of the property. The seller agreed purchase price is reflective of the appraised value of \$500,000.

Time is of the essence to enter into the purchase agreement and submit an acquisition grant request to the Metropolitan Council. Staff recently learned that available Metropolitan Council acquisition funds are currently limited to \$425,000 and that another agency was in the process of finalizing an acquisition request in November which would further deplete acquisition funds to \$125,000. As such, staff worked with the property owner to expediate the purchase agreement negotiation process and forward the acquisition opportunity to the Board for consideration at the earliest possible time to secure as much external funding support as possible from the Metropolitan Council.

A signed copy of the purchase agreement is included in the packet (***Reference 6B-2***). Consistent with other purchase agreements, the purchase agreement includes several standard contingencies to reflect acquisition rules and processes Three Rivers is required to

follow, including but not limited to, municipal consent, partial funding by the Metropolitan Council, environmental assessment and similar.

Funding

The estimated total acquisition cost of \$620,000 includes the purchase cost, appraisal, environmental assessment work, land stewardship/demolition/restoration, legal fees and title commitment/insurance. The acquisition is eligible for up to 75% reimbursement from the Metropolitan Council Park Acquisition Grant Fund. However, the Metropolitan Council's funding capacity is currently limited to about \$425,000, which would limit their contribution to 68.5%. Staff recommends funding the remaining balance/local match (\$195,300) from the Land Acquisition Development and Betterment fund.

Similar to other acquisitions, staff will request that the local match be eligible for future reimbursement from the Metropolitan Council's Capital Improvement Program.

Relationship to the Vision Plan

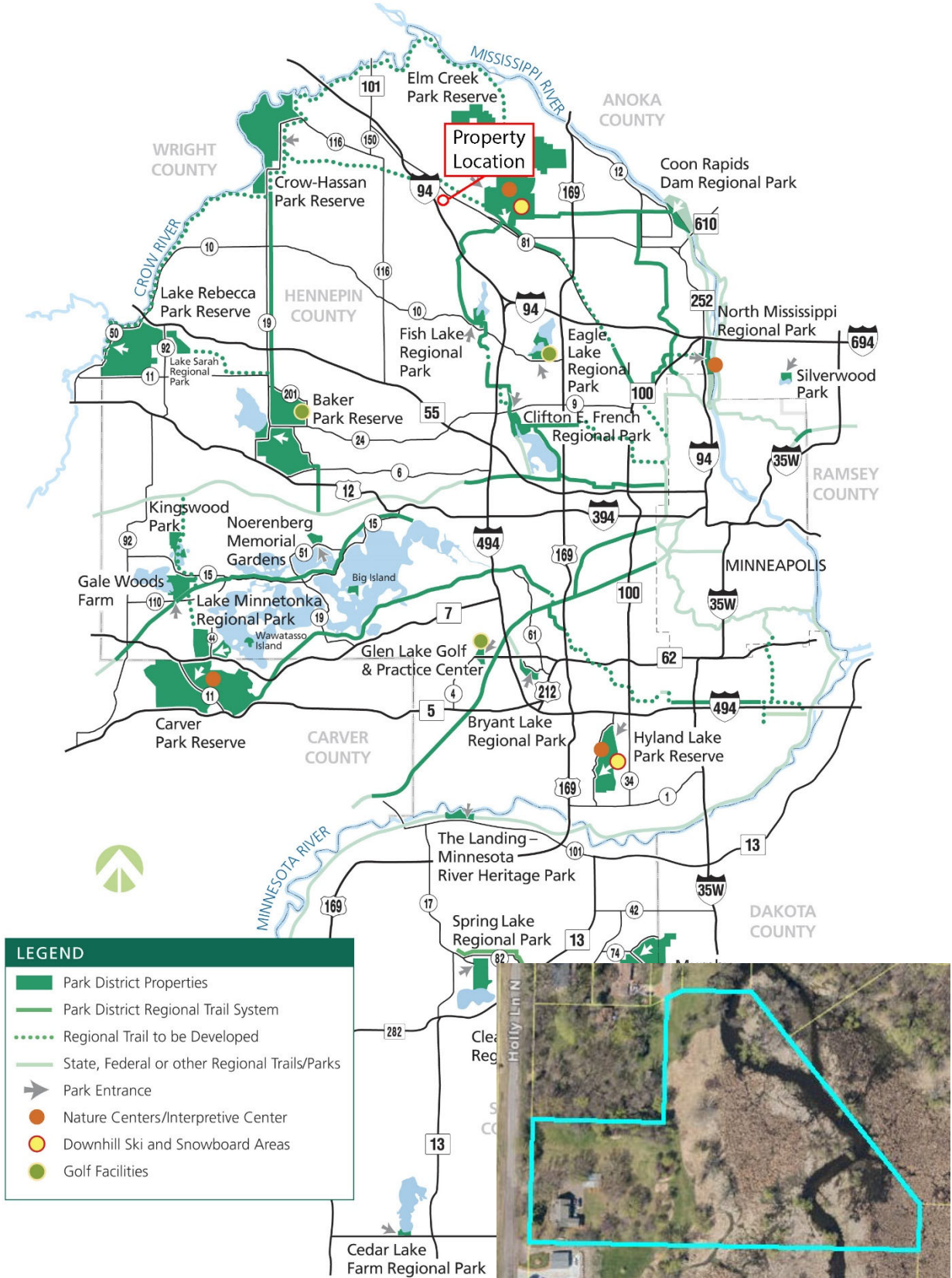
The Request for Action supports the following element(s) of the Vision Plan:

- Inspire people to recreate
- Connect people to nature
- 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

Click below to view/print agreement.

[2019 Board References\10-10 Rush Creek RT Higgins Purchase Agreement.pdf](#)

Exhibit 5: Purchase agreement

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 **Sidney and Vicki Higgins**, ("Sellers").

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, Sellers own property located at 10530 Holly Lane North, Maple Grove, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 5.27 acres; and

WHEREAS, Sellers and Buyer wish to enter into an agreement for the conveyance of the Subject Property from Sellers 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. Sellers hereby agree to convey to Buyer and Buyer agrees to accept from Sellers the Subject Property together with all improvements and fixtures.

2. Consideration. In consideration of the conveyance, transfer and delivery by the Sellers to the Buyer of the Subject Property, the Buyer shall pay to the Sellers the sum of Five Hundred Thousand Dollars (\$500,000.00) ("Purchase Price") at Closing.

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

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

4. Real Estate Taxes. Real estate taxes due and payable in the year of Closing shall be prorated between Sellers and Buyer on a calendar year basis to the actual date of Closing. Sellers 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 Sellers on or before the date of Closing. Real estate taxes payable in the years subsequent to Closing shall be paid by Buyer.

5. Special Assessments. Sellers shall pay on or before the date of Closing all special assessments levied or pending against the Subject Property as of the date of Closing.

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

7. Damages To Real Property. Except for Buyer's inspection activities pursuant to Section 8(d), if there is any loss or damage to the Subject Property between the date hereof and the date of Closing, for any reason, the risk of loss shall be on the Sellers. Sellers 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 Sellers notify Buyer of such damage. If Buyer elects to not terminate this Agreement, the proceeds of all insurance covering the Subject Property conveyed by this Agreement payable by reason of such damage or destruction shall be paid to the Buyer.

8. Title and Documents.

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

- (i) Copies of any environmental audits or assessments of the Subject Property that are in Sellers' 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 Sellers' possession.
- (iv) Copies of any written agreements affecting the ownership and use of the Subject Property known to Sellers.
- (v) An abstract of the Subject Property if in Sellers' possession.

(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, Sellers 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 Sellers 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. Sellers hereby grant Buyer and/or its agents the right to enter upon the Subject Property for the purpose of inspection and to prepare topographical 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 Sellers and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmens and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer 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.

9. Environmental. To Sellers' knowledge, and except as disclosed in the reports and other documents provided to Buyer, Sellers' 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 Sellers' ownership of the Subject Property, to the Sellers' 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 Sellers have 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.

Sellers have disclosed to the Buyer all reports and other documents in their possession concerning environmental matters relating to the Subject Property. To Sellers' 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 Sellers have no such claims against third parties.

Sellers 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 Sellers prior to conveyance to Buyer.

10. Sellers' Warranties. As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Sellers represent and warrant to and covenant with Buyer that to the best of Sellers' knowledge at the time of Closing there are no persons in possession of the property, including, but not limited to tenants, licensees, or permittees.

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

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

13. Closing; Contingencies.

(a) Performance at Closing. Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on February 28, 2020 or at such other time as may be agreed upon between the parties.

(i) At the Closing Sellers 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 §1031.235,
 - (d) sign the warranty deed, and
 - (e) pay the deed tax.
- (ii) At the Closing, Buyer shall:
 - (a) pay the title commitment fee, if not paid pursuant to paragraph 8(b);
 - (b) pay the premium for title insurance, if desired by Buyer;
 - (c) pay any and all other Closing costs including all filing fees; and
 - (d) Pay to the Sellers 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 Sellers in writing of contingency satisfaction:
 - (i) Buyer shall obtain consent of the City of Maple Grove to its acquisition of the Subject Property pursuant to Minn. Stat. §398.09(b)(1);
 - (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;
 - (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement 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 window;
 - (iv) This Agreement and the obligations of Buyer hereunder are strictly contingent upon approval of this Agreement by Buyer's Board of Commissioners; and
 - (v) Approval of reimbursement to Buyer by Metropolitan Council.

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.

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

15. Possession. Sellers shall deliver possession of the Subject Property on the date of Closing.

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

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

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

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

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

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

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

If to Seller:

Sidney and Vicki Higgins
10530 Holly Lane North
Maple Grove, MN 55369

If to Buyer:

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

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

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

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

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

27. Disclosures. Sellers make the following disclosures to Buyer:

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

EXHIBIT A


Legal Description of Subject Property

Lot 12, Block 2, Castlewood Estates Addition, Hennepin County, Minnesota.

Property Identification Number: 05-119-22-24-0009

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: 10/10/2019 By  John Gunyou, Board Chair

Dated: 10/10/2019 By  Boe R. Carlson, Superintendent and Secretary to the Board

SELLERS:

Dated: 10/7/19 By  Sidney Higgins

Dated: 10/7/19 By  Vicki Higgins

EXHIBIT A

Legal Description of Subject Property.

Lot 12, Block 2, Castlewood Estates Addition, Hennepin County, Minnesota.

Property Identification Number: 05-119-22-24-0009

Exhibit 6: Appraisal excerpt



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

763.205.6966
Fax 763.208.3928
www.daygroupmn.com

September 30, 2019

Heather Kuikka, Planning Administrative Specialist
Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441

RE: Market value Appraisal Report
Rural residential property at 10530 Holly Lane North
Maple Grove, Minnesota 55369

Dear Ms. Kuikka:

In accordance with your request, a market value appraisal analysis on the referenced property have been completed. I have considered the relevant factors relating to the subject property and the current market forces. The attached report contains the summary of the analysis completed, commentary, and value conclusions. The client and an intended user is Three Rivers Park District; Metropolitan Council is also an intended user. There are no other intended users. The intended use of the appraisal is for potential full acquisition purposes to accommodate a future regional trail. Reportedly, the owners are interested in selling the property. The appraisal as developed and reported is only for the stated intended use and user. Day Group LLC assumes no responsibility for any unintended uses or users of the appraisal. The date of value is September 30, 2019, the fee simple interest has been appraised based upon its "as-is" status, and no personal property has been included in the valuation.

The subject is a rural residential property. It contains a 2,602-sf, 1.75-story single-family detached dwelling having additional walkout basement finishing, a tuck-under garage, plus a separate pole building. The improvements have some upgrade amenities, and are in above average condition. See the body of the report for more detail on the subject features.

The site consists of 5.27 acres of which 1.33 acres is upland (with some upland area in a floodplain/floodway, usable for yard space). The eastern wetland area includes some fringe yard space, and Rush Creek. Views of the creek and wetland area are good. The subject and district are guided Mixed-Use Development. There is no public sewer and water within the neighborhood, yet is anticipated when Holly Lane is upgraded (within the next several years most likely). The current valuation reflects the subject and district's "as-is" status; once infrastructure is extended and paid for, and nearby mixed-use development occurs, market changes are likely.

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

We have completed a credible appraisal analysis consistent with the intended use of the appraisal, the requirements of the intended user, and within conformity of the Scope of Work Rule per USPAP. Please refer to the body of the attached report for descriptions of assignment conditions and the details of the scope of work employed in my development of the conclusions. The appraisal is subject to the general limiting conditions, extraordinary assumptions and hypothetical conditions contained on pages 7 and 8 (please review these before any of the values or conclusions are relied upon).

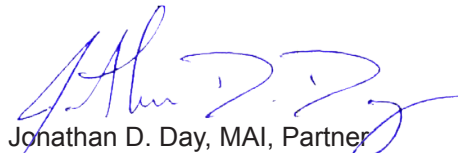
Neither my employment to make this appraisal nor the compensation received is contingent upon the conclusions or values reported herein. Based upon my investigation and analysis, it is my opinion that the subject has a fee simple market value, subject to limitations and conditions as hereinafter stated,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

Total Property Value: \$500,000
Total Allocated Land Value: \$160,000
Rear Wetland Allocated Value: \$32,000 (\$8,127/acre or \$0.19/sf)
Front Upland Site Allocated Value: \$128,000 (\$96,241/acre or \$2.21/sf)

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

Respectfully submitted,

DAY GROUP LLC

A handwritten signature in blue ink, appearing to read "Jonathan D. Day".

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