

Committee Report

Community Development Committee



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Community Development Committee Meeting: October 16, 2023 **For the Metropolitan Council:** October 25, 2023
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Business Item: 2023-239

West Mississippi River Regional Trail, Park Acquisition Opportunity Fund Award (Laurel), Three Rivers Park District

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$431,250 to Three Rivers Park District to acquire a 1.98-acre parcel located at 16350 Dayton River Road in Dayton, MN, for the West Mississippi River Regional Trail.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

Summary of Community Development Committee Discussion/Questions

This business item was passed as part of the Community Development Committee's consent agenda on October 16, 2023.

Business Item

Community Development Committee



Committee Meeting Date: October 16, 2023

For the Metropolitan Council: October 25, 2023

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District(s), Member(s):	District A, Monica Dillenburg District 1, Judy Johnson
Policy/Legal Reference:	Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; <i>2040 Regional Parks Policy Plan</i> , Chapter 4, Siting and Acquisition Policy- Strategy 1; Chapter 5, Planning Policy- Strategy 1; Chapter 8, Finance Policy- Strategy 7. FM 15-2 Grant/Loan Approval Policy, FM 14-2 Expenditures for the Procurement of Goods and Services Policy.
Staff Prepared/Presented:	Jessica Lee, Senior Planner, 651-602-1621
Division/Department:	Community Development/ Regional Planning

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Summary of Metropolitan Parks and Open Space Commission Discussion/Questions

Emmett Mullin, Parks Manager, presented the staff report to the Metropolitan Parks and Open Space Commission on October 5, 2023.

Chair Tony Yarusso asked about the asbestos removal and whether it should be included in the stewardship budget line item. Mullin stated that makes sense.

He also asked whether there was a letter of support from the City of Dayton. Three Rivers Park District Assistant Superintendent, Jonthan Vlaming stated that there is a letter of support in the materials submitted.

The full Commission voted unanimously to pass the proposed action.



Community Development Committee Meeting: Oct. 16, 2023

For the Metropolitan Council: Oct. 25, 2023

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Background

Regional Park Implementing Agency and Project Request

Three Rivers Park District requested a Park Acquisition Opportunity Fund (PAOF) grant on July 14, 2023, to fund the acquisition of a 1.98-acre parcel for the West Mississippi River Regional Trail. A copy of the Agency’s request is attached to this item as Exhibit 2 with application details in Exhibit 3.

The West Mississippi River Regional Trail when completed will span 20 miles adjacent to or near the Mississippi River in northeast Hennepin County, connecting the communities of Dayton, Champlin, Brooklyn Park and Brooklyn Center. The regional trail is also part of the National Mississippi River Trail that spans the entire length of the Mississippi River from the headwaters at Itasca State Park to the mouth in Louisiana.

Subject Property

The subject 1.98-acre property is within the Council-approved boundary of the West Mississippi River Regional Trail. The property contains an older home that has asbestos throughout and many

broken windows. The home is not salvageable and will be removed. Half of the property remains undeveloped with mature trees and 136 linear feet of Mississippi River shoreline.

Park Acquisition Opportunity Fund (PAOF)

The Council's Park Acquisition Opportunity Fund (PAOF) Program 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 funds. The \$3 to \$2 match is required at the program level, not the individual project level.

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.

Project Budget

The appraised value of the subject property is \$455,000, and the Seller has agreed to that amount. See Exhibit 4 for more information on the appraisal. The total project cost including legal fees, taxes, and appraisal is \$575,000, as shown in Table 1 below.

Table 1. Project Budget

Budget item	Requested amount
Purchase price	\$455,000
Appraisal, legal fees, taxes, closing costs	\$23,000
Environmental assessments, phases I and II	\$5,000
Site remediation and land stewardship	\$92,000
Total Costs	\$575,000
Grant structure	
Grant amount	\$431,250
Local match	\$143,750

Acquisition Details

This is a straightforward fee title acquisition.

Rationale

Council staff conduct the 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

This acquisition is consistent with:

- The Parks and Trails Legacy Fund
- 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 long-range plan. The Council approved the West Mississippi River Regional Trail long-range plan in 2018 ([Business Item 2018-85](#)). The proposed acquisition is within the boundaries of the approved long-range plan.
 - Siting and Acquisition Strategy 1 prioritizes the acquisition of lands with natural resource features, access to water, and/or restoration potential for the Regional Parks System. The subject property is necessary to complete the West Mississippi River Regional Trail, which will help protect the Mississippi River.
 - Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park and Trail lands and matching every \$3 in state funds with \$2 in Council bonds.

Thrive Lens Analysis



This request is consistent with *Thrive MSP 2040*'s Livability and Stewardship outcomes. The Council's investment in the West Mississippi River Regional Trail will provide additional access to nature and the outdoors and enhance quality of life.

Funding

The Council will fund the 75% share with Parks and Trails Legacy Fund and Council funds. The PAOF program has available funds in the Council's Authorized Capital Program.

Three Rivers Park District will provide a local match of \$143,750.

Exhibit List

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



Exhibit 1 – Images

Figure 1. Map of the Regional Parks System and the West Mississippi River Regional Trail (circled in red)

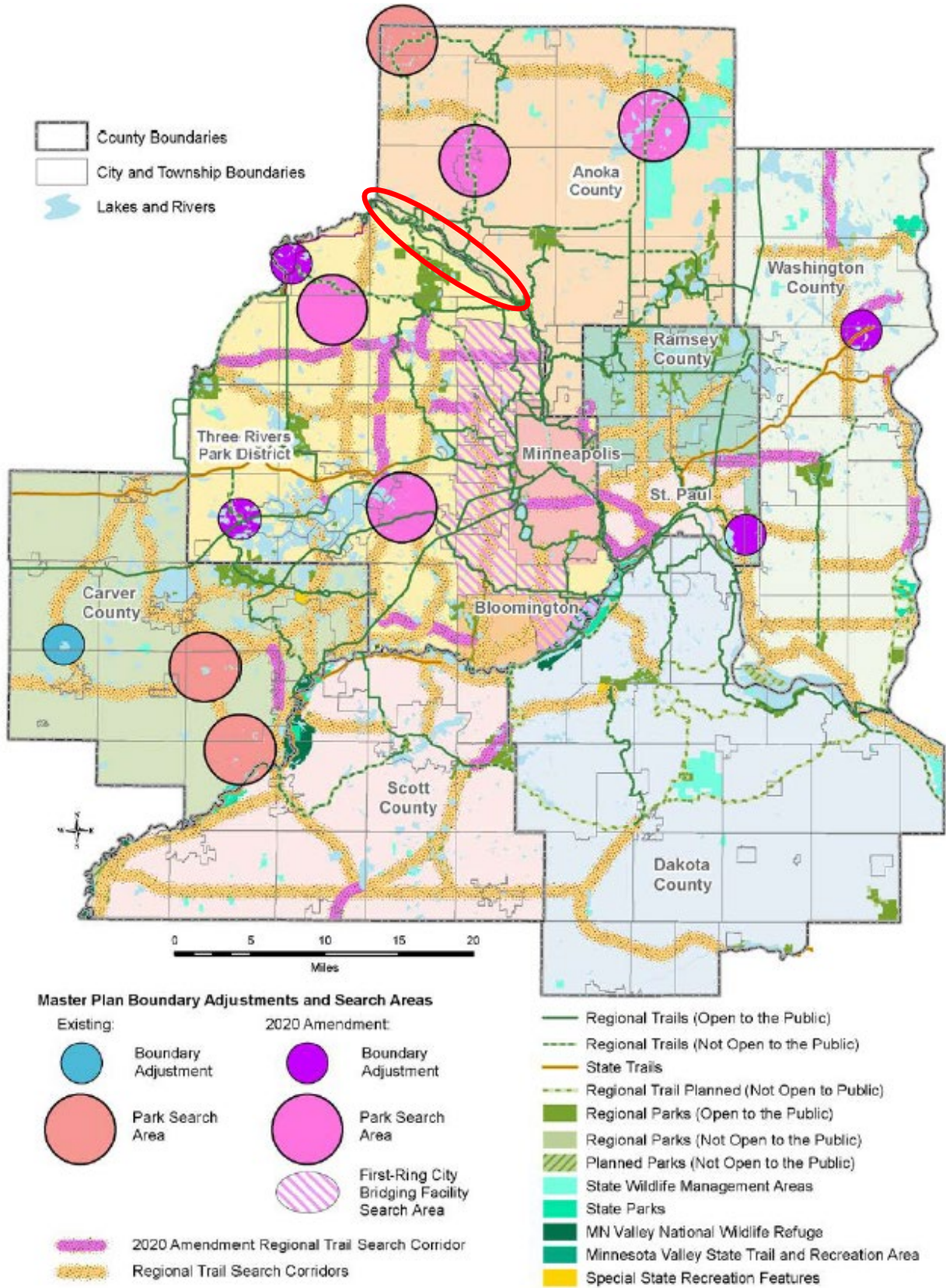


Figure 2. Excerpt from the West Mississippi River Regional Trail long-range plan showing a map of the regional trail, with the approximate location of the subject property area circled in red.



Three Rivers
PARK DISTRICT



Metropolitan

Figure 3. Image of the subject property outlined in yellow.



Metropolitan

Exhibit 2: Grant request letter



Three Rivers
Park District
Board of
Commissioners

July 14, 2023

Marge Beard
District 1

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

Jennifer DeJournett
Vice Chair
District 2

Erin Kolb
District 3

RE: Trail Acquisition Opportunity Grant Fund Request
West Mississippi River Regional Trail: Laurel Property
16350 Dayton River Road, Dayton, MN 55327
PID: 05-120-22-43-0003

Louise M. Segreto
District 4

Dear Emmett,

John Gibbs
Chair
District 5

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for West Mississippi River Regional Trail in the amount of \$431,250 for acquisition of 1.98 acres located in the City of Dayton. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Jan Guenther
Appointed
At Large

Background Summary

Three Rivers is pursuing acquisition of several properties along Dayton River Road in City of Dayton near Goodin Island and Goodin Park to create a river touchpoint for the future West Mississippi River Regional Trail. This regional trail is proposed to follow the Mississippi River/Dayton River Road and is also part of the National Mississippi River Trail and US Bikeway 45. The entire area is within the Mississippi National River Recreation Area (MNRRA) which the National Park Service works with partners to implement and operate. Acquisition of the property supports the long-term vision of the West Mississippi River Regional Trail corridor.

Jesse Winkler
Appointed
At Large

Boe Carlson
Superintendent

Regional Recreation Amenity

Acquisition of this parcel, as well as several others along the Mississippi River, are critical to the long-term West Mississippi River Regional Trail vision. When complete, the regional trail will span over 20 miles adjacent to, or near, the Mississippi River through northeastern Hennepin County. The regional trail connects the communities of Dayton, Champlin, Brooklyn Park and Brooklyn Center – with the confluence of the Crow/Mississippi Rivers and the Minneapolis Grand Rounds acting as bookends.

Natural Resource Summary

The property totals 1.98 acres including approximately 136 lineal feet of Mississippi River shoreline along the back half of the undeveloped portion of the property. The homestead area includes a home with attached garage, driveway, detached Quonset shed, and mowed lawn with partial tree coverage whereas the undeveloped portions of the portions of the property include smooth brome grass, mature non-native trees, river shoreline, and areas of mowed lawn.

Funding Request

Three Rivers requests FY2023 Parks and Trails Legacy Fund and Metropolitan Council acquisition funding consideration at the Council's earliest opportunity in preparation with a pending closing date of on or before February 1, 2024.

Thank you for your continued assistance through this process.



Heather Kuikka
Planning & Research Coordinator

Enclosures

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

Exhibit 3: Grant application



Application

18956 - FY2024 Park Acquisition Opportunity Fund Program

19377 - Laurel Tree Farms House

Parks Grants Acquisition

Status: Under Review
Submitted Date: 07/14/2023 12:05 PM

Primary Contact

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

Title: Planning & Research Coordinator

Department:

Email: Heather.Kuikka@threeriversparks.org

Address: 3000 Xenium Lane N

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

Phone:* 763-694-7649
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

West Mississippi Regional Trail

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

West Mississippi River
Regional Trail 05/17/2018
Name of master plan Council approval date - Format: mmddyyyy
(Do not enter any punctuation.)

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

Acquisition method

Acquisition method

Fee title

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

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

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 02/01/2024

Format: mmdyyy (Do not enter any punctuation.)

Type of agreement Purchase Agreement

i.e., purchase agreement, offer letter, etc.

Date agreement expires

Format: mmdyyy (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 03/16/2023

Appraised value \$455,000.00

Amount being offered the seller (net of closing and other costs) \$455,000.00 100.0%
% of appraised value

Who performed the appraisal? Patchin Messner

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? Yes
Fully Partially

...wooded? Fully Yes
Partially

...shoreline? Fully Yes
Partially

Describe the existing natural resources it contains

136 LF of shoreline along the Mississippi River
Mature trees, we will like leave as-is, except for some potential clean-up

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 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? Yes

If yes, what is the plan for the structure(s)? The house will be demolished, it would cost more to renovated it and get it up to code.

Laurel, Inc.	16350 Dayton River Road, Dayton, MN 55327	05-120-22-43-0003	1.98	06/15/2023	No	34A	Dayton	Hennepin	1	1	45.225703096518174	-93.48821978830685	
			2										

Local match

Source of local match

Three Riveers Park District

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Boe Carlson	Superintendent and Secretary to the Board	
Eric Quiring	General Counsel	Yes

Acquisition Costs

Cost Items	Amount	State funds	Metro funds	Match funds
Purchase price				
Negotiated purchase price	\$455,000.00	\$204,750.00	\$136,500.00	\$113,750.00
Appraisal expenses				
Appraisal	\$2,560.00	\$1,152.00	\$768.00	\$640.00
Appraisal review	\$900.00	\$405.00	\$270.00	\$225.00
Environmental expenses				
Phase I environmental site assessment	\$2,500.00	\$1,125.00	\$750.00	\$625.00
Phase II environmental site assessment	\$2,500.00	\$1,125.00	\$750.00	\$625.00
Environmental contamination remediation	\$12,000.00	\$5,400.00	\$3,600.00	\$3,000.00

Holding expenses

Interest	\$0.00	\$0.00	\$0.00	\$0.00
Land stewardship	\$80,000.00	\$36,000.00	\$24,000.00	\$20,000.00
Land development	\$0.00	\$0.00	\$0.00	\$0.00
Pro-rated share of all property taxes/assessments	\$2,759.00	\$1,241.55	\$827.70	\$689.75
Legal services and closing costs	\$5,000.00	\$2,250.00	\$1,500.00	\$1,250.00
Property tax equivalency payment-473.341	\$1,751.00	\$787.95	\$525.30	\$437.75
Relocation costs to seller	\$0.00	\$0.00	\$0.00	\$0.00
State deed tax/conservation fee	\$5,000.00	\$2,250.00	\$1,500.00	\$1,250.00
Title insurance	\$5,000.00	\$2,250.00	\$1,500.00	\$1,250.00
Well disclosure statement	\$30.00	\$13.50	\$9.00	\$7.50
Other holding	\$0.00	\$0.00	\$0.00	\$0.00
Other expenses				
Other expenses	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$575,000.00	\$258,750.00	\$172,500.00	\$143,750.00

Total Estimated Acquisition Costs

Totals	Total acquisition cost	Total paid with state funds	Total paid with metro funds	Total paid by agency	Total grant amount
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$575,000.00	\$258,750.00	\$172,500.00	\$143,750.00	\$431,250.00

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Fee Owner:	Laurel, Inc.
Location:	16350 Dayton River Road Dayton, Minnesota
Tax Identification Number:	05-120-22-43-0003
Date of Valuation:	March 15, 2023
Date of Inspection:	March 15, 2023 and April 28, 2022 (exterior only); May 2, 2022 (interior and exterior)
Property Appraised:	Real Property
Rights & Interests Appraised:	Fee Simple Market Value
Intended Use:	The intended use of this appraisal is to provide valuation guidance in the potential acquisition of the subject property in its entirety.
Client & Intended Users:	The client of this appraisal assignment is Three Rivers Park District, and the intended users of this appraisal assignment are Three Rivers Park District, as well as the Metropolitan Council, National Park Service, and the Minnesota Department of Natural Resources.
Extraordinary Assumptions:	Although the property owner confirmed that there have been no significant changes to the interior of the home subsequent to our May 2, 2022, inspection, we did not re-inspect the subject property. Therefore, this appraisal is based on the extraordinary assumption that there have been no significant changes to the interior of the subject home since May 2, 2022.
Hypothetical Conditions:	None
Zoning:	A-1, Agricultural
Guiding:	Rural Estate – Dayton’s 2040 Comprehensive Plan
Property Description:	The subject of this report is an improved, 1.98-acre parcel, net of existing right-of-way, with approximately 136 LF of frontage along the Mississippi River. The site is slightly irregular in shape and located on the northeast side of Dayton River Road at 16350 Dayton River Road in Dayton, MN. Furthermore, the site is downward sloping to the Mississippi River and has open and heavy tree-covered

areas. More specifically, the northeastern portion of the site along the property boundary fronts the Mississippi River and is level to gently sloping. The subject is accessed via a horseshoe gravel driveway in the southern portion of the property along Dayton River Road.

Description of Improvements: The site is improved with a one-story single-family residence originally built in 1955, with approximately 2,556 SF of total finished area and a walkout basement. The home contains four bedrooms, one full bathroom, and one half bathroom. In addition to the home, there is a two-car detached garage, old Quonset shed, and a small deck/breezeway.

Note: The description of the improvements is based on Northstar MLS data and Hennepin County records, as well as an exterior and interior viewing of the property and discussions with the property owner.

Highest and Best Use:

As Vacant	Development of a single-family residence
As Improved	Interim use as currently improved, with future demolition of the existing improvements and development of a single-family home that maximizes use of the site

Final Conclusion: **\$455,000**

THREE RIVERS PARK DISTRICT

REGULAR BOARD MEETING

June 15, 2023

Commissioners Present: John Gibbs, Chair; Marge Beard, Jennifer DeJournett, Jan Guenther, Louise Segreto and Jesse Winkler

Commissioner(s) Absent: Erin Kolb

Staff Present: Boe Carlson, Superintendent; D. Berens, H. Koolick, K. Lynch, J. McGrew-King, E. Quiring, L. Skinner, S. Spicer, M. Swenson, J. Vlaming, K. Warner, A. Whiteside, and J. Zemke

1. OPENING BUSINESS

A. Call to Order

Board Chair John Gibbs called the meeting to order at the Administrative Center, Board Room, 3000 Xenium Lane North, Plymouth, MN at 5:03 p.m.

B. Pledge of Allegiance

C. Roll Call

2. APPROVAL OF AGENDA

MOTION by Segreto, seconded by Winkler, TO APPROVE THE AGENDA OF THE JUNE 15, 2023, REGULAR BOARD MEETING.

All ayes, no nays, **MOTION ADOPTED**

3. SPECIAL BUSINESS (as needed)

4. COMMUNICATIONS

A. Special Matters

1. Acknowledgement of Donations

2. Resolution of Appreciation to Dan Friedges

Doug Berens, Director of Maintenance, recognized Dan Friedges' contributions to the Park District and shared photos of significant projects he has worked on including the construction and operation of the cross-country ski trails at Hyland Hills (on file).

MOTION by DeJournett, seconded by Beard, TO ADOPT RESOLUTION NO. 23-08; A RESOLUTION OF APPRECIATION TO DAN FRIEDGES UPON HIS RETIREMENT FROM THREE RIVERS PARK DISTRICT.

Beard	<u>Aye</u>	Guenther	<u>Aye</u>	Winkler	<u>Aye</u>
DeJournett	<u>Aye</u>	Kolb	<u>Absent</u>	Gibbs, Chair	<u>Aye</u>
		Segreto	<u>Aye</u>		

RESOLUTION ADOPTED

C. Summary of the June 1, 2023, Study Session

MOTION TO APPROVE THE SUMMARY OF THE JUNE 1, 2023, STUDY SESSION.

D. Approval of Claims for the Period Ended June 8, 2023

MOTION TO APPROVE PAYMENT OF CLAIMS AS RECOMMENDED BY THE SUPERINTENDENT FOR THE PERIOD ENDED JUNE 8, 2023, IN THE AMOUNT OF \$5,023,936.76.

All ayes, no nays, **MOTIONS ADOPTED**

6. CURRENT BUSINESS**A. 2022 Financial Statements Review and Authorization to Release**

MOTION by Guenther, seconded by DeJournett, TO AUTHORIZE THE CHIEF FINANCIAL OFFICER TO RELEASE THE 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT TO THE STATE OF MINNESOTA, THE BOND MARKETS AND THE NATIONAL GOVERNMENT FINANCE OFFICERS ASSOCIATION PRIOR TO JULY 1 IN ORDER TO MEET LEGAL, CONTRACTUAL AND OPERATIONAL COMMITMENTS.

All ayes, no nays, **MOTION ADOPTED**

B. Scott-Three Rivers Partnership Fund Use of Fund Balance to Purchase Equipment

MOTION by Segreto, seconded by DeJournett, TO AUTHORIZE THE USE OF THE SCOTT-THREE RIVERS PARTNERSHIP FUND BALANCE IN AN AMOUNT NOT TO EXCEED \$218,350 FOR NEW EQUIPMENT NEEDED TO EXPAND OPERATIONS AT CEDAR LAKE FARM REGIONAL PARK, SPRING LAKE REGIONAL PARK AND DOYLE-KENNEFICK REGIONAL PARK IN SCOTT COUNTY.

All ayes, no nays, **MOTION ADOPTED**

C. West Mississippi River Regional Trail Acquisition: 16350 Dayton River Road Purchase Agreement

MOTION by DeJournett, seconded by Segreto, TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$455,000 FOR THE ACQUISITION OF 16350 DAYTON RIVER ROAD LOCATED IN THE CITY OF DAYTON ALONG THE WEST MISSISSIPPI RIVER REGIONAL TRAIL AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$575,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION DEVELOPMENT AND BETTERMENT FUND.

All ayes, no nays, **MOTION ADOPTED**

D. Increase Project Budget for the Mississippi Gateway Park Redevelopment Project and Award Construction Contract for the Mini-Mississippi Interactive Water Feature

MOTION by DeJournett, seconded by Winkler, TO APPROVE:

Exhibit 6: 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 **Laurel, Inc.**, ("Seller").

RECITALS

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

WHEREAS, Seller owns property located at 16350 Dayton River Road, Dayton, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 1.98 acres; and

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

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

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

2. Consideration. In consideration of the conveyance, transfer and delivery by the Seller to the Buyer of the Subject Property, the Buyer shall pay to the Seller the sum of Four Hundred Fifty-Five Thousand Dollars (\$455,000) ("Purchase Price") at Closing.

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

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

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

5. Special Assessments. Seller shall pay on or before the date of Closing all special assessments levied or pending against the Subject Property as of the date of 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 Seller. Seller shall notify Buyer of loss or damage to the Subject Property promptly upon such occurrence. If the Subject Property is destroyed or damaged before the Closing, this Agreement shall become null and void, at Buyer's sole option. Buyer shall have the right to terminate this Agreement within 30 days after Seller notifies Buyer of such damage. If Buyer elects to not terminate this Agreement, the proceeds of all insurance covering the Subject Property conveyed by this Agreement payable by reason of such damage or destruction shall be paid to the Buyer.

8. Title and Documents.

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

- (i) Copies of any environmental audits or assessments of the Subject Property that are in Seller's possession.
- (ii) Copies of any certificates, authorizations, permits, licenses and approvals which have been issued covering the Subject Property.
- (iii) Copies of any surveys that are in Seller's possession.
- (iv) Copies of any written agreements affecting the ownership and use of the Subject Property known to Seller.
- (v) An abstract of the Subject Property if in Seller's 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, Seller shall have 90 days from the date of such objections to make title marketable. If title is not made marketable within 90 days, this Agreement shall be null and void at the sole option of Buyer and neither party shall have any further obligation under this Agreement.

(d) Inspections; Document Review. With respect to all of the above items other than the title documents, Buyer shall have 90 days after delivery of the foregoing to Buyer during which to inspect all such items. Further, Buyer may inspect the Subject Property and conduct such other and further inspections or other review as seems necessary by Buyer during such period. If such review and/or inspection by the Buyer shall be unsatisfactory to Buyer, Buyer shall notify Seller within such time period, and this Agreement shall be null and void at the sole discretion of the Buyer. If said period should expire without notice of Buyer's intention to terminate this Agreement, then this Agreement shall be considered in full force and effect and Buyer shall be deemed to have waived any objections based upon such review and inspection. Seller hereby grants Buyer and/or its agents the right to enter upon the Subject Property for the purpose of inspection and to prepare 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 Seller and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmens and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer 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 Seller's knowledge, and except as disclosed in the reports and other documents provided to Buyer, Seller's operations are in compliance with all applicable federal, state and local statutes, laws, rules, regulations, ordinances, orders, judicial or administrative decisions of any governmental authority or court of competent jurisdiction in effect and in each case, if applicable, as amended as of the Closing relating to (a) pollution of the environment, (b) a Release, as defined below, or threatened Release of Hazardous Materials, as defined below, or (c) the handling, storage, transport or disposal of Hazardous Materials (collectively, "Environmental Laws").

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

the handling, storage, transport or disposal of which is prohibited, limited or regulated by any governmental authority under applicable Environmental Laws.

Seller has disclosed to the Buyer all reports and other documents in Seller's possession concerning environmental matters relating to the Subject Property. To Seller's knowledge there are no existing claims or causes of action, and there are no pending claims regarding the Subject Property against the Subject Property or Seller involving the violation of Environmental Laws, and Seller has no such claims against third parties.

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

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

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

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

13. Closing; Contingencies.

(a) Performance at Closing. Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on or before February 1, 2024 or at such other time as may be agreed upon between the parties.

(i) At the Closing Seller shall:

(a) sign an Affidavit of Seller confirming the absence of judgments, mechanics liens and unrecorded interests against the Subject Property not disclosed herein;

- (b) deliver any documents necessary to clear title in accordance with this Agreement, if any;
 - (c) sign the well disclosure statement required by Minnesota Statutes §103I.235,
 - (d) sign the Warranty Deed, and
 - (e) pay the deed tax.
- (ii) At the Closing, Buyer shall:
- (a) pay the title commitment fee, if not paid pursuant to paragraph 8(b);
 - (b) pay the premium for title insurance, if desired by Buyer;
 - (c) pay any and all other Closing costs including all filing fees; and
 - (d) Pay to the Seller the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) Contingencies. Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies:
- (i) Buyer shall obtain consent of the City of Dayton to its acquisition of the Subject Property pursuant to Minn. Stat. §398.09(b)(1);
 - (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;
 - (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement 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;
 - (v) Approval of reimbursement to Buyer by Metropolitan Council; and
 - (vi) Approval that the Subject Property may be used as LAWCON conversion replacement property from the Department of Natural Resources and National Park Service; and

- (vii) Confirmation that no one is living on the Subject Property and any and all leasehold interests in the Subject Property have expired prior to the date of Closing.

Any failure to satisfy any contingency contained herein shall render this Agreement null and void, in the Buyer's sole discretion, and the parties shall execute any instruments necessary to cancel this Agreement.

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

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

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

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

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

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

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

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

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

in writing. The date notice is given shall be the date on which the notice is delivered, if notice is given by personal delivery, or the date notice is sent by express courier or U.S. Mail if otherwise.

If to Seller:

Laurel, Inc.
Attn: Henry Sandbulte
16101 Dayton River Road
Dayton, MN 55327

If to Buyer:

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

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

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

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

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

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

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

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: 6/15/23

By [Signature]
John Gibbs, Board Chair

Dated: 06/15/23

By [Signature]
Boe R. Carlson, Superintendent and Secretary to the Board

SELLER: LAUREL, INC.

Dated: 5/30/23

By [Signature]
Henry Sandbulte

EXHIBIT A

Legal Description of Subject Property

Commencing at Northeast corner of Government Lot 4 thence South along East line thereof to Northerly line of County Road No. 12 thence Northwesterly along said road line 269 41/100 Feet thence North 24 degrees East to Southwesterly shore of river thence Southeasterly along said shore to beginning, Hennepin County, Minnesota.

Property Identification Number: 05-120-22-43-0003