

# Committee Report

Community Development Committee



Community Development Committee Meeting: Nov. 18, 2024 For the Metropolitan Council: Dec. 11, 2024

## Business Item: 2024-221

Minnesota River Bluffs Regional Trail, Park Acquisition Opportunity Fund Award (CCRRA), Carver County

### Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$1,611,000 from the Park Acquisition Opportunity Fund to Carver County to acquire in easement approximately 5.2 acres of a former Carver County Regional Railroad Authority corridor located in Chaska, MN, for the Minnesota River Bluffs Regional Trail.
2. Authorize the Executive Director of Community Development to execute the grant agreement and restrictive covenant on behalf of the Council.

### Summary of Community Development Commission Discussion/Questions

This business item was passed as part of the Community Development Committee's consent agenda on November 18, 2024.



# Committee Report

Metropolitan Parks and Open Space Commission



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### Summary of Metropolitan Parks and Open Space Commission Discussion

Jessica Lee presented the staff report to the Metropolitan Parks and Open Space Commission on November 7, 2024. Marty Walsh from Carver County helped answer questions.

Commissioner Amanda Duerr asked if this section of the trail abutted the existing trail. Lee responded that yes, the rest of the regional trail is already built and this is the last remaining gap in the trail.

Commissioner David Yakes asked about street traffic intersecting with the trail. Walsh responded that the trail will run mostly parallel to the road, and in the residential neighborhoods there are crosswalks to allow for safe crossing.

Motion by Commissioner Robert Moeller, seconded by Commissioner Chris Suerig, the Commission voted unanimously to pass the proposed action.

# Business Item

Metropolitan Parks and Open Space Commission



Community Development Committee Meeting: November 18, 2024 Metropolitan Council: December 11, 2024

## Business Item: 2024-221

Minnesota River Bluffs Regional Trail, Park Acquisition Opportunity Fund Award (CCRRA), Carver County

|                                  |  |
|----------------------------------|--|
| <b>District(s), Member(s):</b>   | District B, Robert Moeller<br>District 4, Deb Barber   |
| <b>Policy/Legal Reference:</b>   | Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; 2040 <i>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. |
| <b>Staff Prepared/Presented:</b> | Jessica Lee, Planning Analyst, 651-602-1621  |
| <b>Division/Department:</b>      | Community Development / Regional Planning  |

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2. Authorize the Executive Director of Community Development to execute the grant agreement and restrictive covenant on behalf of the Council.

### Background

#### ***Regional Park Implementing Agency and Project Request***

Carver County requested a Park Acquisition Opportunity Fund (PAOF) grant on August 6, 2024, to fund the acquisition of approximately 5.2 acres for the Minnesota River Bluffs Regional Trail. A copy of the Agency's request is attached to this item as Exhibit 2 with application details in Exhibit 3. Over the next two years, Carver County will be acquiring in easement of approximately 12.5 acres, or 2 miles, of a former railroad corridor owned by the Carver County Regional Railroad Authority (CCRRA). The total cost of the corridor is \$4 million, which will be split into two separate PAOF requests to accommodate the agency funding limits. Figure 3 shows the approximate location of this corridor and Figure 4 shows all seven parcels of the total acquisition. This request

is for phase one of the project, parcels two and seven.

Minnesota River Bluffs Regional Trail follows an old railroad route from Hopkins through Minnetonka and Eden Prairie in Hennepin County, and then into Carver County. The Carver County portion of the regional trail travels about 8.5 miles from the County's eastern border near Chanhassen southwest through Chaska and down to Carver where it meets the Minnesota River. It also connects to the Southwest Regional Trail (see Exhibit 1, Figures 1, 2 and 3). The CCRRA property is the last portion of the trail to be constructed.

### **Subject Property**

The subject property is within the Council-approved boundary of the Minnesota River Bluffs Regional Trail and is a 2-mile gap in an otherwise built regional trail. The corridor travels through a mostly developed area with some woods at the margins of the property. There is one small creek, Chaska Creek, that passes through the corridor.

### **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 \$2,135,500. CCRRA is contributing in-kind match of \$533,875, or 25% of the purchase price. The total project cost is \$2,148,000 as shown in Table 1 below.

*Table 1. Project Budget*

| <b>Budget item</b>     | <b>Requested amount</b> |
|------------------------|-------------------------|
| Purchase price         | \$2,135,500             |
| Appraisal              | \$12,500                |
| <hr/>                  | <hr/>                   |
| Total Costs            | \$2,148,000             |
| <br>                   |                         |
| <b>Grant structure</b> |                         |
| Grant amount           | \$1,611,000             |
| Local match            | \$537,000               |

### **Acquisition Details**

Carver County will acquire this corridor through easement. As part of the easement agreement, CCRRA will maintain rights for future transportation development, so long as that development does not interfere with the regional trail.

### **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 an amendment for the Minnesota River Bluffs Regional Trail long-range plan in 2023 ([Business Item 2023-9](#)). 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 Minnesota River Bluffs Regional Trail provides connections to the Minnesota 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 Minnesota River Bluffs Regional Trail will provide additional access to 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.

CCRRA will provide in-kind match of \$533,875. Carver County will provide the remaining \$3,125.

### 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: Settlement agreement



## Exhibit 1 – Images

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

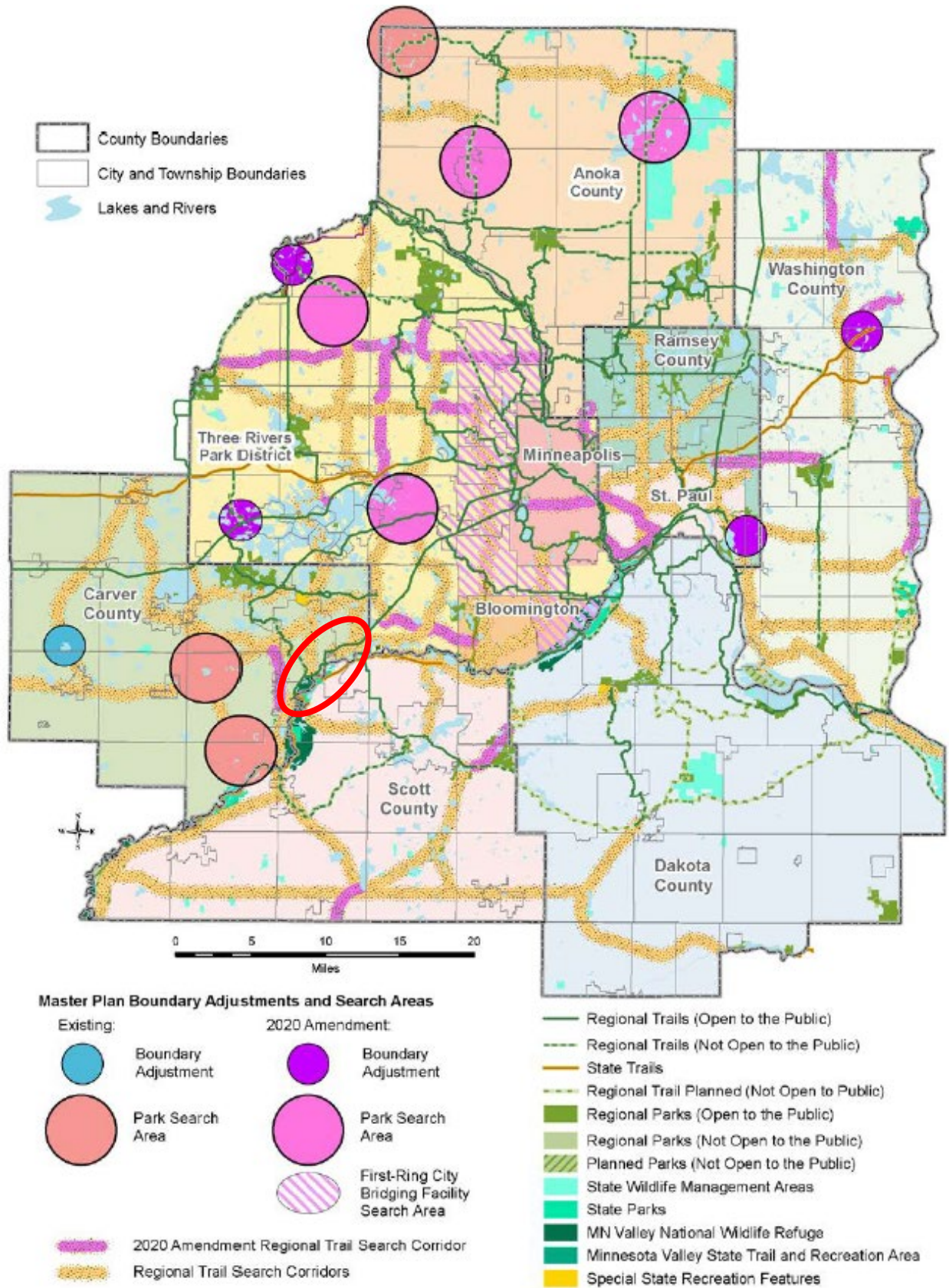


Figure 2. Map of the Carver County and the Regional Parks and Trails System. The Minnesota River Bluffs Regional Trail is circled in red.

## Carver County

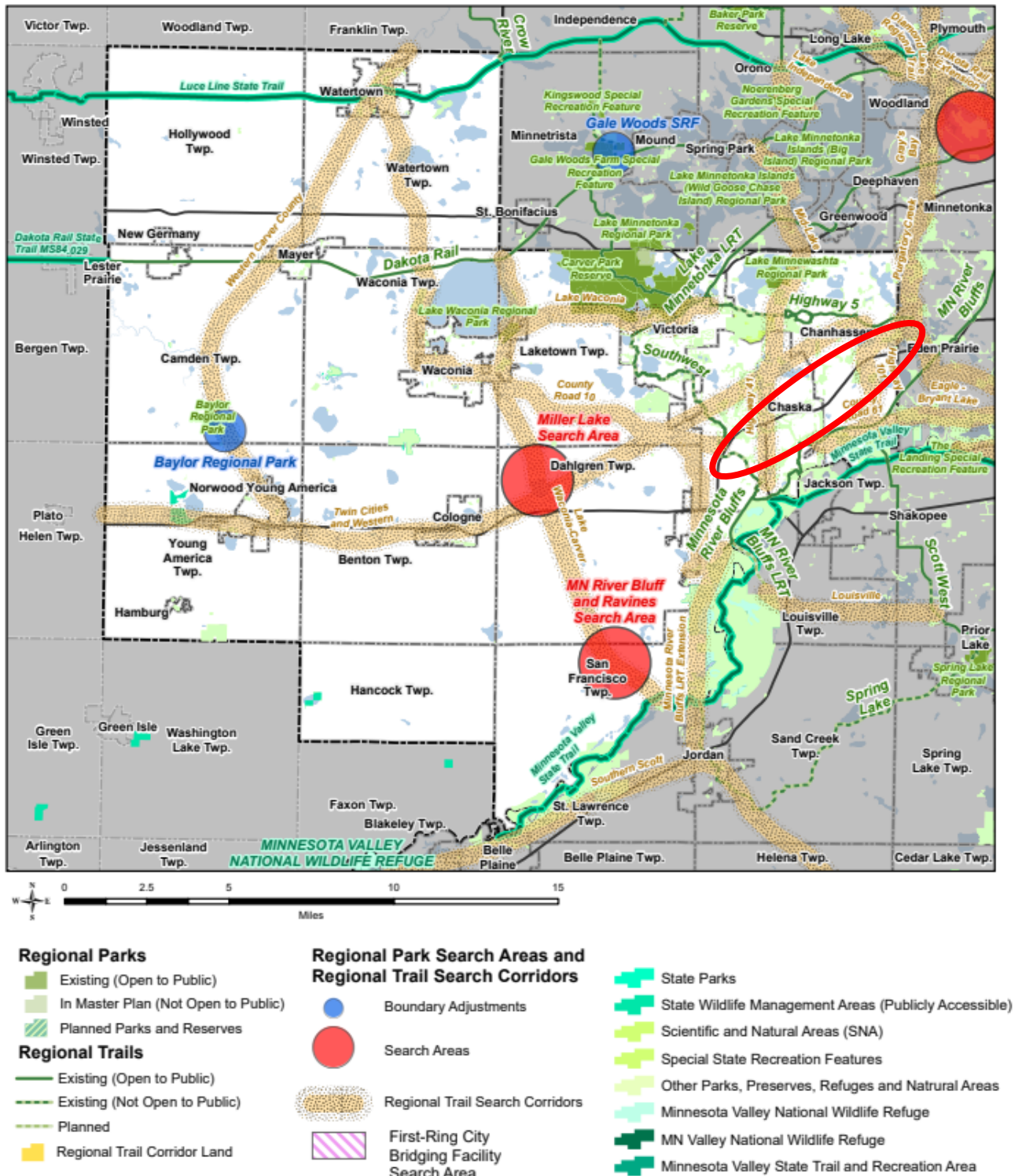


Figure 3. Map of the City of Chaska and the regional parks and trails system. The approximate CCRRA corridor property is circled in red.

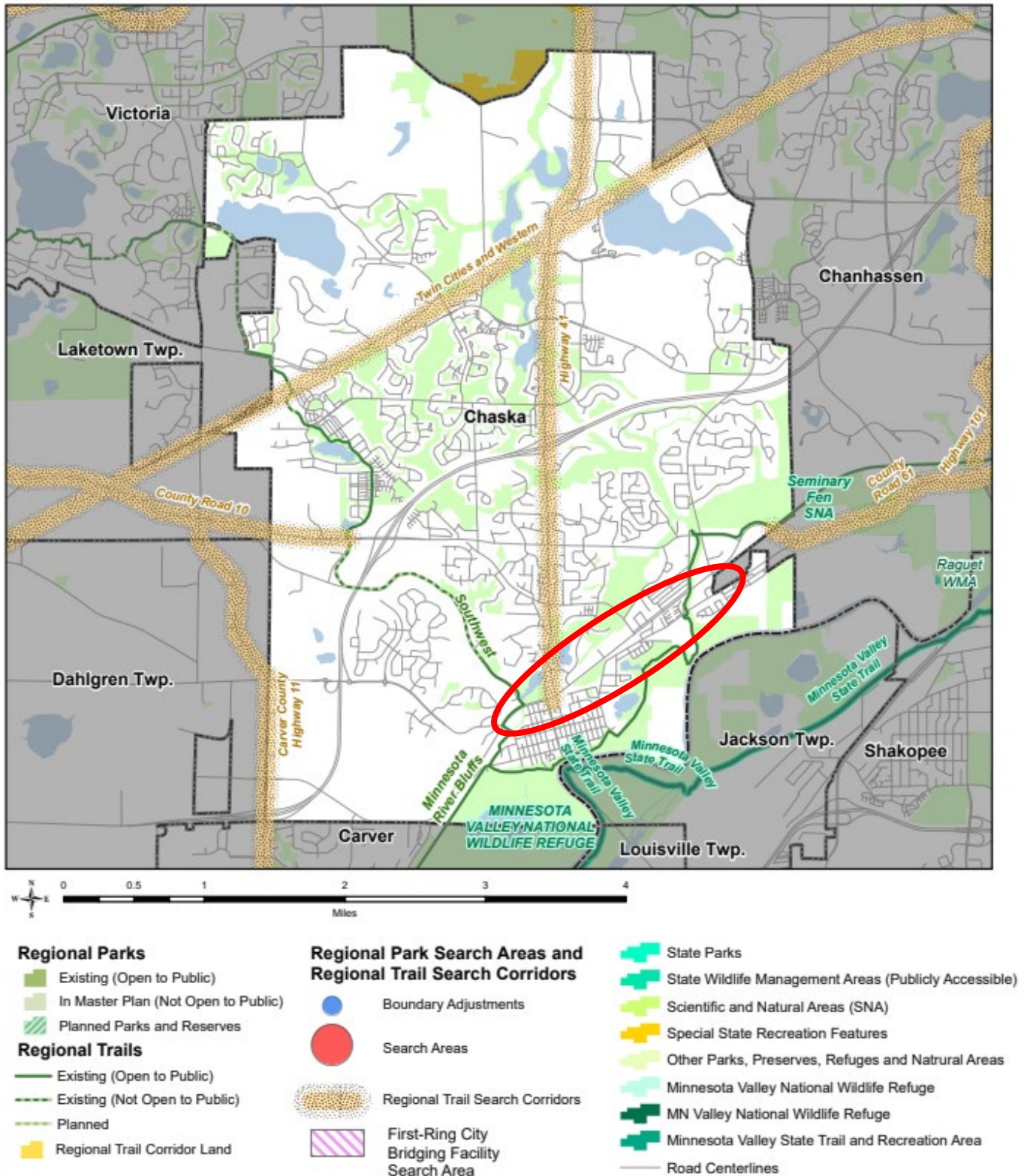
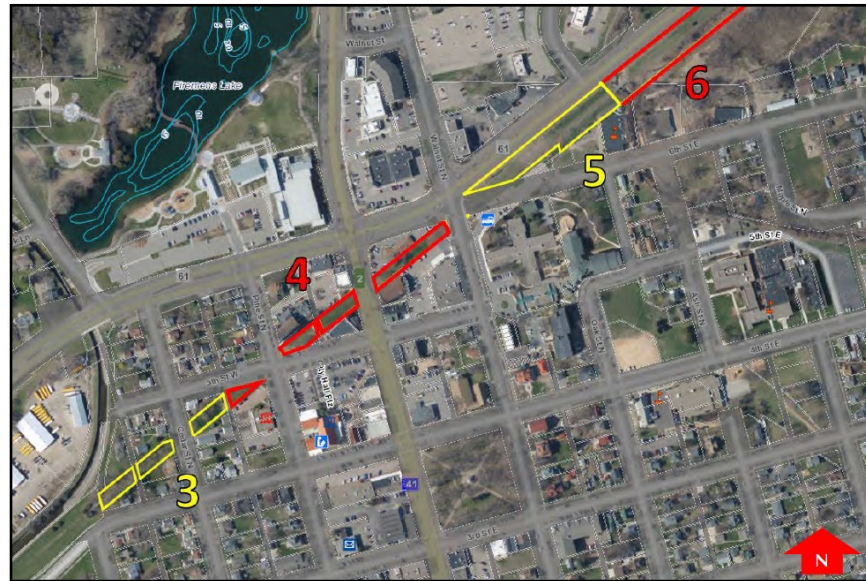
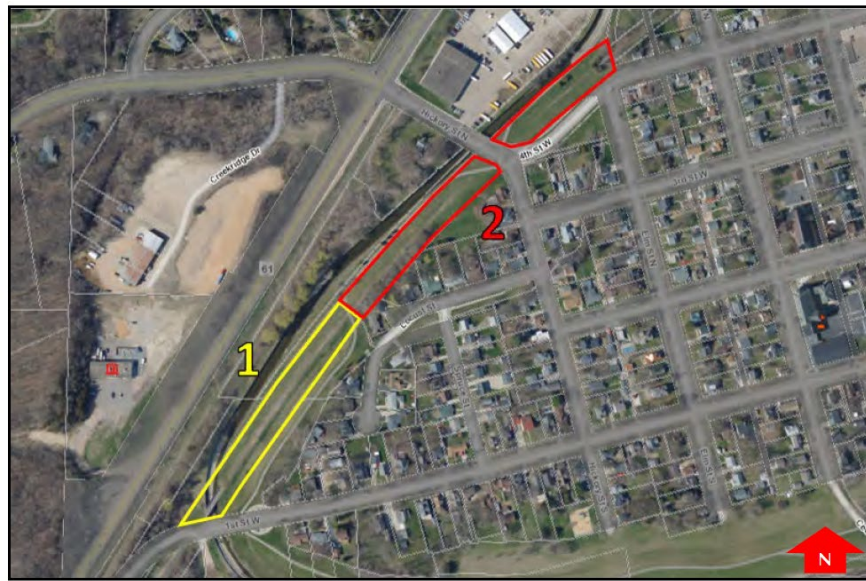




Figure 4. Aerial images of the 7 CCRRA parcels for the Minnesota River Bluffs Regional Trail. This proposal is for parcels 2 and 7.



Metropolitan Council

## Exhibit 2: Grant request letter



11360 Highway 212 West, Suite 2  
Cologne, MN 55322

August 6, 2024  
Emmett Mullin  
Regional Parks and Natural Resources Manager  
390 Robert Street North  
St. Paul, MN 55101

Dear Mr. Mullen,

Carver County would like to request Park Acquisition Opportunity Funding to acquire a Permanent Transportation Easement (PTE) over property owned by the Carver County Regional Railroad Authority (CCRRA). This property is planned for a segment of the Minnesota River Bluffs Regional Trail. Carver County is to acquire a PTE over approximately 2 miles of CCRRA property. This area is within the geographical boundary of Carver County and in the City of Chaska.

The total appraised PTE value is \$3,960,000.

The acquisition of the PTE will occur in two phases due to the value of the easement exceeding what the County can claim in a grant request from Parks and Trails Legacy Funds. This letter requests funding for Phase 1 acquisition.

Carver County and CCRRA entered into a Stipulation and Settlement Agreement for Phase 1 purchase of the PTE August 6, 2024. However, both Phase 1 and Phase 2 acquisitions are described below.

**Phase 1 Acquisition** involves the County's acquiring a PTE over parcels identified in the appraisal as Parcels 2 and 7. The appraised fair market value of the PTE over Parcels 2 and 7 is \$2,135,500.

During state fiscal year 2025, the County will seek a PAOF grant from Met. Council for 75% of the fair market value of the PTE over Parcels 2 and 7, which equals a value of \$1,601,625.

To satisfy the 25% local match requirement, the CCRRA will make an in-kind donation to the County for 25% of the fair market value of the PTE over Parcels 2 and 7, which equals a value of \$533,875.

**Phase 2 Acquisition** involves the County's acquisition of the PTE over parcels identified in the appraisal as Parcels 1, 3, 4, 5 and 6. The appraised fair market value of the PTE over Parcels 1, 3, 4, 5 and 6 equals \$1,824,500.

During the state fiscal year 2026, the County will seek a PAOF grant from the Met. Council for 75% of the appraised fair market value of the PTE over Parcels 1, 3, 4, 5 and 6, which equals a value of \$1,368,375.

To satisfy the 25% local match requirement, the CCRRA will make an in-kind donation to the County of 25% the fair market value of the PTE over Parcels 1,3,4,5, and 6, which equals \$456,125.

CARVER COUNTY

**Phase 1 Funding Request**

| <b>Item</b>  | <b>Eligible Expenses</b> | <b>PAOF Request</b> |
|--|--------------------------|---------------------|
| Appraised Value Phase 1 Easement Over Parcels 2 &7 | \$2,135,500              | \$1,601,625         |
| Appraisal  | \$12,500                 | \$9,375             |
| <b>Total</b>                                       | <b>\$2,148,000</b>       | <b>\$1,611,000</b>  |

Carver County respectfully requests \$1,611,000 of Park Acquisition Opportunity Funding from the FY 2024 appropriation. Please contact me with any questions you may have.

Sincerely,



Martin Walsh  
Parks and Recreation Director



CARVER COUNTY



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**Application**

**Instructions**

**Print to PDF** will convert the application plus any PDF attachments into a single PDF file. **Release for Review** will change the status of the application to Under Review and move it on to the evaluation process. **Negotiation** will allow you to unlock one or more sections of the application and route the application back to the applicant for further editing. **Annotations** allow internal staff to add notes that are visible to internal staff only and possibly also reviewers if they have a special security privilege. The applicant cannot see these notes. **Versions** will display all component versions that were created as a result of the negotiation process. **Feedback** allows staff to enter feedback about the application to the applicant. The feedback text will appear at the bottom of the application and will be visible to anyone who has access to the application. **Withdraw** changes the status of the application to Withdrawn and removes the app from the evaluation process.

**Application Details**

[Map](#) | [Print to PDF](#) | [Negotiation](#) | [Annotations\(0\)](#) | [Versions](#) | [Feedback](#) | [Withdraw](#)

**21274 - FY2025 Park Acquisition Opportunity Fund Program - Final Application**

**22004 - Acquisition of Carver County Regional Railroad Property by Carver County for the MN River Bluffs RT Parks Grants Acquisition**

Status: **Approved**      Submitted Date: **08/06/2024 3:11 PM**      Submitted By: **Marty J Walsh**

**Applicant Information**

**Primary Contact:**

*Feel free to edit your profile any time your information changes. Create your own personal alerts using My Alerts.*

Name:\*      Mr.      Marty      J      Walsh  
Pronouns      First Name      Middle Name      Last Name

Title:\*      Parks Director

Department:      Parks

Email:\*      mwalsh@co.carver.mn.us

Address:\*      11360 Hwy 212

\*      Cologne      Minnesota      55322  
City      State/Province      Postal Code/Zip

Phone:\*      952-466-5252      Ext.

Fax:      952-466-5223

What Grant Programs are you most interested in?\*      Regional Parks Bonding Grants

**Organization Information**

Name:\*      CARVER COUNTY

Jurisdictional Agency (if different):

Organization Type:      County Government

Organization Website:

Address:\*      PARKS  
 11360 HWY 212 W #2

\*      COLOGNE      Minnesota      55322-0300  
City      State/Province      Postal Code/Zip

County:\*      Carver

Phone:\* 612-467-4200

Ext.

Fax:

PeopleSoft Vendor Number 0000026790A15

**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 Minnesota River Bluffs RT-Carver County

**Master plan**

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

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

If yes, name of master plan and date of Council approval Southwest Regional Trail and Minnesota River Bluff 01/25/2023  
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 Easement

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.

Carver County will obtain a permanent transportation easement from the Carver County Regional Railroad Authority (CCRRA) over approximately 2 miles of former Railroad corridor with Park Acquisition Opportunity Funding for construction and ongoing operations and maintenance of trail. The acquisition will occur in two phases due to the value of the easement being obtained.

**Phase 1 Acquisition** involves the County's acquisition of the PTE over parcels identified in the appraisal as Parcels 2 and 7. The appraised fair market value of the PTE over Parcels 2 and 7 is \$2,135,500.

Carver County will seek a PAOF grant from Met. Council for 75% of the fair market value of the PTE over Parcels 2 and 7, which equals \$1,601,625.

To satisfy the 25% local match requirement, the CCRRA plans to make an in-kind donation to the County for 25% of the fair market value of the PTE over Parcels 2 and 7, which equals \$533,875.

This trail segment completes a gap in the regional trail system.

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? Yes

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.

Carver County Regional Railroad owns an approximately 2-mile segment of former railroad property within the city limits of Chaska. The railroad corridor is no longer being used for rail transportation. Carver County is implementing regional park and trail agency, constructs, operates and

maintains like trails. Acquiring and easement over the 2-mile segment of trail for the construction and operation of a destination regional trail is better aligned with County Park System's Parks Open Space and Trails System Plan and the County Park's Department's mission.

The County Regional Railroad Authority does not operate trails and has a different mission. The public is better served by eliminating the gap in the trail system and placing the construction and operations of this new 2-mile segment of trail squarely with the responsibilities of the County Parks Department. The public is better served through the efficiencies of the County with its resources for Parks and Trail, to deliver effective services.

**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 **08/20/2024**  
Format: mmdyyyy (Do not enter any punctuation.)

Type of agreement **Stipulation for Settlement Agreement**  
i.e., purchase agreement, offer letter, etc.

Date agreement expires **07/22/2025**  
Format: mmdyyyy (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 **07/13/2022**

Appraised value **\$2,135,500.00**

Amount being offered the seller (net of closing and other costs) **\$1,601,625.00** **75.0%**  
% of appraised value

Who performed the appraisal? **Patchin Messner Valuation Counselors**

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

**Survey**

Was a survey done? **Yes**

**Quality of natural resources - is the property...**

|                 |       |            |
|-----------------|-------|------------|
| ...undeveloped? |       | <b>Yes</b> |
|                 | Fully | Partially  |
| ...wooded?      |       | <b>Yes</b> |
|                 | Fully | Partially  |
| ...shoreline?   |       |            |
|                 | Fully | Partially  |

**Describe the existing natural resources it contains**

The former rail corridor contains little natural resources. Wooded or forested condition exist at the margins of the property. There is one small stream, Chaska Creek, that passes through the corridor.

**Known opposition**

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

If yes, explain:

**Encumbrances**

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

If yes, describe.

NA

Are there easements or other encumbrances on any part of the property?

If yes, describe

There are a number of license agreements, permits and easements primarily for utility crossings of the former rail corridor.

**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](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

Parks and Trails Legacy Funds are most appropriate given the limited natural resources associated with the former rail corridor.

**Structures currently on the property**

Does the property contain ANY structures? Yes

If yes, are there any habitable structures? No

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

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

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

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

NA

**For ENRTF funding only**

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

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

NA

**Stewardship and minimal access**

Describe the stewardship plan.

The Carver County Parks Department will provide stewardship of the corridor maintain the grounds and when constructed, the planned trail. Stewardship includes providing routine maintenance such as mowing and other vegetation management practices. The County will also provide financial resources to respond to capital investment needs to develop a trail and after construction, keep in a state of good repair.

Within the 2022 Master/Long-Range Plan for the Southwest/MN River Bluffs Regional Trail. The primary element of stewardship includes and ecological strategy dealing with using a natural approach to stormwater management, using natural infiltration to manage stormwater associated with the development of the trail. Further the plan references the use of Best Management Practices and the trail Long-range plan is supported by the Metropolitan Council's Model Stormwater Management Ordinance. The provisions of the model ordinance will be applied to the development of a trail in the corridor as applicable.

It is envisioned that additional tree and shrub plantings will be added to the trail corridor for aesthetics as well as screening and buffering nearby homes and businesses when the trail is constructed.

How will the stewardship implementation be funded?

Stewardship will be funded as a part of the County's Parks and Trail System annual budget which is comprised of fees for services, tax levy, and grant funding.

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? NA

**Site Description**

**Land Use History**

Current land uses Industrial  
Select as many as apply

Previous land uses Industrial  
Select as many as apply

Adjacent land uses Residential  
Select as many as apply

**Inspection**

Does the property contain any of the following? Power and/or utility lines  
Select as many as apply

**Sellers and parcels**

| Seller name                                | Parcel address                             | PID                  | Acres (SF for easements) | Date PA signed        | Habitable structures? | MN House district | City             | County           | Met Council district | MPOSC      | Latitude  | Longitude |
|--|--|----------------------|--------------------------|-----------------------|-----------------------|-------------------|------------------|------------------|----------------------|------------|-----------|-----------|
| <del>Carver County Regional Railroad</del> | <del>1st Street to Elm St. Chaska MN</del> | <del>309990600</del> | <del>2.6</del>           | <del>07/22/2024</del> |                       |                   | <del>Afton</del> | <del>Anoka</del> |                      |            |           |           |
| Carver County Regional Railroad            | 1st Street to Elm St. Chaska MN            | 309990600            | 2.6                      | 07/22/2024            | No                    | 48B               | Chaska           | Carver           | 4                    | District B | 44.78365  | 93.609053 |
| Carver County Regional Railroad            | Fire Ln York St                            | 309990500            | 2.6                      | 07/22/2024            | No                    | 48B               | Chaska           | Carver           | 4                    | District B | 44.794664 | 93.591258 |
|  |  |                      | <del>7.80</del>          |                       |                       |                   |                  |                  |                      |            |           |           |
|  |  |                      | 5.2                      |                       |                       |                   |                  |                  |                      |            |           |           |

**Local match**

Source of local match

The Carver County Regional Railroad will provide the local matching amount of land value.

**Grant agreement signatories**

| Full name    | Title       | If this is an attorney, is the signature 'for form only'? |
|--------------|-------------|---|
| Gayle Degler | Board Chair |   |



Patrick Conness  
David Hemze

Assistant County Attorney III  
County Administrator

Yes

**Acquisition Costs**

| Cost Items  | Amount                | State funds         | Metro funds         | Match funds         |
|---|-----------------------|---------------------|---------------------|---------------------|
| <b>Purchase price</b>                             |                       |                     |                     |                     |
| Negotiated purchase price                         | \$2,135,500.00        | \$960,975.00        | \$640,650.00        | \$533,875.00        |
| <b>Appraisal expenses</b>                         |                       |                     |                     |                     |
| Appraisal   | \$12,500.00           | \$5,625.00          | \$3,750.00          | \$3,125.00          |
| Appraisal review                                  | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| <b>Environmental expenses</b>                     |                       |                     |                     |                     |
| Phase I environmental site assessment             | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Phase II environmental site assessment            | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Environmental contamination remediation           | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| <b>Holding expenses</b>                           |                       |                     |                     |                     |
| Interest  | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Land stewardship                                  | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Land development                                  | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Pro-rated share of all property taxes/assessments | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Legal services and closing costs                  | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Property tax equivalency payment-473.341          | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Relocation costs to seller                        | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| State deed tax/conservation fee                   | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Title insurance                                   | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Well disclosure statement                         | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| Other holding                                     | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| <b>Other expenses</b>                             |                       |                     |                     |                     |
| Other expenses                                    | \$0.00                | \$0.00              | \$0.00              | \$0.00              |
| <b>Totals</b>                                     | <b>\$2,148,000.00</b> | <b>\$966,600.00</b> | <b>\$644,400.00</b> | <b>\$537,000.00</b> |

**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) | \$2,148,000.00         | \$966,600.00                | \$644,400.00                | \$537,000.00         | \$1,611,000.00     |

**Required Attachments - Acquisition**

| Attachment  | Description  | File Name   | Type | File Size |
|---|--|---|------|-----------|
| <b>SECTION 1 - All of the following are required to BEGIN review unless otherwise indicated</b> |  |   |      |           |
| 1.0 Grant request letter (REQ'D)  | Funding Request Letter   | PAOF Request Letter on LH -.docx  | docx | 129 KB    |
| 2.0 Master plan documentation (REQ'D)   | Southwest Regional Trail and Minnestoa River Bluffs Regional Trail Master Plan                 | 012391_2020 SWRT Master Plan_FINAL-PRINT.pdf  | pdf  | 9.8 MB    |
| 3.0 RECORDED Governing Board action authorizing grant request (REQ'D)                           | Board Action Form Authorizing Grant Application  | Board Action For Grant Funding.pdf  | pdf  | 574 KB    |
| 4.0 Signed purchase agreement/instrument (REQ'D)  | Place holder, Draft stipulation and settlement agreement for Permanent Transportation Easement | CCRRA and County Settlement Agreement for PTE Tracts 4 5 and 7 as of July 3 mw edits.docx | docx | 2.9 MB    |
| 5.1 Appraisal report (REQ'D)  | Appraisal  | 22323A-2 Final.pdf  | pdf  | 12.6 MB   |
| 5.2 Appraisal review report (NOT req'd)   |  |   |      |           |
| 5.3 Client's instructions to appraiser (REQ'D)  |  |   |      |           |

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

|                                   |   |
|-----------------------------------|---|
| Fee Owner:                        | Carver County Regional Rail Authority   |
| Location:                         | 1.5-mile former railroad corridor segment from 1st Street West to York Street in Chaska, Minnesota.   |
| PIDs:                             | That part of Parcel 30.9990600 lying northeast of 1st Street West and all of Parcel 30.9990500  |
| Date of Inspections:              | May 17, 2023 and subsequent dates   |
| Date of Valuation:                | June 10, 2024   |
| Property Appraised:               | Real Property   |
| Rights & Interests Appraised:     | Fee Simple Market Value   |
| Zoning:                           | The subject corridor appraised herein is proximate to several zoning districts including Open Development, Flood, R2 – Medium Density Residence, Industrial, Public Buildings, Downtown Historic District, and Planned Multi-Use Districts 9 and 17.  |
| Guiding:                          | Further, the subject corridor is proximate to several planned land uses in 2040 Comprehensive Plan which include Medium Density Residential, Open Space, Parks/Recreation, Public/Semi-Public, and Commercial.  |
| Site Description:                 | The subject corridor comprises approximately 546,541 SF, or 12.55 acres, of land net of right-of-way. The previous railroad bed has been removed and the corridor primarily consists of grassland or naturally occurring vegetation. The corridor traverses both upland and wetland/floodplain areas. The topography is generally level to gently sloping with some areas in the corridor being more steeply sloping. |
| Current Use:                      | Vacant land   |
| Highest and Best Use:             | Utility or public recreation corridor   |
| Proposed Acquisition:             |   |
| Permanent Transportation Easement | A permanent transportation easement is proposed over, under, across, and upon the entirety of the subject to facilitate construction of trail improvements.   |

## Value Conclusions:

|                                     |                    |
|-------------------------------------|--------------------|
| Market Value Before the Acquisition | \$5,279,000        |
| Market Value After the Acquisition  | <u>\$1,319,000</u> |
| Difference in Value                 | \$3,960,000        |

**FINAL SUMMATION**

Based on the preceding data and analysis, the change in value to the subject property, as of June 10, 2024, is presented as follows:

|                                     |                    |
|-------------------------------------|--------------------|
| Market Value Before the Acquisition | \$5,279,000        |
| Market Value After the Acquisition  | <u>\$1,319,000</u> |
| Difference in Value                 | \$3,960,000        |

| Tract #                 | Before Value        | After Value         | Difference          |
|-------------------------|---------------------|---------------------|---------------------|
| Tract 1 (Rec./OS)       | \$ 13,000           | \$ 3,000            | \$ 10,000           |
| Tract 2 (SFR/MDR)       | \$ 1,542,500        | \$ 386,000          | \$ 1,156,500        |
| Tract 3 (SFR/MDR)       | \$ 313,500          | \$ 78,000           | \$ 235,500          |
| Tract 4 (DT Commercial) | \$ 764,500          | \$ 191,000          | \$ 573,500          |
| Tract 5 (DT Commercial) | \$ 1,319,000        | \$ 330,000          | \$ 989,000          |
| Tract 6 (Rec./OS)       | \$ 21,500           | \$ 5,000            | \$ 16,500           |
| Tract 7 (SFR/MDR)       | \$ 1,305,000        | \$ 326,000          | \$ 979,000          |
| <b>Total</b>            | <b>\$ 5,279,000</b> | <b>\$ 1,319,000</b> | <b>\$ 3,960,000</b> |

Exhibit 5: Board approval to purchase property



Carver County Board of Commissioners
August 6, 2024
Board Meeting

The County Board Room is open to the public

The Regular Session portion of the meeting will be webcast live at:
https://youtube.com/@CarverCountyMN

- 9:00 a.m. 1. a) CONVENE
b) Pledge of allegiance
c) Public comments

Public comments that relate to an item on the agenda may be heard when that agenda item is discussed. Please limit your comments to five minutes or less.

Individuals unable to attend in person can provide public comments by e-mail at admin-contact@carvercountymn.gov.

- 2. Agenda review and adoption
3. Approve minutes of July 16, 2024, Regular Session ..... 1-2
4. Community Announcements

9:20 a.m. 5. CONSENT AGENDA

Communities: Create and maintain safe, healthy, and livable communities

- 5.1 Final Payment and Contract Amendment For Paradise Commons..... 3-4
5.2 Stipulation for Settlement Agreement Between CCRRA and Carver County ..... 5-8
5.3 UAS Unmanned Aerial System Purchase..... 9
5.3.1 Budget Amendment ..... 10
5.4 Professional Services Agreement with BOLTON AND MENK INC for GAZER software application update..... 11
5.5 Professional Services Agreement with Bolton Menk for Design and Construction Administration Services ..... 12
5.6 Special Event Use Permit Request: ISD 108 Central Schools 2024 HS Cross County Race Events ..... 13-14
5.7 Special Event Use Permit Issuance: St. Johns Lutheran - MS Cross Country Race ..... 15

Culture: Provide organizational culture fostering accountability to achieve goals and sustain trust/confidence in County government

- 5.8 Approval of Settlement Agreement to Resolve Bankruptcy Litigation with MENd Correctional Care ..... 16-18

|     |   |    |
|-----|---|----|
| 5.9 | Phased Retirement Option for Peter Bendzick in Public Works ..... | 19 |
|     | 5.9.1 Budget Amendment .....                                      | 20 |

*Growth: Manage the challenges and opportunities resulting from growth and development*

|      |   |       |
|------|---|-------|
| 5.10 | Acceptance of Watershed-Based Implementation Funding Grant .....                                      | 21    |
|      | 5.10.1 Budget Amendment .....   | 22    |
| 5.11 | Freshwater Church - Outdoor Service and Celebration<br>(Annual Special Event) .....                   | 23-30 |
| 5.12 | Anna Tyler - Carver County Recovery Fest<br>(One-Time Special Event) .....                            | 31-40 |
| 5.13 | Emanuel Lutheran Church - Large Scale Activity – Church Childcare<br>Facility (CUP) .....             | 41-45 |
| 5.14 | Award Contract to New Look Construction for Highway 17/West<br>78th Street Intersection Project ..... | 46-49 |
| 5.15 | Settlement Agreements for Right of Way Acquisitions for the<br>Highway 10/41 Project .....            | 50-53 |

*Finances: Improve the County's financial health and economic profile*

|      |   |        |
|------|---|--------|
| 5.16 | Review Health & Human Services and Commissioner<br>Warrants ..... | NO ATT |
|------|---|--------|

|            |   |       |
|------------|---|-------|
| 9:30 a.m.  | <b>6. COMMUNITIES: Create and maintain safe, healthy, and livable communities</b>   |       |
|            | 6.1 2024-25 Strategic Plan .....  | 54-73 |
| 9:50 a.m.  | <b>7. CONNECTIONS: Develop strong public partnerships and connect people to services and information</b>                                      |       |
|            | 7.1 Legislative Update .....  | 74    |
| 10:20 a.m. | <b>8. CULTURE: Provide organizational culture fostering accountability to achieve goals and sustain trust/confidence in County government</b> |       |
|            | 8.1 PEER Award Recognition .....  | 75    |
| 10:35 a.m. | <b>9. CUSTOMER SERVICE: Continue the County's delivery of high value, timely service and support</b>  |       |
|            | 9.1 Sheriff's Office Table of Organization Adjustment .....   | 76-77 |
| 10:45 a.m. | <b>10. GROWTH: Manage the challenges and opportunities resulting from growth and development</b>  |       |
| 10:45 a.m. | 10.1 B.H. Aggregate - Request to Mine Aggregate for road project (IUP).   | 78-85 |
| 10:50 a.m. | 10.2 Ordinance No. 107-2024 Moratorium on cannabis business activity in the<br>unincorporated area of Carver County (Zoning Standards) .....  | 86-92 |
| 11:20 a.m. | <b>RECESS AS COUNTY BOARD AND CONVENE AS CARVER COUNTY REGIONAL RAIL AUTHORITY</b>  |       |
| 11:20 a.m. | <b>11. COMMUNITIES: Create and maintain safe, healthy, and livable communities</b>  |       |
|            | 11.1 Stipulation for Settlement Agreement Between CCRRA and<br>Carver County .....  | 93-94 |
| 11:30 a.m. | <b>ADJOURN AS CARVER COUNTY REGIONAL RAIL AUTHORITY AND RECONVENE AS COUNTY BOARD</b>   |       |
| 11:30 a.m. | <b>12. County Administrator Report</b>  |       |
| 11:35 a.m. | <b>ADJOURN REGULAR SESSION</b>  |       |

## Carver County Board of Commissioners Request for Board Action



**Agenda Item:**  
**Stipulation for Settlement Agreement Between CCRRA and Carver County**

|   |  |
|---|--|
| Primary Originating Division/Dept: <input type="text" value="Public Works - Parks"/>  | Meeting Date: 8/6/2024   |
| Contact: Martin Walsh                      Title: <input type="text" value="Parks and Recreation Director"/>                  | Item Type:<br><input type="text" value="Consent"/>                         |
| Amount of Time Requested: <input type="text"/> minutes  | Attachments: <input checked="" type="radio"/> Yes <input type="radio"/> No |
| Presenter: <input type="text"/> Title: <input type="text"/>   |  |
| Strategic Initiative:<br><input type="text" value="Communities: Create and maintain safe, healthy, and livable communities"/> |  |

**BACKGROUND/JUSTIFICATION:**

Previous actions taken by the Board include: 1) June 18, 2024, approval of a Joint Powers Agreement between CCRRA and Chaska; and 2) July 9, 2024, approval of a Permanent Transportation Easement Agreement between CCRRA and the County.

The County now seeks Board approval to enter the Stipulation for Settlement Agreement (SA) between CCRRA and the County. The SA sets the amount of compensation that the County will pay to CCRRA for the County's acquisition of a permanent transportation easement from CCRRA (PTE) for the Project.

The County is eligible to apply for a PAOF grant from Met. Council for the County's acquisition costs of the PTE for the Project.

The entire easement tract on CCRRA property extends over a portion of parcel identified by Tax Parcel Identification Number 30.9990600 lying northeast of 1<sup>st</sup> Street West and all of the parcel identified by Tax Parcel Identification Number 30.9990500 (Tract). The appraisal for the Tract divided it into seven smaller parcels based upon the distinct land uses of the adjoining lands, and appraised each of those seven parcels separately. The total appraised fair market value of the PTE over the Tract or all of those seven parcels is \$3,960,000.

To maximize the amount of the PAOF grant that the County can receive from Met. Council for the County's acquisition of the PTE from CCRRA, the CCRRA plans to convey the PTE to the County in two separate transactions or conveyances. Each transaction or conveyance will occur in a different state fiscal year, and each will encumber a different set of the seven parcels identified in the appraisal. Collectively and at the end of the Phase 2 Acquisition described below, the entire Tract will be encumbered by the PTE.

**Phase 1 Acquisition** involves the County's acquisition of the PTE over parcels identified in the appraisal as Parcels 2 and 7. The appraised fair market value of the PTE over Parcels 2 and 7 is \$2,135,500.

During state fiscal year 2025, the County will seek a PAOF grant from Met. Council for 75% of the fair market value of the PTE over Parcels 2 and 7, which equals \$1,601,625 .

To satisfy the 25% local match requirement, the CCRRA plans to make an in-kind donation to the County for 25% of the fair market value of the PTE over Parcels 2 and 7, which equals \$533,875.

**Phase 2 Acquisition** involves the County's acquisition of the PTE over parcels identified in the appraisal as Parcels 1, 3, 4, 5 and 6. The appraised fair market value of the PTE over Parcels 1, 3, 4, 5 and 6 equals \$1,824,500.

During the state fiscal year 2026, the County will seek a PAOF grant from the Met. Council for 75% of the appraised fair market value of the PTE over Parcels 1, 3, 4, 5 and 6, which equals \$1,368,375.

To satisfy the 25% local match requirement, the CCRRA will make an in-kind donation to the County of 25% the fair market value of the PTE over Parcels 1,3,4,5, and 6, which equals \$456,125.

**ACTION REQUESTED:**

Motions:

- 1) Authorize the County to enter into the Stipulation for Settlement Agreement upon completion of the contract review process.
- 2) Authorize the County to apply for Park Acquisition Opportunity Funds from Met. Council for the County's acquisition costs of the Phase 1 Acquisition.
- 3) Authorize County resolution for acquisition of CCRRA property.

**FISCAL IMPACT:**

If "Other", specify:

**FTE IMPACT:**

**FUNDING**

**County Dollars =**

|                      |                       |
|----------------------|-----------------------|
| CCRRA                | \$533,875.00          |
| Metropolitan Council | \$1,601,625.00        |
| <b>Total</b>         | <b>\$2,135,500.00</b> |

Insert additional funding source

Related Financial/FTE Comments:

CCRRA is providing an in-kind land value donation as a 25% match to the Metropolitan Council's 75% match for the acquisition of the permanent easement

Office use only:

RBA 2024 - 9972

Aggregate for road project (IUP). A public hearing was held on 6.16.24, planning commission voted unanimously to approve this request. Interim Use Permit for 85 acres and they will utilize just under 10 acres for the 212 Project. Motion to adopt the Findings of Fact and issue Order #PZ20240025 for the issuance of an Interim Use Permit.

Motion carried unanimously.

- 10.2 Jason Mielke, Land Use Manager discussed Ordinance No. 107-2024 Moratorium on cannabis business activity in the unincorporated area of Carver County (Zoning Standards). Continued request from 7.16.24 meeting, public hearing notification was made on 7.4.24 in the Patriot in addition to notifying townships and cities officials. A page is also set up specifically for public hearing information on cannabis moratorium on the Carver county website. Moratorium will give land management time to conduct research, study legislative language and develop zoning code language.

Udermann moved, Workman seconded to close public hearing, Motion carried unanimously.

Fahey moved, Lynch seconded, Motion to adopt Resolution 72-24 enacting an interim ordinance (Ordinance No. 107-2024), instituting an emergency moratorium on cannabis businesses in the unincorporated area of Carver County. Degler, Fahey, Lynch, Workman voted aye. Udermann nay. Motion carried 4 to 1.

- 10.3 Moved from consent agenda 5.5, Martin Walsh, Parks director clarified fees in the amount of \$17,006.05, associated with the Professional Services Agreement with Bolton and Menk for Design and Construction Administration Services.

Udermann moved, Workman seconded to approved PSA with Bolton & Menk upon the completion of the contract review process. Motion carried unanimously.

Commissioner Workman left the room at 11:26 a.m.

Lynch moved, Udermann seconded to Recess as County Board and convene as Carver County Regional Rail Authority. Degler, Fahey, Lynch, Udermann voted aye. Workman absent. Motion carried.

- 11.1 Martin Walsh, Parks Director spoke on the stipulation for Settlement Agreement Between CCRRA and Carver County.

Commissioner Workman returned to the room at 11:30 a.m.

Workman moved, Lynch seconded, to authorize CCRRA to enter the stipulation for settlement agreement upon completion of the contract review process and to authorize CCRRA to make an in-kind donation to the County of 25% the fair market value of the PTE over Parcels 2 & 7, provided the County receives grant funding of 75% of the fair market value of the Phases 1 acquisitions. Motion carried unanimously.



## Exhibit 6: Settlement agreement

### STIPULATION FOR SETTLEMENT AGREEMENT

Between the Carver County Regional Railroad Authority

And

the County of Carver

---

### IN THE MATTER OF DIRECT PURCHASE OF PERMAENNT TRANSPORTATION EASEMENT FOR REGIONAL RECREATION OPEN SPACE DEVELOPMENT

---

**THIS STIPULATION FOR SETTLEMENT AGREEMENT, ("Agreement"),** is entered into between the Carver County Regional Railroad Authority, a governmental subdivision and municipal corporation organized and existing pursuant to Minnesota Statutes Chapter 398A and County Board Resolution # 79-87, “**CCRRA,**” and the County of Carver, a governmental subdivision and municipal corporation under the laws of the State of Minnesota, “**COUNTY.**” The CCRRA and the COUNTY each may be referred to separately hereinafter as a “**Party,**” and both may be referred collectively hereinafter as the “**Parties.**”

#### 1. RECITALS

**WHEREAS,** the CCRRA is the owner pursuant to Minnesota Statute Chapter 398A, of two parcels of vacant real property comprising 1.5 miles of a former railroad corridor, extending from First Street West to York Street in Chaska, Carver County, Minnesota; comprising that part of the parcel identified by Tax Parcel Identification Number 30.9990600 lying northeast of 1<sup>st</sup> Street West and all of the parcel identified by Tax Parcel Identification Number 30.9990500; and which are depicted in Exhibit A, and legally described in Exhibit B, both exhibits attached hereto, and incorporated hereinafter, “**Property;** and

**WHEREAS**, the CCRRA, the COUNTY, and the City of Chaska, a governmental subdivision and municipal corporation under the laws of the State of Minnesota, “**CITY**,” collaborated to reconstruct, extend, and improve a segment of the Minnesota River Bluffs Regional Trail in Chaska, Carver County, Minnesota, on the Property as part of the CITY’s Downtown Highway 41 project, “**Project**”; and

**WHEREAS**, the COUNTY obtained an appraisal report from an independent licensed real estate appraiser to estimate the fair market value of a permanent transportation easement over, under, across, and upon the entirety of the Property, as of June 10, 2024, “**Appraisal**”; and

**WHEREAS**, the permanent transportation easement on the Property was appraised using the traditional method of appraising a railroad corridor, the Across the Fence method, “**ATF**”; and

**WHEREAS**, to apply the standard ATF method, the appraiser divided the Property into seven distinct tracts of land based upon their distinct land uses, appraised each of those distinct tracts, and combined those values”; and

**WHEREAS**, the COUNTY desires to acquire a permanent transportation easement over, under, across, and upon Tracts 2 and 7 of the Property, as identified in the Appraisal, and which are depicted in Exhibit C and legally described in Exhibit D, both exhibits attached hereto, and incorporated herein, for the Project, “**PTE for Tracts 2 and 7**”; and

**WHEREAS**, the PTE for Tracts 2 and 7, as set forth in Exhibit E, attached hereto and incorporated herein, was appraised to have a total collective fair market value of Two Million One Hundred Thirty-Five Thousand and Five Hundred Dollars and No Cents (**\$2,135,500.00**) as of June 10, 2024, “**Settlement Amount**”; and

**WHEREAS**, the COUNTY desires to acquire the PTE for Tracts 2 and 7 from the CCRRA for the Settlement Amount; and

**WHEREAS**, the COUNTY also desires to apply for grant funding from the Metropolitan Council, a political subdivision, and a public corporation under the Laws of the State of Minnesota, “**Met. Council**”, to cover seventy-five percent (75%) of the COUNTY’s acquisition costs of the PTE for Tracts 2 and 7 from the CCRRA, or seventy-five percent (75%) of Settlement Amount, “**Anticipated Met. Council Funding;**” and

**WHEREAS**, the CCRRA desires to convey the PTE for Tracts 2 and 7 to the COUNTY if, and only if, the COUNTY receives the Anticipated Met. Council Funding; and

**WHEREAS**, if the COUNTY does not receive the Anticipated Met. Council Funding, then the CCRRA shall not be required to convey the PTE for Tracts 2 and 7 to the COUNTY; and

**WHEREAS**, the Parties reached an agreement regarding the total actual amount which the COUNTY must pay to the CCRRA for the COUNTY’s acquisition of the PTE for Tracts 2 and 7 from the CCRRA, and for any and all other costs related to said acquisition, and hereby enter this Agreement to confirm the terms of their agreement.

## **2. AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises and for other good and valuable consideration, the Parties hereby acknowledge, agree, and stipulate as follows:

- 2.1 **Recitals.** All of the recitals set forth above are true and accurate, and hereby are made part of this Agreement as if set forth herein in their entirety.
- 2.2 **Costs.** The following obligations of each Party to pay or donate the following amounts to the other Party are conditioned upon the COUNTY’s receipt of Anticipated Met. Council Funding, equal to seventy-five percent (75%) of the

Settlement Amount for the COUNTY's acquisition costs of the PTE for Tracts 2 and 7.

- A. The Settlement Amount equals Two Million and One Hundred Thirty-Five Thousand and Five Hundred Dollars and No Cents (**\$2,135,500.00**).
- B. The Anticipated Met. Council Funding, which the COUNTY shall use to pay seventy-five percent (75%) of the Settlement Amount if the COUNTY receives said funding, equals One Million and Six Hundred and One Thousand and Six Hundred Twenty-Five Dollars and No Cents (**\$1,601,625.00**).
- C. If the COUNTY receives the Anticipated Met. Council Funding, then the CCRRA shall donate twenty-five percent (25%) of the Settlement Amount, which equals Five Hundred Thirty-Three Thousand Eight Hundred Seventy-Five Dollars and No Cents (**\$533,875.00**), "**CCRRA's In-Kind Donation**" to the COUNTY.
- D. If the COUNTY receives the Anticipated Met. Council Funding, then the COUNTY shall use the CCRRA's In-Kind Donation to satisfy Met. Council's grant requirement that the COUNTY contribute twenty-five percent (25%) toward the COUNTY's acquisition costs of the PTE for Tracts 2 and 7 from the CCRRA, "**COUNTY's In-Kind Contribution.**"

- 2.3 **Settlement Amount.** The Parties agree that the Settlement Amount is the fair and equitable total collective fair market value for the COUNTY's acquisition of the PTE for Tracts 2 and 7 from the CCRRA for the Project, and for any and all related costs and claims.
- 2.4 **Payment.** The COUNTY shall pay the Settlement Amount, less the amount of the CCRRA's In-Kind Donation, to the CCRRA upon the approval of this Agreement by Resolution of the Carver County Board of Commissioners acting on behalf of the COUNTY; the approval of this Agreement by Resolution of the Carver County Board of Commissioners acting as the official governing body of the CCRRA; upon receipt by the COUNTY of Anticipated Met. Council Funding; and upon receipt from the CCRRA of the fully executed PTE for Tracts 2 and 7.
- 2.5 **CCRRA's Warranty.** The CCRRA warrants that the CCRRA shall execute and deliver to the COUNTY a standard conveyance document for the CCRRA's conveyance to the COUNTY of the PTE for Tracts 2 and 7 in the form of Exhibit C, attached hereto, and incorporated herein, and in a form acceptable to the County Attorney, upon the CCRRA's receipt of the full payment from the COUNTY of the full Settlement Amount, less the CCRRA's In-Kind Donation, as set forth in Section 2.2 above.

- 2.6 **Record Conveyance Documents.** The COUNTY shall be entitled to record the PTE following delivery of the fully executed PTE for Tracts 2 and 7 to the COUNTY and following the COUNTY's full payment to the CCRRA of the Settlement Amount, less the amount of the CCRRA's In-Kind Donation to the COUNTY.

### 3. MISCELLANEOUS

- 3.1 **Effective Date.** This Agreement shall become effective upon execution by or on behalf of all Parties; delivery of the fully signed Agreement to both the CCRRA and the COUNTY; the approval of this Agreement by Resolution of the Carver County Board of Commissioners acting on behalf of the COUNTY; and the approval of this Agreement by Resolution of the Carver County Board of Commissioners acting as the official governing body of the CCRRA.
- 3.2 **Execution.** The Parties agree that this Agreement may be executed in separate counterparts which, taken together, shall be and comprise one agreement.
- 3.3 **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.
- 3.4 **Court Retains Jurisdiction.** The Carver County District Court shall have jurisdiction to enforce this Agreement.
- 3.5 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties.
- 3.6 **Binding Contract.** The terms of this Agreement shall constitute a binding contract.
- 3.7 **Modifications.** No modification or amendment to this Agreement shall be valid or binding unless contained in a written instrument which is signed by all Parties hereto and approved by the County Board of Commissioners acting independently on behalf of each Party.
- 3.8 **Authority.** The persons signing this Agreement in their representative capacities represent and warrant that by signing this Agreement that it is their intent to bind their respective principals to the terms and conditions set forth herein, that the persons signing in their representative capacity have been authorized to bind their respective principals to such terms, and that it is the respective principals' intent to be so bound.

IN WITNESS THEREOF, the undersigned have each executed this Agreement on the day and year set forth below.

**SIGNATURE PAGE FOR  
CARVER COUNTY REGIONAL RAILROAD AUTHORITY**

**CARVER COUNTY  
REGIONAL RAILROAD AUTHORITY**

Dated: \_\_\_\_\_, 2024

By: Gayle Degler  
Gayle Degler (Oct 21, 2024 13:41 CDT)  
Gayle Degler  
Its: Chair of the Board of Commissioners

Dated: 10/21, 2024

By: David Hemze  
David Hemze (Oct 21, 2024 15:12 CDT)  
Dave Hemze  
Its: County Administrator

**OFFICE OF THE  
CARVER COUNTY ATTORNEY**

Dated: \_\_\_\_\_, 2024

By: Mary Shimshak  
Mary Shimshak (Oct 21, 2024 14:09 CDT)  
Mary E. Shimshak (No.: 0296958)  
Assistant Carver County Attorney  
Carver County Government Center  
604 East Fourth Street  
Chaska, MN 55318  
  
(952) 361-1400  
mshimshak@co.carver.mn.us

**[REST OF PAGE INTENTIONALLY LEFT BLANK]**

**SIGNATURE PAGE FOR  
THE COUNTY OF CARVER**

**COUNTY OF CARVER**

Dated: \_\_\_\_\_, 2024

By: Gayle Degler  
Gayle Degler (Oct 21, 2024 19:41 CDT)  
Gayle Degler  
Its: Chair of the Board of Commissioners

Dated: 10/21, 2024

By: David Hemze  
David Hemze (Oct 21, 2024 15:12 CDT)  
Dave Hemze  
Its: County Administrator

**OFFICE OF THE  
CARVER COUNTY ATTORNEY**

Dated: \_\_\_\_\_, 2024

By: Jennifer K. Tichey  
Jennifer K. Tichey (Oct 21, 2024 14:51 CDT)  
Jennifer Tichey (No.: 0279821)  
Assistant Carver County Attorney  
Carver County Government Center  
604 East Fourth Street  
Chaska, MN 55318  
  
(952) 361-1400  
jtichey@co.carver.mn.us  
  
ATTORNEY FOR CARVER COUNTY

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**EXHIBIT E**  
**(Permanent Transportation Easement Agreement  
for Tracts 2 and 7)**

This Permanent Transportation Easement Agreement for Tracts 2 and 7, (“**Agreement**”), is entered between Carver County Regional Railroad Authority, a governmental subdivision and municipal corporation organized and existing pursuant to Minnesota Statutes Chapter 398A and County Board Resolution # 79-87, (“**CCRRA**”), and the County of Carver, a governmental subdivision and municipal corporation under the laws of the State of Minnesota, (“**CARVER COUNTY**”).

**RECITALS**

**WHEREAS**, CCRRA is the record owner pursuant to Minnesota Statute Chapter 398A of two parcels of vacant real property comprising 1.5 miles of a former railroad corridor, extending from 1<sup>st</sup> Street West to York Street in Chaska, Carver County, Minnesota; comprising that part of the parcel identified by Tax Parcel Identification Number 30.9990600 lying northeast of 1<sup>st</sup> Street West and all of the parcel identified by Tax Parcel Identification Number 30.9990500; and which is depicted in Exhibit A, and legally described in Exhibit B, both exhibits attached hereto and incorporated herein, “**Property**,” and

**WHEREAS**, the Property is encumbered, in part, by terms and conditions that run with the land, and which require the Property to be preserved for future transportation system purposes or uses, including but not limited to use as a bus transit system, freight rail, and a light rail transit system, and for the location of communication, storm sewer, sanitary sewer, and water facilities, ground surface drainage ways, and other public improvement utilities, “**Future Transportation Use**,” and which allow the Property to be used in the interim for a public recreational trail, including but are not limited to foot travel, bicycle travel, and inline skating, “**Interim Recreational Trail Use**,” and

**WHEREAS**, the Property is encumbered, in part, by legally binding agreements with public and private utilities, and licenses, which run with the land, and allow said utilities and licenses to cross over, under, upon and through the Property, “**Utility and Licenses**,” and

**WHEREAS**, the City of Chaska, a governmental subdivision and municipal corporation under the laws of the State of Minnesota, (“**CITY**”), and CARVER COUNTY collaborated to reconstruct, expand, and improve a portion of Minnesota State Highway 41, (“**TH41**”), and County State Aid Highway 61, (“**CSAH 61**”), as part of the first phase of the CITY’s Downtown Highway 41 Project, (“**Phase 1 Project**”); and

**WHEREAS**, CCRRA and the CITY entered into an Underpass and Recreational Trail Agreement dated March 21, 2023, (“**Phase 1 Trail Agreement**”), which allowed the CITY to construct a recreational trail, underpass, and make other related improvements according to the Phase 1 Plans, (“**Phase 1 Trail Improvements**”), as part of the Phase 1 Project; and

**WHEREAS**, CCRRA, CARVER COUNTY, and the CITY collaborated, in part, to reconstruct, extend, and improve a segment of the Minnesota River Bluffs Regional Trail located



in Chaska, Carver County, Minnesota (“**Phase 2 Project**”), which improvements are the referred to herein as the “**Phase 2 Trail Extension and Improvements**”; and

**WHEREAS**, the Phase 1 Trail Improvements and the Phase 2 Trail Extension and Improvements are, collectively, referred to herein as the “**Regional Trail Improvements**,” and

**WHEREAS**, the Regional Trail Improvements benefit CCRRA and CARVER COUNTY; and

**WHEREAS**, CCRRA and CARVER COUNTY desire to cooperate with one another regarding the Phase 2 Project, to ensure that the Phase 2 Trail Extension and Improvements on the Property do not interfere with any Future Transportation Use, any Utility and Licenses, or any other permitted uses of the Property; and

**WHEREAS**, CCRRA desires to convey a non-exclusive permanent transportation easement (“**PTE**”) to CARVER COUNTY to effectuate and facilitate the CITY’s initial construction of the improvements of the Phase 2 Project on designated portions of the Property, and to facilitate the performance of the ongoing maintenance, operation, repair, and use of the Regional Trail Improvements, subject to the terms and conditions of this Agreement; and

**WHEREAS**, for the purpose of this Agreement, “**CCRRA Improvements**” shall be those Regional Trail Improvements and any other improvements located on the Easement Tract, excluding the “**City Improvements**,” and

**WHEREAS**, for the purpose of this Agreement, “**City Improvements**” shall be Kiosks, associated waste/recycling receptacles, if any, and trail wayfinding signage, benches, bike racks, and decorative bollards/columns located on the Easement Tract; and

**NOW THEREFORE**, in consideration of the mutual promises and covenants of each to the other Party as contained herein, and for other good and valuable consideration, the receipt and sufficiency of which CCRRA and CARVER COUNTY hereby acknowledge, CCRRA and CARVER COUNTY hereby covenant and agree as follows.

#### **AGREEMENT**

1. CCRRA bargains, grants, and conveys a non-exclusive PTE unto CARVER COUNTY, over, under, across and upon across Tracts 2 and 7 of the Property, as depicted in Exhibit C and legally described in Exhibit D, both exhibits attached hereto and incorporated herein, “**Easement Tract**,” for the purposes of allowing CARVER COUNTY to:
  - A. Inspect the surface condition of the regional trail thereon;
  - B. Repair and replace the surface of the regional trail thereon, by crack sealing, patching, seal coating, applying an overlay, and reconstructing the surface to ensure a safe and usable condition;
  - C. Keep the CCRRA Improvements thereon clean and free of graffiti, and clean of garbage, trash, litter, and vegetation;

- D. Operate, modify, repair, and replace all of CCRRA Improvements thereon when reasonably necessary to ensure a safe and usable condition;
  - E. Inspect the condition of, maintain, and replace trees, shrubs, and other landscaping thereon used for screening purposes;
  - F. Sweep the surface of the regional trail thereon;
  - G. Inspect, repair, and replace all traffic control signage placed along the regional trail thereon, as needed, to ensure a safe and usable condition;
  - H. Inspect the sight line of the regional trail thereon, and perform site line trimming of overhanging trees and brushes thereon, as needed, to ensure a safe and usable condition;
  - I. Mow the Easement Tract one mower deck wide on each side of the regional trail;
  - J. Perform any other activity which is reasonably related and necessary to the construction, inspection, ongoing maintenance, repair, and operation obligations, and use of the Regional Trail Improvements thereon, as requested by CARVER COUNTY and as approved by CCRRA, both in writing;
  - K. Locate, construct, reconstruct, operate, maintain, inspect, alter, and repair within the Easement Tract, any public roadway, storm sewer, sanitary sewer, and water facilities; ground surface drainage ways, sidewalks, retaining walls as necessary to provide lateral support to adjacent public improvements, traffic signals and traffic signage, or other public facilities or improvements of any type that are not inconsistent with a Future Transportation Use; together with the right to place or store snow removed or plowed from the adjacent public street or trail; and also the right to cut, trim, or remove any trees, shrubs, or other vegetation from the Easement Tract that in the reasonable judgments of CARVER COUNTY and the CCRRA, does not unreasonably interfere with CARVER COUNTY's permitted uses of the Easement Tract or the Regional Trail Improvements thereon;
  - L. Authorize the CITY to construct the Phase 2 Trail Extension and Improvements thereon;
  - M. Authorize the CITY to perform the CITY's maintenance, operation, and repair obligations for the Regional Trail Improvements thereon; and
  - N. Authorize the CITY to perform any other activity or activities on the Easement Tract, which are reasonably related and necessary for the CITY to meet its obligations.
2. Subject to the terms and conditions of this Agreement, CARVER COUNTY, its officials, employees, contractors, and agents shall have the right under the PTE to:
- A. Enter onto, over, under, across and upon the Easement Tract to inspect, maintain, repair, operate, and use the Regional Trail Improvements; and
  - B. Enter onto, over, under, across and upon the Easement Tract to perform any other activity

which is reasonably related and necessary to the construction, inspection, ongoing maintenance, repair, and operation, and use of the Regional Trail Improvements, or as otherwise approved by the CCRRA in writing; and

- C. Enter onto, over, under, across and upon the Easement Tract to locate, construct, reconstruct, operate, maintain, inspect, alter, and repair within the Easement Tract, any public roadway, storm sewer, sanitary sewer, and water facilities; ground surface drainage ways, sidewalks, retaining walls as necessary to provide lateral support to adjacent public improvements, traffic signals and traffic signage, or other public facilities or improvements of any type that are not inconsistent with a Future Transportation Use; together with the right to place or store snow removed or plowed from the adjacent public street or trail; and also the right to cut, trim, or remove any trees, shrubs, or other vegetation from the Easement Tract that in the reasonable judgments of CARVER COUNTY and the CCRRA, unreasonably interferes with CARVER COUNTY's permitted uses of the Easement Tract or facilities located with the Easement Tract; and
  - D. Authorize the CITY to enter onto, over, under, across and upon the Easement Tract to construct the Phase 2 Trail Extension and Improvements on, over, under and across the Easement Tract, according to the plans the CITY, CARVER COUNTY, and the CCRRA approved for the Phase 2 Trail Extension and Improvements, ("**Phase 2 Plans**"); and
  - E. Authorize the CITY to enter onto, over, under, across and upon the Easement Tract to inspect, maintain, and operate the City Improvements thereon.
3. Neither CARVER COUNTY nor any of CARVER COUNTY'S authorized invitees shall interfere with any Future Transportation Use of the Easement Tract.
  4. CARVER COUNTY and CARVER COUNTY'S authorized invitees on the Easement Tract shall properly locate and protect all such utilities on the Easement Tract prior to, and during any construction, modification, relocation, and use of the Regional Trail Improvements and neither CARVER COUNTY nor any of CARVER COUNTY'S authorized invitees shall not interfere with any such Utility and Licenses. CARVER COUNTY and CARVER COUNTY'S authorized invitees must protect all existing utilities, including fiber optics, waterways, and drainage lines on the Easement Tract.
  5. Any rights granted to CARVER COUNTY under this Agreement are subject to and subordinate to any existing rights of way, the Utility and Licenses, whether or not of record, for highway, roads, railroads, public and private utilities, pipelines, canals, laterals, ditches, fiber optics, electrical, or other transmission lines.
  6. CARVER COUNTY and CARVER COUNTY'S authorized invitees shall abide by all local, state, and federal ordinance, regulations, and laws in the exercise of any of the rights granted herein.
  7. CARVER COUNTY accepts the Easement Tract subject to any want or failure at any time of CCRRA's title to the Easement Tract or any part thereof, and CARVER COUNTY shall

assume any damages sustained by CARVER COUNTY in connection therewith.

8. CARVER COUNTY accepts the Easement Tract subject to and subordinate to the rights of any party, including CCRRA, in and to any roadways, easements, licenses, leases, permits, whenever granted, except that any subsequent grant shall not unreasonably interfere with CARVER COUNTY's use of the Easement Tract pursuant to the terms of this Agreement.
9. CARVER COUNTY accepts the condition of the Easement Tract, including specifically without limitation, the environmental and geological condition of the Easement Tract, in an "AS-IS" and with "ALL FAULTS" condition.
10. CARVER COUNTY's execution of this Agreement shall represent CARVER COUNTY's acknowledgement and agreement that:
  - A. CCRRA has not made any written or oral representation or warranty of any kind with respect to the Property, and/or the Easement Tract, (including without limitation express or implied warranties of merchantability, or fitness for a particular purpose); and
  - B. CARVER COUNTY has not relied upon any written or oral representation made by CCRRA, its agents or employees, with respect to the condition of the Property and/or the Easement Tract; and
  - C. CARVER COUNTY had an adequate opportunity to inspect the condition of the Easement Tract, including without limitation any environmental testing, and to inspect documents applicable thereto, and CARVER COUNTY is relying solely on such inspection and testing, if any; and
  - D. The condition of the Easement Tract is fit for CARVER COUNTY's intended use and enjoyment.
11. By entering this Agreement, CARVER COUNTY accepts and acknowledges that CCRRA made no representation or warranty as to the condition of the Easement Tract or its suitability for the construction and placement of the Regional Trail Improvements, or for any other purposes allowed by this Agreement.
12. CCRRA reserves the right to use, encumber, and occupy the Easement Tract in the future, and the right to agree to other uses, encumbrances, and occupations of the Easement Tract, provided that any such use, encumbrance, and occupation of the Easement Tract does not unreasonably interfere with the rights and obligations granted under this Agreement, or any amendment thereto approved in writing by CCRRA and CARVER COUNTY.
13. CARVER COUNTY shall exercise its rights to the Easement Tract in such a manner as to facilitate and be compatible with CCRRA's use of the Easement Tract for Future Transportation Use.
14. In the event that any portion of the Easement Tract is needed in the future for any Future

Transportation Use that is inconsistent with the existence, location, or use of any of the Regional Trail Improvements, CCRRA shall not be responsible for the cost of any necessary modification or relocation of any of the Regional Trail Improvements.

15. CARVER COUNTY shall defend, indemnify, and hold harmless CCRRA, its officials, officers, agents, volunteers and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of CARVER COUNTY, a contractor, subcontractor, anyone directly or indirectly employed by them, and/or anyone for whose acts and/or omissions they may be legally responsible for in the exercise of the rights granted by this Agreement, and against all loss by reason of the failure of CCRRA to perform any obligation under this Agreement. CARVER COUNTY'S liability shall be governed and limited by Minnesota Statutes Chapter 466, and any other applicable laws.
16. Neither CCRRA nor CARVER COUNTY waives any immunities, defenses, or defenses on liability to the parties in law or equity. CCRRA and CARVER COUNTY expressly agree that the terms of this Agreement shall not be construed to affect any waiver, including those of protections set forth in Minnesota Statutes, Chapters 466.
17. CCRRA and CARVER COUNTY understand and agree that this instrument covers all of the agreements and stipulations between CCRRA and CARVER COUNTY, and that no other representation or statements, written or oral, have been made modifying, adding to, or changing the terms hereof.
18. CARVER COUNTY shall not assign or transfer this Agreement without the prior written consent of CCRRA, excepting CARVER COUNTY may allow the CITY to enjoy certain rights in accordance with the terms and conditions of this Agreement.
19. The rights granted herein may be exercised at any time subsequent to the full execution of this Agreement.
20. This Agreement shall run with the land and be binding upon the successors and assigns of CCRRA and CARVER COUNTY.

**IN WITNESS WHEREOF**, the CCRRA and CARVER COUNTY have caused this instrument to be executed the day and year written immediately below.

**[REST OF PAGE LEFT BLANK INTENTIONALLY]**