

Committee Report

Community Development Committee



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

Business Item: 2024-309

Diamond Lake Regional Trail, Park Acquisition Opportunity Fund Award (Boggs), Three Rivers Park District

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$525,000 from the Park Acquisition Opportunity Fund to Three Rivers Park District to acquire a 23.2-acre parcel located at 17700 117th Ave N in Dayton, MN, for the Diamond Lake 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



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

Business Item: 2024-309

Diamond Lake Regional Trail, Park Acquisition Opportunity Fund Award (Boggs), Three Rivers Park District

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$525,000 from the Park Acquisition Opportunity Fund to Three Rivers Park District to acquire a 23.2-acre parcel located at 17700 117th Ave N in Dayton, MN, for the Diamond Lake 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 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. There were no questions.

Motion by Commissioner David Yakes, seconded by Commissioner Monica Dillenburg, the Commission voted unanimously to pass the proposed action.



Business Item

Metropolitan Parks and Open Space Commission



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

Business Item: 2024-309

Diamond Lake Regional Trail, Park Acquisition Opportunity Fund Award (Boggs), Three Rivers Park District

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; 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.
Staff Prepared/Presented:	Jessica Lee, Planning Analyst, 651-602-1621
Division/Department:	Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$525,000 from the Park Acquisition Opportunity Fund to Three Rivers Park District to acquire a 23.2-acre parcel located at 17700 117th Ave N in Dayton, MN, for the Diamond Lake Regional Trail.
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

Three Rivers Park District requested a Park Acquisition Opportunity Fund (PAOF) grant on September 3, 2024, to fund the acquisition of a 23.2-acre parcel for the Diamond Lake Regional Trail. A copy of the Agency's request is attached to this item as Exhibit 2 with application details in Exhibit 3.

The Diamond Lake Regional Trail is a 28-mile planned destination regional trail that travels south from the West Mississippi River Regional Trail in Dayton down and around Diamond Lake and French Lake, then continuing south through Corcoran and ending in Baker Park Reserve (see Exhibit 1, Figures 1 and 2).

Subject Property

The subject property is within the Council-approved boundary of the Diamond Lake Regional Trail. The property is mostly undeveloped open fields that were used for horseback riding. The land will

be restored to its natural state. In addition, the property contains about a third of a mile of French Lake shoreline and over 9 acres of associated wetland that will be protected.

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 \$650,000, and the Seller has agreed to that amount. See Exhibit 4 for more information on the appraisal. The total project cost including legal fees, environmental assessments, stewardship, taxes, and appraisal is \$700,000, as shown in Table 1 below.

Table 1. Project Budget

Budget item	Requested amount
Purchase price	\$650,000
Appraisal, legal fees, taxes, closing costs	\$9,569
Environmental assessments, phases I	\$2,200
Stewardship	\$38,231
Total Costs	\$700,000
Grant structure	
Grant amount	\$525,000
Local match	\$175,000

Acquisition Details

This is a straightforward fee title acquisition. The property contains a 1.5-acre stormwater drainage and utility easement held by the City of Dayton. The easement does not prohibit locating a regional trail across the property.

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 Environment and Natural Resources Trust 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 Diamond Lake Regional Trail long-range plan in 2022 ([Business Item 2022-239](#)). 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 Diamond Lake Regional Trail, contains 23 acres of land that will be restored for natural resources, and will help protect French Lake.

- 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 Diamond Lake 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 the Environment and Natural Resources Trust 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 \$175,000.

Exhibit List

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



Exhibit 1 – Images

Figure 1. Map of the Regional Parks System and the Diamond Lake Regional Trail (shown in this map as a search corridor, but now is a planned trail).

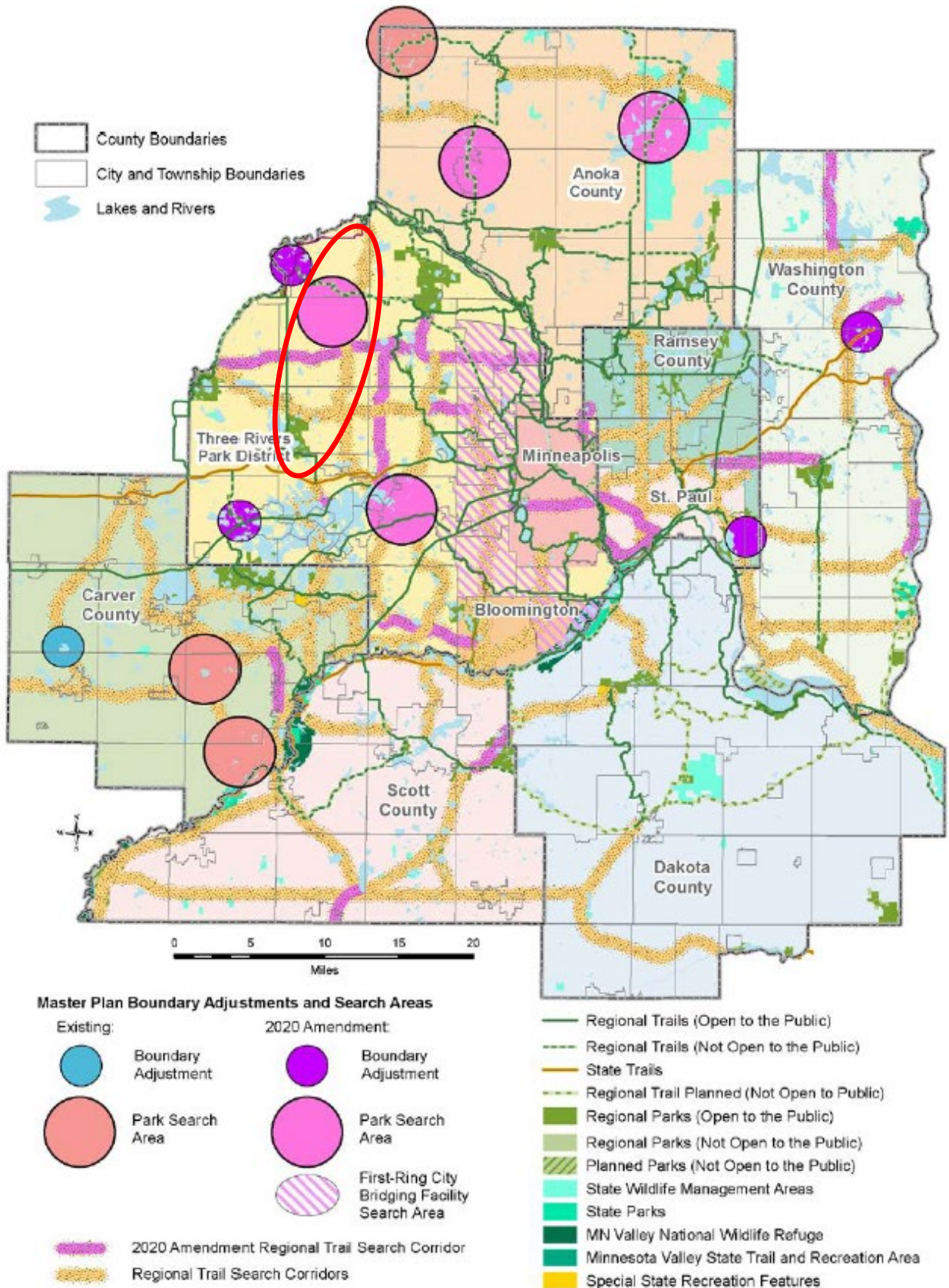
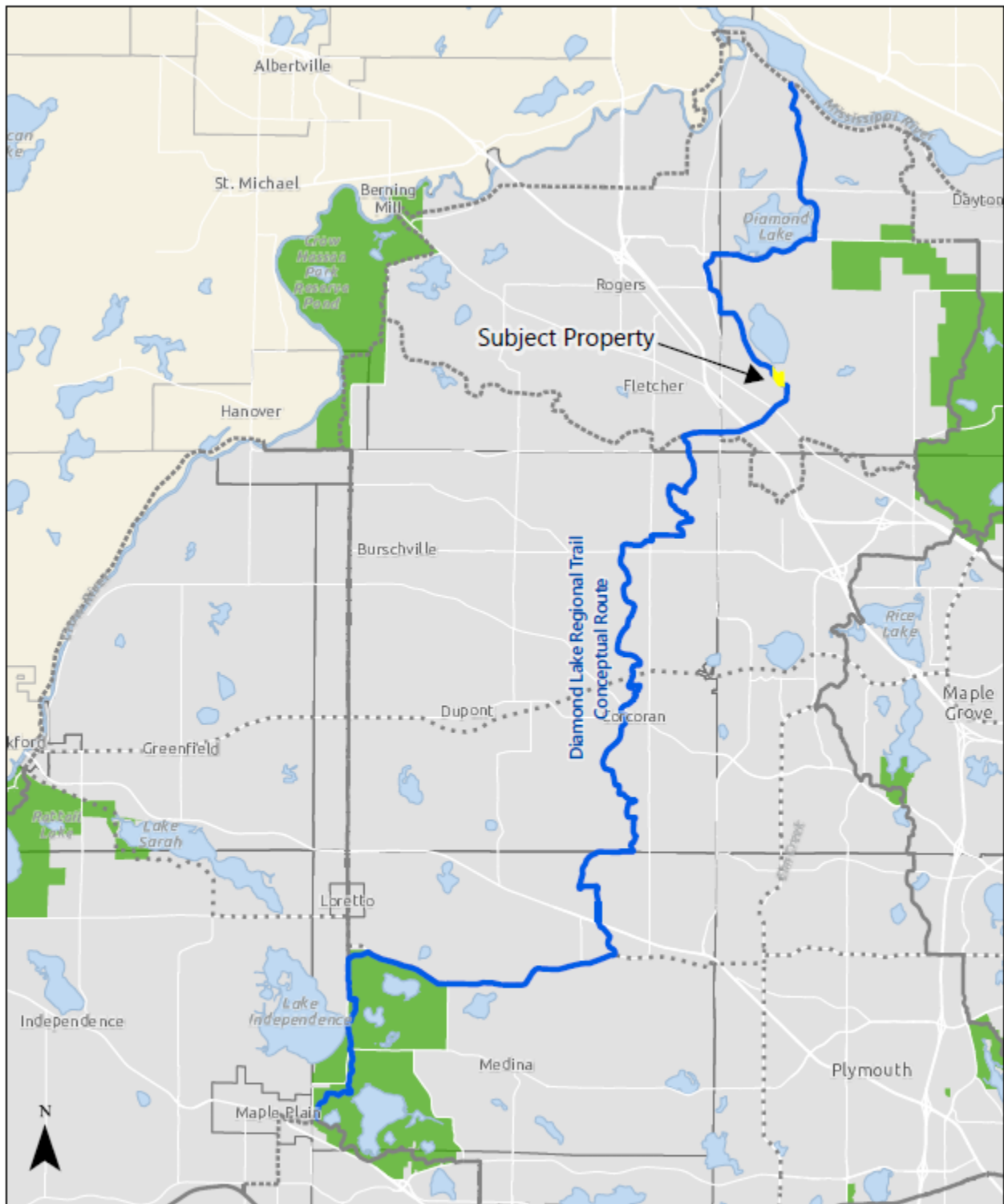


Figure 2. Concept map of the Diamond Lake Regional Trail, highlighting the subject Boggs property location.



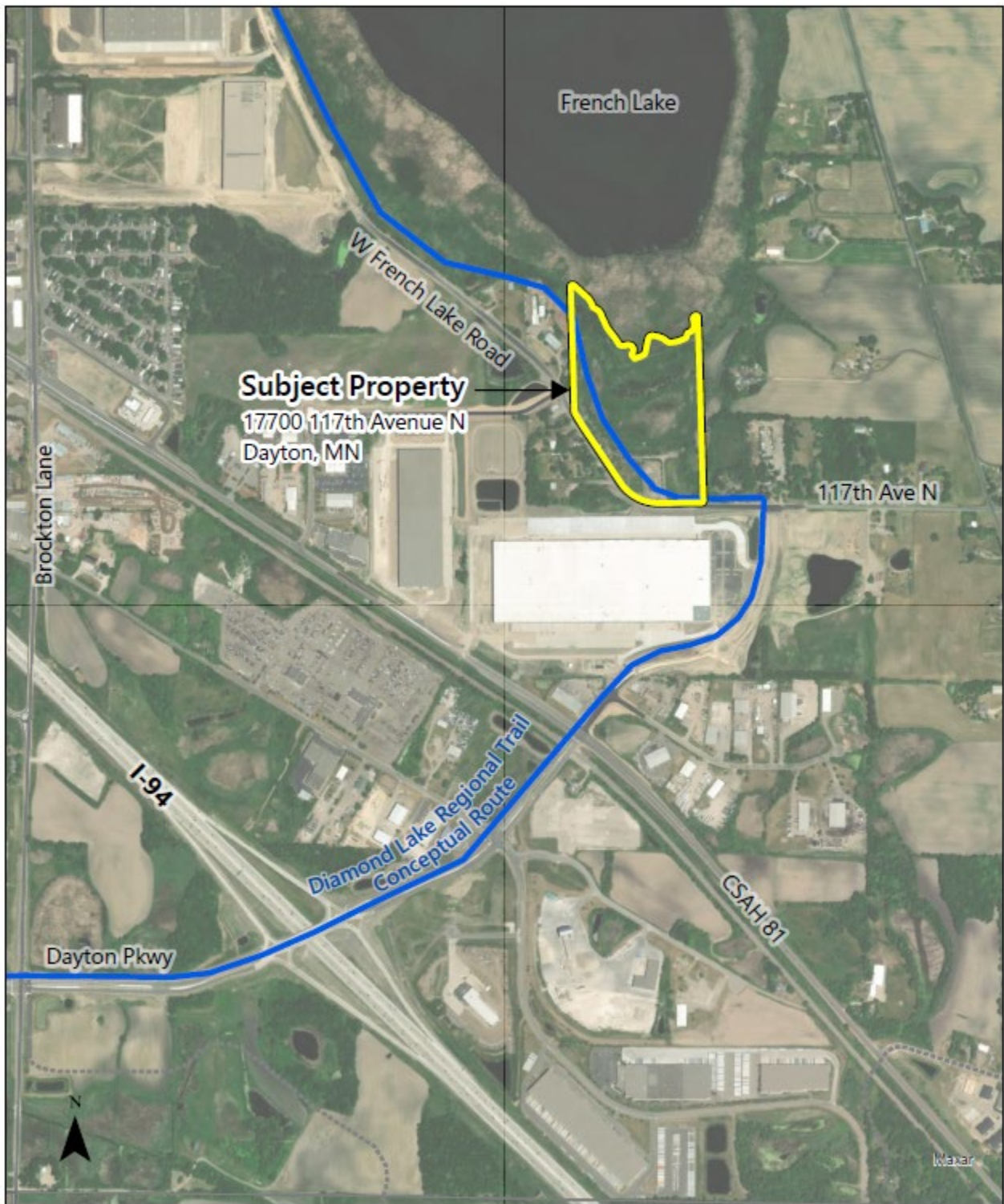
Metropolitan Council

Planning Department
Revised Date: 6/5/2024

Boggs Property Location



Figure 3. Map of the subject property and the planned regional trail route.



Metropolitan Council

Boggs Property Location

Planning Department
Revised Date: 6/25/2024



Exhibit 2: Grant request letter



Three Rivers
Park District
Board of
Commissioners

September 3, 2024

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

RE: Trail Acquisition Opportunity Grant Fund Request
Diamond Lake Regional Trail: Boggs Property
17700 117th Avenue, Dayton, MN 55327
PID:

Erin Kolb
District 3

Dear Emmett,

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Diamond Lake Regional Trail in the amount of \$525,000 for acquisition of 23.2 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.

Background Summary

Three Rivers is pursuing acquisition of properties along the Diamond Lake Regional Trail (DLRT). The DLRT is designated as a destination regional trail and is envisioned to function as a linear park or greenway, both connecting people to nature and improving natural resources along the regional trail corridor. Acquisition of this property supports the long-term vision of the DLRT corridor by preserving and restoring the existing natural resources.

Louise M. Segreto
District 4

John Gibbs
Chair
District 5

Jan Guenther
Appointed
At Large

Jesse Winkler
Appointed
At Large

Boe Carlson
Superintendent

Regional Recreation Amenity

Acquisition of this parcel is critical to the long-term DLRT vision. When complete, the regional trail will span over 28 miles Goodin Park and the West Mississippi Regional Trail in Dayton, to the existing Lake Independence Regional Trail and future Baker-Carver Regional Trail in Baker Park Reserve in Medina. The regional trail connects the communities of Dayton, Rogers, Corcoran, and Medina.

Natural Resource Summary

During the planning for the Diamond Lake Regional Trail, larger, undeveloped parcels and areas of higher ecological integrity such as wetlands and woodlands were identified so that the trail corridor could act as a buffer and provide some additional level of protection for the natural resources. The property totals 23.2 acres including approximately 0.35 miles of French Lake shoreline and 9.23 acres of associated wetland.

Funding Request

Three Rivers requests FY2024 Environmental and Natural Resources Trust Fund and Metropolitan Council acquisition funding consideration at the Council's earliest opportunity in preparation with a pending closing date of on or before November 15, 2024.

Thank you for your continued assistance through this process.

Maggie Heurung
Planner

Enclosures

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

Exhibit 3: Grant application



Application

21274 - FY2025 Park Acquisition Opportunity Fund Program - Final Application

22111 - Boggs Property - Diamond Lake Regional Trail
Parks Grants Acquisition

Status: Submitted Submitted Date: 09/06/2024 2:10 PM Submitted By: Maggie Marie Heurung

Applicant Information

Primary Contact:

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

Name:* She/her/her Pronouns Maggie Marie Heurung
Pronouns First Name Middle Name Last Name
 Title:* Associate Planner
 Department: Planning
 Email:* maggie.heurung@threeriversparks.org
 Address:* 3000 Xenium Ln N

* Plymouth Minnesota 55441
City State/Province Postal Code/Zip
 Phone:* 763-694-7797
Phone Ext.

Fax:
 What Grant Programs are you most interested in?* Regional Solicitation - Bicycle and Pedestrian Facilities

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 Diamond Lake 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 Diamond Lake Regional Trail Master Plan 09/28/2022
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**.*

This is a routine acquisition excluding the stormwater and utility easement held by the City of Dayton. See easement information below.

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 11/15/2024 Or by December 20, 2024
Format: mmddyyyy (Do not enter any punctuation.)

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

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

Relocation costs

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

Does the requested grant amount include relocation costs? No

Appraisal

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

Appraisal effective date 04/09/2024

Appraised value \$650,000.00

Amount being offered the seller (net of closing and other costs) \$650,000.00 100.0%
% of appraised value

Who performed the appraisal? Nagell Appraisal Incorporated

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 Partially

...shoreline? Yes
Fully Partially

Describe the existing natural resources it contains

This is generally an undeveloped parcel with about 0.35 miles of French Lake shoreline and 9.23 acres of associated wetland, which is important to preserving the quality of French Lake. The rest is upland that was generally used as open fields and for horseback riding purposes. There is also a small patch of wooded area with spruce trees.

Known opposition

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

If yes, explain:

Encumbrances

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

If yes, describe.

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

If yes, describe

There is a typical drainage and utility easement held by the City of Dayton located on the southern border in the center of the parcel. The easement size is 1.5 acres and does not prohibit locating a regional trail across the property.

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 ENRTF / Council match
Select as many as apply

Funding source comments, if desired

Property is generally undeveloped with no residential structures.

Structures currently on the property

Does the property contain ANY structures? No

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)?

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

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

For ENRTF funding only

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

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

This property is along the Diamond Lake Regional Trail, which is a planned destination regional trail and includes the key goals of connecting people to nature and improving natural resources along the regional trail corridor. This parcel was identified in the Diamond Lake Regional Trail Master Plan and helps to fully realize the goals of the trail through the City of Dayton and beyond. Since the broader area is becoming highly developed with industrial and commercial uses, acquiring this property protects and restores the existing natural resources while also providing a better user experience.

There are several conservation easements along the western shoreline of French Lake. Three Rivers acquisition of this property and the intended restoration efforts will build off of this effort and help ensure that French Lake's water quality and natural resources value

are not negatively affected by the area's commercial/industrial land uses to the south and west (both existing and proposed) and future residential development to the east and north.

Stewardship and minimal access

Describe the stewardship plan.

While the property is generally undeveloped/open space and used for agricultural purposes, there is an area used for stormwater ponding by the City of Dayton via easement and small gravel driveway/parking area. Three Rivers stewardship efforts include removing any remaining agricultural infrastructure (fencing, driveway, fencing, and potential shed which may be removed by seller) and then replacing the turf/field areas with a native seed mix and planting trees. The restoration efforts will be done in a manner to support future regional trail development and foster high water quality and habitat value of French Lake and its surrounding landscape.

How will the stewardship implementation be funded?

Stewardship funding is partially through this grant request as well as Three Rivers Local Match.

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

If yes, how will those funds be used?

Site Description

Land Use History

Current land uses
 Select as many as apply

Previous land uses
 Select as many as apply

Adjacent land uses
 Select as many as apply

Inspection

Does the property contain any of the following?
 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
Robert C. & Janene Boggs, Trustees	17700 117th Ave N, Dayton, MN 55327	3012022440001	23.2	08/15/2024	No	34A	Dayton	Hennepin	1	A	45.169	-93.503
Robert C. Boggs Revocable Trust	17700 117th Ave N, Dayton,	3012022440001	23.2	08/15/2024	No	34A	Dayton	Hennepin		A	45.169	-93.503

Local match

Source of local match

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

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	No
Eric Quiring	General Counsel	Yes

Acquisition Costs

Cost Items	Amount	State funds	Metro funds	Match funds
Purchase price				
Negotiated purchase price	\$650,000.00	\$292,500.00	\$195,000.00	\$162,500.00
Appraisal expenses				
Appraisal	\$1,200.00	\$540.00	\$360.00	\$300.00
Appraisal review	\$0.00	\$0.00	\$0.00	\$0.00
Environmental expenses				
Phase I environmental site assessment	\$2,200.00	\$990.00	\$660.00	\$550.00
Phase II environmental site assessment	\$0.00	\$0.00	\$0.00	\$0.00
Environmental contamination remediation	\$0.00	\$0.00	\$0.00	\$0.00
Holding expenses				
Interest	\$0.00	\$0.00	\$0.00	\$0.00
Land stewardship	\$38,231.00	\$17,204.00	\$11,469.00	\$9,558.00
Land development	\$0.00	\$0.00	\$0.00	\$0.00
Pro-rated share of all property taxes/assessments	\$309.00	\$139.00	\$93.00	\$77.00
Legal services and closing costs	\$1,930.00	\$868.00	\$579.00	\$483.00
Property tax equivalency payment-473.341	\$1,755.00	\$790.00	\$526.00	\$439.00
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	\$1,625.00	\$731.00	\$488.00	\$406.00
Well disclosure statement	\$50.00	\$23.00	\$15.00	\$12.00
Other holding	\$0.00	\$0.00	\$0.00	\$0.00
Other expenses				
Other expenses	\$2,700.00	\$1,215.00	\$810.00	\$675.00
Totals	\$700,000.00	\$315,000.00	\$210,000.00	\$175,000.00

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)	\$700,000.00	\$315,000.00	\$210,000.00	\$175,000.00	\$525,000.00

Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
SECTION 1 - All of the following are required to BEGIN review unless otherwise indicated				
1.0 Grant request letter (REQ'D)	Grant Request Letter for Boggs Property	Grant Request Letter - Boggs.pdf	pdf	720 KB
2.0 Master plan documentation (REQ'D)	Relevant Diamond Lake Regional Trail Master Plan Pages	Pages from Diamond Lake Regional Trail Master Plan FINAL lowres-2.pdf	pdf	1.5 MB
3.0 RECORDED Governing Board action authorizing grant request (REQ'D)	Board Action	Boggs Board Action with Minutes.pdf	pdf	75 KB
4.0 Signed purchase agreement/instrument (REQ'D)	Signed Purchase Agreement	Item 5B3. Boggs_Purchase_Agreement_-_Signed_by_Sellers - Corrected Page No.pdf	pdf	690 KB
5.1 Appraisal report (REQ'D)	Appraisal Report	Boggs Appraisal with email request.pdf	pdf	8.3 MB
5.2 Appraisal review report (NOT req'd)				
5.3 Client's instructions to appraiser (REQ'D)	Appraisal Request for Boggs Property	FW_ Appraisal order for 17700 117th Avenue, Dayton.pdf	pdf	191 KB
5.4 Title documentation (Req'd before finalization)	Status on Title Documentation	Required Document Status.docx	docx	196 KB
6.1 Phase 1 ESA (if land may be contaminated or have abandoned wells)	Phase 1 ESA Status	Required Document Status.docx	docx	196 KB
6.2 Phase II environmental assessment report (required if indicated in Phase I)				
7.0 Survey report (NOT req'd)				
8.0 Legal description in Microsoft Word that includes PIDs and, if available, address	Legal Description of Subject Property	Item 5B3. Boggs_Purchase_Agreeby_Sellers - Corrected Page No 9.pdf	pdf	13 KB
9.0 Land stewardship plan	Land Stewardship Plan	Land Stewardship Plan.docx	docx	14 KB
10.0 Relocation description and estimated costs OR signed waiver of relocation rights				
SECTION 2 - Condemnation only - all required for eminent domain				
11.1 For condemnations, copy of notice to Council advising court filing				
11.2 Condemnation or administrative settlement				
11.3 Documentation of when petition was filed with court				
SECTION 3 - Matching grant				
12.0 If this grant will serve as match to another grant, copy of other grant is required				
SECTION 4 - Required images & GIS information				
13.1 Aerial photo showing park/trail boundary with parcel overlay (REQ'D)	Aerial map with property and trail	Boggs Location map-2.pdf	pdf	6.2 MB
13.2 For trails, parcel map showing trail route (Required for trails)	Entire trail with parcel overlay	Overall map.pdf	pdf	6.6 MB
13.3 Image documenting location of property within RPS unit (REQ'D)	Property location within RPS unit	Boggs Location map.pdf	pdf	1.7 MB
13.4 GIS shape-file for property (REQ'D)	Boggs shapefile	Boggs shapefile.zip	zip	10 KB
SECTION 5 - Invoices				
14.1 Invoices: State deed tax or conservation fee (REQ'D)	State deed tax or conservation fee	Required Document Status.docx	docx	196 KB
14.2 Invoices: Current property tax statement with pro-rated share of tax due (REQ'D)	Current Property Tax	Boggs Tax Info.docx	docx	75 KB
14.3 Invoices: Tax equivalency payment (REQ'D)	Tax Equivalency Payment	Boggs Tax Info.docx	docx	75 KB
14.4 Invoices: Phase 1 environmental assessment (Required if claimed in application)	Invoice: Phase 1 ESA	Required Document Status.docx	docx	196 KB
14.5 Invoices: Phase II environmental assessment (Required if claimed in application)				
14.6 Invoices: Appraisal (Required if claimed in application)	Appraisal Invoice	Invoice.pdf	pdf	93 KB
14.7 Invoices: Appraisal review invoice (Required if claimed in application)				

14.8 Invoices: Title insurance (Required if claimed in application)

Invoice: Title Insurance

Required Document Status.docx

docx 196 KB

SECTION 6 - Estimated costs

15.1 Estimated costs: Itemized ESTIMATE of closing costs

Estimated Closing Costs

Estimated costs.docx

docx 22 KB

15.2 Estimated costs: Land stewardship

Estimated Land Stewardship Costs

Estimated costs.docx

docx 22 KB

15.3 Estimated costs: Minimal access development

15.4 Estimated costs: Other (NOT req'd)

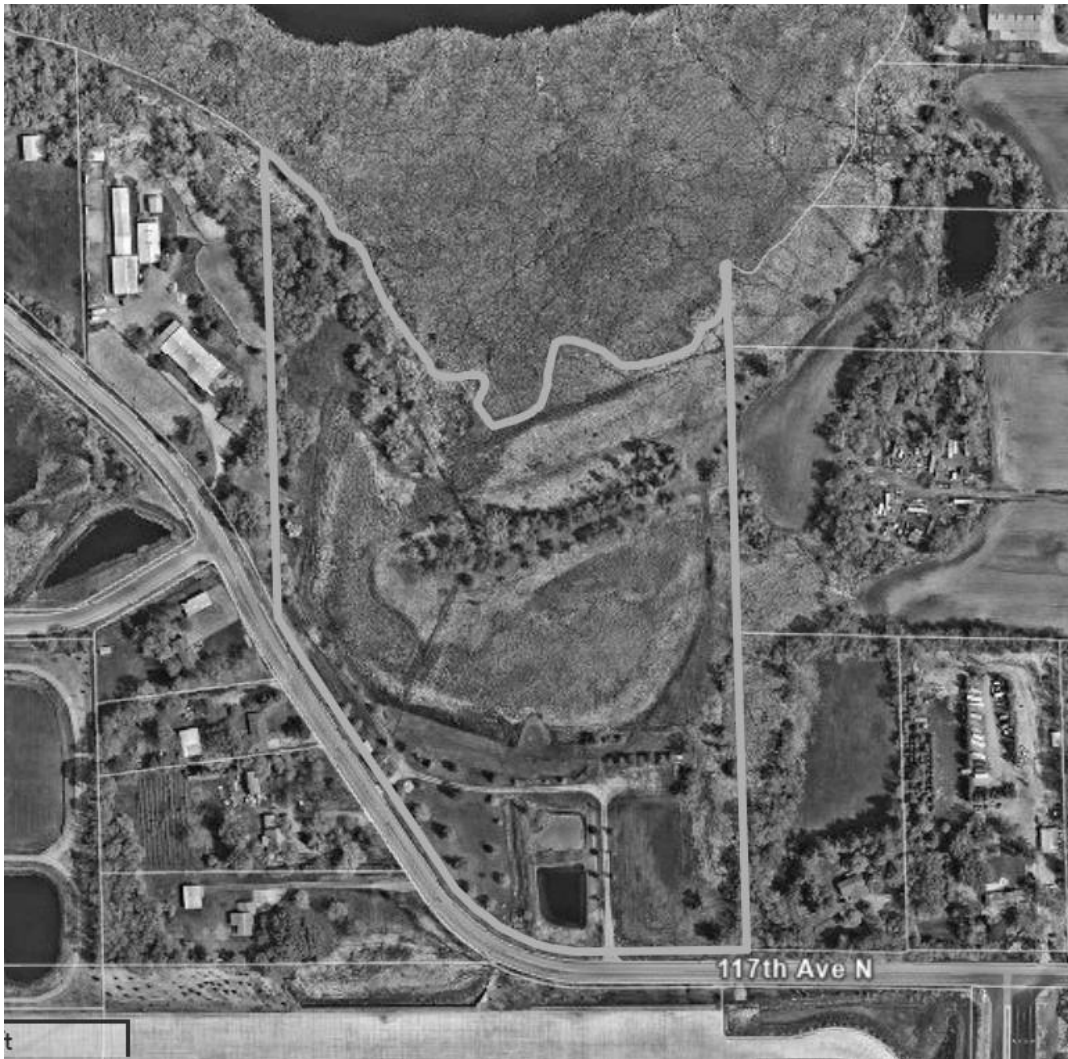
Estimated Other Costs

Estimated costs.docx

docx 22 KB

Additional attachments

File Name	Description	File Size
Legal Description.pdf (13 KB)	Legal Description	13 KB



Aerial Photo

SUMMARY OF IMPORTANT FACTS & CONCLUSIONS



General Description:	Vacant Land
Appraisal Report:	Appraisal Report
Current Use:	Vacant Land
Extraordinary Assumptions:	Yes, see report for standard assumptions
Hypothetical Assumptions:	None, see report for standard assumptions
Site Size:	1,011,120 SF (23.21 acres) – gross site area
Year Built:	Not applicable
GBA:	No improvements
Zoning:	A1, Agricultural District
Future Land Use 2040:	Parks & Open Space
Highest and Best Use:	Speculate for development
Property Rights Appraised:	Fee Simple
Business Value / FF&E:	No FF&E or business value included
Cost Approach:	Not Applicable
Sales Comparison Approach:	\$650,000
Income Approach:	Not Applicable
Final Value Opinion (as is):	\$650,000

Exhibit 5: Board approval to purchase property

Regular Board Meeting

August 15, 2024

5. **CURRENT BUSINESS**

5B. Diamond Lake Regional Trail Acquisition Opportunity

MOTION by Guenther, seconded by Winkler, TO ENTER INTO A PURCHASE AGREEMENT IN THE AMOUNT OF \$650,000 FOR THE ACQUISITION OF 17700 117TH AVENUE NORTH IN DAYTON ALONG THE PROPOSED DIAMOND LAKE REGIONAL TRAIL (PARCEL 3012022440001); TO ENTER INTO AN ACQUISITION REIMBURSEMENT GRANT WITH THE METROPOLITAN COUNCIL; AND TO ESTABLISH A PROJECT BUDGET OF \$700,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT, AND BETTERMENT FUND.

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



REGULAR BOARD MEETING

Meeting Date: 08/15/24 Business Item: CURRENT BUSINESS Item Number: **5B**

Division: Planning, Design & Technology

Originating Source: Jonathan Vlaming, Associate Superintendent

Agenda Item: Diamond Lake Regional Trail Acquisition Opportunity

Superintendent's Recommendation:

MOTION TO ENTER INTO A PURCHASE AGREEMENT IN THE AMOUNT OF \$650,000 FOR THE ACQUISITION OF 17700 117TH AVENUE NORTH IN DAYTON ALONG THE PROPOSED DIAMOND LAKE REGIONAL TRAIL (PARCEL 3012022440001); TO ENTER INTO AN ACQUISITION REIMBURSEMENT GRANT WITH THE METROPOLITAN COUNCIL; AND TO ESTABLISH A PROJECT BUDGET OF \$700,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT, AND BETTERMENT FUND.

Prepared By: Maggie Heurung, Planner and Kelly Grissman, Director of Planning

Background:

Property owners along the proposed Diamond Lake Regional Trail are interested in selling their undeveloped property located at 17700 117th Avenue N in the City of Dayton to Three Rivers. This property is located along the southern tip of French Lake (**See Attachments: Property Location Context Map and Property Location Parcel Map**). The property totals 23.21 acres of upland and wetland and is currently zoned A1- agricultural, guided for Parks & Open Space and is located on the Diamond Lake Regional Trail corridor. The City holds a 1.5-acre permanent utility and drainage easement across a portion of the southern property which is not anticipated to prohibit Three Rivers' use of the property for future regional trail use. The closing contingencies are typical except for requiring that the neighbor's fenced outdoor riding arena which crosses the western property line be removed prior to closing.

City staff are supportive of Three Rivers' acquisition of the property and anticipate that their council will be supportive as well. Additionally, the City has been considering future acquisition in the area for new city infrastructure (i.e. city hall, police station and/or fire station), which may require a future land exchange with the City of Dayton. Three Rivers staff do not see this as an issue and instead view it as an opportunity to work collaboratively to secure a portion of their land for the regional trail and develop a regional trailhead as part of their public improvements. Should the City pursue acquisition and development adjacent to this property, City and Park District staff recommend evaluating opportunities to collaborate to design and develop the properties and public infrastructure in a manner which serves both parties interests (i.e. trail and trailhead development, land exchange, etc.) and is as cost-efficient as possible.

Cost and Funding

The purchase agreement (**See Attachment: Purchase Agreement**) is based on the appraised value of the property of \$650,000 and the estimated total acquisition cost which includes the sale price, appraisal, title commitment/insurance, environmental assessment, removal of any remaining infrastructure (i.e. gravel parking lot, fencing, etc.), and basic site restoration is

\$700,000.

The acquisition is eligible for up to 75% (\$525,000) reimbursement from the Metropolitan Council Park Acquisition Grant Fund. The remaining balance would be covered by the Three Rivers Land Acquisition Development and Betterment fund (\$175,000).

Next Steps

Upon Board approval, staff will seek municipal consent and Metropolitan Council funding approval.

Relationship to the System Plan:

The Request for Action supports the following goal(s) of the System Plan:

Goal 2: Parks Matter

Goal 3: Lead by Example

Attachments:

[Property Location Parcel Map.pdf](#)

[Property Location Context Map.pdf](#)

[Purchase Agreement.pdf](#)

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 **Robert C. Boggs Revocable Trust**, ("Sellers").

RECITALS

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

WHEREAS, Sellers own property located at 17700 117th Avenue North, Dayton, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 23.21 acres; and

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

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

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

2. Consideration. In consideration of the conveyance, transfer and delivery by the Sellers to the Buyer of the Subject Property, the Buyer shall pay to the Sellers the sum of Six Hundred Fifty Thousand Dollars (\$650,000) ("Purchase Price") at Closing.

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

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

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

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

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

7. Damages To Real Property. Except for Buyer's inspection activities pursuant to Section 8(d), if there is any loss or damage to the Subject Property between the date hereof and the date of Closing, for any reason, the risk of loss shall be on the Sellers. Sellers shall notify Buyer of loss or damage to the Subject Property promptly upon such occurrence. If the Subject Property is destroyed or damaged before the Closing, this Agreement shall become null and void, at Buyer's sole option, Buyer shall have the right to terminate this Agreement within 30 days after Sellers notify Buyer of such damage. If Buyer elects to not terminate this Agreement, the proceeds of all insurance covering the Subject Property conveyed by this Agreement payable by reason of such damage or destruction shall be paid to the Buyer.

8. Title and Documents.

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

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

(b) Title Commitment. Buyer agrees to obtain an owner's title commitment. Buyer shall pay the title commitment fee and shall pay the premium for any title insurance desired by Buyer.

(c) Review of Commitment. Buyer shall have 30 days after receipt of the title commitment within which to object to the contents. If said objections are not made in writing within such time period, Buyer shall be deemed to have waived such objections. If Buyer objects to the contents of the title documents, Sellers shall have 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 Sellers within such time period, and this Agreement shall be null and void at the sole discretion of the Buyer. If said period should expire without notice of Buyer's intention to terminate this Agreement, then this Agreement shall be considered in full force and effect and Buyer shall be deemed to have waived any objections based upon such review and inspection. Sellers hereby grant Buyer and/or its agents the right to enter upon the Subject Property for the purpose of inspection and to prepare topographical studies, planning, surveys, soil tests and other engineering studies, and environmental inspection and testing that may be deemed necessary; provided however that Buyer shall pay all costs thereof and shall protect, defend, indemnify, save and hold Sellers and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmens and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer and also any legal fees and court costs that may be expended or incurred in defending or releasing such liens. Notwithstanding anything to the contrary herein, this indemnification shall survive termination or cancellation of this Agreement.

9. Environmental. To Sellers' knowledge, and except as disclosed in the reports and other documents provided to Buyer, Sellers' operations are in compliance with all applicable federal, state and local statutes, laws, rules, regulations, ordinances, orders, judicial or administrative decisions of any governmental authority or court of competent jurisdiction in effect and in each case, if applicable, as amended as of the Closing relating to (a) pollution of the environment, (b) a Release, as defined below, or threatened Release of Hazardous Materials, as defined below, or (c) the handling, storage, transport or disposal of Hazardous Materials (collectively, "Environmental Laws").

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

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

Sellers have disclosed to the Buyer all reports and other documents in Sellers' possession concerning environmental matters relating to the Subject Property. To Sellers' knowledge there are no existing claims or causes of action, and there are no pending claims regarding the Subject Property against the Subject Property or Sellers involving the violation of Environmental Laws, and Sellers have no such claims against third parties. Sellers shall indemnify and hold Buyer harmless from and against any and all claims brought under Environmental Laws pertaining to conditions in existence and known to Sellers prior to conveyance to Buyer.

10. Sellers' Warranties. As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Sellers represent and warrant to and covenant with Buyer that to the best of Sellers' knowledge at the time of Closing there are no persons in possession of the 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. Sellers and Buyer hereby represent to the other that each has the requisite power and authority to execute this Agreement and the documents referred to herein and to perform its obligations hereunder and thereunder; and the individuals executing this Agreement and all such other documents that have a legal power, right and actual authority to bind each of the parties hereto to the terms and conditions of the Agreement and all other such documents. Further, each of the parties to this Agreement hereby represents to the other that its execution and performance of this Agreement and all other documents referred to herein shall not violate any applicable statute, ordinance, governmental restriction or regulation, or any prior restriction or agreement.

13. Closing; Contingencies.

(a) Performance at Closing. Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on or before November 15, 2024 or at such other time as may be agreed upon between the parties.

(i) At the Closing Sellers shall:

(a) sign an Affidavit of Sellers 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 Sellers the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) Contingencies. Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies:
 - (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 the Legislative Citizen Commission on Minnesota Resources; and
 - (vi) Sellers shall resolve all encroachments, including but not limited to a horse arena and fencing, on the Subject Property to Buyer's satisfaction.

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 Sellers are entitled shall be paid to Buyer and Buyer shall proceed to close the transactions herein and pay the full Purchase Price to Sellers.

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

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

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

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

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

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

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

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

If to Sellers:

Robert C. and Janene Boggs, Trustees
11321 French Lake Road East
Osseo, MN 55369

If to Buyer:

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

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

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

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

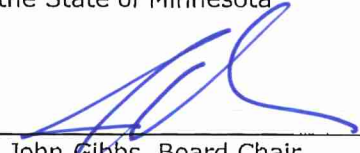
26. Disclosures. Sellers make the following disclosures to Buyer:

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

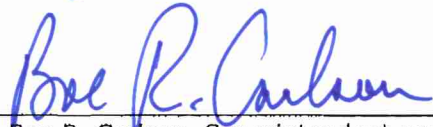
IN WITNESS WHEREOF, the parties hereto have executed this Agreement. The effective date of this Agreement shall be the latest date beside the signatory lines below.

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

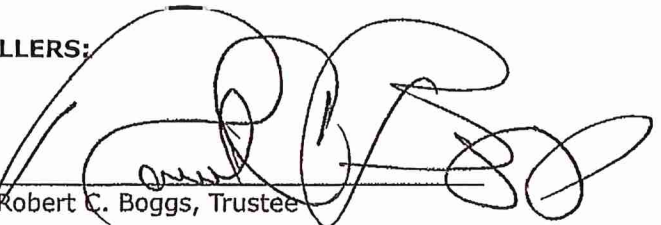
Dated: 08/15/24

By 
John Gibbs, Board Chair

Dated: 08/15/24

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

Dated: 7/29/24

SELLERS:
By 
Robert C. Boggs, Trustee

Dated: 1/29/24

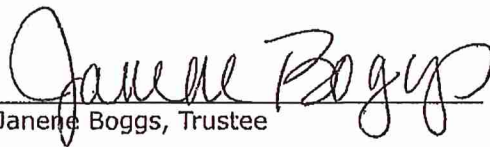
By 
Janene Boggs, Trustee

EXHIBIT A

Legal Description of Subject Property

That part of Government Lot 4, Section 30, Township 120, Range 22 lying northeasterly of the center line of Town Road, except the west 371.9 feet thereof, except Road, Hennepin County, Minnesota.

PID: 30-120-22-44-0001