

## Metropolitan Parks and Open Space Commission

Meeting date: August 9, 2016

For the Community Development Committee meeting of August 15, 2016

For the Metropolitan Council meeting of August 24, 2016

**Subject:** Park Acquisition Opportunity Fund Grant for Rush Creek Regional Trail (Enclave/Segal), Three Rivers Park District

**MPOSC District:** A – Rick Theisen

**Policy/Legal Reference:** MN Constitution, Article XI, Sec. 15 and MN Statutes 473.315

**Staff Prepared/Presented:** Deb Streets Jensen, Senior Parks Finance Planner 651-602-1554

**Division/Department:** Community Development Division / Regional Parks & Natural Resources

### Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$286,578 to Three Rivers Park District to acquire the Enclave/Segal parcel at 15406 Territorial Road in Maple Grove (“Outlot B”) for the Rush Creek Regional Trail;
2. Advise Three Rivers Park District that it may not close on the property until after the Council has awarded the grant; and
3. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.

### Background

**Regional Park Implementing Agency.** This grant was requested by Three Rivers Park District (Park District) on June 6, 2016 for the planned Rush Creek Regional Trail, which is located in Maple Grove in northern Hennepin County. A copy of the Park District’s request is attached to this item as Exhibit 1.

**Policy.** Strategy Two of the Siting and Acquisition policy from the *2040 Regional Parks Policy Plan* states that “*priorities for land acquisition are set by regional park implementing agencies in Council-approved master plans.*”

**Funding sources.** The Council’s Park Acquisition Opportunity Fund (PAOF) provides resources to purchase property and easements via two state sources: the Parks and Trails Fund and the Environment and Natural Resources Trust Fund (ENRTF). The Council contributes further by matching every \$3 in state funds with \$2 in Council bonds proceeds. Between them, state and Council funds contribute 75% of the purchase price and eligible costs; the Regional Park Implementing Agency contributes the remaining 25% as local match. This grant would be funded through ENRTF and Council bonds. This property is included in the approved 2014 ENRTF work plan, as amended in July 2016. The Park District is not requesting consideration for future reimbursement for any part of its local match.

**Subject property.** The subject property is within the Council-approved boundaries of the Rush Creek Regional Trail. Rush Creek runs through the property, with banks that are very steep in places, creating a ravine across much of the property. An aerial photo of the property is attached as Exhibit 2. A majority of the property is wooded, and undergrowth is impacted by large areas of prickly ash. The long-term stewardship plan calls for working with the watershed management organization and the City of Maple Grove to stabilize the creek

banks to reduce erosion and sloughing. A majority of the property is within a mapped flood zone. This property comprises 10.08 acres and, when all other parcels necessary for the trail have been acquired, will contribute to the addition of 11 miles to the regional trail system.

**Acquisition details.** This property is currently owned by a private party and comprises 43.08 gross acres. A developer will buy the entire 43.08 acres and split the property into two sections. The northern section will be subdivided into 65 lots, and the 10.08-acre remainder is the subject of this acquisition. The Park District worked collaboratively with the City and the developer to help guide the plat process to create the 10.08-acre “Outlot B,” which would support the long-term vision of the Rush Creek Regional Trail Corridor. A copy of the purchase agreement is attached as Exhibit 5.

ENRTF funding cannot be used to purchase properties with encumbrances without approval from the Legislative Citizens Commission on Minnesota Resources. The Park District intends to place a conservation easement on the property after it takes possession, and the City will hold a 50-foot wide drainage and utility easement that the trail will cross. LCCMR staff have reviewed and approved the use of ENRTF funds for this property with these current and future encumbrances.

**Council review.** Staff from the Council’s Regional Parks and Natural Resources work unit:

- Review each PAOF request to ensure that the proposed acquisition complies with state statute and Council policy;
- Ensure that all necessary documentation is in place and that the appraisal is reasonable and appropriate; and
- Processes requests on a first-come-first-served basis.

## Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- Appropriation requirements;
- The Rush Creek Regional Trail master plan, approved by the Council in February 2008; and
- All requirements of Environment and Natural Resources Trust Fund.

## Funding

**Project budget.** The appraisal value was calculated in three steps: first, by determining the value of the entire 43.08 acre property; second, by determining the value of the parcel if Outlot B were removed; and third, by determining the difference between the two. This is known as the “diminution in market value” and was calculated at \$392,000, or \$38,889 per acre. The Park District has offered the seller 93.8% of that value, plus closing and other costs as shown below. Note that the Park District is not requesting ENRTF/Council funding for stewardship, because there are no immediate stewardship needs.

<b>Budget item</b>	<b>Requested amount</b>
Purchase price	\$367,810
Due diligence (appraisal, Phase I environmental site assessment, etc.)	6,300
Holding and closing costs	7,993
Stewardship	0
Total costs	<hr/> \$382,103
<b>Grant structure</b>	
ENRTF PAOF	\$171,947
Council bonds	114,631
<b>Grant amount not to exceed</b>	<hr/> <b>\$286,578</b>
Local match	\$95,525

**Fund balance.**

As of July 28, 2016, the combined balance available for ENRTF PAOF and Council match was \$3,816,382. If this grant is awarded by the Council, the balance will be \$3,529,805. Please note there is a concurrent request for a second Rush Creek Regional Trail acquisition (the Becklin property) also being presented for action on August 9, 2016. That request, if approved along with this one, would reduce the available balance to \$3,478,858.

**Known Support / Opposition**

There is no known opposition.

## **Exhibit List**

- Exhibit 1: Three Rivers Park District grant request letter
- Exhibit 2: Images of property from appraisal
- Exhibit 3: Grant application
- Exhibit 4: Board approval to request grant
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt



June 6, 2016

**Three Rivers  
Park District  
Board of  
Commissioners**

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

Penny Steele  
District 1

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

Dear Emmett,

Jennifer DeJournett  
District 2

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Rush Creek Regional Trail in the amount of \$286,577.39 for acquisition of 10 acres located in the City of Maple Grove. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Daniel Freeman,  
Vice Chair  
District 3

**Background Summary**

Three Rivers Park District was approached by the City of Maple Grove and a development corporation early last year regarding a proposed residential development along the planned Rush Creek Regional Trail corridor. By working collaboratively with the City and developer, the Park District was able to help guide the plat process to create a 10 acre outlot (Outlot B) which would support the long-term vision of the Rush Creek Regional Trail Corridor.

John Gunyou,  
Chair  
District 4

John Gibbs  
District 5

In accordance with this collaboration, Three Rivers Park District will acquire Outlot B from the developer upon which time the developer owns the subject property (currently has a purchase agreement for the property contingent on plat approval) and the City approval of the plat which will officially create Outlot B.

Larry Blackstad  
Appointed  
At Large

At the time in which Three Rivers Park District acquires Outlot B, there will be one encumbrance on the property – a drainage and utility easement. In addition, the Park District intends to further protect the property with a conservation easement or similar. The long-term protection of this property provides a direct benefit to the seller as it allows the seller more flexibility in meeting the development requirements of the watershed district. As such, the Park District negotiated a purchase price which reflects the drainage and utility easement as well as the benefit to the seller of a conservation easement or similar.

Steve Antolak  
Appointed  
At Large

Cris Gears  
Superintendent

An explanation of the purchase price, which is supported by the appraisal document and supplemental letters, is below.

	Acres	Square Feet	Square Foot Cost	Total
Unencumbered Land	0.00	0.00	\$0.89	\$0.00
City Drainage and Utility Easement <b>Only</b>	0.00	0.00	\$0.45	\$0.00
Conservation Easement/Protection <b>Only</b>	9.87	429,904.36	\$0.85	\$365,418.71
Conservation Easement/Protection <b>and</b> City Utility Easement	0.13	5,695.64	\$0.42	\$2,392.17
<b>Total</b>	<b>10.00</b>	<b>435,600.00</b>		<b>\$367,810.87</b>

Please process this request with a target approval in late July in order to close on property immediately after the anticipated plat approval.

Thank you for your continued assistance through this process.



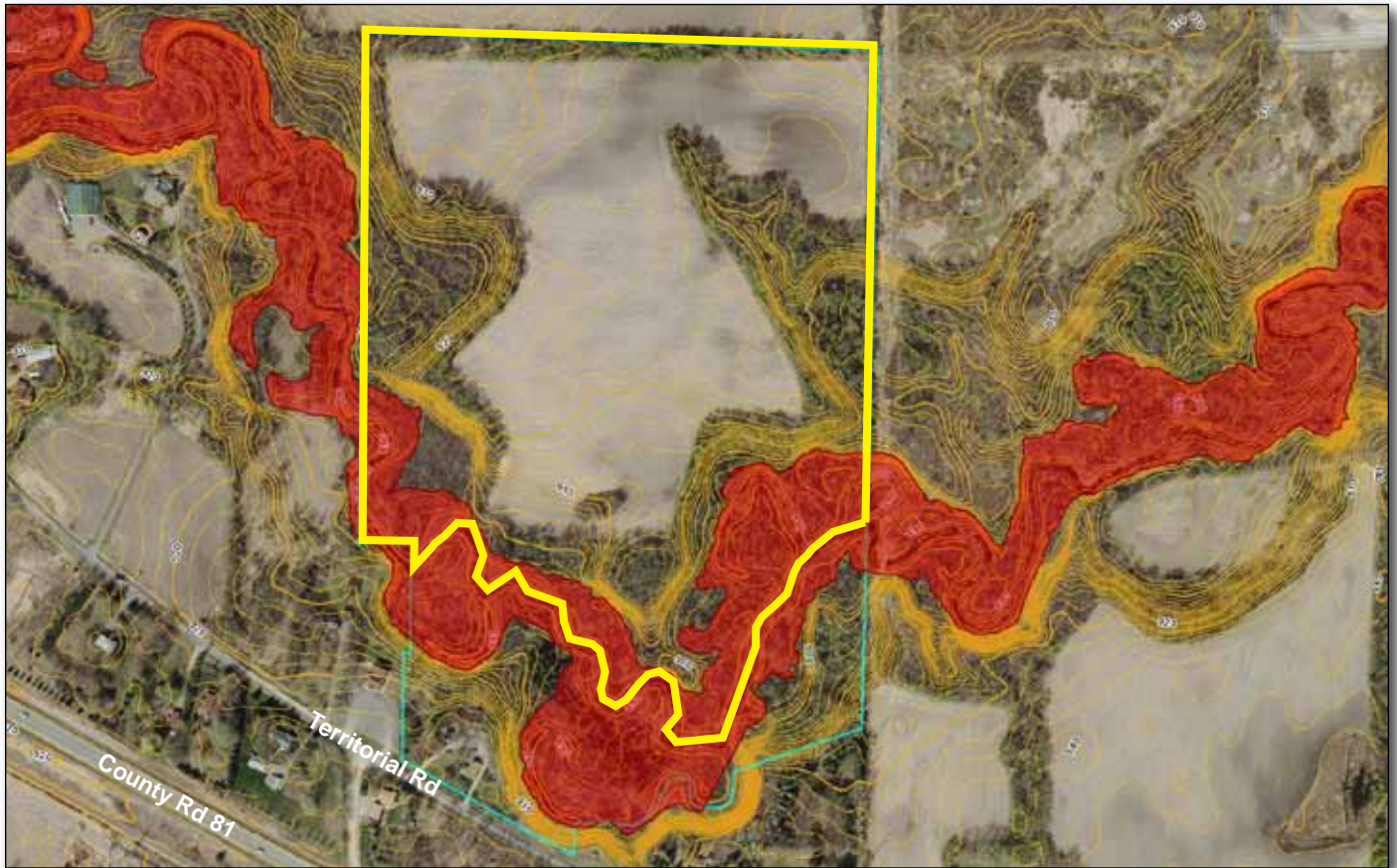
Heather Kuikka  
Planning Administrative Specialist

Enclosures

C: Jonathan Vlaming, Associate Superintendent  
Kelly Grissman, Director of Planning

SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY (CONTINUED)

County Parcel Map with Contours and Floodplain



North-Facing Oblique Aerial





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Review

Application Details

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**04280 - 2016 Parks Acquisition Grants**

**05031 - Enclaves at Rush Creek**  
**Parks Grants Acquisition**

**Applicant Information**

**Primary Contact:**

Name:\* Ms. Heather Kuikka  
Salutation First Name Middle Name Last Name  
 Title:\* Administrative Specialist - Planning  
 Department:  
 Email:\* Heather.Kuikka@threeriversparks.org  
 Address:\* 3000 Xenium Lane N

\* Plymouth Minnesota 55441  
City State/Province Postal Code/Zip  
 Phone:\* 763-559-9000  
Phone Ext.

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

**Organization Information**

Name:\* THREE RIVERS PARK DISTRICT  
 Jurisdictional Agency (if different):  
 Organization Type:  
 Organization Website:

Address:\* RESERVATIONS  
 3000 XENIUM LN N

\* PLYMOUTH Minnesota 55441-2661  
City State/Province Postal Code/Zip  
 County:\* Hennepin  
 Phone:\* 763-559-6700  
Ext.

Fax:  
 PeopleSoft Vendor Number 0000057347A1

**Project description**

*Please limit acquisition requests to a single park or trail*

Park or trail name Rush Creek RT-Three Rivers Park District

**Master plan**

*An acquisition request will not be considered complete or added to an ENRTF work plan 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

Name of master plan Council approval date - Format: mmddyyyy (Do not enter any punctuation.)

**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.*

**Background Summary**

Three Rivers Park District was approached by the City of Maple Grove and a development corporation early last year regarding a proposed residential development along the planned Rush Creek Regional Trail corridor. By working collaboratively with the City and developer, the Park District was able to help guide the plat process to create a 10 acre outlot (Outlot B) which would support the long-term vision of the Rush Creek Regional Trail Corridor.

In accordance with this collaboration, Three Rivers Park District will acquire Outlot B from the developer upon which time the developer owns the subject property (currently has a purchase agreement for the property contingent on plat approval) and the City approval of the plat which will officially create Outlot B.

At the time in which Three Rivers Park District acquires Outlot B, there will be two encumbrances on the property. The purchase price reflects these encumbrances. An explanation of the purchase price, which is supported by the appraisal document and supplemental letters, is below. The encumbrances include a 50' wide drainage and utility easement which will be held by the City and a conservation easement which will be located on the entire Outlot B.

	Acres	Square Feet	Square Foot Cost	Total
Unencumbered Land	0.00	0.00	\$0.89	\$0.00
City Drainage and Utility Easement <b>Only</b>	0.00	0.00	\$0.45	\$0.00
County Conservation Easement <b>Only</b>	9.87	429,904.36	\$0.85	\$365,418.71
County Conservation <b>and</b> City Utility Easement	0.13	5,695.64	\$0.42	\$2,392.17
<b>Total</b>	<b>10.00</b>	<b>435,600.00</b>		<b>\$367,810.87</b>

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.

*If condemnation will be involved, include documentation of your governing body's authorization (on the Other Acquisition Attachments web page).*

If condemnation is involved, date the petition was/will be filed.

If condemnation is involved, expected settlement date

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

If yes, describe

There is a blanket utility easement on the property. The developer is working on having this easement defined to the area where the utility is and therefore, the property the Park District is purchasing will not be affected by the easement. Copies of the documentation are included in the Other Acquisition Attachment Section.

The developer will also be placing a 50' wide drainage and utility easement across the property (required by Maple Grove) and a conservation easement on the entire parcel. Neither easement will prohibit regional trail development and of significant affect creation/protection of a greenway corridor. A map of the D and U easement and proposed C & E are included in the Other Acquisition Attachment Section.

**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 grant term.*

Estimated closing date **08/17/2016**  
Format: mmddyyyy (Do not enter any punctuation.)

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

**Appraisal information**

Appraised value \$367,810.00

Amount being offered the seller (net of closing and other costs) \$367,810.00 100.0%  
% of appraised value

Appraisal date 09/11/2015

Who performed the appraisal? Day Group LLC

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

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

...undeveloped? Yes  
Fully Partially

...wooded? Yes  
Fully Partially

...shoreline? Yes  
Fully Partially

**Describe the existing natural resources it contains**

The 10 acre property is undeveloped open space along the Rush Creek in the City of Maple Grove. This stretch of the creek is unique in that the creek's banks are very steep in places creating a ravine or bluff like landform across much of the property. Portion of the property is subject to flooding as well as wetlands as would be expected due to its location on the creek. Some of the creek's shoreline is experiencing erosion and sluffing - the watershed management organization and City of Maple Grove are exploring efforts to stabilize the creek banks.

The majority of the property is wooded and undergrowth is impacted by large areas of prickly ash.

**Suggested funding source**

For guidance, see the PAOF rules in the 2040 Regional Parks Policy Plan at <http://metrocouncil.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 ENRTF / Council match

Select as many as apply

**For ENRTF funding only**

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

This parcel is within the boundaries of the Council approved master plan for the regional trail and has been part of acquisition plan for eight years. Acquisition of this parcel as well as several others along the Rush Creek are critical to the long-term regional trail vision to extend the existing 7.2 miles of regional trail (Mississippi River at Coon Rapids Dam Regional Park to Elm Creek Park Reserve) 11 miles to Crow-Hassan Park Reserve providing a high-quality destination regional trail greenway across the northern half of Hennepin County. The overall route, which includes this parcel, was developed to incorporate and highlight the natural resources of the area including the Rush Creek, wetland complexes, wooded areas, and unique bluffs along Rush Creek near Elm Creek Park Reserve.

There are no other existing or planned regional or local bike and pedestrian facilities that span the entire corridor or overcome the significant barriers this corridor does (Mississippi River and TH 169) and will (I-94, Rush Creek, and Burlington-Northern railroad). The planned extension parallels Rush Creek for several miles, abuts several wetland complexes, and goes through or adjacent to several wooded areas providing people utilizing the regional trail system an opportunity to view, interact, and experience undeveloped natural places and resources close to home.

Acquisition of this parcel at this time is critical as the Park District predominately acquires property on a willing seller basis. In this case, there is a willing seller and a purchase agreement was prepared and entered into.

Does the property contain habitable structures? No

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

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

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

**Stewardship and minimal access**

Describe the stewardship plan.

The long-term ecological restoration and management plan is to remove invasive species and to add native vegetation which will serve both an ecological function (wildlife habitat, air quality, stormwater management, erosion control, etc.) as well as provide recreation

value by buffering the regional trail from adjacent existing and future development and creating an opportunity to experience and appreciate nature while using the regional trail. Vegetation will most likely come from the Park District's nursery which grows herbaceous and woody native plant materials using local ecotypes. The plant material will be selected based on site conditions (soil type, flood plain, etc.).

Some of the Rush Creek shoreline is experiencing erosion and sluffing. The watershed management organization and City are currently reviewing this section of the creek for potential restoration. The Park District will provide access and support to these efforts.

How will the stewardship implementation be funded?

Natural resource management will be funded by Three Rivers Park District general operation budget or as part of the Asset Management Program: Natural Resource Program.

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?

**Local match**

Source of local match

Three Rivers Park District - Land Acquisition, Development, and Betterment Fund

Will you be requesting consideration for future reimbursement of any part of your local match? **No**

If yes, how much? **\$0.00**

**Sellers and parcels**

Seller name	Street address	PID	Acres	Date PA signed	Habitable structures?	MN House district	City	County	MPOSC	Latitude	Longitude
Estate Development Corporation	15406 Territorial Rd Maple Grove, MN 55369	0411922210001	10.0	05/19/2016	No	34A	Maple Grove	Hennepin	A	45 14'95.25" N	93 47'48.3" W

**Grant agreement signatories**

Full name	Title	If this is an attorney, is the signature 'for form only'?
Boe R. Carlson	Superintendent	No

**Acquisition Costs**

Cost Items	Amount
<b>Purchase price</b>	
Negotiated purchase price	\$367,810.00
<b>Appraisal expenses</b>	
Appraisal	\$6,300.00
Appraisal review	\$0.00
<b>Environmental expenses</b>	
Phase I environmental site assessment	\$0.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
<b>Holding expenses</b>	
Interest	\$0.00

Land stewardship	\$0.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$924.47
Legal services and closing costs	\$4,000.00
Property tax equivalency payment	\$817.71
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$1,251.00
Title insurance	\$1,000.00
Well disclosure statement	\$0.00
Other holding	\$0.00
<b>Other expenses</b>	
Other expenses	\$0.00
<b>Totals</b>	<b>\$382,103.18</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)	\$382,103.20	\$171,946.44	\$114,630.95	\$95,525.80	\$0.00

**Required Attachments**

Attachment	Description	File Name	Type	File Size
<b>Section 1 -</b>				
<b>REQUIRED FOR ALL REQUESTS</b>				
Grant request letter	Grant request letter explaining the background.	2016-06-06--Letter to Met Council.docx	docx	112 KB
Master plan documentation (excerpts)	Master Plan excerpts	Rush Creek - Enclavee Master Plan Excerpts.pdf	pdf	3.1 MB
Aerial photo showing parcel boundary	Subject property map	Enclave Property Map.pdf	pdf	17.9 MB
Parcel map showing park/trail master plan boundary	parcel map	Enclaves parcel map.pdf	pdf	4.1 MB
Governing Board action authorizing grant request	Board Action approving the purchase agreement and outlining the funding plan including up to 75% reimbursement from the Met Council	Board Approval of Purchase Agreement.docx	docx	438 KB
<b>Section 2 - FEE TITLE REQUIREMENTS</b>				
Signed purchase agreement	Purchase Agreement	TRC-05-19-16--Gonyea Purchase Agreement.pdf	pdf	620 KB
Property appraisal report	Appraisal	Segal_Report_LoRes_9-14-15.pdf	pdf	13.7 MB
Appraisal invoice	Invoices for appraisal and letter.	Enclaves of Rush Creek Appraisal Invoice.pdf	pdf	272 KB
Phase 1				

environmental site assessment report	Not yet complete. Seller is responsible to prepare and pay for per the purchase agreement.	<b>Additional Met Council Info.docx</b>	docx	14
Phase 1 environmental assessment invoices	Not applicable. Seller is responsible to prepare and pay for per the purchase agreement.	<b>Additional Met Council Info.docx</b>	docx	14
State deed tax or conservation fee invoice	\$367,810*.0034= \$1,251	<b>Additional Met Council Info.docx</b>	docx	14
Property tax statement with pro-rated share of tax due	\$8,152.3 * .63 (based on Aug 17 closing date) * .18 (percent of land TRPD will own compared to larger parcel)= \$924.47	<b>2016 Tax Statement.pdf</b>	pdf	135
Tax equivalency payment	The Park District is acquiring 10 acres of a larger 55 acre parcel (10/55 = 18%). The local taxes are \$2,523.18. Based on the percent of the larger parcel the Park District will own (18%) the tax equivalency payment (180%) is: \$2,523.81 * .18 * 1.8 = \$817.71	<b>2016 Tax Statement.pdf</b>	pdf	135
Title insurance invoice	\$1,000 estimate based on recent acquisition	<b>Additional Met Council Info.docx</b>	docx	14
Itemized estimate of closing costs	Not yet complete. Will be prepared once closing is scheduled. Estimate based on similar acquisitions.	<b>Additional Met Council Info.docx</b>	docx	14
Minimal access development estimated costs	Not applicable	<b>Additional Met Council Info.docx</b>	docx	14
Land stewardship plan	Estimate: \$0 There are no immediate stewardship costs that the Park District will be seeking reimbursement for. The long-term ecological restoration and management plan is to remove invasive species and to add native vegetation which will serve both an ecological function (wildlife habitat, air quality, stormwater management, erosion control, etc.) as well as provide recreation value by buffering the regional trail from adjacent existing and future development and creating an opportunity to experience and appreciate nature while using the regional trail. Vegetation will most likely come from the Park District's nursery which grows herbaceous and woody native plant materials using local ecotypes. The plant material will be selected based on site conditions (soil type, flood plain, etc.). Some of the Rush Creek shoreline is experiencing erosion and sluffing. The watershed management organization and City are currently reviewing this section of the creek for potential restoration. The Park District will provide access and support to these efforts.	<b>Additional Met Council Info.docx</b>	docx	14
Land stewardship estimated costs	\$0	<b>Additional Met Council Info.docx</b>	docx	14
Legal description of the property	Outlot B, The Enclave at Rush Creek See Exhibit B of Purchase Agreement	<b>Legal Description.docx</b>	docx	12
<b>Section 3 - CONDITIONALLY REQUIRED ATTACHMENTS</b>				
Appraisal review report				
Appraisal review invoice				
Phase II environmental assessment report				

Phase II  
environmental  
assessment  
invoices

Other  
acquisition costs  
report

Relocation  
description and  
estimated costs

**SECTION 4 -  
CONDEMNATIONS**

Condemnation  
settlement

Documentation of  
notice to Council  
prior to initiating  
condemnation  
procedures

Administrative  
settlement

**Section 5 -  
EASEMENT  
REQUIREMENTS**

Signed  
easement

***Additional attachments***

File Name	Description	File Size
<b>Appraisal and Legal Cost.docx</b> (13 KB)	Background on appraisal and legal costs	13 KB
<b>Draft Conservation Easement.docx</b> (23 KB)	Draft Conservation Easement - has been reviewed by seller, TRPD, and watershed management organization. Will be encumbered on the property as part of the plat process.	23 KB
<b>Easement Overview Narrative.docx</b> (14 KB)	Narrative of the existing and proposed easements, the timing of the easement work, and why the acquisition request is now and not later.	14 KB
<b>Letter_supplement_Segal_10-16-15.pdf</b> (238 KB)	Drainage Easement Price.	238 KB
<b>Letter_supplement_Segal_11-13-15.pdf</b> (277 KB)	Conservation Easement price.	277 KB
<b>Proposed D and U Easement Location.pdf</b> (131 KB)	Proposed D and U easement location. Will be encumbered during plat process.	131 KB
<b>Proposed NuStar Easement Legal Description.pdf</b> (58 KB)	Legal Description for revisions to existing Blanket Utility Easement. Current easement affects subject property. Proposed easement revision (defining easement to actual location/100' corridor) removes encumbrances on subject property.	58 KB
<b>Proposed NuStar Easement Map.pdf</b> (77 KB)	Map for proposed revisions to existing Blanket Utility Easement. Current easement affects subject property. Proposed easement revision (defining easement to actual location/100' corridor) removes encumbrances on subject property.	77 KB
<b>Proposed D and U Easement</b>		669

<b>Dimensions.pdf (669 KB)</b>	Proposed D and U easement location/dimensions. Will be encumbered during plat process.	KB
<b>Purchase Price Analysis.xlsx (11 KB)</b>	This is how we determined the cost per square foot.	KB
<b>Segal Easement Overview.pdf (5.8 MB)</b>	This shows the existing and proposed easements across the larger parcel and Outlot B (What TRPD is acquiring)	MB

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Metropolitan Council

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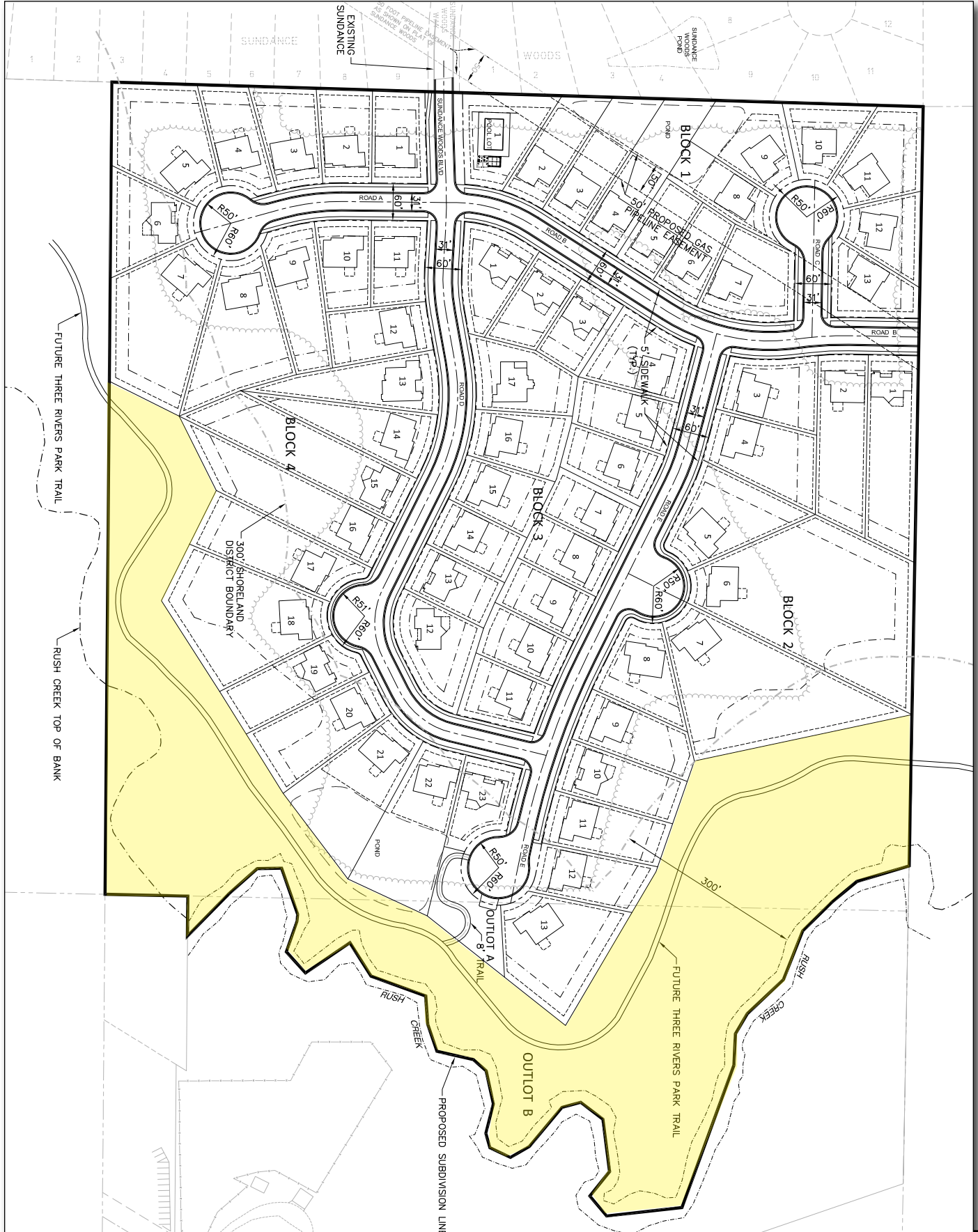
Subject Photographs





# SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY (CONTINUED)

## Trail Corridor Concept Map - Site Plan (Acquisition in Yellow)



DESCRIPTION OF ACQUISITION (CONTINUED)

Acquisition Area Photos



**REQUEST FOR BOARD ACTION**

Meeting Date: 05/19/16 Business Item: Unfinished Item Number: **6A**

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

Agenda Item: Rush Creek Regional Trail Acquisition

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Superintendent's Recommendation:

MOTION TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$367,810 FOR THE ACQUISITION OF OUTLOT B AT THE ENCLAVE AT RUSH CREEK (15406 TERRITORIAL ROAD) ON THE RUSH CREEK REGIONAL TRAIL LOCATED IN CITY OF MAPLE GROVE WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

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**Note:** *The 05/05/16 Long-Range Strategic Initiatives Committee progressed the above motion to the 05/19/16 Regular Board Meeting for final consideration and/or approval.*

The following information was prepared by Kelly Grissman, Director of Planning.

Background:

On May 21, 2015, the Board authorized staff to negotiate a purchase agreement and conduct related work such as appraisals and municipal consent for the acquisition of approximately 11 acres along the Rush Creek Regional Trail corridor (formerly referred to as the Segal Property: 15406 Territorial Road) in Maple Grove (**Reference 6A-1**). A final, seller's executed purchase agreement with a purchase price of \$367,810 is enclosed for Board review and consideration (**Reference 6A-2**).

**Acquisition Summary**

- Acquisition is for a 10-acre outlot (Outlot B) of the proposed Enclave of Rush Creek plat. The plat is anticipated to be finalized in the summer of 2016.
- Purchase Agreement is contingent on seller acquiring the property from current owner, municipal and Park District approval, and funding from the Metropolitan Council.
- Outlot B will be entirely encumbered by a conservation easement and partially encumbered (approximately 5,700 square feet) by a drainage and utility easement. Both encumbrances allow for the trail development and the purchase price reflects the encumbrances.
- Alternative regional trail routes through this area were assessed and reviewed by the Seller, City of Maple Grove, and Park District staff. The regional trail route through Outlot B is the preferred Park District staff route (less road/driveway crossings, more direct route, buffered from adjacent homes/development, opportunity for high-quality scenic experience – desired by trail users, etc.) and the strongly preferred

route by the Seller and City (not in front yards of homes, less driveway/road crossings, maximizes development potential (right-of-way needs/required setbacks), etc.).

- City of Maple Grove is supportive of the acquisition and has provided the required municipal consent via resolution.

### **Funding**

The estimated total acquisition cost is approximately \$400,000, subject to the confirmation of the easement square footage. The total cost estimate includes the purchase cost, appraisal, any environmental assessment work, legal fees and title commitment/insurance. The acquisition is eligible for up to 75% acquisition reimbursement (\$300,000) from the Metropolitan Council Park Acquisition Grant Fund. Staff recommends funding the remaining 25% local match (\$100,000) from the Land Acquisition Development and Betterment fund, which will have an unallocated (spendable) balance of approximately \$1,100,000 after this purchase is completed.

### Relationship to the Vision Plan

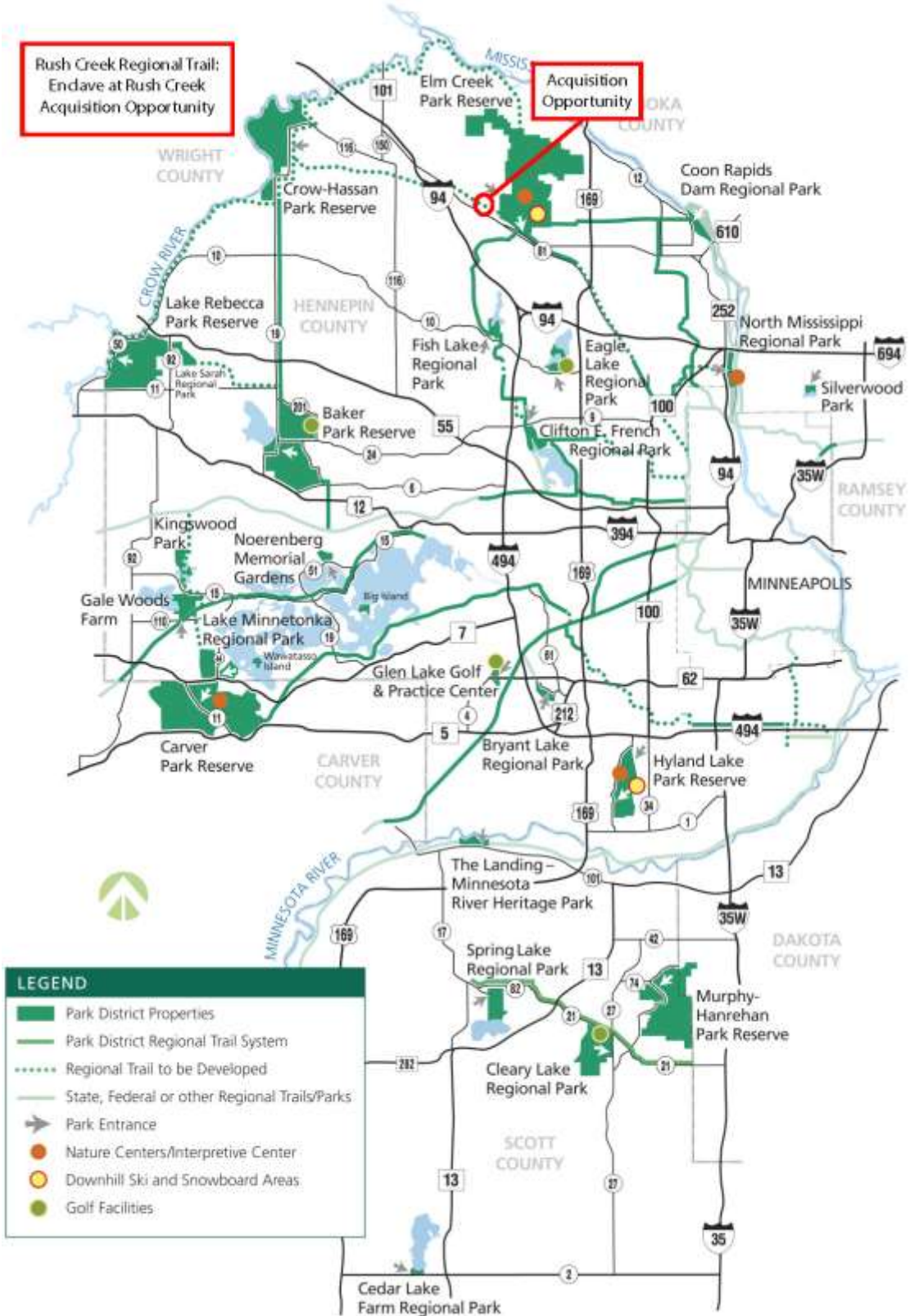
The Request for Action supports the following element(s) of the Vision Plan:

- Inspire people to recreate
- Connect people to nature
- Collaborate across boundaries
- Complete the critical links in the existing regional trail network within the fully-developed cities of suburban Hennepin County

### Relationship to the Policy Statement

The Request for Action supports the following element(s) of the Policy Statement:

- Policy VII – Land Acquisition
  - A. Method of Acquisition



## PURCHASE AGREEMENT

**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 Estate Development Corporation, a Minnesota corporation and its successors and assigns ("Seller").

### RECITALS

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

**WHEREAS**, Seller holds an interest in and intends to purchase the property described on Exhibit A attached hereto (the "Land"). Seller intends to subdivide the Land into residential lots and an outlot along Rush Creek as further described on Exhibit B attached hereto and made a part hereof, (such outlot is the "Subject Property"), in the City of Maple Grove, Minnesota, and

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

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

1. **Conveyance**. Seller hereby agrees to obtain and convey to Buyer and Buyer agrees to accept from Seller fee title to the Subject Property together with all improvements and fixtures.
2. **Consideration**. In consideration of the conveyance, transfer and delivery by the Seller to the Buyer of the Subject Property, the Buyer shall pay to the Seller the sum of \$367,810.00 dollars at closing.
3. **Deed/Marketable Title**. Subject to performance by the Buyer, Seller agrees to execute and deliver a Warranty Deed in recordable form conveying marketable title to said premises subject only to the following exceptions:

- (a) Building and zoning laws, ordinances, State and Federal regulations.
- (b) Reservation of any minerals or mineral rights to the State of Minnesota.
- (c) Utility, grading and slope protection easements.
- (d) Permitted Encumbrances, if any, as provided in Section 8(c) herein.

Buyer acknowledges that Seller does not currently own the Subject Property and Buyer has not yet obtained final plat approval of the Land to create the Subject Property.

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

5. **Special Assessments.** Seller shall pay on or before the date of closing all installments of special assessments certified for payment with the real estate taxes due and payable in the year of closing, and all other special assessments levied as of the date of this Agreement. Seller shall provide for payment of special assessments pending as of the closing for improvements that have been ordered by the City Council or other governmental assessing authorities. Seller shall pay on date of closing any deferred real estate taxes or special assessments, payment of which is required as a result of the closing of this sale.

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.** If there is any loss or damage to the property between the date hereof and the date of closing, for any reason, the risk of loss shall be on the Seller. Seller shall notify Buyer of loss or damage to the property promptly upon such occurrence. If the property is destroyed or damaged before the closing, this Agreement shall become null and void, at Buyer's sole option. Buyer shall have the right to terminate this Agreement within 30 days after Seller notifies Buyer of such damage. If Buyer elects to not terminate this Agreement, the proceeds of all insurance covering buildings and fixtures conveyed by this Agreement payable by reason of such damage or destruction shall be paid to the Buyer. If the Building is destroyed or damaged so as to create a hazardous condition, Buyer, at its sole option, may raze the structure or may require Seller to perform repairs deemed necessary by the Buyer, at Seller's expense.

8. **Title and Documents.**

(a) **Documents and Information to be provided.** Within 30 days after the acceptance of this Agreement by the parties hereto, Seller shall provide Buyer with the following:

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

(b) **Title Commitment.** Seller shall, within 15 days of the complete execution of this Agreement by both parties hereto, furnish an existing title commitment for the Subject Property to Buyer. Buyer agrees to subsequently obtain an owner's title commitment (the "Title Commitment" or "updated Title Commitment"). The parties acknowledge it is Buyer's intent to obtain the updated Title Commitment after Seller has obtained fee title to, and obtained a final plat for, the Subject Property. Buyer shall pay the Title Commitment fee and shall pay the premium for any title insurance desired by Buyer. The title examination period shall commence upon Buyer's receipt of the updated Title Commitment, and not upon receipt of the existing title commitment provided by Seller.

(c) **Review of Commitment.** Buyer shall have 30 days after receipt of the updated Title Commitment within which to object to the contents of such commitment. If said objections are not made in writing within such time period, Buyer shall be deemed to have waived such objections. Any matter shown on the Title Commitment and not timely objected to by Buyer shall be a "Permitted Encumbrance." If Buyer objects to the contents of the title documents, Seller shall have 120 days from the date of such objections to cure the objections to the satisfaction of Buyer. If such objections are not cured to Buyer's satisfaction within such 120 days, Buyer will have the option to: 1) terminate this Agreement without further obligation to Seller; or 2) waive the objections and proceed to closing.

(d) **Inspections; Document Review.** With respect to all of the above items other than the title documents, Buyer shall have 60 days after delivery of the foregoing to Buyer during which to inspect all such items. Further, Buyer may inspect the Subject Property and conduct such other and further inspections or other review as seems necessary by Buyer during such period. If such review and/or inspection by the Buyer shall be unsatisfactory to Buyer, Buyer shall notify Seller within such time period, and this Agreement shall be null and void at the sole discretion of the Buyer. If said period should expire without notice of Buyer's intention to terminate this Agreement, then this Agreement shall be considered in full force and effect and Buyer shall be deemed to have waived any objections based upon such review and inspection. Buyer shall provide at least two (2) business days prior notice if Buyer and/or its agents desire to enter upon the Subject Property for the purpose of inspection and to prepare topological 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 indemnify and hold Seller and Subject Property harmless from and against any and all costs, damages and liabilities arising from entry upon inspection or testing of Subject Property, including but not limited to costs, damages and liabilities arising from mechanics, materialmens and other liens filed against Subject Property in connection with work performed or material furnished by or at the direction of Buyer. The purpose of such advance notice is to allow Seller to secure permission from the current owner of the Land to allow such Buyer testing. Seller agrees to use all reasonable efforts to secure permission from the current owner as quickly as possible. Subject to Seller securing permission from the current owner, Seller shall permit Buyer to enter the Subject Property to complete the inspections contemplated in this paragraph. Seller further agrees to extend the inspection period, at Buyer's request, if Buyer's access to the Subject Property is delayed by the actions of Seller or by a refusal or delay in granting permission by the current owner. Buyer and/or its agents may not enter the Land until Seller provides authorization for such entrance, which authorization will not be unreasonably delayed or denied. If access for any such inspections is denied by Seller or the current owner, Buyer may terminate this Agreement without further obligation to Seller.

(e) Disclosure of Seller's Phase I Environmental Site Assessment. Seller, at Seller's expense, shall complete a Phase I Environmental Site Assessment on the Subject Property ("Phase I Assessment"). Seller shall provide the Phase I Assessment, along with a certification of the same, to Buyer within 15 days of receipt by Seller. However, Seller shall provide the Phase I Assessment and certification to Buyer no less than 30 days prior to closing.

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

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

in any form that is friable, urea formaldehyde foam insulation or radon, and (c) any other chemical, material or substance, the handling, storage, transport or disposal of which is prohibited, limited or regulated by any governmental authority under applicable Environmental Laws.

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

Seller shall indemnify and hold Buyer harmless from and against any and all claims brought under Environmental Laws pertaining to conditions in existence and caused by Seller or occurring during Seller's ownership of the Subject Property and prior to conveyance of the Subject Property to Buyer. Seller shall provide Buyer with Seller's Phase I Environmental Site Assessment of the Property and such assessment shall include a certification to Buyer, as provided in paragraph 8(e) of this Agreement.

10. **Seller's Warranties.** As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Seller represents and warrants to and covenants with Buyer that to the best of Seller's knowledge at the time of closing there will be no persons in possession of the Subject Property, including, but not limited to tenants, licensees, or permittees other than any easement holder or lessee of record.

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 notice of such default.

12. **Due Authorization.** Seller and Buyer hereby represent to the other that each has 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 within 60 days of Buyer's receipt of the updated Title Commitment, but no sooner than 15 days after Metropolitan Council funding approval, or at such time and place as may be mutually agreed upon between the parties.

- (i) At the Closing Seller shall:
  - (a) sign an Affidavit of Seller confirming the absence of judgments, mechanics liens and unrecorded interests against the Subject Property not disclosed herein;
  - (b) deliver any documents necessary to clear title in accordance with this Agreement, if any;
  - (c) sign the well disclosure statement required by Minnesota Statutes §103I.235,
  - (d) sign the warranty deed, and
  - (e) pay the deed tax.
- (ii) At the Closing Buyer shall:
  - (a) pay the title commitment fee, if not paid pursuant to paragraph 8(b);
  - (b) pay the premium for title insurance, if desired by Buyer; and
  - (c) pay any and all other closing costs including all filing fees.

(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 Maple Grove to its acquisition of the Subject Property in accordance with Minn. Stat. § 398.09(b)(1);
- (ii) The parties shall obtain all other consents required from governmental or other regulatory authorities; and
- (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement for Environmental reasons at any time prior to Closing.
- (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 funding from the Metropolitan Council.
- (vi) Any failure to satisfy any contingency contained herein shall render this agreement null and void and the parties shall execute any instruments necessary to cancel this agreement.

- (vii) Seller's acquisition of the Subject Property from the current owner.
- (viii) Seller's receipt of approval and receipt of a final plat suitable for recording for the Land from all applicable governmental authorities.
- (ix) Buyer's approval of all easement language and terms for all easements on the Subject Property.

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

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

16. **Representations and Warranties.** The Obligations of the Buyer under this Purchase Agreement are contingent on the representations and Warranties of Seller contained in this Purchase Agreement which must be true as of the date of this Agreement and on the date of closing. All representations of the parties hereto shall survive Closing and delivery of the warranty deed for a period of one year.

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

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

19. **Intentionally Omitted.**

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

delivered, if notice is given by personal delivery, or the date notice is sent by express courier or U.S. Mail if otherwise.

**If to Seller:**

Estate Development Corporation  
Attn: Tom Gonyea  
15250 Wayzata Boulevard, Suite 101  
Wayzata, MN 55391

**with a copy to:**

Fredrikson & Byron, P.A.  
Attn: Jeremy P. Duehr, Esq.  
200 South Sixth Street, Suite 4000  
Minneapolis, MN 55402-1425

**If to Buyer:**

Three Rivers Park District  
Office of the Superintendent  
3000 Xenium Lane North  
Plymouth, MN 55441

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

23. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon Seller and Buyer and their respective heirs, executors, legal representatives, successors and assigns.

24. **Governing Law.** This Agreement shall be governed by and constructed in accordance with the laws of the State of Minnesota.

25. **Signatures in Counterparts, by Electronic Transmission.** The undersigned agree that this Agreement may be signed in any number of counterparts, each of which will constitute an original, and that a facsimile copy of any signatures, or an electronic PDF of any signature, of any party, will be deemed as enforceable and effective as an original signature. All such counterparts together will constitute one and the same instrument.

[Signatures on following page.]

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement.

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


Dated: 05/19/16

By   
John Gunyou, Board Chair

Dated: 05/19/16

By Boe R. Carlson  
Boe Carlson, Superintendent

Dated: 5-11-16

**SELLER**  
  
Tom Gonyea, President  
Estate Development Corporation

Dated: \_\_\_\_\_

\_\_\_\_\_

This instrument was drafted by:  
Three Rivers Park District  
3000 Xenium Lane North  
Plymouth, MN 55441  
763-559-6718

## EXHIBIT A

### Legal Description of the Land

That part of the Northeast Quarter of the Northwest Quarter and the Southeast Quarter of the Northwest Quarter of Section 4, Township 119, Range 22, Hennepin County, Minnesota, which lies northerly of the following described line:

Beginning at the northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 4; thence South 88 degrees 47 minutes 40 seconds East, assumed bearing along the north line of said Southeast Quarter of the Northwest Quarter, 132.00 feet; thence South 00 degrees 28 minutes 40 seconds West, parallel with the west line of said Southeast Quarter of the Northwest Quarter, 63.78 feet; thence North 44 degrees 24 minutes 11 seconds East 94.70 feet; thence North 48 degrees 21 minutes 58 seconds East 60.29 feet; thence North 89 degrees 20 minutes 53 seconds East 38.77 feet; thence South 19 degrees 12 minutes 54 seconds East 77.89 feet; thence South 03 degrees 58 minutes 26 seconds West 10.37 feet; thence South 19 degrees 03 minutes 34 seconds West 52.37 feet; thence South 42 degrees 03 minutes 09 seconds East 45.54 feet; thence North 55 degrees 40 minutes 43 seconds East 85.64 feet; thence South 32 degrees 25 minutes 03 seconds East 63.20 feet; thence South 70 degrees 04 minutes 04 seconds East 92.67 feet; thence South 04 degrees 16 minutes 37 seconds East 45.53 feet; thence South 18 degrees 45 minutes 17 seconds East 45.27 feet; thence South 77 degrees 07 minutes 47 seconds East 59.55 feet; thence South 48 degrees 41 minutes 46 seconds East 27.36 feet; thence South 12 degrees 19 minutes 12 seconds East 54.07 feet; thence South 14 degrees 29 minutes 25 seconds West 48.52 feet; thence South 15 degrees 47 minutes 54 seconds East 23.97 feet; thence South 64 degrees 50 minutes 51 seconds East 36.27 feet; thence North 59 degrees 53 minutes 10 seconds East 34.77 feet; thence North 39 degrees 50 minutes 58 seconds East 81.41 feet; thence North 74 degrees 51 minutes 38 seconds East 30.83 feet; thence South 52 degrees 46 minutes 50 seconds East 44.69 feet; thence South 07 degrees 08 minutes 55 seconds East 84.15 feet; thence South 38 degrees 35 minutes 08 seconds West 50.20 feet; thence South 40 degrees 12 minutes 52 seconds East 41.54 feet; thence North 83 degrees 33 minutes 29 seconds East 120.99 feet; thence North 19 degrees 59 minutes 02 seconds East 242.13 feet; thence North 02 degrees 51 minutes 29 seconds East 49.83 feet; thence North 30 degrees 31 minutes 13 seconds East 37.08 feet; thence North 46 degrees 33 minutes 09 seconds East 79.52 feet; thence North 21 degrees 33 minutes 18 seconds East 83.52 feet; thence North 45 degrees 20 minutes 17 seconds East 65.29 feet; thence North 50 degrees 28 minutes 44 seconds East 52.00 feet; thence North 73 degrees 28 minutes 05 seconds East 86.94 feet to the east line of said Northeast Quarter of the Northwest Quarter, and there said line terminating.

**EXHIBIT B**

**Legal Description of the Subject Property**

Outlot B, The Enclave at Rush Creek





Fernbrook Business Center  
14232 23rd Avenue North  
Plymouth, MN 55447  
763.205.6966  
Fax 763.208.3928  
www.daygroupmn.com

September 11, 2015

Jeffrey Brauchle, General Counsel  
Three Rivers Park District  
3000 Xenium Lane North  
Plymouth, MN 55441

RE: 2015 partial acquisition Appraisal Report  
65-lot unimproved residential development acreage  
Segal Property north of Rush Creek  
15406 Territorial Road  
Maple Grove, MN 55369  
Owner/Seller is DM & RS Limited Partnership  
Pending Buyer is Estate Development Corporation

Dear Mr. Brauchle:

In accordance with your request, an inspection and a market value appraisal analysis on the referenced property have been completed. We have considered the relevant factors relating to the subject property and the current market forces. The attached report contains the summary of the analysis completed, commentary, and value conclusions. The client and intended user is Three Rivers Park District; there are no other intended users. The intended use of the appraisal is for partial acquisition purposes for the Rush Creek Regional Trail project. Before and after acquisition values have been developed. The appraisal as developed and reported is only for the stated intended use and user. Day Group LLC assumes no responsibility for any unintended uses or users of the appraisal. The date of value is July 1, 2015, and the fee simple interest has been appraised based upon its "as-is" status. No crop value has been included in the valuations.

The subject is located at the north edge of Maple Grove, in a district near The Grove and Maple Grove Hospital. Immediate district development is likely years away until public infrastructure is extended after Highway 610 is constructed. Adjacent Dayton has public sewer and water, and development has recently begun.

The subject property is unimproved low-density residential development acreage containing 43.09 gross acres, and 33.01 usable acres net of floodplain and unusable creekside frontage. Its overall terrain is rolling having open and wooded areas, with Rush Creek to the south. Access and utilities are from the north - Sundance Woods, a residential development in Dayton. It has Low-Medium Density Residential zoning and is ripe for development. There is a pending sale at \$3,550,000, and the buyer is in process of securing approvals for a 65-lot subdivision.

To facilitate a future Rush Creek Regional Trail, Three Rivers Park District is interested in acquiring 10.08 acres along the north side of Rush Creek, which is a heavily-wooded lower-elevation area within the Shoreland Overlay District. The trail corridor is largely unusable land which does not impact the overall density of the subject subdivision, yet eliminates lots from having direct creek frontage. Construction of this trail is likely 10 to 15 years into the future.

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

We have completed a credible appraisal analysis consistent with the intended use of the appraisal, the requirements of the intended user, and within conformity of the Scope of Work Rule per USPAP. Please refer to the body of the attached report for descriptions of assignment conditions and the details of the scope of work employed in our development of the conclusions. The analysis includes development of all valuation approaches. The appraisal is subject to the general limiting conditions, extraordinary assumptions and hypothetical conditions contained on pages 8 and 9 (please review these before any of the values or conclusions are relied upon). The Green Acres tax obligation resulting from a sale is the responsibility of the owner.

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

<b>BEFORE-TAKING MARKET VALUE:</b>	<b>\$3,654,000</b>
<b>AFTER-TAKING MARKET VALUE:</b>	<b><u>\$3,262,000</u></b>
<b>DIMINUTION IN MARKET VALUE:</b>	<b>\$ 392,000</b>

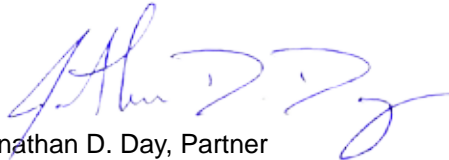
The value reduction reflects the diminished size, privacy, and utility/value of creekside lots not having direct creek frontage. The \$392,000 diminution in value calculates to an amounts of \$38,889/acre, which is consistent with a review of other parkland/open space sale transactions having limited development potential. It has been a pleasure to serve you in this manner. Feel free to contact us if you have any questions or concerns.

Respectfully submitted,

DAY GROUP LLC



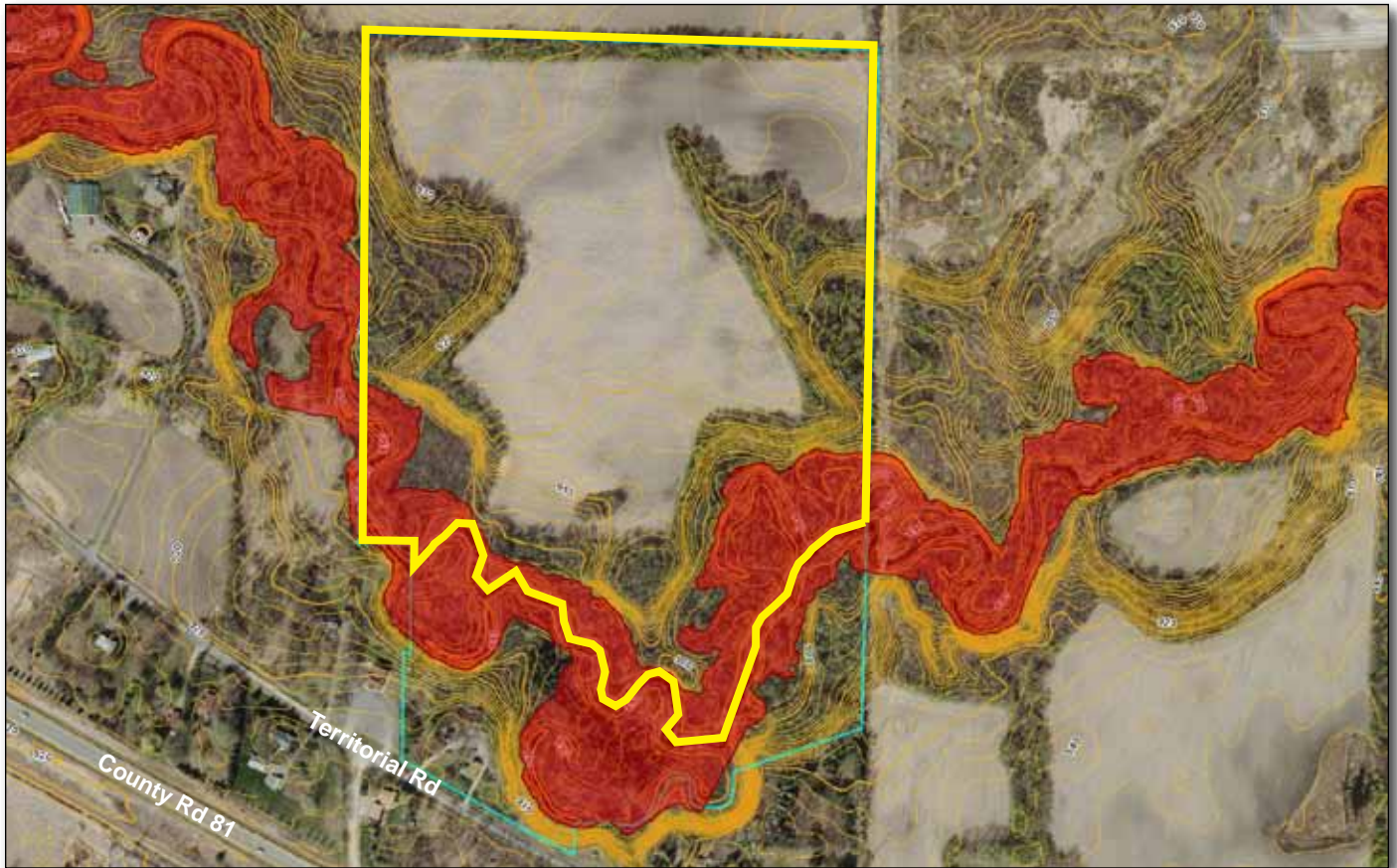
Thomas J. Day, MAI, SRA, Senior Partner  
Minnesota Certified General Real Property Appraiser #4000814



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

**SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY (CONTINUED)**

**County Parcel Map with Contours and Floodplain**



**North-Facing Oblique Aerial**

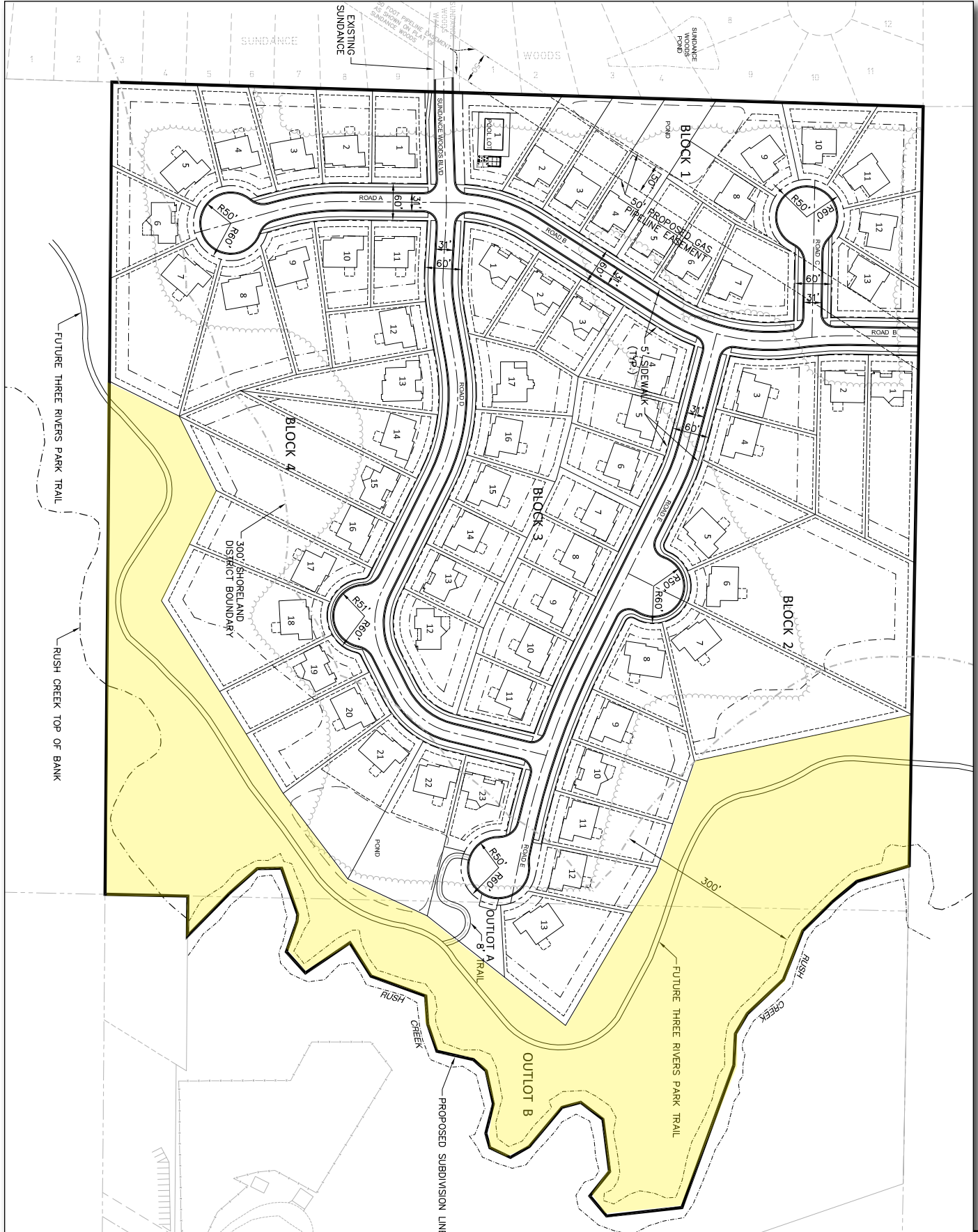


Subject Photographs



# SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY (CONTINUED)

## Trail Corridor Concept Map - Site Plan (Acquisition in Yellow)



DESCRIPTION OF ACQUISITION (CONTINUED)

Acquisition Area Photos

