

Metropolitan Parks and Open Space Commission

Meeting date: July 5, 2016

For the Community Development Committee meeting of July 18, 2016

For the Metropolitan Council meeting of July 27, 2016

Subject: Park Acquisition Opportunity Fund Grant for Lebanon Hills Regional Park (Doehling), Dakota County

MPOSC District: H – Todd Kemery

Policy/Legal Reference: MN Statutes 473.315; MN Constitution Article XI, Sec. 14; and the 2040 Regional Parks Policy Plan

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 \$350,283 to Dakota County to acquire the Doehling parcel at 2835 120th Street West for Lebanon Hills Regional Park; and
2. 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 Dakota County on March 1, 2016, and a copy of the Agency's request is attached to this item. Lebanon Hills Regional Park is located in Egan and Apple Valley in Dakota County.

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 Legacy Fund (PTLF) 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 up to 75% of the purchase price and eligible costs; the regional park implementing agency (Agency) contributes at least 25% as local match. This grant will be funded through ENRTF and Council match, as it contains high-quality natural resources and meets other ENRTF criteria. The County is not seeking consideration for future reimbursement of its local match amount.

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
- process requests on a first-come-first-served basis.

Subject property. The subject property is an inholding along the southeast edge of the Council-approved boundary of Lebanon Hills Regional Park. Natural resources located on the property include evergreens, willows and red and white oaks. In the short term, the Agency plans on removing buckthorn; in the long term, the property will be restored to savanna prairie.

Acquisition details. This is a straightforward, fee simple transition with no easements or other property restrictions.

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan;
- Appropriation requirements, including that the property does not include a residence;
- The Lebanon Hills Regional Park master plan, approved by the Council on August 26, 2015; and
- All requirements of ENRTF. Staff from the Legislative Citizens Commission on Minnesota Resources have reviewed the grant application.

This property comprises 0.85 acres and will anchor the southeast corner of Lebanon Hills. Dakota County reports that acquisition of this parcel is not controversial.

Funding

Project budget. The appraised value is \$450,000, and the Agency has offered the seller 100% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$450,000
Due diligence (appraisal, Phase I environmental site assessment, etc.)	5,350
Holding and closing costs (interest, taxes, legal, title insurance, etc.)	4,695
Stewardship	<u>7,000</u>
Total costs	\$467,045
Grant structure	
ENRTF PAOF	\$210,170
Council bonds	140,113
Grant amount not to exceed	\$350,283
Local match	\$116,761

Fund balance.

As of July 1, 2016, the combined balance available for ENRTF PAOF and Council match was \$4 million. If this grant is awarded by the Council, the balance will be \$3,649,717. The Council has two existing approved work plans through ENRTF, with \$1 million from 2014 and \$1.5 million from 2015. These funds would be drawn from the 2014 ENRTF work plan, as amended in January 2016, plus the Council match.

Additional ENRTF applications are currently in process of review or submittal. If all applications proceed as expected, the Council will be able to cover those requests with existing funds. It should be noted that ENRTF and PTLF grants have differing eligibility requirements that are set by the state, and the dollars are not interchangeable.

Known Support / Opposition

There is no known opposition.



Application

04280 - 2016 Parks Acquisition Grants

04698 - Acquisition of the Kay Doehling Property within Lebanon Hills Regional Park.

Parks Grants Acquisition

Status: Under Review
Submitted Date: 05/13/2016 9:54 AM

Primary Contact

Name: Ms. Tammy Drummond
Title: Edit
Department:
Email: tammy.drummond@co.dakota.mn.us
Address: 14955 Galaxie Drive

* Apple Valley Minnesota 55124
City State/Province Postal Code/Zip

Phone: 952-891-7003
Phone Ext.

Fax:

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

Organization Information

Name: DAKOTA COUNTY
Jurisdictional Agency (if different):

Organization Type: County Government
Organization Website:
Address: PARKS
 14955 GALAXIE AVE

 * APPLE VALLEY Minnesota 55124
City State/Province Postal Code/Zip
County: Dakota
Phone:* 952-891-7991
Ext.
Fax:
PeopleSoft Vendor Number 0000026855A13

Project description

Please limit acquisition requests to a single park or trail

Park or trail name Lebanon Hills RP-Dakota County

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**.*

Standard Fee Title Acquisition

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.

N/A

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? No

If yes, describe

N/A

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 08/01/2016

Format: mmdyyy (Do not enter any punctuation.)

Date purchase agreement expires 08/30/2016

Format: mmdyyy (Do not enter any punctuation.)

Appraisal information

Appraised value \$450,000.00

Amount being offered the seller (net of closing and other costs) \$450,000.00 100.0%
% of appraised value

Appraisal date 11/20/2015

Who performed the appraisal? Dahlen, Dwyer & Foley, Inc.

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

Quality of natural resources - is the property...

...undeveloped? Yes
Fully Partially

...wooded? Yes
Fully Partially

...shoreline? Fully Partially

Describe the existing natural resources it contains

The property has several evergreen, willows and red and white oaks throughout the property. Parks area surrounding these parcels are in the beginning stages of having the buckthorne removed, which once this property is acquired would be included by our Natural Resources Section staff.

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

For ENRTF funding only

Kay Doehling	2835 120th Street West	1003600 53010	0.85	03/29/20 16	No	51B	Eagan	Dakota	District H	44.7760 42	- 93.1224 01	

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Steven C. Mielke	Physical Development Division Director	

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$450,000.00
Appraisal expenses	
Appraisal	\$2,350.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$3,000.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$7,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$1,406.00
Legal services and closing costs	\$900.00
Property tax equivalency payment	\$1,154.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$455.00
Title insurance	\$780.00
Well disclosure statement	\$0.00
Other holding	\$0.00

Other expenses

Other expenses	\$0.00
Totals	\$467,045.00

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)	\$467,045.00	\$210,170.25	\$140,113.50	\$116,761.25	\$0.00

Required Attachments



March 1, 2016

Deb Jensen
 Metropolitan Council
 390 North Robert Street
 St. Paul, MN 55101

Physical Development Division

Dakota County
 Western Service Center
 14955 Galaxie Avenue
 Apple Valley, MN 5 5124

952-891-7000
 Fax 952-891-7031
www.dakotacounty.us

Environmental Resources

Land Conservation
 Groundwater Protection
 Surface Water
 Waste Regulation
 Environmental Initiatives

Office of Planning

Operations Management

Facilities Management
 Fleet Management
 Parks

Transportation Department

Highways
 Surveyor's Office
 Transit Office

Dear Deb:

Dakota County requests Metropolitan Council consideration authorizing an Acquisition Opportunity Fund (AOF) grant for the purchase of the Lou Ann Kay Doehling (Doehling) Property in Lebanon Hills Regional Park (LHRP).

The Lebanon Hills Regional Park Master Plan recognizes acquisition of the 2.6 acre Doehling property as a high priority for protecting natural resources and preventing additional residential development within the park boundaries that would detract from the park experience or make the property even more expensive. See Attachment A: Location Map and Attachment B: Legal Description.

The County completed, reviewed and accepted an independent appraisal to substantiate the purchase price.

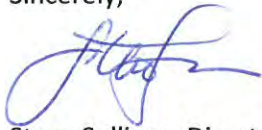
The Dakota County Board of Commissioners authorized acquisition of the Doehling property and submission of an AOF grant request at its August 25, 2015, meeting See Attachment D: Resolution No. 15-443. The County the Ms. Doehling executed the purchase Agreement on March 29, 2016. See Attachment E: Purchase Agreement.

This AOF grant request is based on the following estimated expenses:

Expense Item	Amount
Purchase Price	\$450,000.00
Estimated Closing Costs and Title Insurance	\$2,135.00
Environmental Assessment	\$3,000.00
Appraisal	\$2,350.00
PILT (1.8 x \$641.08 in City of Eagan Property Tax)	\$1,154
Pro-rated Property Tax	\$1,406
Stewardship-Demolition of Buildings	\$7,000.00
Total	\$467,045
75 percent of total	\$350,284
25 percent of total	\$116,761

Thank you for considering this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Sullivan".

Steve Sullivan, Director
Operations Management-Parks

A handwritten signature in blue ink, appearing to read "Al Singer".

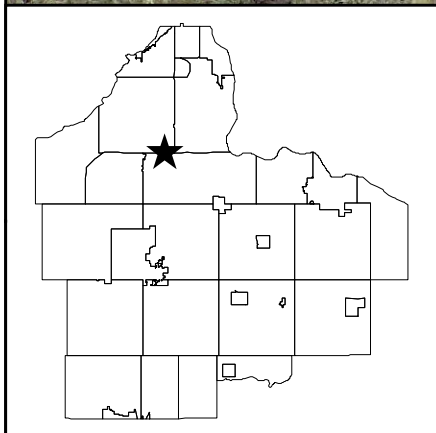
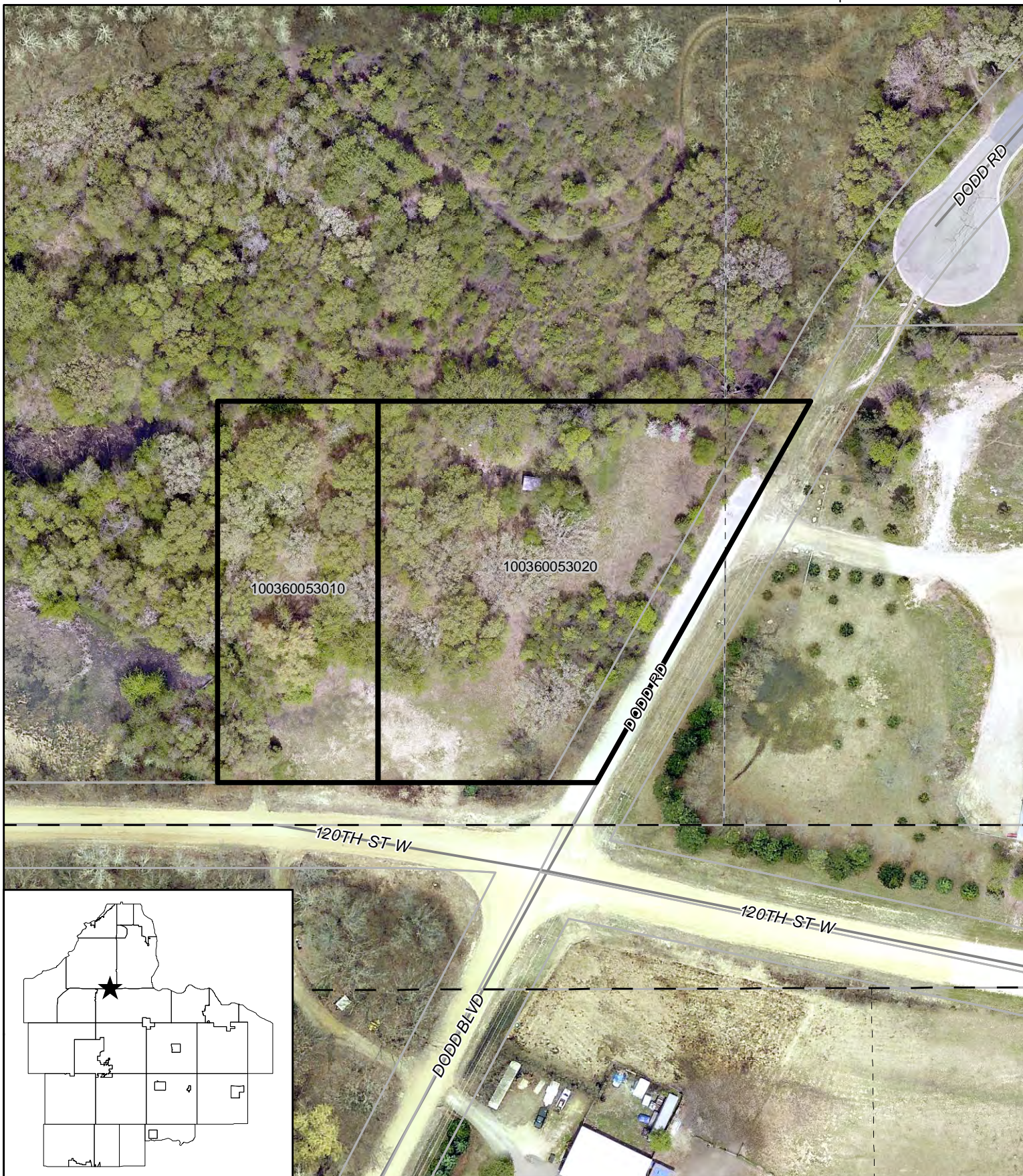
Al Singer, Land Conservation Manager
Environmental Resources

Enc.

cc: Taud Hoopingarner, Operations Management Director
Tara Zgoda, Financial Analyst

JoAnn Kay Doehling Acquisition

PLS Section 36, 27-23
Total Acquisition Acres 2.58



N ○ Section Corner

● Quarter Corner

▭ Acquisition Area

▭ Parcels

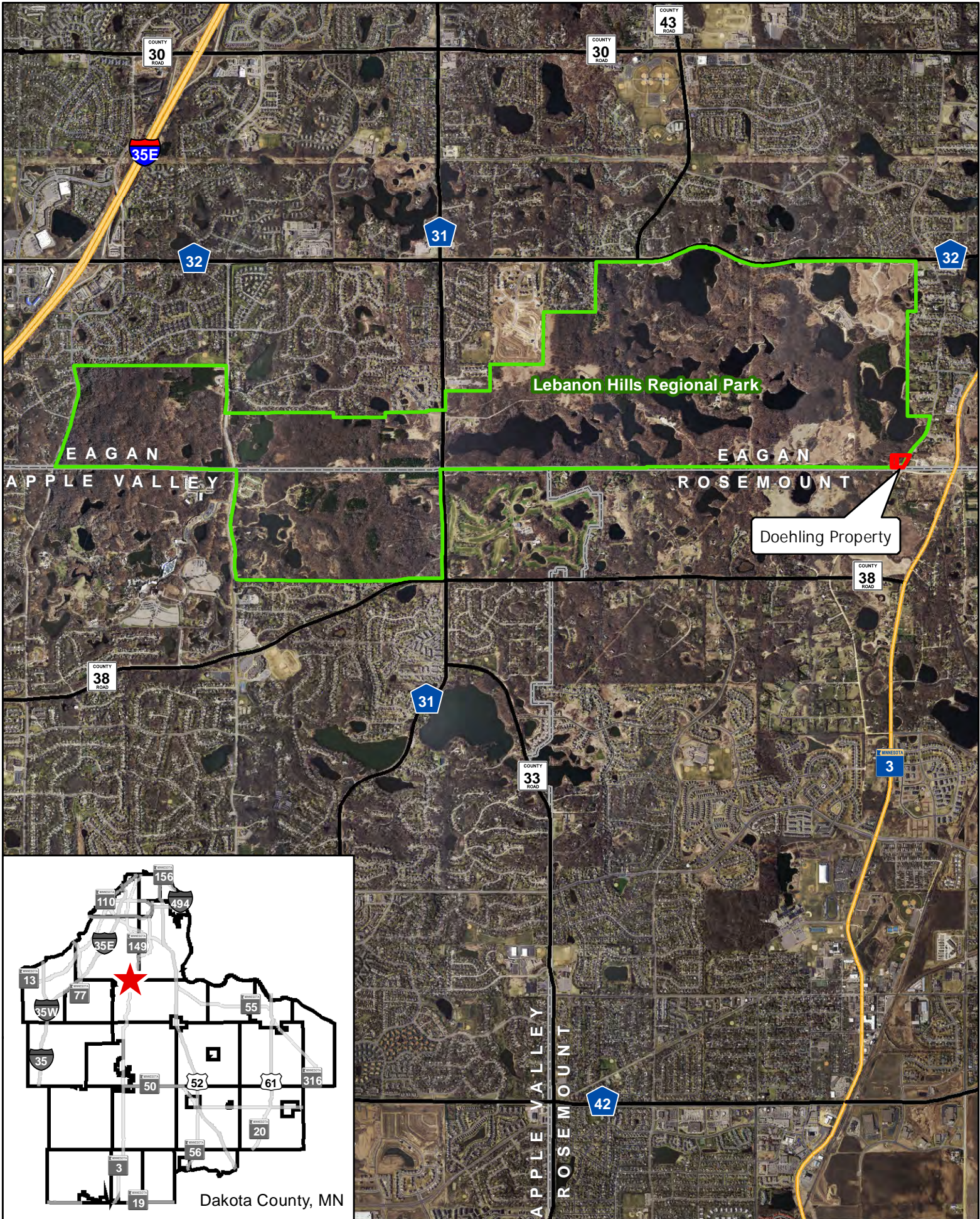
— Roads



Map Date: 9/22/2015

1 inch = 100 feet

JoAnn Kay Doehling



Dakota County Contract #C0027176

FEE TITLE PURCHASE AGREEMENT

Tract #444

This Purchase Agreement, made and entered into on the 29th day of April, 2016 by and between JO ANN KAY DOEHLING, single person, (hereinafter called the "Seller"), and the COUNTY OF DAKOTA, a political subdivision of the State of Minnesota, (hereinafter called the "Buyer").

WITNESSETH:

WHEREAS, Seller is the owner of certain real property (hereinafter called the "Property"), as defined below, situated in Dakota County, Minnesota; and

WHEREAS, Seller agrees to sell and Buyer agrees to buy the Property and all improvements thereon, including any mineral rights and access or other easements benefiting the Property;

NOW, THEREFORE, in consideration of the mutual promises and covenants and agreements stated in this document, it is agreed by and between Seller and Buyer as follows:

AGREEMENT

1. **DEFINITIONS.** As used in this Agreement, the following terms shall have the meaning provided herein:

- a. "**Agreement**" shall mean this Purchase Agreement and any addendums between Buyer and Seller as of the Effective Date.
- b. "**Closing**" shall mean the process by which the Buyer, Seller and Title Company execute all necessary documents for the Seller to sell and the Buyer to buy the Property.
- c. "**Closing Date**" shall mean the date on which the Buyer acquires the Property and the terms of this Agreement are fulfilled. For the purpose of this Agreement, the date shall be on or before August 30, 2016.
- d. "**Conveyed Personal Property**" shall mean the following specified personal property Seller intends to convey to Buyer.
- e. "**Due Diligence Deadline**" shall mean on or before August 1, 2016.
- f. "**Effective Date**" shall mean the last date of execution by either of the Parties to this Agreement.
- g. "**Environmental Law**" shall mean each and every federal, state, and local law, statute, ordinance, regulation, rule, judicial or administrative order or decree, permit, license, approval, authorization or similar requirement pertaining to the protection of human health and safety or the environment.
- h. "**Fixtures**" shall mean items that are embedded in the land or attached to the building(s) and cannot be removed without damage to the real property or building(s). Examples are found in paragraph 3.
- i. "**Hazardous Substance**" shall mean any substance which is (i) defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, (ii) a petroleum hydrocarbon, including crude oil or any fraction thereof, (iii) hazardous, toxic, corrosive, flammable, explosive, infectious, radioactive, carcinogenic, or reproductive toxicant, (iv) regulated pursuant to any Environmental Law(s), or (v) any pesticide regulated under state or federal law.
- j. "**Parties**" shall mean the Buyer and the Seller, as defined above, collectively.

k. "Property" shall mean that certain real estate situated in Dakota County, Minnesota, as legally described in **Exhibit A** and generally depicted in **Exhibit A-1**, and any improvements located thereon.

l. "Purchase Price" shall mean the sum of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00).

m. "Title Company" shall mean DCA Title Company at 7373 147th St W, Suite 161, Apple Valley, Minnesota.

n. "Warranty Deed" shall mean a deed warranting and conveying good and marketable title of record to the Property, subject to the following title exceptions:

- i. Building and zoning laws, ordinance, state and federal regulations;
- ii. Reservation of any mineral rights to the State of Minnesota;
- iii. Utility, drainage and public road easements of record; and
- iv. The lien of real property taxes and the lien of special assessments and interest due thereon, if any, payable in the year of closing by which the terms of this Agreement are to be paid or assumed by Buyer.

2. FEE OWNER. Seller represents that Seller is the fee owner of the Property and hereby agrees to sell the Property to Buyer, free of any liens and encumbrances except as hereinafter identified. Seller agrees to convey Seller's interest in the Property to the Buyer pursuant to the terms herein.

3. TITLE EXAMINATION. Within twenty (20) days after the Effective Date, Seller shall deliver to Buyer an abstract of title or registered property certificate for the Property. Buyer shall pay the entire cost for updating the abstract or registered property certificate or the full charge for a title insurance commitment/binder. Buyer shall be allowed up to twenty (20) days after receipt for examination of the title documents and to make any objections to title. Buyer shall make any such objection in writing or the objection shall be deemed to be waived. If any objections are made, Seller shall have one hundred twenty (120) days to make title marketable. Pending correction of title, the payments required by this Agreement shall be postponed, but upon correction of title, and within twenty (20) days of written notice to Buyer, the Parties shall perform this Agreement according to its terms.

If title is not marketable and is not made so within one hundred twenty (120) days from the date of written objection as provided above, this Agreement shall, at Buyer's option, be void and neither party shall be liable for damages or costs to the other party.

If Buyer obtains title insurance, Buyer is not waiving the right to obtain a good and marketable title of record from Seller.

In any event, the Seller shall satisfy and discharge all monetary liens and encumbrances (except any statutory liens for non-delinquent real property taxes) affecting the Property and the Seller shall furnish whatever documents or evidence will be required by the Title Company in order to delete the "printed form" or standard exceptions to coverage, including, without limitation, rights of Parties in possession, unrecorded easements and mechanics or material men's liens or claims of lien, on or before Closing.

4. PAYMENT TERMS AND BUYER DELIVERIES. As consideration for the covenants and agreements made herein, Buyer agrees to pay the Purchase Price to Seller for the Property, less closing costs, including any mortgage pay-off amounts, payable in cash or equivalent upon the execution and delivery of a Warranty Deed conveying the Property from Seller to Buyer and other necessary documents on the Closing.

Seller is responsible for sealing the existing well and removing all personal property from the Property prior to closing. Seller is responsible for removing and properly disposing/ recycling solid waste such as tires, bricks, wire rolls, and any exterior debris such as located on the property prior to closing.