

Metropolitan Parks and Open Space Commission

Meeting date: October 4, 2016

For the Community Development Committee meeting of October 17, 2016

For the Metropolitan Council meeting of October 26, 2016

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

MPOSC District: H

District(s), Member(s): 16 – Wendy Wulff

Policy/Legal Reference: MN Statutes §85.53 Subd. 3(4) 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 \$183,000 to Dakota County to pay part of the acquisition costs for the Hansch parcel at 1252 Carriage Hills Drive in Eagan for Lebanon Hills Regional Park;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Dakota County for up to \$112,841 from its share of a future Regional Parks Capital Improvement Program for costs associated with the acquisition; and
4. Inform Dakota County that the Council does not under any circumstances represent or guarantee that future reimbursement will be granted and expenditure of local funds never entitles a park agency to reimbursement.

Background

Regional Park Implementing Agency. This grant was requested by Dakota County in July 2016, and the County updated the amount of its request on September 2, 2016. A copy of the Agency's updated request is attached to this item.

Policy. Strategy Two of the Siting and Acquisition policy from the *2040 Regional Parks Policy Plan* [<http://metro council.org/Parks/Publications-And-Resources/POLICY-PLANS/2040-Regional-Parks-Policy-Plan.aspx>] 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 typically would contribute 75% of the purchase price and eligible costs; the Regional Park Implementing Agency (Agency) contributes the remaining 25% as local match. This grant would be funded through PTLF and Council match.

In this instance, however:

- The current fund balance of \$183,576 in the PTLF fund is insufficient to fully fund the Hansch acquisition.
- There will be no new PTLF funding available until and unless the Legislature appropriates it during a future session.
- The *2040 Regional Parks Policy Plan* does not allow property acquisitions to be split across more than one fiscal year.
- Rather than risk losing the chance to acquire the property by waiting for full funding in 2017, Dakota County has reduced its funding request to match available PTLF funding. It is requesting the remaining PTLF balance of \$183,000. Had full funding been available, the County would have been eligible for a grant of up to \$338,523.
- Dakota County is also requesting that the Council consider reimbursing the County for up to \$112,841 from the County's share of a future Regional Parks Capital Improvement Program. This is the amount for which the County would have been potentially eligible for reimbursement had the full \$338,523 been available for award. The County's actual contribution toward the acquisition will be \$268,364.

Item	Cost
Total purchase price	\$451,364
Original amount of grant request	\$338,523
County's match amount for original grant request – and the amount for which the County is requesting future reimbursement consideration	\$112,841
Reduced amount of request due to lack of full funding	\$183,000
County's actual match amount	\$268,364

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.

Subject property. The subject 0.49-acre property is an inholding within the Council-approved boundaries of the regional park. Natural resources located on the property include high quality forest. In the short term, the Agency plans on removing the existing residence. The County will make an effort to relocate the home; however, the Phase I Environmental Site Assessment found friable asbestos within the home, so moving it may not be economically feasible. The long-term plan calls for returning the property to native prairie.

Acquisition details. This is a straightforward, fee simple transaction with no easements or other property restrictions. Grant funding will be directed solely towards the purchase price.

Rationale

This acquisition is consistent with:

- The *2040 Regional Parks Policy Plan*;
- State and regional appropriation requirements, including those in the Parks and Trails Legacy Fund; and

- The Lebanon Hills Regional Park master plan
[\[https://www.co.dakota.mn.us/parks/Planning/ParkPlans/Pages/lebanon-hills-master-plan.aspx\]](https://www.co.dakota.mn.us/parks/Planning/ParkPlans/Pages/lebanon-hills-master-plan.aspx), approved by the Council on August 26, 2015.

Funding

Project budget. The appraised value is \$360,000, and the Agency has offered the seller 100% of the appraised amount plus \$33,850 in relocation costs. Additional acquisition-related costs are shown below.

Budget item	Requested amount
Purchase price	\$393,850
Due diligence (appraisal, Phase I environmental site assessment, etc.)	4,350
Holding and closing costs	7,664
Stewardship	<u>45,500</u>
Total costs	\$451,364

Grant structure

PTLF PAOF	\$109,800
Council bonds	73,200
Grant amount not to exceed	\$183,000
Local match	<u>268,364</u>
Total	\$451,364

Fund balance.

As of August 24, 2016, the combined balance available for PTLF PAOF and Council match was \$183,576. If this grant is awarded by the Council, the balance will be \$576.

Known Support / Opposition

There is no known opposition.

Exhibit List

- Exhibit 1: Washington County grant request letter
- Exhibit 2: Images
- Exhibit 3: Grant application
- Exhibit 4: Board approval to request grant
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt
- Exhibit 7: Acknowledgement requirements



Exhibit 1:
Request letter

September 2, 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 Lynn and Judith Hansch (Hansch) Property in Lebanon Hills Regional Park (LHRP).

The Lebanon Hills Regional Park Master Plan recognizes acquisition of the .5 acre Hansch 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 Hansch property and submission of an AOF grant request at its June 21, 2016, meeting See Attachment C: Resolution No. 16-349. The County executed the purchase Agreement on June 21, 2016 with the Hansch's. See Attachment D: Purchase Agreement.

The total estimated expenses for this acquisition project are as follows:

Expense Item	Amount
Purchase Price	\$360,000.00
Estimated Closing Costs and Title Insurance	\$4,500.00
Relocation and Moving Expenses	\$33,850.00
Environmental Assessment/Remediation	\$31,850.00
Appraisal	\$2,500.00
PILT (1.8 x \$641.08 in City of Eagan Property Tax)	\$1,664.00
Pro-rated Property Tax	\$1,500.00
Stewardship-Demolition of Buildings	\$15,500.00
Total	\$451,364.00
75 percent of total	\$338,523.00
25 percent of total	\$112,841.00

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We recognize that that the full 75 percent match is not available. We are requesting \$183,000 which we understand is the remaining balance of available AOF funding

Thank you for considering this request.

Sincerely,

Steve Sullivan, Director
Operations Management-Parks

Al Singer, Land Conservation Manager
Environmental Resources

Enc.

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

Lynn & Judith Hansch

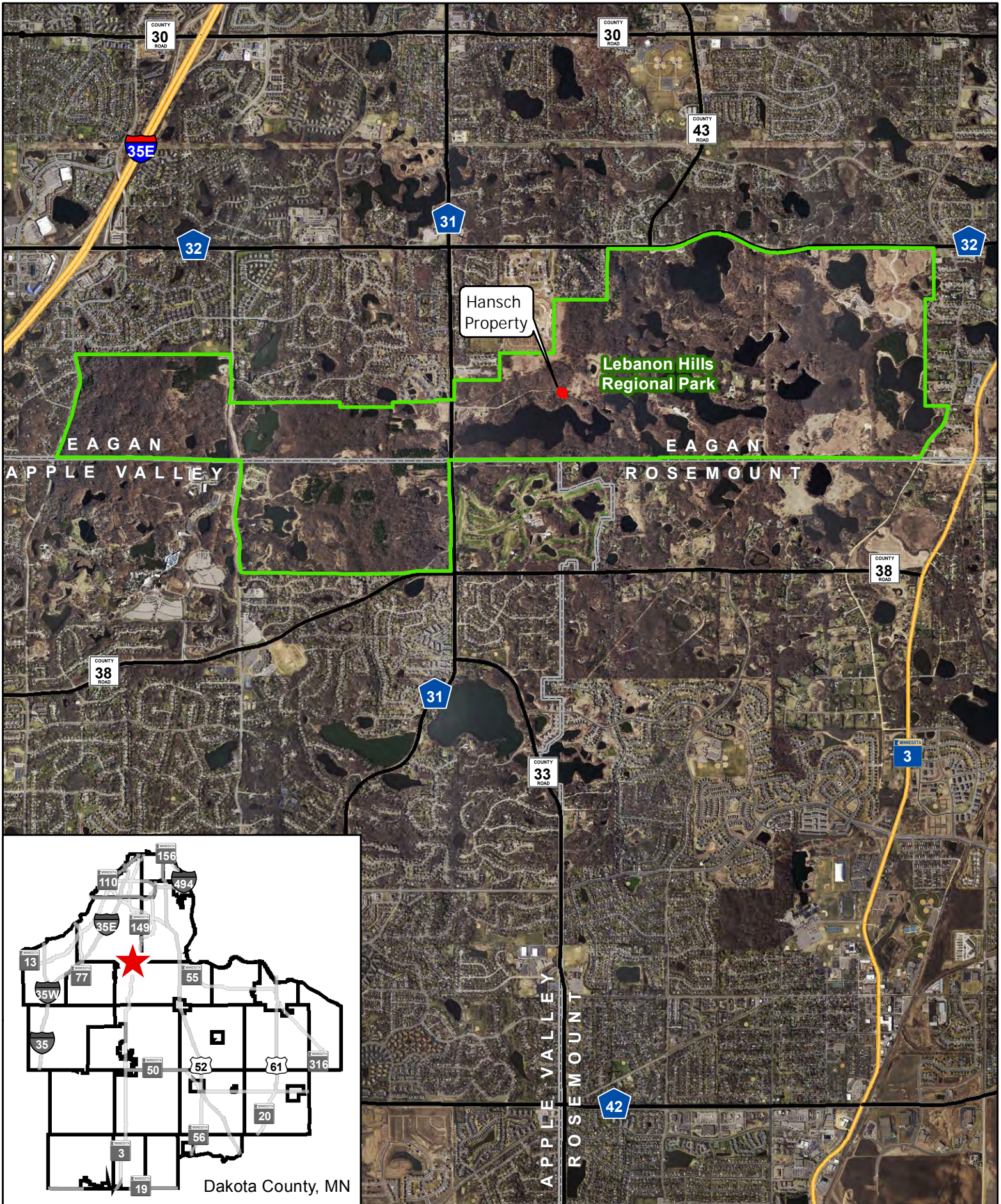


Exhibit 3:
Grant application



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Application

Instructions

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

Application Details

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

04280 - 2016 Parks Acquisition Grants - Final Application

04805 - Acquisition of the Lynn and Judith Hansch Property located within Lebanon Hills Regional Park within Dakota County Parks Grants Acquisition

Status:	Under Review	Original Submitted Date:	06/22/2016 3:05 PM
		Last Submitted Date:	09/08/2016 2:01 PM

Applicant Information

Primary Contact:

Name:*	Ms. <small>Salutation</small>	Tammy <small>First Name</small>		Drummond <small>Middle Name</small>	Drummond <small>Last Name</small>
Title:*	Edit				
Department:					
Email:*	deb.jensen@metc.state.mn.us				
Address:*	14955 Galaxie Drive tammy.drummond@co.dakota.mn.us				
*	Apple Valley <small>City</small>		Minnesota <small>State/Province</small>	55124 <small>Postal Code/Zip</small>	
Phone:*	952-891-7003 <small>Phone</small>				Ext.
Fax:					
What Grant Programs are you most interested in?*	Parks Grants Acquisition				

Authorized Official

Name:*	Ms. <small>Salutation</small>	DebJensen <small>First Name</small>		ParksApplications <small>Middle Name</small>	ParksApplications <small>Last Name</small>
Title:*	Sr Parks Finance Planner				
Department:	Regional parks				
Email:*	deb.jensen@metc.state.mn.us				
Address:*	390 N Robert				
*	St. Paul		Minnesota	55101	

City State/Province Postal Code/Zip

Phone:* 651-602-1154 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 Spring Lake Park Reserve Master Plan

Name of master plan Council approval date - Format: mmddyyyyy (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.

This grant application was created by copying the Flower Application. In doing so, I am unable to change the name of the master plan. Instead of being Spring Lake Park Reserve, this should be Lebanon Hills Regional Park. The same as the Park/Trail Name.

Expiration date of 12/31/16, due diligence of 10/31/2016.

The PA includes terms that allow the seller to occupy the premises rent-free for four months after the closing date.

The PA excludes some items, consisting of the refrigerator, stove, microwave over, shower rod and curtain from the main floor bathroom, carpet tiles from the basement, flag pole, name and address plaque and perennial plants. The landowner is responsible for no more than \$2,500 in costs for corrective title action. Dakota County will pay all closing costs as part of the negotiations.

Additionally, the purchase agreement does include relocation and moving expenses according to the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970. Interest differential payment of \$30,000 and moving expenses of \$3850.00. Appraised price is \$360,000. Total acquisition price is \$393,850.00

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? No

If yes, describe

NA

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 10/31/2016
Format: mmdyyyyy (Do not enter any punctuation.)

Date purchase agreement expires 12/31/2016
Format: mmdyyyyy (Do not enter any punctuation.)

Appraisal effective date 04/13/2016

Appraisal information

Appraised value \$360,000.00

Amount being offered the seller (net of closing and other costs) \$360,000.00 100.0%
% of appraised value

Appraisal date 04/13/2016

Who performed the appraisal? Insight Realty Advisors Inc.

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

Was a survey done? No

Quality of natural resources - is the property...

...undeveloped? Yes
Fully Partially

...wooded? Yes
Fully Partially

...shoreline? Partially
Fully

Describe the existing natural resources it contains

Property is .5 acres of high quality forest within Lebanon Hills Regional Park, which is Dakota County's most popular park. Property is in close proximity of Jensen Lake, but does not have direct access on the Lake. The trail along the lake runs behind the property and on the West Side. The property is one of three remaining homes at the end of Carriage Hills Drive running past Jensen Lake Shelter in Eagan.

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

The Council will review your project specifics and work with you to determine the optimal funding source(s).

Anticipated funding source PTLF Legacy / Council match
Select as many as apply

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.

NA

Does the property contain habitable structures? Yes

If yes, what is the plan for the structure(s)? Dakota County will make every effort to have home sold or relocated without having to demolish property. If this is not possible, the house will be demolished and will require pre-demo asbestos abatement.

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

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

This is a 41-year old, split entry, single-family, 1,344 square foot above grade residence with a walkout basement with approx. 1,075 square feet of lower level living. The home has one fireplace, a four-car garage, one deck, and a lower level screened porch. The appraisal states the house is in average condition for its age and

has good quality finish materials which lack some modern updating. The highest and best use was single-family detached development was appraised thusly. The comprable properties used in the appraisal ranged from \$274,000 tp \$523.500. The comparables were in good or very good condition, with the appropriate adjustments. The appraiser also did a summary of comparable land only sales, which ranged from \$112,000 to \$280,000. The value of the land only was valued at \$150,000 due to the fact that it is .5 acres in the City of Eagan, surrounded by heavy woods.

Stewardship and minimal access

Describe the stewardship plan.

Once the home and septic system are removed, the property will be restored to native prairie with all man made materials removed. The estimates were based on the actual costs of the work completed on other properties and adjusted based on sq. footage. The estimate for restoration is \$1,500. The estimate for demolition, which includes septic and well abandonment estimate is approx. \$14,000. The estimate for Hazard Material Assessment, Asbestos Abatement is \$30,000. There was a limited asbestos survey completed in the envirnmental assessment. A complete full pre-demo survey will be completed to identify specific asbestos materials . Given the age of the structure, it is likely that asbestos materials are located within the structure.

How will the stewardship implementation be funded?

Funding is requested as part of this grant and is included in the cost to remove the home and bring the land back to native prairie. The calculations for restoration and for the home to be removed have come from past estimates of simliar projects.

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? **Yes**

If yes, how will those funds be used? **The County requested \$14,000 for demolition, \$30,000 for asbestos abatement and \$1,500 for restoration.**

Local match

Source of local match

Dakota County Parks CIP Budget.

Will you be requesting consideration for future reimbursement of any part of your local match? **Yes**

If yes, how much? **\$112,841.00**

Sellers and parcels

Seller name	Parcel address	PID	Acres	Date PA signed	Habitable structures?	MN House district	City	County	MPOSC	Latitude	Longitude
Lynn and Judith Hansch	1252 Carriage Hills Drive, Eagan, MN 55123	100340076020	0.49	06/21/2016	Yes	51B	Eagan	Dakota	H	44.780223	-93.156151

Grant agreement signatories

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

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$360,000.00

Appraisal expenses		
Appraisal		\$2,500.00
Appraisal review		\$0.00
Environmental expenses		
Phase I environmental site assessment		\$1,850.00
Phase II environmental site assessment		\$0.00
Environmental contamination remediation		\$30,000.00
Holding expenses		
Interest		\$0.00
Land stewardship		\$15,500.00
Land development		\$0.00
Pro-rated share of all property taxes/assessments		\$1,500.00
Legal services and closing costs		\$3,000.00
Property tax equivalency payment		\$1,664.00
Relocation costs to seller		\$33,850.00
State deed tax/conservation fee		\$0.00
Title insurance		\$1,500.00
Well disclosure statement		\$0.00
Other holding		\$0.00
Other expenses		
Other expenses		\$0.00
Totals		\$451,364.00

\$183,000 total grant will be applied only towards the purchase price

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)	\$451,364.00	\$203,113.80	\$135,409.20	\$112,841.00	\$338,523.00

Required Attachments

Attachment	Description	File Name	Type	File Size
Section 1 - REQUIRED FOR ALL REQUESTS				
Grant request letter	Revised 9-6-16 Letter	AOF Submission Letter Revised 9-6-16.pdf	pdf	576 KB
Master plan documentation (please compress to 5 Mb max)	Master Plan LHRP	LebanonHillsMasterPlan Acquisition Plan.pdf	pdf	602 KB
Aerial photo showing parcel boundary (please compress to 5 Mb max)	Property Aerial Exhibit A-1	ExhibitA-1_Aerial_Hansch.pdf	pdf	470 KB
Parcel map showing park/trail master plan boundary (please compress to 5 Mb max)	Map with Park Boundary	Map- Parks Boundaries.pdf	pdf	705 KB
Governing Board action authorizing grant request	Dakota County Board Resolution	BRD Resolution - 6-21-2016 - 16-349 -- AUTHORIZATION TO ACQUIRE LYNN ...pdf	pdf	92 KB
Section 2 - FEE TITLE REQUIREMENTS				
Signed purchase agreement	Purchase Agreement Executed	PA Executed 06-22-16.pdf	pdf	4.8 MB
Property appraisal report (please compress to 5 Mb max)	Appraisal	Appraisal Final 04-21-16.pdf	pdf	5.7 MB
Appraisal invoice	Appraisal Invoice	INSIGHT REALTY ADVISORS, INC. 2016-140.pdf	pdf	167 KB
Phase 1 environmental site assessment report	Phase 1 report	Phase I ESA - Hansch Property Eagan.pdf	pdf	7.2 MB
Phase 1 environmental assessment invoices	No invoice received at this time.	Phase 1 invoice has not been received from the vendor and has been delayed.docx	docx	28 KB

BOARD OF COUNTY COMMISSIONERS
DAKOTA COUNTY, MINNESOTA

Exhibit 4:
Board approval to request
grant

June 21, 2016

Resolution No. 16-349

Motion by Commissioner Workman

Second by Commissioner Holberg

Authorization To Acquire Lynn And Judith Hansch Property Within Lebanon Hills Regional Park And To Submit A Grant Request To Metropolitan Council

WHEREAS, Dakota County purchases privately owned property according to approved park master plans from willing sellers to protect natural resources and provide for public recreation; and

WHEREAS, the 0.49-acre Lynn and Judith Hansch (Owner) property located at the end of Carriage Hills Drive is located within Lebanon Hills Regional Park (LHRP); and

WHEREAS, the LHRP Master Plan includes the Hansch property as a high-priority in-holding and recommends County acquisition; and

WHEREAS the Owner has expressed interest in selling their property to the County; and

WHEREAS, the County's appraisal of the Hansch property was finalized in April 2016; and

WHEREAS, the Owner is entitled to relocation benefits determined by a consultant-contracted report in the amount of \$30,000 for a differential home value and \$3,850 in fixed moving costs; and

WHEREAS, County staff provided a contingent offer based on the \$360,000 appraised value and additional relocation benefits, and the Owner has agreed to accept the County's contingent offer to acquire their property; and

WHEREAS, the negotiated agreement would allow the Owner to lease their former property at no cost until no later than October 31, 2016; and

WHEREAS, 75 percent of the total acquisition project costs are eligible for reimbursement through the Metropolitan Council (MC) Acquisition Opportunity Fund (AOF) grant program; and

WHEREAS, additional project costs include up to \$46,000 if demolition is required, with possible hazardous materials abatement and site restoration; \$34,600 for relocation-related expenses; and \$10,764 for closing, appraisal, AOF-required Payment In Lieu of Taxes (PILT), and property taxes or up to an additional \$91,364; and

WHEREAS, an AOF grant agreement with the MC requires the County to execute a restrictive covenant providing that the County must not sell, lease, or otherwise change the use of the Hansch property to non-park use without seeking prior approval from the MC; and to allow the MC to construct portions of any new regional sewer system within the Hansch property; and

STATE OF MINNESOTA
County of Dakota

	YES		NO
Slavik	<u> X </u>	Slavik	_____
Gaylord	<u> X </u>	Gaylord	_____
Egan	<u> X </u>	Egan	_____
Schouweiler	<u> X </u>	Schouweiler	_____
Workman	<u> X </u>	Workman	_____
Holberg	<u> X </u>	Holberg	_____
Gerlach	<u> X </u>	Gerlach	_____

I, Jeni Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 21st day of June, 2016, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 21st day of June, 2016.

Clerk to the Board

WHEREAS, if there are inadequate MC AOF funds available to match County funds, the County will acquire the Hansch property with 25 percent from the Operations Management-Parks 2016 Capital Improvement Program (CIP) budget with the unfunded balance derived from the Environmental Legacy Fund.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the expenditure of up to \$451,364 to acquire the Lynn and Judith Hansch property within LHRP, including \$393,850 payable to Lynn and Judith Hansch for the purchase price, relocation benefits and moving costs; and up to \$57,914 for additional acquisition-related costs including house demolition, possible hazardous materials abatement and site restoration; closing; professional services; AOF-required PILT; and property taxes; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners authorizes the Physical Development Director to execute a purchase agreement with Lynn and Judith Hansch, subject to approval by the County Attorney's Office (CAO) as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Physical Development Director to execute a lease agreement with Lynn and Judith Hansch to allow them to continue residing at their former property at no cost until October 31, 2016, subject to approval by the CAO as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes staff to submit an AOF grant request to the MC for 75 percent reimbursement of the total costs associated with acquisition of the Hansch property; and

BE IT FURTHER RESOLVED, That pending approval of an AOF grant agreement for the Hansch property by the MC, the Dakota County Board hereby authorizes the Physical Development Director to execute an AOF grant agreement with the MC for 75 percent reimbursement of the total costs associated with acquisition of the Hansch property, subject to approval by the CAO as to form; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the County Board Chair to execute a Restrictive Covenant on the Hansch property as required by the AOF grant agreement, subject to approval by the CAO as to form; and

BE IT FURTHER RESOLVED, That following completion of the acquisition of the Hansch property, the County will submit the necessary forms and documentation to the MC to receive the requested AOF grant funds and that these funds will be returned to the Operations Management-Parks 2016 CIP budget; and

BE IT FURTHER RESOLVED, That if there are inadequate AOF grant funds available from the MC, the County will utilize the Operations Management-Parks 2016 CIP budget for 25 percent of the total cost and derive the balance of needed funding from the General Fund balance.

STATE OF MINNESOTA
County of Dakota

	YES		NO
Slavik	<u> X </u>	Slavik	_____
Gaylord	<u> X </u>	Gaylord	_____
Egan	<u> X </u>	Egan	_____
Schouweiler	<u> X </u>	Schouweiler	_____
Workman	<u> X </u>	Workman	_____
Holberg	<u> X </u>	Holberg	_____
Gerlach	<u> X </u>	Gerlach	_____

I, Jeni Reynolds, Clerk to the Board of the County of Dakota, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Dakota County, Minnesota, at their session held on the 21st day of June, 2016, now on file in the County Administration Department, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal of Dakota County this 21st day of June, 2016.



Clerk to the Board

Dakota County Contract #C0028026

FEE TITLE PURCHASE AGREEMENT

Tract #454

This Purchase Agreement, made and entered into on the 21 day of June, 2016, by and between Lynn Delano Hansch and Judith Ann Hansch, husband and wife, (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, 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 Buyer, Seller and Title Company execute all necessary documents for Seller to sell and Buyer to buy the property, together with any other documents required by Seller and the Title Company.
 - c. "**Closing Date**" shall mean the date in which Buyer acquires the Property and the terms of this Agreement are fulfilled. For the purpose of this Agreement, the date shall be December 31, 2016.
 - d. "**Conveyed Personal Property**" shall mean the following specified personal property Seller intends to convey to Buyer: None
 - e. "**Due Dillgence Deadline**" shall mean October 31, 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 Buyer and 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 Three Hundred Ninety Three Thousand Eight Hundred Fifty and No/100 Dollars (\$393,850.00), which includes relocation and moving expenses.
- 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, exceptions and encumbrances and except as hereinafter identified below:

- a. Building and zoning laws, ordinances, State and Federal regulations; and
- b. Utility, drainage, and public road easements of record.

Seller agrees to convey Sellers Interest in the Property to Buyer pursuant to the terms herein.

3. FIXTURES AND PERSONAL PROPERTY. Title to the Fixtures and Conveyed Personal Property passes to Buyer with the deed.

- a. All Fixtures, except those excluded below are included in this sale, such as garden bulbs, plants, shrubs, trees, landscaping, storm windows and inserts, storm doors and inserts, screens, awnings, window shades, blinds, curtain tracers, drapery rods, mirrors, door mirrors, cabinets, counter tops, doors, door hardware, mantels, woodwork, attached lighting fixtures with bulbs, electrical wiring, electric outlets, electrical switches, electrical outlet plates and switch plates, all plumbing and piping, plumbing fixtures, sump pumps, water heating systems, heating systems, heating stoves, fireplace inserts, fireplace doors and screens, built-in humidifiers, built-in air conditioning units, built-in electronic air filters, automatic garage openers with controls, television antennas, satellite dishes, water softeners, garbage disposals, built-in trash compactors, built-in ovens and cooking stoves, hood-fans, intercoms, installed carpeting, built-in work benches, security systems, fences, retaining walls, kennels, gates, survey monuments, culverts, sheds, gazebos, trellises, underground irrigation systems, weathervanes, lightning rods, light poles and lights, outdoor statuary, pumps, mail boxes, mail box posts, and newspaper boxes. The foregoing notwithstanding, the following Fixtures are excluded from this sale and shall be removed by Seller prior to the Closing:

Refrigerator, stove, microwave oven, shower rod and curtain in the main floor bathroom, carpet tile from the basement floor, flag pole, name and address plaque, and perennial plants.

- b. Any damage to real property that occurs in Seller's removal of these excluded Fixtures or Seller's personal property will be repaired by Seller at its cost prior to the Closing. Buyer reserves the right to view the Property prior to closing to inspect the Fixtures and to ensure that the Property is in the same condition as it was on the Effective Date. If Buyer determines that the condition of the Property has changed, Buyer shall have the rights and remedies provided in this Agreement, including cancellation of the Agreement.
- c. If any of the foregoing excluded Fixtures or Seller's personal property, including but not limited to appliances, remain on the Property after Closing, title to those items will be considered conveyed to the Buyer as of the Closing.

4. 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, Seller shall satisfy and discharge all monetary liens and encumbrances (except any statutory liens for non-delinquent real property taxes) affecting the Property and Seller shall furnish whatever documents or evidence will be required by the Escrow Holder 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.

5. PAYMENT TERMS. As consideration for the covenants and agreements made herein, Buyer agrees to pay the Purchase Price to Seller for the Property, 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.

6. CLOSING COSTS.

- a. Seller shall be responsible for, and pay the following costs: updating abstract or Torrens title records, any corrective title action needed and fees associated with clearing Seller's title, Seller's attorney's fees. Further, Seller shall be solely responsible for, and hold Buyer harmless from paying, any real estate fees or commissions due or claimed to be due arising from this transaction.

- b. Buyer is responsible for paying the costs for a title commitment and supplements, examination fee, name search, property inspection, special assessment search, tax and judgment search, title insurance premium, property inspection, any recording fees for the Warranty Deed, and hundred (100) percent of closing fees charged by the Title Company.

7. SELLER'S CLOSING DOCUMENTS. Seller agrees to execute and deliver the following documents to Buyer on the date of closing:

- a. A Warranty Deed conveying marketable title to the Property, which shall also be executed by Seller's spouse if applicable.
- b. Standard Seller's Affidavit regarding Parties in possession.
- c. Seller's Affidavit of no improvements made to the Property within the last 120 days.
- d. An accounting of property taxes owed on the Property up to the Closing and proof of payment or a deduction from the purchase price for such taxes, including any additional property taxes resulting from any "Green Acres" reassessment pursuant to MINNESOTA STATUTES § 273.111.
- e. Well disclosure forms and a completed well disclosure certificate as required by MINNESOTA STATUTES § 1031.235.
- f. Any other document(s) requested by Buyer or Title Company to effectuate the closing and the terms of this Agreement.

8. UTILITIES. All utilities of any nature used in or about the Property shall be read and adjusted as of the date Seller actually vacates the premises and Seller will pay for all such utility charges through the date of Seller's vacation of the premises.

9. TAXES AND SPECIAL ASSESSMENTS. Seller will pay all past due property taxes and any special assessments levied against the Property, unless otherwise agreed in an attached addendum. The property taxes that are due and payable in the current year shall be prorated as of the Closing Date, with Seller obligated to pay taxes through the Closing Date and Buyer responsible for the taxes due after the Closing Date. Seller will pay any additional property taxes resulting from any "Green Acres" reassessment pursuant to MINNESOTA STATUTES § 273.111.

10. SELLER'S WARRANTIES. Seller warrants that:

- a. Seller has full power and authority to enter into this Agreement (and the person signing this Agreement for Seller has full power and authority to sign for Seller and to bind it to this Agreement) and to sell, transfer and convey all right, title and interest in and to the Property.
- b. The execution of this Agreement will not constitute a breach or default under any agreement to which Seller is bound and/or to which the Property is subject.
- c. There is no suit, action, arbitration, or legal, administrative or other proceeding or injury pending or threatened against the Property or any portion thereof or pending or threatened against Seller which could affect Seller's title to the Property or any portion thereof, affect the value of the Property, or any portion thereof, or subject an owner of the Property, or any portion thereof, to liability.
- d. There is no lease, license, permit, option, right of first refusal or other agreement, oral or written, which affects the Property or any portion thereof.

- e. Buildings, if any, are entirely within the boundary lines of the Property.
- f. There is a right of access to the Property from a public right of way, or that such right of access shall be provided by Seller to Buyer at the time of conveyance of the Property, in a form acceptable to Buyer.
- g. There has been no labor or material furnished to the Property for which payment has not been made.
- h. There are no present violations of any restrictions relating to the use or improvement of the Property or any uncured notices which have been served upon Seller by any governmental agency notifying Seller of any violations of statute, order, ordinance, rule, requirement or regulation which would affect the Property or any portion thereof.
- i. The Property is not subject to a lien for Medical Assistance or other public assistance.
- j. Seller has no knowledge, nor does Seller have reason to know, of any condition at, on, under or related to the Property presently or potentially posing a significant hazard to human health or the environment (whether or not such condition constitutes a violation of Environmental Laws, as hereinafter defined).
- k. Seller has no knowledge, nor does Seller have reason to know, of any production, use, treatment, storage, transportation, or disposal of any Hazardous Substance (as hereinafter defined) on the Property or under the Property, nor has there been any release or threatened release of any Hazardous Substance, pollutant or contaminant into, upon or over the Property or into or upon ground or surface water at the Property or within the immediate vicinity of the Property.
- l. Seller has no knowledge, nor does Seller have reason to know that any asbestos-containing materials incorporated into the buildings or interior improvements or equipment that are part of the Property, if any, nor is there any electrical transformer, fluorescent light fixture with ballasts or other PCB-containing item on the Property.
- m. Seller is in compliance with all laws and regulations in connection with any handling, use, storage or disposal of Hazardous Substances including the maintenance of all required permits and approvals.
- n. Seller has disclosed to Buyer in writing the location of any individual sewage treatment systems located on the Property.
- o. Seller has disclosed to Buyer in writing the location of any individual wells located on the Property.
- p. To the best of Seller's knowledge, there is no lead paint used in the construction or maintenance of any building(s) on the Property.
- q. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

Each of the above representations is material and is relied upon by Buyer. Except insofar as Seller has advised Buyer in writing to the contrary, each of the above representations shall be deemed to have been made as of the Closing and shall survive the Closing. At the Closing, if Buyer so requests, Seller shall deliver to Buyer a certificate in a form satisfactory to Buyer stating that each of the above representations is true and correct as of the Closing.

If, before the Closing, Seller discovers any information or facts that would materially change these warranties and representations, Seller shall immediately give notice to Buyer of those facts and information. If any of the foregoing representations and warranties ceases to be true before the Closing, Seller will promptly remedy the problem, at Seller's sole cost and expense, upon receipt of notice by

Buyer. If the problem is not remedied before Closing, Buyer may elect to either (a) terminate this Agreement in which case Buyer shall have no obligation to purchase the Property or (b) defer the Closing until such problem has been remedied. Buyer's election in this regard shall not constitute a waiver of Buyer's rights in regard to any loss or liability suffered as a result of a representation or warranty not being true nor shall it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

11. CONDITIONS PRECEDENT. In addition to the title examination, the purchase of the Property by Buyer is contingent upon:

- a. The Dakota County Commissioners adopting a resolution authorizing Buyer's purchase of the Property from Seller; and
- b. The Dakota County Commissioners adopting a resolution authorizing the use of General Fund balance if there are no Acquisition Opportunity Funds available; and
- c. The Metropolitan Council (Council approval of an Acquisition Opportunities Funding Grant to Buyer in amount equal to seventy-five (75) percent of the total cost of the acquisition to Buyer, including appraisal, closing, due-diligence, initial stewardship and other eligible costs or approval for future reimbursement.; and
- d. The Dakota County Commissioners adopting a resolution authorizing the use of General Fund balance if there are no Acquisition Opportunities Funding available; and.
- e. The completion of due diligence by Buyer on or before the Due Diligence Deadline and Buyer determining in its sole discretion that the condition of the Property is acceptable to it. Seller agrees that Buyer shall have the right to inspect and investigate the Property at reasonable times and to perform any tests it deems necessary, including tests to evaluate the environmental condition of the Property. Buyer shall coordinate any such inspection to accommodate the schedule of Seller, who shall not unreasonably withhold permission to inspect or investigate.

If the above contingencies are not satisfied, this Agreement shall, at Buyer's option, be void and neither party shall be liable for damages to the other party.

12. CLOSING. The Closing shall occur on or before the Closing Date at the Title Company's office. The time of day will be scheduled by the Title Company so as to be mutually acceptable to Buyer and Seller. Seller and Buyer may mutually agree in writing to alter the Closing Date.

13. POSSESSION. Seller shall deliver possession of the Property no later than the time set by the Title Company for the Closing in the same condition as it was on the Effective Date, ordinary wear and tear excepted, free and clear of the rights or claims of any other party.

14. RISK OF LOSS. Until the completion of closing and delivery of possession of the Property, all risk of loss is on Seller. If the Property is damaged prior to closing, Seller shall give Buyer notice within five (5) business days after such damage has occurred. The notice shall include Seller's proposal for repairing the damage. From the date that Buyer receives Seller's notice, Buyer shall have three (3) business days to inspect the Property and an additional two (2) business days to determine if the damages and Seller's proposal for repairs are acceptable to Buyer. If Buyer does not accept Seller's proposal for repairs within the five (5) business day period, this Agreement shall be void.

15. REMEDIES UPON DEFAULT. In the event that Seller defaults in the performance of any of its obligations under this Agreement, Buyer shall, in addition to any and all other remedies provided in this Agreement or at law or in equity, have the right of specific performance against Seller. In the event that Buyer defaults in the performance of any of its obligations under this Agreement, Seller shall have, as its sole and exclusive remedy, the right to cancel this Agreement as permitted by MINNESOTA STATUTES §§ 559.21 and 559.217.

16. NO BROKER'S COMMISSION. Buyer has not used a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement and the Parties agree that Buyer is not responsible for any portion of a broker's commission or finder's fee related to Seller. In the event that Seller has used a broker or any person asserts a claim for a broker's commission or finder's fee related to Seller, that Seller will indemnify and hold Buyer harmless from and against the claim and this indemnification shall survive Closing or any earlier termination of this Agreement.

17. WAIVER OF DISCLOSURE. Unless otherwise required herein, Buyer waives the written disclosures required under MINNESOTA STATUTES §§ 513.52 to 513.60.

18. MISCELLANEOUS.

- a. Performance. The Parties hereto agree that time is of the essence in the performance of this Agreement.
- b. Notices. Notices to be given under this Agreement shall be in writing and sent by registered or certified mail, addressed to the Parties at the following addresses:

With respect to Buyer:

Alan Singer, Land Conservation Manager, or Successor
Dakota County
14955 Galaxie Avenue
Apple Valley, MN 55124
952-891-7001
al.singer@co.dakota.mn.us

With respect to Seller:

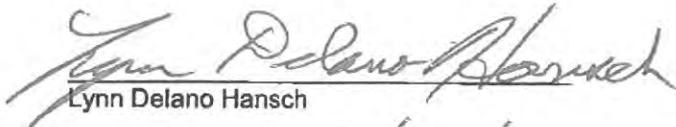
Lynn and Judith Hansch
1252 Carriage Hills Drive
Eagan, MN 55123
612-799-7798
jlhansch@gmail.com

- c. Non-Joint Venture. The Parties agree that nothing contained herein shall be considered a partnership or joint venture under taken by the Parties.
 - d. Minnesota Law. This Agreement shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Agreement, or breach thereof, shall be in the state or federal court with competent jurisdiction in Dakota County, Minnesota.
 - e. Representation by Counsel. Seller understands that Buyer and the County Attorney's Office do not represent Seller in this matter. Seller has had an opportunity to review the terms of this Agreement with Seller's own legal counsel, whether Seller has elected to consult with counsel or not. Seller has read and understands the terms of this Agreement and agrees to be bound by the terms of this Agreement.
 - f. Entire Agreement. This Agreement, along with any exhibits, appendices, addendums, schedules, and written amendments hereto, encompasses the entire agreement of the Parties, and supersedes all previous understandings and agreements between the Parties, whether oral or written.
 - g. Amendments. Any amendments or modifications to this Agreement shall be in writing and shall be executed by the same Parties who executed the original Agreement or their successors.
 - h. Severability. Each provision of this Agreement is severable from any other provision of this Agreement. Should any provision of this Agreement for any reason be unenforceable, the balance of the Agreement shall nonetheless be of full force and effect.
 - i. Headings. The headings used in this Agreement are for convenience of reference only and shall not operate or be construed to alter or affect the meaning of any of the provisions in this Agreement.
 - j. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and which together shall constitute one and the same agreement.
19. ADDENDUM(S). Addendum No. 1, providing additional terms, specifications, covenants, representations, and agreements, is attached hereto and is incorporated by reference as though fully state in this Agreement.

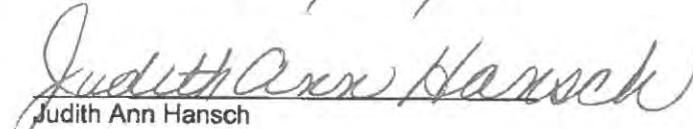
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IN TESTIMONY WHEREOF, the Parties hereto have caused this instrument to be executed the day and year first recited herein.

SELLER:


Lynn Delano Hansch

Date of Signature 6/16/16


Judith Ann Hansch

Date of Signature 6/16/16

BUYER:


Steven C. Mielke, Director
Physical Development Division

Date of Signature 6-22-16

Approved as to form:


Assistant Dakota County Attorney

Date of Signature 6-21-16

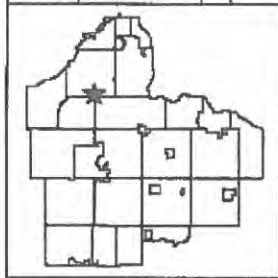
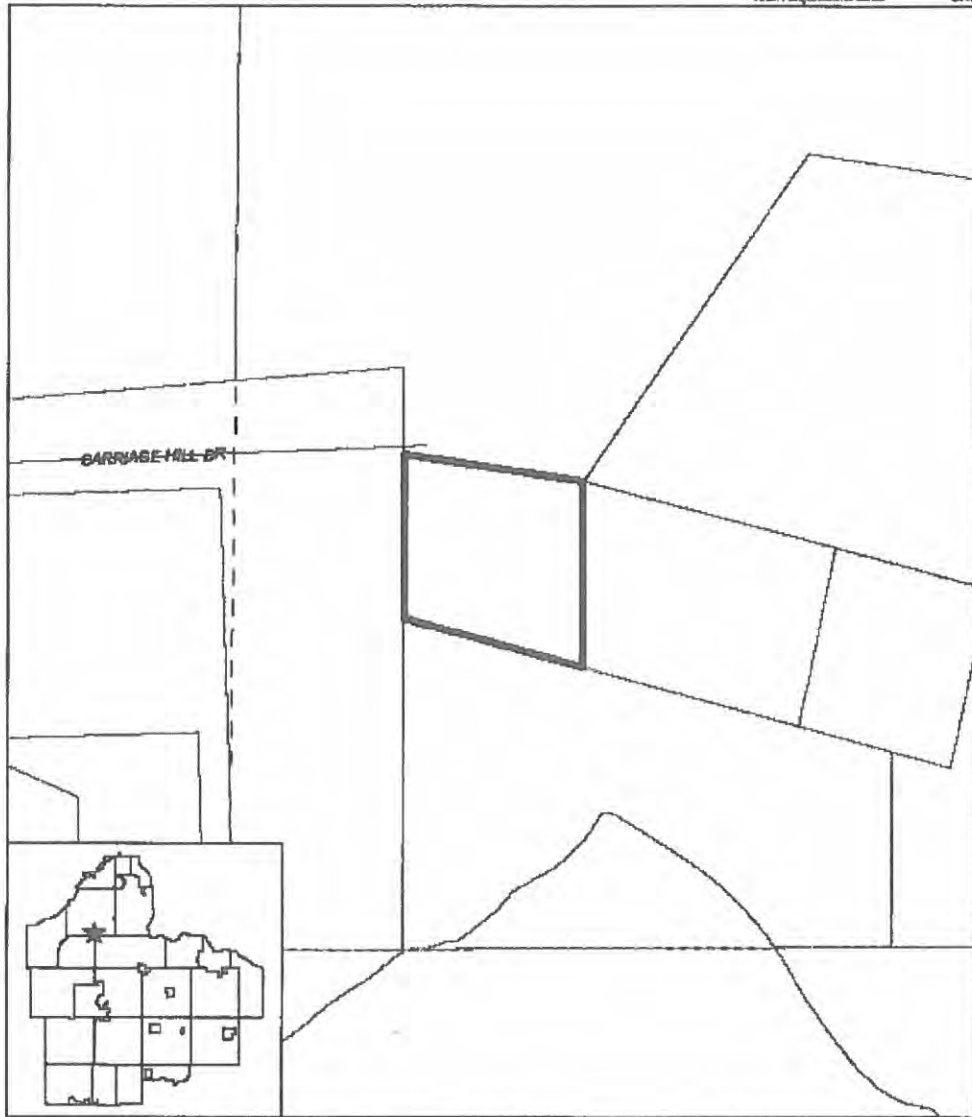
KS-16-245

Approved by Dakota County
Board Resolution No. 16-__

Lynn & Judith Hansch Acquisition

Exhibit A-1

PLS Section 34, 27-23
Total Acquisition Acres 0.49



N Section Corner Quarter Corner Acquisition Area Parcels Roads

Map Date: 3/17/2015 1 inch = 100 feet

ADDENDUM NO. 1 TO PURCHASE AGREEMENT

EXTENDED OCCUPANCY LEASE AGREEMENT

This Extended Occupancy Lease Agreement (hereinafter referred to as the "Lease Agreement") Addendum is incorporated into the Purchase Agreement by and between Lynn Delano Hansch and Judith Ann Hansch, husband and wife, (hereinafter called the "Seller"), and the COUNTY OF DAKOTA, a political subdivision of the State of Minnesota, (hereinafter called the "Buyer") as of the Effective Date of the Purchase Agreement.

1. **Definitions.** Any terms defined in the Purchase Agreement shall have the same meaning herein.
2. Seller shall be allowed to continue to occupy the Property as their residence on a rent-free basis for a term of four (4) months beginning on the actual Closing Date and ending at 12 o'clock p.m. on the date four (4) months from the Closing Date. Seller may terminate the Lease Agreement upon giving a thirty (30)-day written notice to Buyer.
3. **Extended Occupancy:** During the period of extended occupancy, the occupancy shall be subject to:
 - (a) **Maintenance and Utilities:** Seller accepts the Property "as is" and assumes all responsibility for any and all maintenance of the Property while in possession of the Property. Further, Seller is solely responsible for paying, when due, all charges for electricity, telephone, trash removal, natural gas or LP service, septic service, and all utilities of any sort. Seller shall properly maintain the home and its site and will make all repairs or replacements required to keep the Property in generally the same condition as it was at the Date of Closing. Buyer shall not be obligated to perform any on-site maintenance or to make any repairs or replacements for any reason.
 - (b) **Alterations:** Seller must obtain Buyer's prior written consent to make any major alterations to the residence. No additions to the residence will be permitted, and no additional out-buildings will be permitted. Except as provided herein, Seller must not change the heating, electrical, plumbing, ventilating or air conditioning systems without the prior written consent of Buyer.
 - (c) **Insurance:** Seller shall, at their expense, maintain with a responsible company, renter's insurance to cover Seller's personal property as well as personal liability insurance with bodily injury and property damage liability coverage with a minimum liability limit of \$1,500,000 to protect Seller's interest during their occupancy of the Property. Proof of insurance will be provided to Buyer at Closing. Buyer must be named as an additional insured on the liability portion of the coverage. Subject to the limits of such liability insurance, Seller shall indemnify and hold Buyer, its employees and agents,

harmless from any and all claims for damage or injury arising out of Seller's occupancy and use of the Property during this extended occupancy period. Further, Seller agrees to release Buyer from liability for any and all claims, suits, damages, costs, losses and expenses which may result from or arise out of their use and occupancy of the Property by Seller or their invitees, guests, licensees and others.

- (d) **Property Taxes:** Real estate taxes in 2016 will be pro-rated as of the Date of Closing. Seller shall not be responsible for any property taxes during the extended possession period.
 - (e) **No leases, mortgages or liens.** During Seller's occupancy of the Property, Seller may not lease, mortgage or otherwise encumber the Property by using it as collateral for a loan of any sort. Further, Seller shall make timely payment for all work performed by others on the Property to keep it clear from any claims for lien rights which may accrue to any such mechanics or material suppliers.
 - (f) If Seller fails to pay any claims or expenses when they are due or after they have become a claim against the Property, or if Seller vacates the property, or if Seller violates any of the terms and conditions of their occupancy rights as set forth herein, the right to occupy hereby granted may be terminated by Buyer. Entry by Buyer at the termination of the occupancy, in whichever manner terminated, shall not release Seller, their heirs, successors and assigns, from any claim or action Buyer may have for enforcement of any of the terms and conditions set forth herein.
- 4. If the residence is so damaged or destroyed that it is uninhabitable, Buyer may terminate this Agreement immediately and may decide not to rebuild or repair the residence or to permit repair or rebuilding by Seller.
 - 5. Seller is being granted permission to use the Property as partial consideration for Buyer's purchase of the Property from Tenant in 2016. As the former owner, Seller waives any claim Buyer may have arising out of the condition of the Property for residential purposes and agrees to maintain the Property in a condition suitable for Seller to occupy the residence. If Seller becomes unwilling, or unable, to maintain the Property, Seller agrees to vacate the premises and terminate Seller's lease rights upon giving thirty (30) days' written notice to Buyer.
 - 6. At the expiration of the occupancy period, Seller shall vacate the premises taking with them all personal property items, including, but not limited to:
 - a. Perennial Plants.
 - 7. At the expiration of the occupancy period, Seller shall leave all attached appliances and fixtures with the exception of:
 - a. Refrigerator
 - b. Stove
 - c. Microwave Oven

- d. Shower Rod and Curtain in the main floor bathroom
 - e. Carpet tile from the basement floor
 - f. Flag Pole
 - g. Name and Address Plaque
8. If any of the excluded Fixtures identified in the Purchase Agreement or Seller's personal property, including but not limited to appliances, remain on the Property after the expiration or termination of the lease, title to those items shall be considered conveyed to Buyer.
9. If Seller violates any term of this Lease Agreement, Buyer may terminate this Lease Agreement. If Seller does not move out, Buyer may bring an eviction action. If Seller violates any term of this Lease Agreement and Buyer does not terminate this Lease Agreement or evict Seller, Buyer may still terminate this Lease Agreement and evict Seller for any other violation of this Lease Agreement. Action by Buyer to terminate the lease due to default by Seller will not relieve Seller of obligations contained in this Lease Agreement.
10. Notices to be given under this Lease Agreement shall be in writing and should be sent by registered or certified mail, addressed to the parties at the following addresses:

With respect to Buyer:


Alan Singer, Land Conservation Manager
Dakota County
14955 Galaxie Avenue
Apple Valley, MN 55124
al.singer@co.dakota.mn.us
952-891-7001

With respect to Seller:

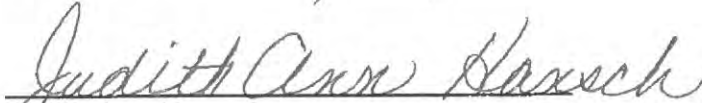
Lynn and Judith Hansch
1252 Carriage Hills Drive
Eagan, MN 55123
612-799-7798
jlhansch@gmail.com

11. The terms of this Lease Agreement apply to Seller and Buyer. The terms of this lease Agreement also apply to any heirs, legal representatives and assigns of Seller or Buyer.

SELLER:



Lynn Delano Hansch

Date of Signature 6/16/16


Judith Ann Hansch

Date of Signature 6/16/16

BUYER:


Steven C. Mielke, Director
Physical Development Division

Date of Signature 6-22-16

Approved as to form:


Assistant Dakota County Attorney

Date of Signature: 6-21-16

KS-16-245

Approved by Dakota County
Board Resolution No.16-__

APPRAISAL OF REAL PROPERTY

PROPERTY

Single Family Residence
Hansch Property
1252 Carriage Hills Drive
Eagan, Dakota County, MN 55123

DATE OF REPORT

April 13, 2016

CLIENT

Dakota County
Ms. Tammy Drummond
Environmental Resources Department - Land
Acquisition Specialist
14955 Galaxie Ave
Apple Valley, MN 55124

EFFECTIVE DATE(S) OF VALUE

February 18, 2016 – “As-Is”

PREPARED BY

Insight Realty Advisors, Inc.
275 East 4th Street, Suite 325
St. Paul, MN 55101
Phone: 651-470-1229
Email: nathan.hansen@insightrealtyadvisors.com
Insight File #: 2016-140



INSIGHT
REALTY ADVISORS INC.



Single Family Residence
Hansch Property
1252 Carriage Hills Drive
Eagan, Dakota County, MN 55123

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

BASIC INFORMATION

Common Property Name:	Single Family Residence
Address:	1252 Carriage Hills Drive
City:	Eagan
State:	MN
Zip Code:	55123
County:	Dakota
Property Ownership Entity:	Lynn D & Judith A Hansch
Report Type:	Appraisal
Property Rights Appraised:	Fee Simple
Date of Property Tour:	2/18/2016
Date of Report:	4/21/2016
Date of Value:	2/18/2016
Legal Description:	PT OF NW 1/4 OF SE 1/4 COM SW COR NE 1/4 OF SW 1/4 N 365 FT N 85D E 1476 FT S 72 FT TO PT OF BEG CONT S 135 FT S 75D E 153.1 FT N 152.69 FT N 81D 34M W 149.5 FT TO PT OF BEG

SITE INFORMATION

Land Area SF:	21,344
Land Area Acres:	0.49
Excess/Surplus Land?	No
Flood Zone:	Zone X
Flood Map Number:	27037C0095E
Flood Map Date:	12/2/2011
Site Utility:	Above Average
Site Topography:	Level and rolling
Site Shape:	Roughly rectangular
Lot Location:	Interior
Frontage:	Average
Access:	Average
Visibility:	Average
Utilities Available:	Natural gas, electricity, telephone/cable

BUILDING INFORMATION

Type of Property:	Residential dwelling
Type of Construction:	Wood frame
Number of Buildings:	One (1)
Gross Living Area (SF):	1,344
Basement (not in GLA):	
Basement Size (SF)	1,344
	Full basement
Basement Finish (SF)	1,075
	About 80% of basement is finished
Number of Stories:	One level above grade, plus walk-out lower level
Deferred Maintenance:	None noted
Occupancy Status:	100% owner-occupied
Actual Age:	41 years
Year Built:	1975
Quality:	Average
Condition:	Average
Land to Building Ratio:	15.88 : 1
Sprinkler Protection:	Basement only

MUNICIPAL INFORMATION:

Assessing Authority: Dakota County
Assessor's Parcel ID Number: 10-03400-76-020
Current Taxes Payable Year: 2016
Current Assessor's Estimated Market Value (as of January 2, 2015): \$262,800
Current Tax Liability (Payable 2016):

Base Tax: \$3,106.10
Special Assessments: \$0.00
Service Charges: \$0.00
Total: \$3,106.10

Current Tax Rate (base tax only): 1.18%
Taxes Per SF of NRA (base tax only): \$2.31

Special Assessment Summary:

Per available Dakota County tax records, there are no special assessments associated with the subject property.

Are Taxes Current? Yes
Is a grievance underway? Not to our knowledge
Subject's assessment is: At or near market levels
Zoning Authority: City of Eagan
Current Zoning Designation: R-1: Single Family Residential and Shoreland Overlay District
Is current use permitted? Yes
Zoning Change Pending? No
Zoning Variance Applied for? No

HIGHEST AND BEST USE:

As Though Vacant:
Immediate development with a good quality residential dwelling

As Improved:
Continued residential dwelling use

See Highest and Best Use section for additional analysis and detail.

VALUE CONCLUSIONS:

Type of Value:	Market Value "As-Is"
Date of Value:	2/18/2016
Real Property Interest:	Fee Simple

Sales Comparison Approach:

Value Indication via Sales Approach:	\$360,000
Per Square Foot (GLA):	\$267.86

FINAL VALUE CONCLUSION:

Concluded Value:	\$360,000
Exposure Period:	12 months
Marketing Period:	12 months

Exhibit 7:
Acknowledgment
requirements

Acknowledgement signage

All projects acquired or developed with assistance from the Parks and Trails Legacy program must display a state-approved sign acknowledging funding from the program.