

Metropolitan Parks and Open Space Commission

Meeting date: January 2, 2018

For the Community Development Committee meeting of January 16, 2018

For the Metropolitan Council meeting of January 24, 2018

Subject: Parks Acquisition Opportunity Fund Grant for Rush Creek Regional Trail, (Wegner), Environment and Natural Resources Trust Fund and Parks and Trails Fund, Three Rivers Park District

MPOSC District: A – Rick Theisen

Policy/Legal Reference: MN Statutes 85.53 Subd. 3(4); MN Statutes 473.315; MN Constitution, Article XI, Sec. 15; 2040 Regional Parks Policy Plan Siting and Acquisition Policy: Strategy 1

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

Division/Department: Community Development Division / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$558,107 to Three Rivers Park District to acquire the Wegner parcel at 15510 Territorial Road, Maple Grove for Rush Creek Regional Trail;
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council;
3. Consider reimbursing Three Rivers Park District for up to \$186,036 from its share of a future Regional Parks Capital Improvement Program for costs associated with this acquisition; and
4. Inform Three Rivers Park District 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 (Agency) and Location. This grant was requested by Three Rivers Park District on November 28, 2017. A copy of the Agency's request is attached to this item. Rush Creek Regional Trail is located in northern Hennepin County and, when complete, will traverse 18.3 miles through Brooklyn Park, Maple Grove, Dayton and Hassan Township.

Policy. Strategy One of the Siting and Acquisition policy from the *2040 Regional Parks Policy Plan* states that "*lands with natural resource features and/or access to water will have priority over other proposed park land.*"

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 the remaining 25% as local match. The Council would fund this grant through both PTLF and ENRTF, plus the normal Council match.

Funding for this project will be provided in part by the Minnesota Environment and Natural Resources Trust Fund as recommended by the Legislative-Citizen

Commission on Minnesota Resources (LCCMR). The Trust Fund is a permanent fund constitutionally established by the citizens of Minnesota to assist in the protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Currently 40% of net Minnesota State Lottery proceeds are dedicated to growing the Trust Fund and ensuring future benefits for Minnesota's environment and natural resources.

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

- reviews each PAOF request to ensure that the proposed acquisition complies with state statute and Council policy;
- ensures 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 12.94-acre property is an inholding within the Council-approved alignment of the regional trail. Natural resources located on the property include Rush Creek, which runs through the northern portion of the property. The property contains an older residence with significant deferred maintenance issues along with several outbuildings. The conditions of the buildings, which include rot and infestations of snakes, precludes reasonable re-use.

In the short term, the Agency plans on conducting an environmental assessment, removing all personal property and structures and returning the property to a natural state. The long-term plan is to remove invasive species, improve the condition and composition of the native plant communities, which improves the ecological function as well as improving recreational value by buffering the regional trail from adjacent existing and future development. The Park District will also address any potential erosion along the creek corridor.

Acquisition details. This is a fee simple transaction with two easements: one for the adjacent Territorial Road, and another for utilities. Neither will impact use of the property for the regional trail.

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 on February 27, 2008; and
- All requirements of both PTLF and ENRTF. The ENRTF portion of this purchase is currently under consideration by the Legislative Citizens Commission on Minnesota Resources to add the property to the approved workplan for the Council's 2014 appropriation.

Thrive Lens Analysis

This request is consistent with Thrive's Livability outcome because the Council's investment in the Rush Creek Regional Trail will increase access to nature and outdoor recreation, thereby enhancing the region's quality of life.

Funding

Project budget. The appraised value is \$655,000, and the Agency has offered the seller 99.2% of the appraised amount plus closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$650,000
Due diligence (appraisal, Phase I environmental site assessment, etc.)	18,400
Holding and closing costs	15,743
Stewardship	<u>60,000</u>
Total costs	\$744,143

Grant structure	
State FY 2015 ENRTF PAOF	\$166,234
State FY 2018 PTLF PAOF	168,630
Council bonds	<u>223,243</u>
Grant amount not to exceed	\$558,107
Local match	\$186,036

Fund balance.

If this grant is awarded by the Council, the updated balances for ENRTF and PTLF will be as shown below.

Source	State Funds	Council Match	Total
2014 ENRTF	\$937,150	\$624,767	\$1,561,917
2015 ENRTF	1,000,000	666,667	1,666,667
2017 ENRTF	1,500,000	1,000,000	2,500,000
2018 PTLF	1,114,277	743,761	1,858,038
Totals	\$4,551,427	\$3,035,195	\$7,586,622

Future reimbursement consideration. The Agency is also requesting that the Council consider reimbursing its local match of \$186,306 for this acquisition at some point in the future as a part of a regular Capital Improvement Program (CIP). A request for “future reimbursement consideration” is the first step in a process Agencies may use to request repayment of their match amount for this acquisition in a future CIP cycle. Because the Council issues bonds to cover exactly 40% of CIP costs for a given state bonding cycle, such reimbursements are limited. The Council is under no obligation to reimburse this amount.

Known Support / Opposition

There is no known opposition.

Exhibit List

- Exhibit 1: 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

November 28, 2017

Three Rivers
Park District
Board of
Commissioners

Penny Steele
District 1

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

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

Jennifer DeJournett
District 2

Dear Emmett,

Daniel Freeman,
Vice Chair
District 3

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Rush Creek Regional Trail in the amount of \$558,107.25 for acquisition of 12.94 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.

John Gunyou,
Chair
District 4

Background Summary

In 2009, Three Rivers Park District staff were contacted by a property owner interested in selling their 12.94-acre parcel at 15510 Territorial Road in the City of Maple Grove along the Rush Creek Regional Trail corridor. The parties were not able to agree on a purchase price at that time. Three Rivers was again approached by the property owner in 2017 and the parties were able to agree on a purchase price based on the appraised value. Acquisition of this property which includes a segment of the Rush Creek traverses supports the long-term vision of the Rush Creek Regional Trail Corridor.

John Gibbs
District 5

Funding Request

Larry Blackstad
Appointed
At Large

Three Rivers requests acquisition funding come from the Environmental Natural Resources Trust Fund, Parks and Trails Legacy Fund and Metropolitan Council. The composition of the property make it a good candidate to pursue multiple funding sources due to the type and location of development and natural resources on the property. The property includes 9.6 acres of undeveloped natural area (northern three-fourths) and 3.34 acres of developed area with a homestead (southern fourth). The enclosed map illustrates the proposed funding split.

Steve Antolak
Appointed
At Large

Cris Gears
Superintendent

In addition, the grant request submittal includes 1) a supplemental letter to the appraisal attributing values to the undeveloped and developed areas of the property and 2) a funding breakdown spreadsheet articulating how acquisition costs are proposed to be funded based on the intent and rules of each funding source.

Regional Recreation Amenity

Acquisition of this parcel as well as several others along the Rush Creek are critical to the long-term Rush Creek Regional Trail vision. When complete the regional trail will span over 18 miles across the northern half of Hennepin County from the Mississippi River at Coon Rapids Dam Regional Park to the Crow River at Crow-Hassan Park Reserve via Elm Creek Park Reserve. As envisioned the regional trail will incorporate and highlight the natural resources of the area including Rush Creek, wetland complexes, wooded areas and unique bluffs along Rush Creek near Elm Creek Park Reserve providing a high-quality destination regional trail greenway.

Acquisition of parcels along the corridor, specifically parcels with high natural resource value, are critical to achieving this vision. To this end, Three Rivers recently acquired the property directly to the east making this property a more critical acquisition.

Natural Resource Summary

The property totals 12.94 acres including approximately 5.91 acres of upland and 7.03 acres of wetland. The undeveloped, open portions of the property are naturally converting from old brome field grasses to wooded areas with the remainder areas of the undeveloped areas already wooded with species typical to both floodplains/seasonally wet conditions as well as upland, dry conditions.

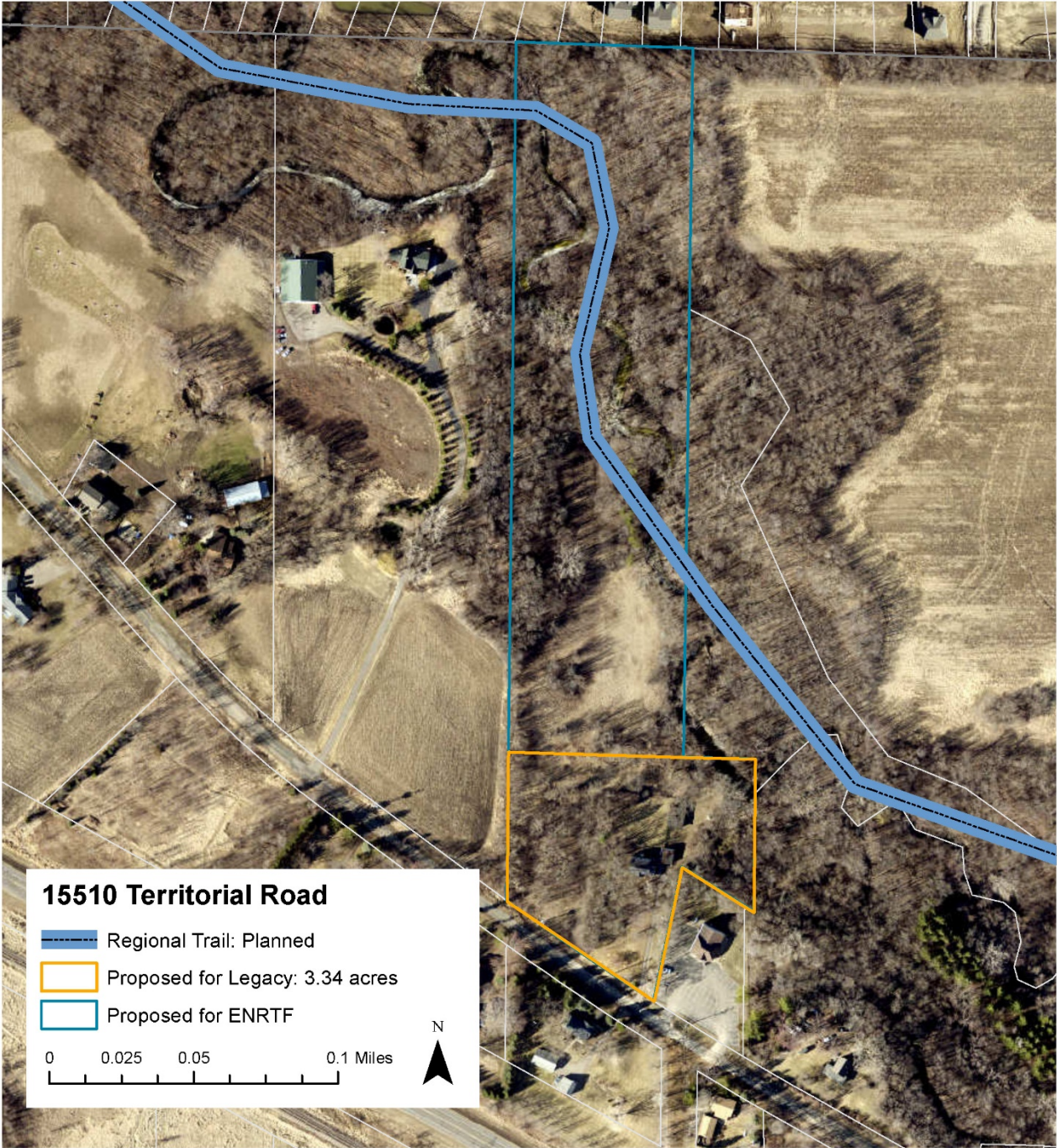
Thank you for your continued assistance through this process.



Heather Kuikka
Planning Administrative Specialist

Enclosures

C: Jonathan Vlaming, Associate Superintendent
Kelly Grissman, Director of Planning
Deb Jensen, Metropolitan Council



PHOTOGRAPHS OF SUBJECT



Front View of Home



Rear View of Home

PHOTOGRAPHS OF SUBJECT



Aerial View of Subject - Hennepin County Interactive Maps

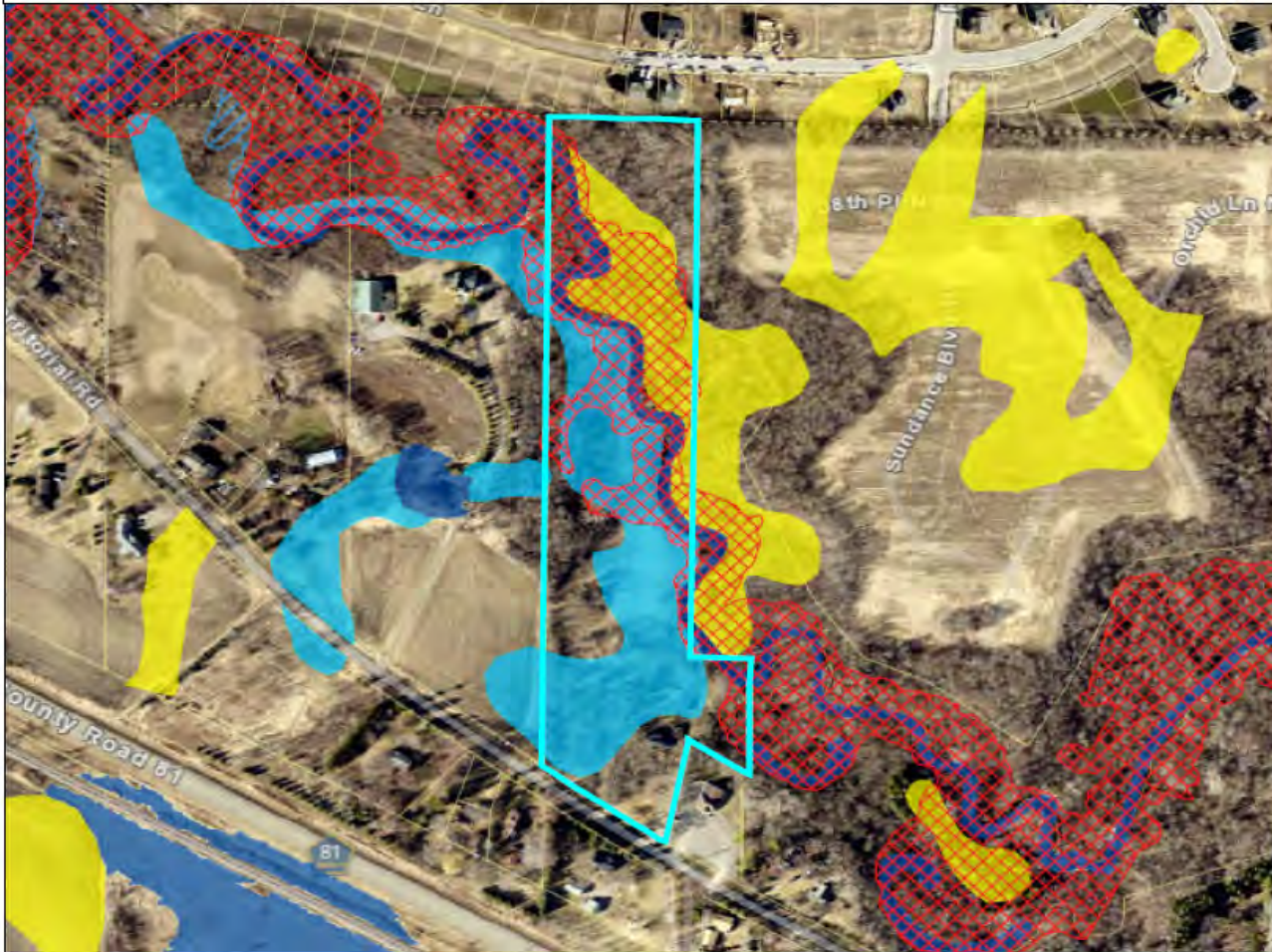


Aerial View of Subject with Contour Overlay - Hennepin County Interactive Maps



Hennepin County Natural Resources Map

Date: 9/14/2017



Legend

FEMA Floodplains - 100 Year

- A
- AE FLOODPLAIN
- AH
- AO
- AE FLOODWAY

Wetlands

- Potential Wetland - HCWI
- Probable Wetland - HCWI
- Probable Wetland - NWI

PID: 041192220007
 Address: 15510 TERRITORIAL RD,
 MAPLE GROVE
 Owner Name: D R WEGNER &
 J M WEGNER
 Acres: 12.94

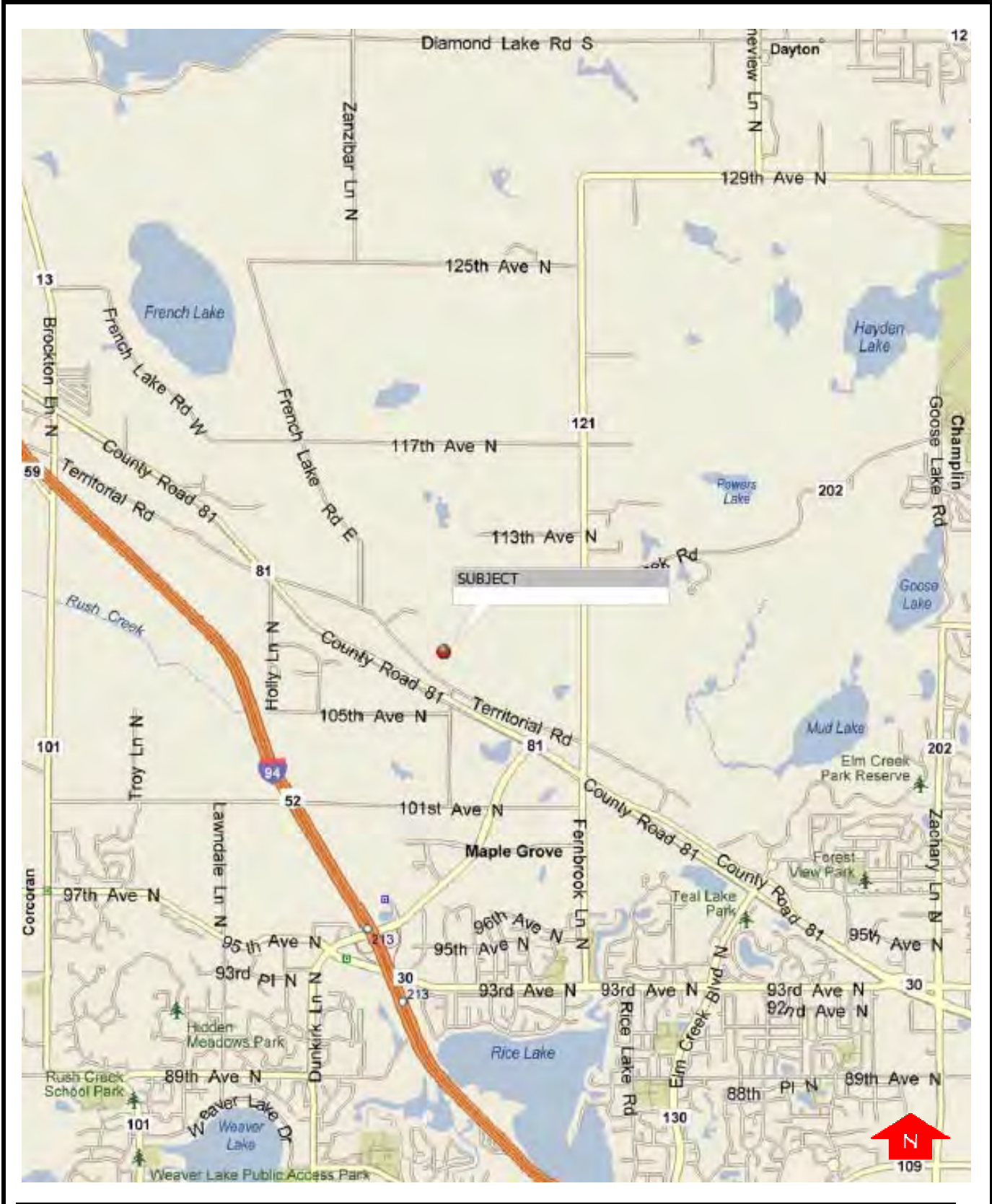
Comments:

1 inch = 400 feet



This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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SUBJECT LOCATION MAP



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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](#) | [Release for Review](#) | [Negotiation](#) | [Annotations\(0\)](#) | [Versions](#) | [Feedback](#) | [Withdraw](#)

08719 - 2017 (FY18) Parks Acquisition Opportunity Fund - Final Application

**09888 - TRPD Rush Creek RT Wegner Property Acquisition
Parks Grants Acquisition**

Status:	Submitted	Original Submitted Date:	11/09/2017 3:59 PM
		Last Submitted Date:	11/28/2017 2:26 PM

Applicant Information

Primary Contact:

Name:*	Ms. <small>Salutation</small>	Heather <small>First Name</small>	Kristin <small>Middle Name</small>	Kuikka <small>Last Name</small>
Title:*	Administrative Specialist - Planning			
Department:				
Email:*	Heather.Kuikka@threeriversparks.org			
Address:*	3000 Xenium Lane N			
* Phone:*	Plymouth <small>City</small>	Minnesota <small>State/Province</small>	55441 <small>Postal Code/Zip</small>	
Fax:	763-559-9000 <small>Phone</small>			Ext.
What Grant Programs are you most interested in?*	Parks Grants Acquisition			

Authorized Official

Name:*	Ms. <small>Salutation</small>	Kelly <small>First Name</small>	Kristin <small>Middle Name</small>	Grissman <small>Last Name</small>
Title:*	Director of Planning			
Department:	Planning			
Email:*	deb.jensen@metc.state.mn.us			
Address:*	3000 Xenium Lane North			
* Phone:*	kgriissman@threeriversparkdistrict.org			
	Plymouth	Minnesota	55441	

	City	State/Province	Postal Code/Zip
Phone:*	763-694-7635 <small>Phone</small>		Ext.
Fax:	763-557-5248		
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		
* County:*	PLYMOUTH <small>City</small>	Minnesota <small>State/Province</small>	55441-2661 <small>Postal Code/Zip</small>
Phone:*	Hennepin		Ext.
Fax:	763-559-6700		
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 Rush Creek Regional Trail
Name of master plan Council approval date - Format: mmdyyy (Do not enter any punctuation.)

If no, has a master plan amendment been submitted to the Council for review and approval?

Acquisition method

Acquisition method Fee title

If the acquisition method is anything other than routine, provide more detail.

This question seeks a general description of the acquisition method - is this a routine purchase, or does it involve a land donation, park dedication fees, condemnation, or some combination? Please use this space to describe the overall acquisition project.

This is generally a standard or routine acquisition; however, the property lends itself nicely to **seeking both Legacy and ENRTF funds** due to a portion of the property being undeveloped and along the Rush Creek and a portion being developed as a homestead with outbuildings. Please refer to the enclosed request letter for specific regarding the funding breakdown as the online grant application does not easily account for this acquisition strategy.

The appraiser prepared a supplemental letter attributing a portion of the property value to the undeveloped areas (\$359,000 - 'homestead') and a portion of the property to the developed area (\$296,000 - 'Back 40'). This letter is enclosed.

In addition, the general basis for funding allocation is outlined below.

Purchase price	ENRTF 'Back 40' value based on supplemental letter from appraiser	Legacy 'Homestead' value based on supplemental letter from appraiser
Appraisal/Supplemental appraisal	50%	50%

Letter
 Environmental Related Costs 100% (main focus area is the area with structures)
 Land Stewardship 100% (demo and site restoration)
 Taxes, closing, costs, state deed, title insurance Prorated based on 'Back 40' value Prorated based on 'Homestead' value

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

The property owner and appraisal process did not reveal any known easements or encumbrances on the property; however, it is likely that there is an easement for Territorial Road. This will not affect the acquisition value or use of the property. If any additional encumbrances are discovered as part of the title work that affect the value or ultimate use of the property the Park District will work with the property owner and Metropolitan Council as appropriate to adjust the purchase price, unencumber the property, or similar.

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 03/01/2018
Format: mmddyyyy (Do not enter any punctuation.)

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

Appraisal effective date 09/21/2017

Appraisal information

Appraised value \$655,000.00

Amount being offered the seller (net of closing and other costs) \$650,000.00 99.24%
% of appraised value

Appraisal date 09/11/2017

Who performed the appraisal? Patchin Messner Dodd & Brumm

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

Was a survey done? No

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 property is generally split between developed (3.34 acres) and undeveloped (9.6 acres). The southern portion of the property is developed and a mix of lawn, field brome grass and patches of trees/woodland.

The northern half of the property is wooded and a mix of floodplain forest and upland species. Rush Creek (~1,350 linear feet) runs through the wooded area and the areas adjacent to the creek are subject to flooding. There is some topography changes but it is generally flat with steeper topography along portions of the creek.

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

PTLF Legacy / Council match

Select as many as apply

Structures currently on the property**Does the property contain ANY structures?**

Yes

If yes, are there any habitable structures?

Yes

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

The home and all the outbuildings will be demolished. There is second house on the property that was used as a rental. However, it has been deemed inhabitable due to rot, deferred maintenance, mice and snakes.

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

No - it's not economically feasibly. The main house has some significant deferred maintenance that limits its future use without significant work and investment (mold, broken windows, water damage, rot, etc.) The Sellers have no interest in relocating their house.

For ENRTF funding only

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

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

This parcel is within the boundaries of a Council approved master plan for the regional trail and has been part of the acquisition plan for nine 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 regional trail 7.2 miles (Mississippi River at Coon Rapids Dam Regional Park to Elm Creek Park Reserve) 11 miles west to Crow-Hassan Park Reserve providing 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 Rush Creek, wetland complexes, wooded areas, and unique bluffs along Rush Cree near Elm Creek Park Reserve.

Further this parcel is immediately adjacent to another parcel recently retained by Three Rivers with ENRTF for purposes of the regional trail greenway. With each additional parcel retained, the vision for a natural resource based trail corridor becomes closer and closer to reality.

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 Cree, 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 is critical as the Park District predominately acquires property on a willing seller basis. In this case, there is a willing seller whom has signed a purchase agreement for the sale of their property.

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

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

There is one habitable structure which will be secured using Legacy, Three Rivers and Met Council Bond funds and not ENRTF. All related stewardship and demolish costs will also be paid for with these funds and not ENRTF.

The structure, while habitable, has some significant deferred maintenance that limits its use without significant work and investment (mold, broken windows, water damage, rot, etc.). Three Rivers intends to demolish the home and all associated outbuildings and return the entire property back to a natural state until which time the regional trail is constructed.

Stewardship and minimal access**Describe the stewardship plan.**

Three Rivers immediate stewardship plan includes conducting an environmental assessment (in progress), appropriately addressing any concerning findings, removing all of the personal property and structures and returning the property to a natural state.

The long-term stewardship plan is to remove invasive species, improve the condition and composition of the native plant communities which improves the ecological function (wildlife habitat, air quality, stormwater management, erosion control, etc.) as well as improving recreational value by buffering the regional trail from adjacent existing and future development, and address any potential erosion along the creek corridor.

While regional trail construction is likely 10+ years out, construction will follow industry best management practices to reduce potential environmental impacts (wetland buffers, rain gardens, etc.).

How will the stewardship implementation be funded?

The immediate stewardship plan will be partly funded by the requested grant (Legacy/Met Council bonds - not ENRTF) and Three Rivers. The long-term stewardship plan would likely be funded by Three Rivers operation funds.

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 and Betterment Fund (LADB).

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

If yes, how much? \$186,035.00

Sellers and parcels

Seller name	Parcel address	PID	Acres	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude
Daniel and Joelle Wegner	15510 Territorial Road, Maple Grove, MN 55369	04-119-22-22-0007	12.94 12.94	10/19/2017	Yes	34A	Maple Grove	Hennepin	1	District A	45.150041	-93.477573

Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Boe R Carlson	Superintendent and Secretary to the Board	

Acquisition Costs

Cost Items	Amount
Purchase price	
Negotiated purchase price	\$650,000.00
Appraisal expenses	
Appraisal	\$6,500.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$1,900.00
Phase II environmental site assessment	\$10,000.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$60,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$6,250.00
Legal services and closing costs	\$3,000.00
Property tax equivalency payment-473.341	\$3,283.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$2,210.00
Title insurance	\$1,000.00

Well disclosure statement		\$0.00
Other holding		\$0.00
Other expenses		
Other expenses		\$0.00
	Totals	\$744,143.00

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)	\$744,143.00	\$334,864.35	\$223,242.90	\$186,035.75	\$558,107.25

Required Attachments - Acquisition

Attachment	Description	File Name	Type	File Size
Section 1 - REQUIRED FOR ALL REQUESTS				
Grant request letter	Grant Request Letter	2017-11-28_Wegner Request Letter.docx	docx	1.1 MB
Master plan documentation (please compress to 5 Mb max)	Master plan documentation	Rush Creek - 15510 Territorial Master Plan Excerpts.pdf	pdf	1.0 MB
Aerial photo showing parcel boundary (please compress to 5 Mb max)	Aerial of parcel	wegner aerial.pdf	pdf	580 KB
Parcel map showing park/trail master plan boundary (please compress to 5 Mb max)	Trail boundary	trail map.pdf	pdf	61 KB
Governing Board action authorizing grant request	Board Action	Board Action.docx	docx	760 KB
Section 2 - FEE TITLE REQUIREMENTS				
Signed purchase agreement	Purchase Agreement	Signed Wegner PA.pdf	pdf	4.5 MB
Property appraisal report (please compress to 5 Mb max)	Wegner Property Appraisal	2017 Final Appraisal_Reduced.pdf	pdf	5.8 MB
Appraisal invoice	Appraisal Invoice	Patchin Invoice_Wegner Appraisal.pdf	pdf	406 KB
Phase 1 environmental site assessment report				
Phase 1 environmental assessment invoices	Environmental Assessment Invoice	PMP177525 - Wegner Property_Maple Grove_ESA Proposal-signed.pdf	pdf	5.2 MB
State deed tax or conservation fee invoice	Additional Info.	Additional Met Council Info.docx	docx	14 KB
Current property tax statement with pro-rated share of tax due	Tax statement	2017 Tax Information.docx	docx	33 KB
Tax equivalency payment	Tax equivalency info	Additional Met Council Info.docx	docx	14 KB
Title insurance invoice	Title estimate	Additional Met Council Info.docx	docx	14 KB
Itemized estimate of closing costs	Closing Cost Estimate	Additional Met Council Info.docx	docx	14 KB
Minimal access development estimated costs	Additional info	Additional Met Council Info.docx	docx	14 KB
Land stewardship plan	Land Stewardship	Additional Met Council Info.docx	docx	14 KB

KB

14

KB

13

KB

14

KB

Section 3 - CONDITIONALLY REQUIRED ATTACHMENTS

2.5

MB

91

KB

61

KB

15

KB

Required if this grant will serve as partial or full

match to another grant Copy of federal or other grant

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

[Return to Top](#)

Meeting Date: 10/19/17 Business Item: New Item Number: **7A**

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

Agenda Item: Rush Creek Regional Trail: Acquisition

Superintendent’s Recommendation:

MOTION TO APPROVE A PURCHASE AGREEMENT IN THE AMOUNT OF \$650,000 FOR THE ACQUISITION OF 15510 TERRITORIAL ROAD IN THE CITY OF MAPLE GROVE FOR THE RUSH CREEK REGIONAL TRAIL AND TO ESTABLISH A PROJECT BUDGET IN THE AMOUNT OF \$725,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT AND BETTERMENT FUND.

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

Background:

In 2009 staff were contacted by a property owner interested in selling their 12.94-acre parcel at 15510 Territorial Road in the City of Maple Grove along the Rush Creek Regional Trail corridor to Three Rivers (**Reference 7A-1**). The Board authorized staff to negotiate a purchase agreement and conduct all associated assessments and coordination requirements for the acquisition. After review of the appraisal, the owner decided that they did not want to sell at that time.

The parties agreed to continue discussions and routinely discussed the acquisition over the last eight years. In late August the property owners again reached out to staff with an interest to sell their property and outlined an aggressive 45-day timeline to provide an offer as they were also seeking offers from at least two other parties. Given the aggressive timeline, staff expedited an appraisal and commenced negotiations with the property owners – subject to future Board support and approval.

Park District staff negotiated a purchase price and agreement with the property representatives in the amount of \$650,000, which is \$5,000 less than the appraised value to account for anticipated cleanup of personal property throughout the site. The purchase agreement includes several standard contingencies to best protect the Park District including, but not limited to, municipal consent, partial funding by the Metropolitan Council, environmental assessment, and similar (**Reference 7A-2**).

The property totals 12.94 acres including approximately 5.91 acres of upland and 7.03 acres of wetland. The Rush Creek Regional Trail is designed to run directly through the parcel which would eventually connect to Crow-Hassan Park Reserve and the Crow River Regional Trail. The Park District recently acquired the property directly to the east making this property a more critical acquisition.

Funding

The total acquisition cost is estimated at \$725,000 to account for the cost of the property, appraisal, environmental assessment, demolition basic site restoration and other incidental costs.

This property is eligible for up to 75% acquisition reimbursement (~\$543,750) from the Metropolitan Council. The remaining 25% local match (~\$181,250) would be funded with Land Acquisition Development and Betterment funds.

Relationship to the Vision Plan

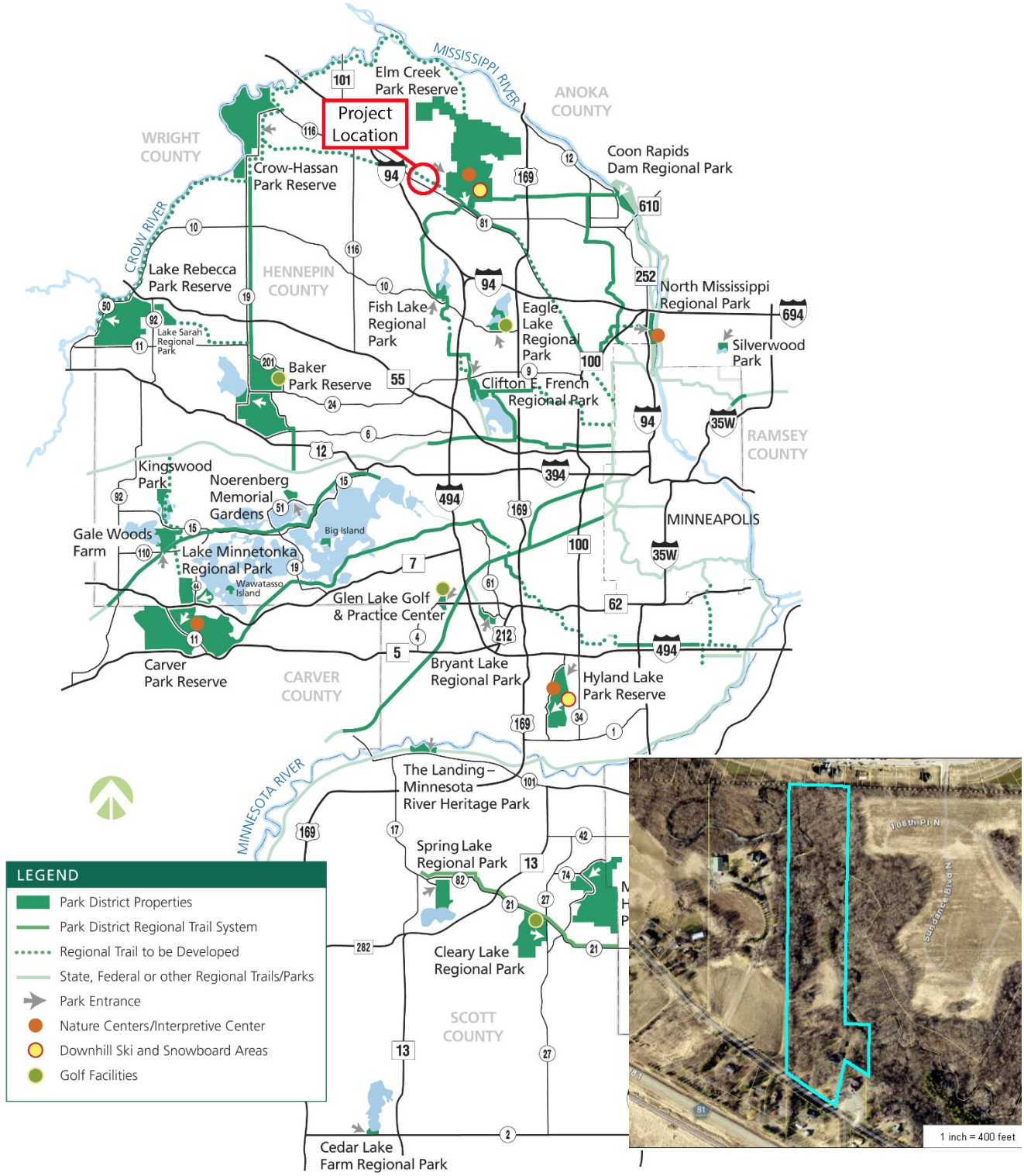
The Request for Action supports the following element(s) of the Vision Plan:

- Inspire People to Recreate
- Connect People to Nature
- Collaborate Across Boundaries

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



Reference 7A-2

**RUSH CREEK REGIONAL TRAIL
WEGNER PROPERTY PURCHASE AGREEMENT**

Click below to view/print agreement.

[2017 Board References\10-19 Wegner Purchase Agreement.pdf](#)

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 **Daniel and Joelle Wegner**, husband and wife ("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; and

WHEREAS, Seller owns property located at 15510 Territorial Road, Maple Grove, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 12.94 acres; and

WHEREAS, Seller and Buyer wish to enter into an agreement for the conveyance of the 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 convey to Buyer and Buyer agrees to accept from Seller 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 Six Hundred Fifty Thousand Dollars and no cents (\$650,000) ("Purchase Price") 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 Subject Property subject only to the following exceptions:

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

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

8. Title and Documents.

(a) Documents and Information to be provided. Within 15 days after the acceptance of this Agreement by the parties hereto, 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.
- (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 approval of this Purchase Agreement furnish Buyer with an updated abstract to the Subject Property, if possible. Buyer agrees to obtain an owner's title commitment. Buyer shall pay the title commitment fee and shall pay the premium for any title insurance desired by Buyer. The title examination period shall commence upon Buyer's receipt of a current title insurance commitment.

(c) Review of Commitment. Buyer shall have 30 days after receipt of the title commitment within which to object to the contents. If said objections are not made in writing within such time period, Buyer shall be deemed to have waived such objections. If Buyer objects to the contents of the title documents, Seller shall have 120 days from the date of such objections to make title marketable or to determine to not make title marketable and to terminate this Agreement, in which case neither party shall have any further obligation to the other. If title is not made marketable within 120 days, this Agreement shall be null and void at the sole option of Buyer and neither party shall have any further obligation under this Agreement.

(d) Inspections; Document Review. With respect to all of the above items other than the title documents, Buyer shall have 90 days after delivery of the foregoing to Buyer during which to inspect all such items. Further, Buyer may inspect the Subject Property and conduct such other and further inspections or other review as seems necessary by Buyer during such period. If such review and/or inspection by the Buyer shall be unsatisfactory to Buyer, Buyer shall notify 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. Seller hereby grants Buyer and/or its agents the right 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.

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

During the period of 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 known to Seller prior to conveyance to Buyer.

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 are no persons in possession of the property, including, but not limited to tenants, licensees, or permittees.

11. Defaults/Right to Terminate. In addition to the other rights to terminate this Agreement granted to each of the parties pursuant to this Agreement, either party may cancel this Agreement upon 30 day's written notice to the other party at any such time as such other party is in default of its agreements hereunder and remains in such default for 30 days following the written notice of such default.

12. Due Authorization. Seller and Buyer hereby represent to the other that each has the requisite power and authority to execute this Agreement and the documents referred to herein and to perform its obligations hereunder and thereunder; and the individuals executing this Agreement and all such other documents that have a legal power, right and actual authority to bind each of the parties hereto to the terms and conditions of the Agreement and all other such documents. Further, each of the parties to this Agreement hereby represents to the other that its execution and performance of this Agreement and all other documents referred to herein shall not violate any applicable statute, ordinance, governmental restriction or regulation, or any prior restriction or agreement.

13. Closing; Contingencies.

- (a) Performance at Closing. Subject to satisfaction of Paragraphs 8 and 13(b) hereof, the Closing of the transaction contemplated by this Agreement shall take place at 3000 Xenium Lane North, Plymouth, MN 55441 on January 31, 2018 or at such other time as may be 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;
 - (c) pay any and all other closing costs including all filing fees; and
 - (d) Pay to the Seller the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) Contingencies. Notwithstanding the foregoing, the parties to this Agreement acknowledge that the Closing is expressly subject to the following contingencies:
- (i) Buyer shall obtain consent of the City of Maple Grove to its acquisition of the Subject Property pursuant to Minn. Stat. § 398.09(b)(1);
 - (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;

- (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement 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; and
- (v) Approval of reimbursement to Buyer by Metropolitan Council and the Legislative Citizen Commission on Minnesota Resources.

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.

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 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.

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

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

no way excuse the other party from the performance of any of its other obligations under this Agreement.

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

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

If to Seller:

Daniel and Joelle Wegner
15510 Territorial Road
Maple Grove, MN 55369

If to Buyer:

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

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


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

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


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: 10/19/17

By 
John Gunyou, Board Chair

Dated: 10/19/17

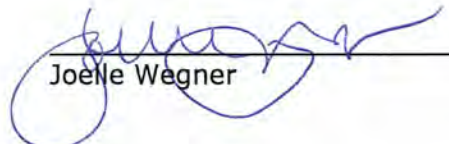
By 
Boe R. Carlson, Superintendent

Dated: 11-9-2017

SELLER:

Daniel Wegner

Dated: 10-27-17


Joelle Wegner

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

EXHIBIT A

Legal Description of Subject Property

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Property Identification Number: 04-119-22-22-0007



PATCHIN MESSNER DODD & BRUMM

VALUATION COUNSELORS

September 21, 2017

Three Rivers Park District
3000 Xenium Lane North
Plymouth, MN 55441

ATTN: Ms. Kelly Grissman
Director of Planning

RE: Market Value Appraisal
Full Acquisition Value
Wegner Property
15510 Territorial Road
Maple Grove, Minnesota

Dear Ms. Grissman:

At your request, we have appraised the above-referenced property for the purpose of estimating its fee simple market value for possible acquisition. The function of this appraisal is to provide valuation guidance to the Three Rivers Park District in the acquisition of the subject property in its entirety.

This appraisal is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and with the provisions of Minnesota Statutes, Chapter 117. This report presents summary discussions of the data and analyses used in the appraisal process. Additional information and documentation concerning the data and analyses of this appraisal have been retained in our files.

The subject of this report is a 12.94-acre tract of land, improved with a single-family home, guest cottage, detached garage, barn, lean-to and other sheds, located at 15510 Territorial Road in Maple Grove (Hennepin County Tax PID No. 04-119-22-22-0007). The northerly portion of the site is traversed by Rush Creek, and contains associated wetland areas. The property is also characterized by sloping and wooded topography.

Based on inspection of the property on September 11, 2017, and after consideration of the many factors influencing market value, it is the appraisers' opinion that the subject has a market value, as of September 11, 2017, of **\$655,000**.

SIX HUNDRED FIFTY-FIVE THOUSAND DOLLARS

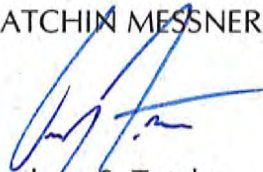
This estimate of value assumes that the outstanding special assessments for upgrades to Territorial Road have been paid in full.

It should be noted that this letter does not qualify as an appraisal, and the reader is directed to the following report for the data, analyses and conclusions, which support this value estimate. The appraisal report is contingent upon the assumptions and limiting conditions submitted within the report. The Contingent and Limiting Conditions section of this report should be thoroughly read and understood before relying on any information or analysis presented herein.

Thank you for allowing our firm to be of assistance in this matter. If you have any questions after reading this report, feel free to contact us at your convenience.

Respectfully submitted,

PATCHIN MESSNER DODD & BRUMM



Andrew S. Tetzke
Trainee Real Property Appraiser
Minnesota License 40288605



Sherril L. Brumm, MAI
Minnesota Certified General Real Property
Appraiser License 20249948