

Metropolitan Parks and Open Space Commission

Meeting date: May 1, 2018

For the Community Development Committee meeting of May 7, 2018

For the Metropolitan Council meeting of May 23, 2018

Subject: Parks Acquisition Opportunity Fund Grant for West Mississippi River Regional Trail (Dahlheimer), Three Rivers Park District

MPOSC District: A – Rick Theisen

Policy/Legal Reference: MN Constitution, Article XI, Sec. 15 and MN Statutes 473.315; 2040 Regional Parks Policy Plan Siting and Acquisition Policy: Strategies 1 and 2; Environment and Natural Resource Trust Fund (ENRTF)

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

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$431,147 to Three Rivers Park District to acquire the Dahlheimer parcel at 15590 Dayton River Road in the City of Dayton, for the West Mississippi River 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 \$143,716 from its share of a future Regional Parks Capital Improvement Program for costs associated with the Dahlheimer 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. Three Rivers Park District (Park District) requested this grant on March 9, 2018. A copy of the Park District's request is attached to this item. When constructed, the West Mississippi River Regional Trail will be located in northeast Hennepin County, and it will run from Brooklyn Center to Dayton. This property comprises two parcels situated on the Mississippi River. The Park District's Board of Commissioners authorized entering into the purchase agreement on February 8, 2018.

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

Community Engagement. The community engagement for this acquisition was conducted as a part of the master planning process in February and March of 2018. The Park District:

- Created an Agency Stakeholder Committee, composed of Anoka and Hennepin Counties, the Minnesota Departments of Transportation and

Natural Resources, the National Park Service, West Mississippi Watershed Commission, and the Metropolitan Council;

- Conducted an online survey and created web pages to provide an online forum;
- Held an open house, attended by 45 people, for which all adjacent property owners received printed invitations;
- Engaged the public at eight events; and
- Reached out to nine community groups.

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 will fund this grant through ENRTF and 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 property comprises two parcels totaling 11.27 acres within the Council-approved boundaries of the regional trail. The property includes river shoreline and wooded ravines; closer to Dayton River Road, the property is more flat and open. In the short term, the Park District will conduct a Phase I Environmental Site Assessment and begin the process of returning the property to a natural state. The regional trail's master plan calls for removing invasive species, improving the condition and composition of native plant communities and addressing any potential erosion along the ravines that drain to the river. The regional trail as currently planned will be located in the road's right of way. The property was appraised in January 2018.

Acquisition details. This is a straightforward, fee simple transaction. There is one drainage easement that will not interfere with the regional trail. The purchase agreement was signed on February 8, 2018 and is contingent upon approval by Legislative Citizens Commission on Minnesota Resources and the Metropolitan Council.

Rationale

This acquisition is consistent with:

- The 2040 Regional Parks Policy Plan;
- Appropriation requirements;

- The West Mississippi River Regional Trail master plan, approved by the Council on April 25, 2018; and
- All requirements of ENRTF funding. Legislative Citizens Commission on Minnesota Resources staff approved an amendment on April 11, 2018, adding these parcels to the 2014 acquisition work plan.

Thrive Lens Analysis

This request is consistent with Thrive’s Livability outcome because the Council’s investment in the regional trail will increase access to nature and outdoor recreation, which enhances the region’s quality of life.

Funding

Project budget. The appraised value is \$543,000, and the Agency has offered the seller 100% of the appraised amount; the budget also includes closing and other costs as shown below.

Budget item	Requested amount
Purchase price	\$543,000
Due diligence (appraisal, Phase I environmental site assessment, etc.)	17,000
Holding and closing costs	14,862
Total costs	\$574,862
Grant structure	
State FY 2014 ENRTF PAOF	\$258,688
Council bonds	172,459
Grant amount not to exceed	\$431,147
Local match	\$143,715

Fund balance.

If this grant is awarded by the Council, the combined balance available for ENRTF/PAOF and Council match will be \$5,020,380.

Future reimbursement consideration. The Park District is also requesting that the Council consider reimbursing its local match of \$143,715 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 Regional Parks Implementing 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: Purchase agreement
- Exhibit 5: Appraisal excerpts

Exhibit 1: Grant request letter

March 9, 2018

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 West Mississippi River
Regional Trail

Dear Emmett,

Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for West Mississippi River Regional Trail in the amount of \$431,146.65 for acquisition of 11.27 acres located in the City of Dayton. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Background Summary

In late 2017, staff discovered that two key pieces of property totaling 11.27 acres located along Dayton River Road/County Road 12 (CR12) in Dayton along the West Mississippi River Regional Trail (WRRRT) were for sale on the open market. Staff commenced discussion with the property representatives to determine if there was an interest to sell the properties to the Park District. The initial conversations were successful, and, under the direction of the Superintendent, Park District staff negotiated a purchase agreement reflective of the appraised value for Board consideration and approval.

The WRRRT, defined primarily as a destination regional trail, is intended to incorporate areas adjacent to the trail to improve wildlife habitat, protect natural resources, minimize construction impacts on the land and associated costs and provide 'touchpoints' to view and experience the river.

The WRRRT Dayton segment is planned adjacent to Dayton River Road/CR 12, within the road right-of-way. Within this stretch there are several areas with identified construction constraints due to steep ravines adjacent to the road shoulder which will require significant engineering and/or land acquisition to fully realize the complexity of a separate, off-road WRRRT facility. As the master plan recommends, opportunity for additional river touchpoints via property acquisition in this area of Dayton River Road/CR 12 is a priority.

The two properties for sale (PID: 0912022220004; 7.43 acres and PID: 0912022220005; 3.84 acres) contain several of the aforementioned steep ravines adjacent to the road shoulder.

Acquiring these properties would alleviate construction constraints, as the pedestrian bridges required could be placed in a manner that is more cost-effective and scenic. Additionally, property acquisition would:

- Establish an additional scenic Mississippi River 'touchpoint' for WMRT users.
- Preserve 1,300 feet of Mississippi River shoreline in the wild and scenic portion of the Mississippi National River and Recreation Area.
- Preserve open space, wildlife habitat and natural resources.

Please process this request in order to close on property on June 6, 2018.

Thank you for your continued assistance throughout this process.

A handwritten signature in blue ink that reads "Heather Kuikka". The signature is written in a cursive, flowing style.

Heather Kuikka

Planning Administrative Specialist

Enclosures

C: Jonathan Vlaming, Associate Superintendent
Kelly Grissman, Director of Planning
Ann Rexine, Principal Planner

Exhibit 2: Images





Menu | Help | Log Out

Back | Print | Add | Delete | Edit | Save

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](#)

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

10330 - Dahlheimer Property Acquisition - 15590 Dayton River Road
Parks Grants Acquisition

Status: Under Review

Submitted Date: 03/09/2018 1:40 PM

Applicant Information

Primary Contact:

Name:* Ms. Heather Kuikka
Salutation First Name Middle Name Last Name

Title:* Administrative Specialist - Planning

Department:

Email:* Heather.Kuikka@threeriversparks.org

Address:* 3000 Xenium Lane N

***** Plymouth Minnesota 55441
City State/Province Postal Code/Zip

Phone:* 763-559-9000 Phone Ext.

Fax:

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

Authorized Official

Name:* Ms. Kelly Kristin Grissman
Salutation First Name Middle Name Last Name

Title:* Director of Planning

Department: Planning

Email:* deb.jensen@metc.state.mn.us

Address:* 3000 Xenium Lane North

***** kgrissman@threeriversparkdistrict.org
Plymouth Minnesota 55441
City State/Province Postal Code/Zip

Phone:* 763-694-7635 Phone 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

*

PLYMOUTH
CityMinnesota
State/Province55441-2661
Postal Code/Zip**County:***

Hennepin

Phone:*

763-559-6700

Ext.

Fax:**PeopleSoft Vendor Number**

0000057347A1

Project description*Please limit acquisition requests to a single park or trail***Park or trail name**

West Mississippi Regional Trail

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

West Mississippi River Regional Trail Master Plan

05/23/2018

Name of master planCouncil approval date - Format: mmddyyyy (Do not enter any punctuation.)**If no, has a master plan amendment been submitted to the Council for review and approval?****Acquisition method****Acquisition method**

Fee title

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

Acquisition Overview (Routine)

The West Mississippi River Regional Trail (WMRRT) Dayton segment is primarily planned adjacent to Dayton River Road/County Road 12 (CR12), within the road right-of-way. Within this stretch there are several areas with identified construction constraints due to steep ravines adjacent to the road shoulder which will require significant engineering and/or land acquisition to fully realize the complexity of a separate, off-road WMRRT facility. The two properties for sale (PID: 0912022220004, unassigned address, 7.43 acres and PID: 0912022220005, unassigned address, 3.84 acres) contain several of the aforementioned steep ravines adjacent to the road shoulder.

Acquiring these properties would alleviate construction constraints, as the pedestrian bridges required could be placed in a manner that is more cost-effective and scenic.

The WMRRT, defined primarily as a destination regional trail, is intended to incorporate areas adjacent to the trail for purposes of improving wildlife habitat, protecting natural resources and minimizing construction impacts on the land and associated costs. In addition, the master plan recommends acquisition of additional river frontage in this area of Dayton River Road/CR 12 to provide 'touchpoints' to view and experience the river providing opportunities for high quality user experiences. Acquisition of this property helps achieve that.

Acquisition of this property:

- Establishes an additional a scenic Mississippi River 'touchpoint' for WMRRT users.
- Preserves 1,300 feet of Mississippi River shoreline in the wild and scenic portion of the Mississippi National River and Recreation Area.
- Preserves open space, wildlife habitat and natural resources.
- Reduces construction costs/complexity

Is any portion of the property currently in the public domain? No

If yes, describe/name the entity and the portion of the property it owns, as well as why this public-to-public transfer is necessary.

N/A

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

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

If condemnation is involved, expected settlement date

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

If yes, describe

Drainage Easement (across PIDs 0912022220004 and 0912022220005), March 11, 2014

By and between Merlin J. Dahlheimer (Grantor) and John and Janet Dahlheimer (Grantees)

- Grantor grants Grantee a permanent, nonexclusive easement for drainage purposes over and across the westerly portion of the Grantor's property, through the existing ravine to the Mississippi River.
- This easement includes the ingress and egress for maintenance of said drainage easement and any construction repair of improvements necessary to facilitate the drainage. All maintenance, improvement and repair shall be at the expense of the Grantees.

Legal Description of Drainage Easement

That part of the West One-Half of the Northwest Quarter, in Section Nine (9), Township One Hundred Twenty (120) and Range Twenty-two (22) lying Southerly of the centerline of Hennepin County State Aid Highway No. 12. Subject to Hennepin County State Aid Highway No. 12.

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	06/06/2018		
	<small>Format: mmddyyyy (Do not enter any punctuation.)</small>		
Date purchase agreement expires			
	<small>Format: mmddyyyy (Do not enter any punctuation.)</small>		
Appraisal effective date	01/25/2018		
Appraisal information			
Appraised value	\$543,000.00		
Amount being offered the seller (net of closing and other costs)	\$543,000.00	100.0%	
		<small>% of appraised value</small>	
Appraisal date	01/17/2018		
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		
	<small>Fully</small>	<small>Partially</small>	
...wooded?		Yes	
	<small>Fully</small>	<small>Partially</small>	
...shoreline?	Yes		

Fully

Partially

Describe the existing natural resources it contains

These subject properties are directly adjacent to the Mississippi River, within the 72 mile Mississippi National River Recreation Area - a National Park Service operated park and within the Mississippi flyway. The wild and scenic portion of the Mississippi River is reflected in the subject properties, as they exist on bluffland with several wooded steep ravines and areas of adjacent open space which consist of recently tilled agriculture cover crop (hay) and field brome grass. The 1,300 feet of shoreline adjacent to the Mississippi River seasonally flood and contain a mix of floodplain forest species.

The property is within a half mile of property that is already preserved for both regional recreation and natural resource protection (West Mississippi Regional Park) providing an opportunity to expand resource protection and habitation amongst a developing portion of the metro.

Suggested funding source

For guidance, see the PAOF rules in the 2040 Regional Parks Policy Plan at <http://metro council.org/Parks/Publications-And-Resources/POLICY-PLANS/2040-Regional-Parks-Policy-Plan.aspx>; for ENRTF fee title acquisition project requirements, see http://www.lccmr.leg.mn/pm_info/enrtf_fee-title-acquisition-project-requirements.pdf

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

Anticipated funding source

ENRTF / Council match

Select as many as apply

Structures currently on the property

Does the property contain ANY structures?

No

If yes, are there any habitable structures?

No

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

N/A

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

N/A

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.

As the master plan recommends, opportunity for additional river touchpoints, habitat/shoreline protection and ease of construction via property acquisition in this area of Dayton River Road/CR 12 is a priority.

In late 2017, Three Rivers Park District (Three Rivers) staff discovered that two key pieces of property totaling 11.27 acres located along Dayton River Road/CR12 in Dayton along the WMRRT were for sale on the open market. Staff commenced discussion with the property representatives to determine if there was an interest to sell the properties to the Park District. The initial conversations were successful, and, under the direction of the Superintendent, Park District staff negotiated a purchase agreement reflective of the appraised value for Board consideration and approval which ultimately occurred in Feb. 2018.

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

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

N/A

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 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 ravines that drain to the Mississippi River.

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 long-term stewardship plan would 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? N/A

Local match

Source of local match

Three Rivers Park District Land Acquisition, Betterment and Development Funds

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

If yes, how much? \$143,715.55

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
Merlin J. Dahlheimer Revocable Living Trust	Dayton River Road/County Road 12	0912022220004	7.43	02/08/2018	No	Joyce Peppin - MN House 34A	Dayton	Hennepin	1	District A	45.223729	-93.481175
Merlin J. Dahlheimer Revocable Living Trust	15590 Dayton River Road/County Road 12	0912022220005	3.84	02/08/2018	No	Joyce Peppin - MN House 34A	Dayton	Hennepin	1	District A	45.223442	-93.478665
			11.27									

Grant agreement signatories

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

Acquisition Costs

Cost Items	Amount
------------	--------

Purchase price	
Negotiated purchase price	\$543,000.00
Appraisal expenses	
Appraisal	\$7,000.00
Appraisal review	\$0.00
Environmental expenses	
Phase I environmental site assessment	\$10,000.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
Holding expenses	
Interest	\$0.00
Land stewardship	\$0.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$3,400.00
Legal services and closing costs	\$5,000.00
Property tax equivalency payment-473.341	\$4,000.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$1,462.20
Title insurance	\$1,000.00
Well disclosure statement	\$0.00
Other holding	\$0.00
Other expenses	
Other expenses	\$0.00
Totals	\$574,862.20

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)	\$574,862.20	\$258,687.99	\$172,458.66	\$143,715.55	\$431,146.65

Required Attachments - Acquisition

Attachment	Description	File Name	Type File
------------	-------------	-----------	-----------

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 **Merlin J. Dahlheimer Revocable Living Trust**, ("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 two (2) parcels identified as PID 09-120-22-22-0005 and PID 09-120-22-22-0004 in Dayton, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 11.27 total 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 \$543,000 ("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 special assessments levied or pending against the Subject Property as of the date of this Agreement.

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.
- (v) An updated abstract to the Subject Property, if possible.

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

(c) Review of Commitment. Buyer shall have 30 days after receipt of the title commitment within which to object to the contents. If said objections are not made in writing within such time period, Buyer shall be deemed to have waived such objections. If Buyer objects to the contents of the title documents, 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 June 6, 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 West Mississippi River Regional Trail Master Plan approval by Metropolitan Council;
- (ii) Buyer shall obtain consent of the City of Dayton to its acquisition of the Subject Property pursuant to Minn. Stat. § 398.09(b)(1);
- (ii) Buyer shall obtain all other consents required from governmental or other regulatory authorities;
- (iii) Buyer shall have the right, at its sole discretion, to terminate this Agreement 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:

MERLIN J. DAHLHEIMER
13439 185th LANE NW
ELK RIVER, MN 55330

With a Copy to:

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: 02/08/18

By [Signature]
John Gunyou, Board Chair

Dated: 02/08/18

By [Signature]
Boe R. Carlson, Superintendent

SELLER:

Dated: February 6, 2018

By [Signature]
TRUSTEE OF THE
MERLIN J. DAHLHEIMER
LIVING TRUST

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

TRUSTEE OF THE
MERLIN J. DAHLHEIMER
LIVING TRUST
[Signature]
Edina Realty Title

EXHIBIT A

Legal Description of Subject Property

PID: 09-120-22-22-0004

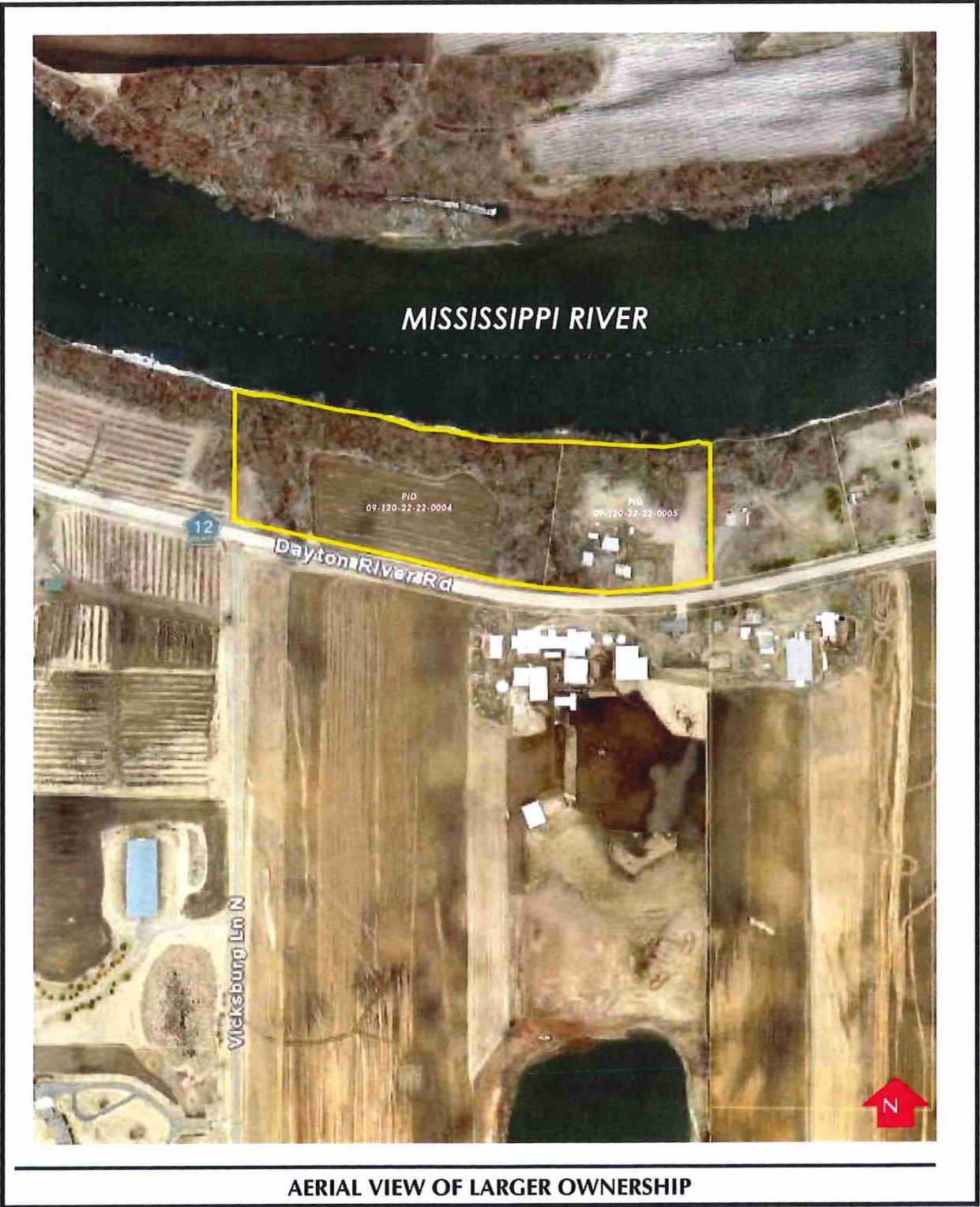
Addition Name: Unplatted 09 120 22

THOSE PARTS OF GOVERNMENT LOT 1 OF SECTION 4 AND THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 9 ALL IN TOWNSHIP 120, RANGE 22, HENNEPIN COUNTY, MINNESOTA LYING NORTHERLY OF THE CENTERLINE OF HENNEPIN COUNTY STATE AID HIGHWAY NO. 12, PLAT 23, ACCORDING TO THE RECORDED PLAT THEREOF AND LYING WESTERLY OF A LINE DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID WEST HALF OF THE NORTHWEST QUARTER; THENCE ON AN ASSUMED BEARING OF SOUTH 89 DEGREES 11 MINUTES 57 SECONDS EAST ALONG THE NORTH LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER, A DISTANCE OF 879.01 FEET; THENCE NORTH 7 DEGREES 18 MINUTES 02 SECONDS EAST, A DISTANCE OF 91 FEET MORE OR LESS TO THE SHORELINE OF THE MISSISSIPPI RIVER BEING THE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED; THENCE RETURN SOUTH 7 DEGREES 18 MINUTES 02 SECONDS WEST, A DISTANCE OF 480 FEET MORE OR LESS TO SAID CENTERLINE OF HENNEPIN COUNTY STATE AID HIGHWAY NO. 12, PLAT 23 AND SAID LINE THERE TERMINATING.

PID: 09-120-22-22-0005

Addition Name: Unplatted 09 120 22

THOSE PARTS OF GOVERNMENT LOT 1 OF SECTION 4 AND THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 9 ALL IN TOWNSHIP 120, RANGE 22, HENNEPIN COUNTY, MINNESOTA LYING NORTHERLY OF THE CENTERLINE OF HENNEPIN COUNTY STATE AID HIGHWAY NO. 12, PLAT 23, ACCORDING TO THE RECORDED PLAT THEREOF, LYING WEST OF THE EAST LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER AND ITS NORTHERLY EXTENSION AND LYING EASTERLY OF A LINE DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID WEST HALF OF THE NORTHWEST QUARTER; THENCE ON AN ASSUMED BEARING OF SOUTH 89 DEGREES 11 MINUTES 57 SECONDS EAST ALONG THE NORTH LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER, A DISTANCE OF 879.01 FEET; THENCE NORTH 7 DEGREES 18 MINUTES 02 SECONDS EAST, A DISTANCE OF 91 FEET MORE OR LESS TO THE SHORELINE OF THE MISSISSIPPI RIVER BEING THE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED; THENCE RETURN SOUTH 7 DEGREES 18 MINUTES 02 SECONDS WEST, A DISTANCE OF 480 FEET MORE OR LESS TO SAID CENTERLINE OF HENNEPIN COUNTY STATE AID HIGHWAY NO. 12, PLAT 23 AND SAID LINE THERE TERMINATING.



SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Fee Owner:	Merlin J. Dahlheimer Revocable Living Trust
Location:	15590 Dayton River Road Dayton, Minnesota
Date of Valuation:	January 17, 2018
Date of Inspection:	January 17, 2018
Property Appraised:	Real Property
Rights & Interests Appraised:	Fee Simple Market Value
Zoning:	R-2 Single Family District (90,000 Sf, Unsewered) CA-ROS, Mississippi River Corridor Critical Area – Rural and Open Space
Guiding:	Rural Estate with Partial Greenway Overlay (2040 Comprehensive Plan) Low Density Residential with Partial Greenway Overlay (2030 Comprehensive Plan)
Property Description:	The subject is a 3.84-acre tract of land, located along Dayton River Road along the north-central border of Dayton. The property has river frontage along the southerly shore of the Mississippi River, and contains steeply sloping and wooded ravines in the northerly and westerly portions of the site that provide river access. The remainder of the property is relatively level and open.
Description of Improvements:	The property was previously improved with a single-family home, detached garage and several outbuildings. However, as of the effective date of this appraisal, all dwellings have been demolished. However, the property remains improved with a well and septic system that are certified to be in compliance. <u>Note:</u> The description of the improvement is based on an inspection of the subject, Northstar MLS data, and Hennepin County records.
Highest and Best Use:	Development of a single-family home on a rural site
Value Conclusion:	\$246,000

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Fee Owner:	Merlin J. Dahlheimer Revocable Living Trust
Location:	West of 15590 Dayton River Road Dayton, Minnesota
Date of Valuation:	January 17, 2018
Date of Inspection:	January 17, 2018
Property Appraised:	Real Property
Rights & Interests Appraised:	Fee Simple Market Value
Zoning:	R-2, Single Family District (90,000 Sf, Unsewered) CA-ROS, Mississippi River Corridor Critical Area – Rural and Open Space
Guiding:	Rural Estate with Partial Greenway Overlay (2040 Comprehensive Plan) Low Density Residential with Partial Greenway Overlay (2030 Comprehensive Plan)
Property Description:	The subject is a 7.43-acre tract of land, located along Dayton River Road along the north-central border of Dayton. The property has river frontage along the southerly shore of the Mississippi River, and contains steeply sloping and wooded ravines in the northerly, easterly and westerly portions of the site that provide river access. The remainder of the property is a relatively level and open hay field.
Highest and Best Use:	Development of a single-family home on a rural site
Value Conclusion:	\$297,000