Business Item

Metropolitan Parks and Open Space Commission



Community Development Committee Meeting: November 18, 2024 For the Metropolitan Council: December 11, 2024

Business Item: 2024-308

Elm Creek Park Reserve, Park Acquisition Opportunity Fund Award (Lasher), Three Rivers Park District

District(s), Member(s): District A, Monica Dillenburg

District 2, Reva Chamblis

Policy/Legal Reference: Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; 2040

Regional Parks Policy Plan, Chapter 4, Siting and Acquisition Policy- Strategy 1; Chapter 5, Planning Policy- Strategy 1; Chapter 8, Finance Policy- Strategy 7. FM 15-2 Grant/Loan Approval Policy, FM 14-2 Expenditures for the Procurement

of Goods and Services Policy.

Staff Prepared/Presented: Jessica Lee, Planning Analyst, 651-602-1621 **Division/Department:** Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

- 1. Approve a grant of up to \$420,000 from the Park Acquisition Opportunity Fund to Three Rivers Park District to acquire a 2.8-acre parcel located at 12651 Elm Creek Crossing in Champlin, MN, for the Elm Creek Park Reserve.
- 2. Authorize the Executive Director of Community Development to execute the grant agreement and restrictive covenant on behalf of the Council.

Background

Regional Park Implementing Agency and Project Request

Three Rivers Park District requested a Park Acquisition Opportunity Fund (PAOF) grant on September 23, 2024, to fund the acquisition of a 2.8-acre parcel for the Elm Creek Park Reserve. A copy of the Agency's request is attached to this item as Exhibit 2 with application details in Exhibit 3.

The Elm Creek Park Reserve is Three Rivers Park District's largest park at nearly 5,000 acres (see Exhibit 1, Figures 1 and 2). The park reserve features a winter recreation area, the Eastman Nature Center, a swim pond, and miles of hiking and biking trails. Three Rivers Park District recently submitted a request to add the Lasher property to the boundary of the park. Because the size and cost of the request met the recently created Administrative Review of Long-Range Plan Amendment criteria, this request was approved administratively (Review No. 50253-3).

Subject Property

The subject 2.8-acre property is within the newly amended boundary of the Elm Creek Park

Reserve. The property contains a small home and outbuilding in below average condition that will be removed. The property also contains 1.5 acres of undeveloped open space with 420 feet of Elm Creek and a concentration of trees along the creek. Three Rivers Park District plans to restore this parcel to its natural state.

Park Acquisition Opportunity Fund (PAOF)

The Council's Park Acquisition Opportunity Fund (PAOF) Program provides funding 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 by matching every \$3 in state funds with \$2 in Council funds. The \$3 to \$2 match is required at the program level, not the individual project level.

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.

Project Budget

The appraised value of the subject property is \$425,000, and the Seller has agreed to \$467,500, or 110% of the appraised value. See Exhibit 4 for more information on the appraisal. The total project cost including legal fees, environmental assessments, stewardship, taxes, and appraisal is \$560,000, as shown in Table 1 below.

Table 1. Project Budget

Budget item	Requested amount
Purchase price	\$467,500
Appraisal, legal fees, taxes, closing costs	\$19,878
Environmental assessments	\$7,500
Stewardship	\$65,122
Total Costs	\$560,000
Grant structure	
Grant amount	\$420,000
Local match	\$140,000

Acquisition Details

This is a straightforward fee title acquisition.

Rationale

Council staff conduct the review of each PAOF request on a first-come-first-served basis under the following standards:

- the proposed acquisition complies with state statute and Council policy
- all necessary documentation for the acquisition is in place
- the appraisal is reasonable and appropriate

This acquisition is consistent with:

- The Parks and Trails Legacy Fund
- The 2040 Regional Parks Policy Plan
 - Planning Policy Strategy 1 requires that before an Agency can receive a grant for acquisition, the proposed project must be consistent with a Council-approved long-range plan. Recently an administrative amendment was approved to add this property into the long-range plan boundary. The original long-range plan was approved in 2007.
 - Siting and Acquisition Strategy 1 prioritizes the acquisition of lands with natural resource features, access to water, and/or restoration potential for the Regional Parks System. The

- subject property contains 420 feet of Elm Creek and will help protect the creek by protecting natural resources.
- Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park and Trail lands and matching every \$3 in state funds with \$2 in Council bonds.

Thrive Lens Analysis

This request is consistent with *Thrive MSP 2040*'s Livability and Stewardship outcomes. The Council's investment in the Elm Creek Park Reserve will provide additional access to nature and the outdoors and enhance quality of life.

Funding

The Council will fund the 75% share with the Parks and Trails Legacy Fund and Council funds. The PAOF program has available funds in the Council's Authorized Capital Program.

Three Rivers Park District will provide a local match of \$140,000.

Exhibit List

Exhibit 3:

Exhibit 1: Images

Exhibit 2: Grant request letter

Grant application

Exhibit 4: Appraisal excerpt

Exhibit 5: Board approval

Exhibit 6: Purchase agreement

Exhibit 1 - Images

Figure 1. Map of the Regional Parks System and the Elm Creek Park Reserve (circled in red)

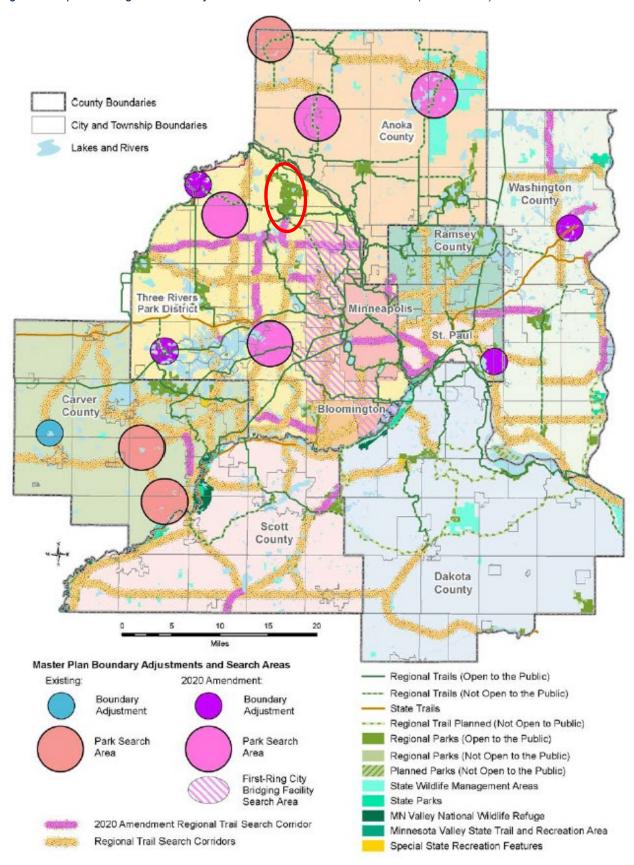


Figure 2. Map of the Three Rivers Park District Regional Parks System with the Elm Creek Park Reserve circled in red.

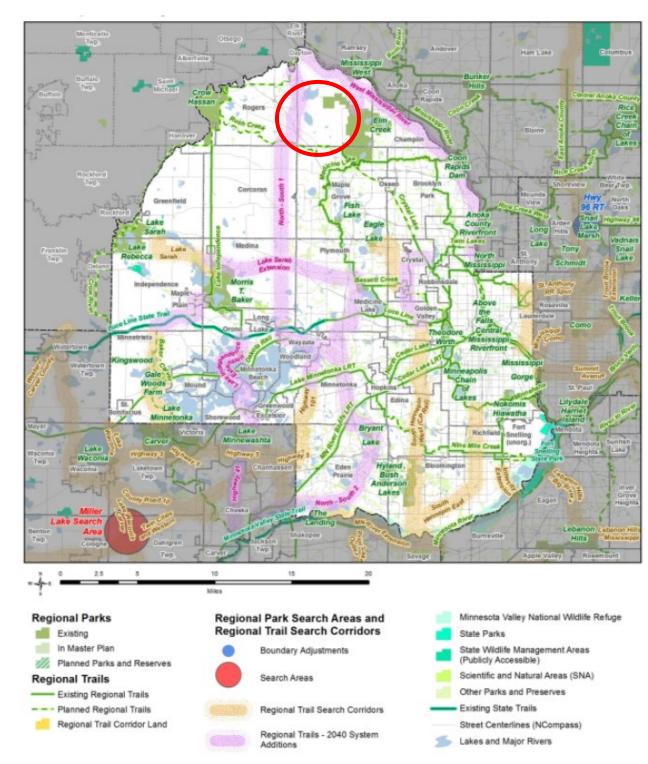


Figure 3. Map of the Elm Creek Park Reserve and the subject property.

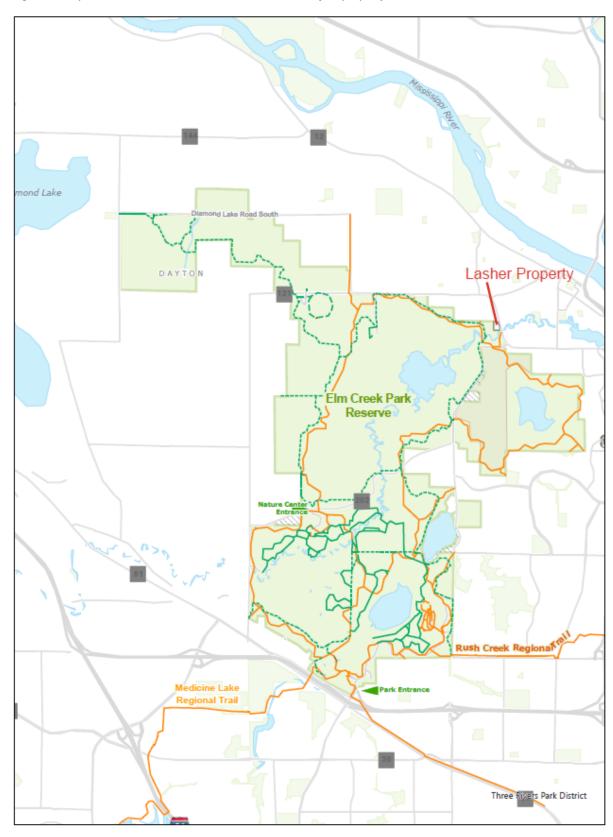


Figure 4. Aerial image of the subject property.

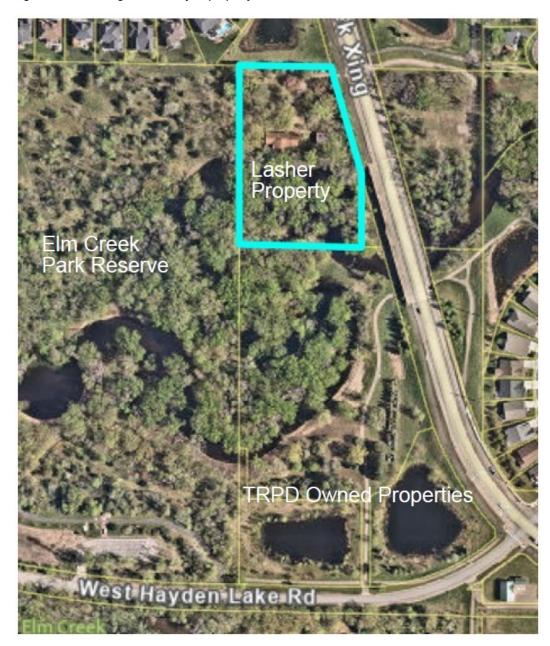


Exhibit 2: Grant request letter



Three Rivers
Park District
Board of
Commissioners

September 23, 2024

Marge Beard District 1

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

Jennifer DeJournett Vice Chair District 2

> RE: Park Acquisition Opportunity Grant Fund Request Elm Creek Park Reserve: Lasher Property

Erin Kolb District 3

12651 Elm Creek Crossing, Champlin, MN 55316

PID: 2412022340002

Louise M. Segreto

Dear Emmett,

John Gibbs Chair District 5 Three Rivers Park District respectfully requests a Park Acquisition Opportunity Grant for Elm Creek Park Reserve in the amount of \$420,000.00 for acquisition of 2.83 acres located in the City of Champlin. Please process this request and forward to the Metropolitan Parks Open Space Commission, Community Development Committee, and Metropolitan Council for consideration and approval.

Jan Guenther Appointed At Large

Background Summary

Jesse Winkler Appointed At Large Three Rivers is pursuing acquisition of the Lasher property adjacent to Elm Creek Park Reserve. This property will allow Three Rivers to create an existing boundary of Elm Creek Crossing/Hayden Lake Road while restoring and preserving land of high natural resource value given the approval of the Elm Creek Park Reserve Long-term Boundary Amendment. Elm Creek runs through this property and is surrounded by wetland and wooded areas. Acquisition of this property supports the long-term vision of Elm Creek Park Reserve by preserving, restoring and expanding natural resources, especially those connected to Elm Creek.

Boe Carlson Superintendent

Natural Resource Summary

During the planning for Elm Creek Park Reserve, larger, undeveloped parcels and areas of higher ecological integrity such as wetlands and woodlands were identified so Three Rivers could acquire and provide some additional level of protection for these natural resources. Although this property was not an initial inholding, the property totals 2.83 acres including approximately 420 feet of Elm Creek and 1.5 acres of open space/relatively undeveloped property and is consistent with the Elm Creek Park Reserve Long-term Plan and Long-term Plan Boundary Amendment.

Funding Request

Three Rivers requests FY2024 Parks and Trails Legacy Fund (PTLF) Metropolitan Council acquisition funding consideration at the Council's earliest opportunity in preparation with a pending closing date of on or before December 30, 2024.

Thank you for your continued assistance through this process.

Maggie Heurung Planner

Enclosures

C: Jonathan Vlaming, Associate Superintendent Kelly Grissman, Director of Planning Jessica Lee, Metropolitan Council



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Instructi ns v

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.

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21274 - FY2025 Park Acquisition Opportunity Fund Program - Final Application

22285 - Lasher Property - Elm Creek Park Reserve Parks Grants Acquisition v

Status: v

Under Review v

Submitted Date: v 09/23/2024 9:53 Submitted By: v PM v

Maggie Marie Heurung

Applicant Information

Primary Contact:

Feel free to edit your profile any time your information changes. Create your own personal alerts using My Alerts.

Name:* v

She/her/her v

Mayggie v

Mavrie v

Heurung

Title:* v

Associate Planner

De artment:

Planning

Fmail·* v

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Address:*

3000 Xenium Ln N

Plymouth v

Minnesota v State/Province

55441 Postal Code/Zip

Ph ne:* v

763-694-7797

Ext. v

Fax: v

What Grant Pr

rams are y u most v interested in?

Regional Solicitation - Bicycle and Pedestrian Fabilities

Organization Information

Name:* v

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Jurisdicti nal A vency (if different):

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Minnesota v

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Ext.

Phone: 700 u

Fax: u

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Project description

PAOF grants are limited to a single park or trail. Do not mix properties from more than one park or trail on a single request.

Park or trail name Elm Creek PR Three Rivers Park District

Master plan

An acquisition request will not be considered complete until the property is included in a Council-approved master plan. u

Is the project consistent with a Co ncil-

approved master plan?

If yes, name of master plan and date of

Co ncil approval u

Elm Creek Long term Plan Amendment u

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

If no, has a master plan amendment been s bmitted to the Co ncil for

review and approval? u

Yes

Acquisition method

Acq isition method u Fee title

If the acq isition method is anything other than ro tine, 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.

Does this acq isition involve eminent

domain? u

Nο

Eminent domain

If eminent domain is being used:

(1) you must upload a copy of the notice your Agency provided to the Council that the petition to the Court was filed.

(2) Include documentation of your governing body's authorization (on the Other Acquisition Attachments web page).

When was the Co ncil notified of yo r intention to se eminent domain?

Date the petition was filed. u

Settlement date u

Public domain

Note that ENRTF funding cannot be used for acquisitions of property already in the public domain unless a minimum of 12 LCCMR commissioners approve the transaction. If this is a public domain acquisition and if you propose using ENRTF, be sure your closing schedule accommodates planning to be included on a future LCCMR agenda.

Is any portion of the property u c rrently in the p blic domain?

No

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

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 standard one-year grant term unless prior approval is obtained from the Council or the grant term is amended.

Estimated closing date u 12/ 1/2024

ormat: mmddyyyy (Do not enter any punctuation.)

Type of agreement u Purchase Agreement

Date agreement expires u

Format: mmddyyyy (Do not enter any punctuation.)

Relocation costs u

Payment of relocation costs is required by both state and federal law, unless the seller waives those rights. Please consult with Agency attorneys to determine applicability for this acquisition. If the seller has waived relocation rights, you must upload an executed copy of the waiver.

Does the req ested grant amo nt

10/16/24, 10:41 AM WebGrants - Metr litan C uncil

Appraisal

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Appraisal effective date 04/20/2024 Appraised value \$425,000.00

Amount being offered the seller U \$467,500.00 *U* (net of closing and other costs) U

10.0% % of appraised value

Who performed the appraisal? Day Group LLC U

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

Three Rivers Park District

Survey

Was a survey done? U No *U*

Quality of natural resources - is the property...

...undeveloped? es artially *U* Fully U

...wooded? es

> Fully *U* artially U

...shoreline? es artially *U*

Describe the existing natural resources it contains

The property totals 2.83 acres and includes 420 feet of Elm Creek and 1.5 acres of open space/undeveloped property lined with trees along all sides of the property with a concentration of trees near the southern boundary along the creek. **U**

Known opposition

Is the Agency aware of any opposition to this acquisition?

No

If yes, explain:

Encumbrances

To your knowledge, are there any current or anticipated assessments or liens on property?

No

If yes, describe.

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

No

If yes, describe

Clear title

To your knowledge, does the current owner have clear title to the property?

Yes

If not, what must be done to clear the title, and when will that be completed? $\it U$

Suggested funding source

For guid nc , s t PAOF rul s in t 2040 R gion | P rks Policy Pl n t at http://metrocouncil.org/Parks/Publications-And-Resources/POLICY-PLANS/2040-Regional-Parks-Policy-Plan.aspx; for ENRTF fee title acquisition project requirements, s http://www.lccmr.leg.mn/pm_info/enrtf_fee-title-acquisition-project-requirements.pdf

T Council will r vi w your roj cts cifics nd work wit you to d t rmin t o tim al funding sourc (s).

Anticipated funding source U PTLF Legacy / Council match

Funding source comments, if desired

Structures currently on the property

Does the pope to ti ANY o Yes st u tu es?

If es, ethee h bit ble o

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Thee home and wotbwoilding/shed will be dem lished.

If thece e h obito ble sat uo olu es, oo uolod theo obeo edo o ted?oldi ess, howo? If o, oo **ot**@ 00

Thee home and outbuilding are smaller habitable strouctures that care doler around in bosh we average condition with many dated rw rn items (w rn carpet, dated kitchen cabinets and appliances, ceiling water stain in bedr m, chimney damage, staineed exteri r painted w d siding, peeling exteri r paint, damaged sliding screen d r, s me r tting decking). Due t the difficulty/c st f rel cati n, it is m re c st-effective t repurp se pieces fr m these structures rather than c mpletely rel cate them.

If theop operation of the ship to blest up dures o develope one of growth discontinuous of the ship to blest up dures of the s

Yes

The existing to case a sists of a 1-st by single-family, owner- occupied residence constructed in 1972. It has 10,789 finished of and the above grade r om c un to includes 5 t tail r oms, 2 bedr oms, and 1 bath. The basement is unfinished. Thee house is wood froame with a concrete block f wondation.

The attached 2-car garageco otains 600 sf. There is also a 780 sf metal outbuilding to the east fother house. The outbuilding, built at the sance time o as the house, has a gravel flor and sliding dor and is connected to electric but not plumbing.

FordENRTFofunctioncomby

If this wild use ENPROTFo fu coling, of COGMIR unless equiocoth of ouncedes oibeotheosele to op o cess used too indectif otherse proprosed poels.

NGTICE: vENIG TFO funding has specific requirements forodisseminating 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 BEFOORE payment will be made.

Stevardship and minimal accesso

O

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Stewardship activities will begin asso on assother to anosfer of title occurs of nothe Lasther por poenty. This por poenty includes strouctures that Those ecRivers will reom vet rest re tobe pr perty t its natural habitat. As such, these stewardship activities include the general invent ry, cleanupo reuse and disp sal fany fund bjects ass ciated with previ us use, vegetative cleanup including m wing, rem val fex tic plant materials, cleanup fany debris, tree trimming and geneeral native plant rest roatin.

Other stewardship activities may include the f II wing: identificati n and signing f pr perty lines, identificati n and m nit tong and/ rosealing fo existing gr undwater wells and rem val foexisting driveways and access r utes. o

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Site Description

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Residential elect as many as apply Previous uses Residential, Wetland, Woods

Select a many a apply

A j ce s uses s Park, Residential, Wetland, Woods

Select a many a apply

Inspection

Does the property co t i y of the

fo owi g?s

Wells, Septic, Underground tanks

Select a many a apply

Sellers and parcels

me P rce PID Acres (SF for D te PA H bit be MN House City s Cou ty Met Cou ci MPOSC L titu e Lo gitu e e seme ts) sig e structures? istrict istrict 12651 Elm Creek 24-12**9**- s Bradley A Bradley A
Lasher Et Al
Crossing, Champlin,
MNs 22-34-2.83 9/19/2024 0 Yes 4A hamplin Hennepin 5.183670 -93.413850 0002 s

2.83

Local match

Source of oc match

Three Rivers Park District Land Acquisition Development and Betterment Fund (LADB)

Grant agreement signatories

Fu me s Tit e If this is ttor ey, is the sig ture 'foor form o y'? s

Boe Carlson uperintendent and Secretary to the Boardss

Eric Quiring s eneral Counsel s Yes

Acquisition Costs

Cost Items s		Amoust s	St te fu s s	Metro fu s s	M tch fu s
Purchase price					
Negotiated purchase price	§ 4	167,500.00	210,375. 9 0	140,250s00	1169875.00
Appraisal expenses					
Appraisal		\$4,900.00	2,205.00	1,470.00	\$1,225.00
Appraisal review s		\$0.00 s	0.00 s	0.00 s	\$0.00
Environmental expenses s					
Phase I environmental site assessment s		\$2,509.00	\$1,125.00	750s00	\$625.00
Phase II environmental site assessment		\$5,000s00	2,250s00	1,500s00	\$1,250s00
Environmental contamination remediation		\$0.00	\$0.00	0.00	s \$0.00
Holding expenses					
Interest		\$0.00	\$0.00	0.00	\$0.00
Land stewardship s	;	65,122.090	29,305. 9 0	19,536. 9 0	16,281.00
Land development		\$0.00 s	0.00 s	0.00 s	\$0.00
Pro-rated share of all property taxes/assessments		\$23.00	10.00	7.00	\$6.00
Legal services and closing costs s		\$1,845.960	830 s 00	\$554. 9 0	\$461.00
Property tax equivalency payment-473.341		\$2,470s00	1,112.090	741. © 0	\$617.00
Relocation costs to seller s		\$0s00	\$0.00	\$0.00	\$0.00
State deed tax/conservation fee		\$0.00	0.0s0	0.00	\$0.00
Title insurances		\$1,169.00	526. 9 0	351. 9 0	\$292.00
Well disclosure statement s		\$50.00 s	22.00 s	15.00s	\$13.00
Other holding		\$0. @ 0	0.00	0.0x0	\$0.00
Other expensesss					
Other expenses		\$9,421.00	4,240.00 s	2,826.00	2,355.00
To	otals s	560.000.00 s	252.000.00	168.000.00 s	140.000.00 s

S

Total Est t æqu s t on Costs w

Totals w	Total acquistion w cost w		th state w	Total paid	tin metro funds		Total paid by agencyww	Total grandv amount
Total Estimated Acquisition Cost (calculated after costs above $ {f w} $ are entered) $ {f w} $	\$560,000.00 w	\$25	2,000.00 w	\$1	68,000.00	w	\$140,000.00 w	\$420,000.00

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1.0 Grant reque	st letter (REQ'D)	Grownt Request Letter	GrømtRewnuresn/Lenthwrw Lawher…podf	pdf 721
2.0 Master plan	documentation (REQ'D) w	Elm Creek Park Reserve Long-range Plan Boundary Ammendment	Elm Cressiv Louag-raunger Plann Assaendment.pdf w	pdf w 4.8 N
3.0 RAGCORDE	D Governing Board action authowizing w t (REQ'D)	Required Document Status	RequiredvDocument Status.docx	docx 196
4.0 Signed purc	hase agreement/instrument (R 5/@X D) w	Signed Purchase Agreement w	Item 5B3wPurchase Agreement - Lasher Property - Sigmed.pdf	pdf w 688
5. 1w Appraisal re	port (REQ'D)	Appraisal Report w	Appraisal_Report_Champlin_4-29-24.pdf w	27.2 pdf w MB
5.2 Appraisal re	view report (NOT req'd) w			
5.3 Climent's instr	ructions to appraiser (REQ'D)	Appraisal Request	Approxisal_Rewouvest.pol/fiv	pdf 331
5.4 Title docume	entation (Req'd before finalization) w	Required Document Status	RewwiredwDocument Status.docx	docx w196
	A (if land may be contaminated adoned wells)	Rewquiwed Document Status w	Rewquired Downwent/Stratus.docx w	docx 196
	vironmental assessment report wildicated in Phase I)	Required Document Status w	Required Document Status.docx	woocx 196
7.0 Surveyvveyvv	rt (NoM req'd)w			
-	ption in Microsoft Word that includes wavailable, address	Legal Description w	Item 5B3. ₩urchase Agreement - Lasher Property - Signed 9.pdf	pdf w 23 K
9.0 Lawwd stewa	rdshi pw plan			
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ECTION 2 - Conde	nwnation only - all required for eminent			
omain w	, ,			
11.1 For condem	nations, copy of notice to Council			
11.2 Condemna/ii	on or adn vi niwitra liiv e settlement			
11.3 Documentat	ion of whoen petition wave filed withor court w			
ECTION 3 - Matchi	ng grant			
_	will servowas match to wan other gwant, grant waw ne quiwe olw			
ECTION W- Requi	red images & GIS information			
13.1 Aerial photo	showing park/trail bowendary with winceQ'D) w	Aerial Photo w	Parcel Map PDF.pdf w	pdf w 199
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13.3 Imag menting I ati n f pr p rty within RPS nit (REQ'D	L ati n f pr p rty within RPS nit	Context Map.pdf	p f	714 KB)
13.4 GIS shap -fil frprp rty (REQ'D	ash r Pr p rty Shap fil	asher Shapefile.zip	zip	3 KB
SECTION 5 - Invoices				
14.1 Inv i s: Stat tax r ns rvati nf (REQ'D	q ir D ment SptaRRs	Required Document Status.docx d	х	196 KB
14.2 Inv i s: C rr nt pr p rty tax stat ment with pr -rat shar f tax (REQ'D	Estimat Shar f Tax Payment	Estimated Three Rivers Share of Tax Payment Due at Closing.docx	х	126 KB
14.3 Inv i s: Tax q ival n y payment (REQ'D	stimat Tax Eq ival n y Payment)	Estimated Tax Equivalency Payment.docx d)	х	126 KB
14.4 Inv i s: Phas 1 nvir nmental ass ssment (R q ir if laime in appli ati n	R q ir D ment Stat s	Required Document Status.docx d	х	196 KB
14.5 Inv i s: Phas II nvir nmental ass ssment) (R q ir if laime in appli ati n	R q ir D ment Stat s)	Required Document Status.docx d)	X	196 KB
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SECTION 6 - Estimated costs				
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15.2 Estimat sts: Lan st war ship	Estimat Lan St war ship C sts)	Estimated costs.docx d	Х	22 KB
15.3 Estimat sts: Minimal a ss v I pm ent 15.4 Estimat sts: Oth r (NOT r q'	stimat Oth r C sts	Estimated costs.docx d)	х	22 KB

Additional attachments

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Item 5B3. Purchase Agreement - Lasher Property - Signed 9.pdf (23 KB)) L gal Dsriptin 23 KB

Parcel Map PDF.pdf (199 KB) A rial ph t 99 KB

Return to Top

Metropolitan Council)

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SUBJECT IDENTIFICATION AND EXECUTIVE SUMMARY (CONTINUED)

Summary and Value Indications	
Highest & Best Use Summary	The highest and best use as improved is for a continued residential use
	Concluded Value
Concluded Market Value After \$50,000 in Improvements	\$475,000
Less Cost of Improvements	(\$50,000)
Total Concluded "As-Is" Appraised Value	\$425,000
Allocation of Main 1.38 Acre Site with SFR Dwelling	\$390,000
Allocation of Rear 1.45 Unbuildable Acre	\$35,000

Highest and Best Use As Improved

Legally, the subject appears to be legally conforming in aspects, yet any non-compliance is assumed to have "grand-fathered" legal non-conforming rights.

Physically, the existing SFR exhibits significant physical depreciation, yet a continued use is appropriate, with repairs/ updating. Repairs & replacements have been modest in recent years.

Any buyer/owner would invest in curing deferred maintenance and making some replacements. The appraiser estimates a cost of \$50,000 for repairs/replacements, which would include: new kitchen, new carpet, wall coverings/paint, exterior paint or new siding, chimney repair, decking repairs, etc. After repairs, its economic life would be lengthened, and its attractiveness & value be enhanced in the marketplace. Some buyers/owners could invest significantly more in the home to update the quality of the components.

Financially, market conditions continue to improve for properties of the subject type. As improved, its value exceeds the vacant land value.

Overall, the subject exhibits significant obsolescence. Nevertheless, it continues to provide good utility, appeal, remaining life and significant value.

While the subject's future land use district allows for development into 2.5 units/acre, the City of Champlin indicates there are many barriers to development, including challenging physical features (Elm Creek setbacks and requirements via watershed district and DNR, floodplain/floodway, not connected to public sewer, Hennepin County's desire for few dwellings having direct access on Elm Creek Crossing. Therefore, only a single residence can be utilized on the subject and development is not supported. This was confirmed after conversations with City of Champlin representatives Lexi Weihe, Associate Planner and Scott Schulte, Community Development Director.

A continued dwelling on a larger suburban site is appropriate on the subject, including the existing modest dwelling. It is not considered an interim use; it has significant remaining economic life. There is no surplus land is present, nor is there plottage potential.

In conclusion, the subject commands good market appeal and acceptance as a residence. A continued use is concluded. A potential buyer would be an owner-user having resources to invest in updating the dwelling. While work is needed on the subject, the "as-is" improved value exceeds its vacant land values.



Regular Board Meeting

September 19, 2024

5. **CURRENT BUSINESS**

5B. Approve Elm Creek Park Reserve Acquisition Opportunity and Long-Range Plan Amendment

MOTION by DeJournett, seconded by Beard, TO ENTER INTO A PURCHASE AGREEMENT IN THE AMOUNT OF \$467,500 FOR THE ACQUISITION OF 12651 ELM CREEK CROSSING IN CHAMPLIN ALONG THE NORTHEAST CORNER OF ELM CREEK PARK RESERVE; TO ENTER INTO AN ACQUISITION REIMBURSEMENT GRANT WITH THE METROPOLITAN COUNCIL; TO ESTABLISH A PROJECT BUDGET OF \$560,000 WITH LOCAL FUNDING FROM THE LAND ACQUISITION, DEVELOPMENT, AND BETTERMENT FUND; AND TO APPROVE THE ELM CREEK PARK RESERVE PLAN BOUNDARY AMENDMENT TO INCLUDE THIS PROPERTY AND AN ADDITIONAL NINE ACRES OF LAND CURRENTLY OWNED BY THE PARK DISTRICT AND THE CITY OF CHAMPLIN.

All ayes, no nays, **MOTION ADOPTED**

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 Bradley A. Lasher and, Michelle L. Lasher married to each other, Steven D. Lasher and Colleen G. Lasher, married to each other, and Kathryn A. Scheuring and Dean G. Scheuring, married to each other, ("Sellers").

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, Sellers own property located at 12651 Elm Creek Crossing, Champlin, Minnesota, legally described on Exhibit A hereto ("Subject Property"), containing approximately 2.83 acres; and

WHEREAS, Sellers and Buyer wish to enter into an agreement for the conveyance of the Subject Property from Sellers 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.** Sellers hereby agree to convey to Buyer and Buyer agrees to accept from Sellers the Subject Property together with all improvements and fixtures.
- **2.** <u>Consideration</u>. In consideration of the conveyance, transfer and delivery by the Sellers to the Buyer of the Subject Property, the Buyer shall pay to the Sellers the sum of Four Hundred Sixty-Seven Thousand Five Hundred Dollars (\$467,500.00) ("Purchase Price") at Closing.
- **3.** <u>Deed/Marketable Title</u>. Subject to performance by the Buyer, Sellers agree 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.** <u>Real Estate Taxes.</u> Real estate taxes due and payable in the year of Closing shall be prorated between Sellers and Buyer on a calendar year basis to the actual date of Closing. Sellers 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 Sellers on or before the date of Closing. Real estate taxes payable in the years subsequent to Closing shall be paid by Buyer.

- **5.** <u>Special Assessments</u>. Sellers shall pay on or before the date of Closing all special assessments levied or pending against the Subject Property as of the date of Closing.
- **6.** <u>Prorations</u>. 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.** <u>Damages To Real Property</u>. 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 Sellers. Sellers 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 Sellers notify 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. <u>Title and Documents</u>.

- (a) <u>Documents and Information to be provided</u>. Within 15 days after the acceptance of this Agreement by the parties hereto, Sellers shall provide Buyer with the following:
 - (i) Copies of any environmental audits or assessments of the Subject Property that are in Sellers' 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 Sellers' possession.
 - (iv) Copies of any written agreements affecting the ownership and use of the Subject Property known to Sellers.
 - (v) An abstract of the Subject Property if in Sellers' possession.
- (b) <u>Title Commitment</u>. 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) <u>Review of Commitment</u>. 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, Sellers shall have 90 days from the date of such objections to make title marketable. If title is not made

marketable within 90 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 Sellers 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. Sellers hereby grant 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 protect, defend, indemnify, save and hold Sellers 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 and also any legal fees and court costs that may be expended or incurred in defending or releasing such liens. Notwithstanding anything to the contrary herein, this indemnification shall survive termination or cancellation of this Agreement.
- **9.** Environmental. To Sellers' knowledge, and except as disclosed in the reports and other documents provided to Buyer, Sellers' 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 Sellers' ownership of the Subject Property, to the Sellers' 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 Sellers have 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. Sellers disclose that there may be or was an underground heating oil tank. The heating system in the home was converted to natural gas, but Sellers do not know if the tank was removed.

Sellers have disclosed to the Buyer all reports and other documents in Sellers' possession concerning environmental matters relating to the Subject Property. To Sellers' 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 Sellers involving the violation of Environmental Laws, and Sellers have no such claims against third parties. Sellers 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 Sellers prior to conveyance to Buyer.

- **10.** <u>Sellers' Warranties</u>. As an inducement to Buyer to enter into this Agreement, and as part of the consideration therefore, Sellers represent and warrant to and covenant with Buyer that to the best of Sellers' knowledge at the time of Closing there are no persons in possession of the Subject Property, including, but not limited to tenants, licensees, or permittees.
- **11.** <u>Defaults/Right to Terminate</u>. 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. <u>Due Authorization</u>. Sellers 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) <u>Performance at Closing</u>. 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 or before December 30, 2024 or at such other time as may be agreed upon between the parties.
 - (i) At the Closing Sellers shall:
 - (a) sign an Affidavit of Sellers 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 Sellers the Purchase Price for the conveyance, transfer and delivery of the Subject Property to the Buyer.
- (b) <u>Contingencies</u>. 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 Champlin 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 based on the environmental inspection findings which will occur within the 90-day inspection window or in the event any storage, dumping or release of hazardous materials, chemicals, pollution or similar occurs after the 90-day inspection window;
 - (iv) This Agreement and the obligations of Buyer hereunder are strictly contingent upon approval of this Agreement by Buyer's Board of Commissioners;
 - (v) Approval of reimbursement to Buyer by Metropolitan Council; and
 - (vi) Approval of amendment to Elm Creek Park Reserve Long-Range Plan by Metropolitan Council, City of Champlin, and Buyer's Board of Commissioners.

Any failure to satisfy any contingency contained herein shall render this Agreement null and void, in the Buyer's sole discretion, and the parties shall execute any instruments necessary to cancel this Agreement.

- **14.** <u>Condemnation</u>. 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 Sellers are entitled shall be paid to Buyer and Buyer shall proceed to close the transactions herein and pay the full Purchase Price to Sellers.
- **15.** <u>Possession</u>. Sellers 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 Sellers 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 deed.
- **17. No Intent to Acquire by Condemnation**. Buyer and Sellers agree that Buyer has not indicated an intent to acquire the Subject Property through eminent domain.
 - **18.** <u>Time</u>. Time is of the essence for performance of the terms of this Agreement.
- **19.** <u>Binding Effect</u>. 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.** <u>Waivers</u>. 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.** <u>Notices</u>. 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: Steven Lasher 17092 Vance Circle NW Elk River, MN 55330

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.** <u>Survival of Covenants</u>. All covenants, agreements, representations, and warranties contained herein shall survive delivery of the deed from Sellers to Buyer and be enforceable by Sellers 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.
 - **26. Brokers.** No brokers are involved in this real estate transaction.
 - **27. Disclosures.** Sellers make the following disclosures to Buyer:
 - (a) Sellers are not foreign persons for purposes of income taxation, and Sellers will provide Buyer with a FIRPTA Affidavit at Closing.
 - (b) Sellers are not aware of any methamphetamine production that has occurred on the Subject Property.
 - (c) Sellers are not aware of any human remains, burials or cemeteries located on the Subject Property.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement. The effective date of this Agreement shall be the latest date beside the signatory lines below.

THREE RIVERS PARK DISTRICT, a public corporation and political subdivision

	of the State of Minnesota
Dated: 9-19-24	By John Globs, Board Chair
Dated: 9-19-24	Boe R. Carlson, Superintendent and Secretary to the Board
	SELLERS:
Dated: 9 - 10 - 24	By Bradley A. Lasher
Dated: 9-10-24	By Michelle L. Lasher
Dated: 9-9-24	By Steven D. Lasher
Dated: 9-9-24	By Colleen G. Lasher
Dated: 9-9-24	By Kathryn A. Scheuring
9-9-24	D 401

EXHIBIT A

Legal Description of Subject Property

North 27 Rods Of West 18 25/100 Rods Of East 36 1/2 Rods Of Southeast 1/4 Of Southwest 1/4 Except Road, Hennepin County, Minnesota.

PID: 24-120-22-34-0002