

## Metropolitan Parks and Open Space Commission

Meeting date: September 5, 2019

For the Community Development Committee meeting of September 16, 2019

For the Metropolitan Council meeting of September 25, 2019

**Subject:** Park Acquisition Opportunity Fund Grant for Blakeley Bluffs Park Reserve (O'Reilly), Scott County

**MPOSC District:** District B, Robert Moeller

**Council District, Member:** 4, Deb Barber

**Policy/Legal Reference:** Minn. Const. art. XI, sec. 15; Minn. Stat. § 473.315; *2040 Regional Parks Policy Plan*, Chapter 5, Planning Policy, Strategy 1; Chapter 4, Siting and Acquisition Policy, Strategies 1 and 2

**Staff Prepared/Presented:** Jessica Lee, Senior Grants Administrator 651-602-1621

**Division/Department:** Community Development

### Proposed Action

That the Metropolitan Council:

1. Approve a grant of up to \$555,263.25 to Scott County to acquire the 37.45-acre O'Reilly parcel located at 25975 Chatfield Drive, Blakeley Township, for Blakeley Bluffs Park Reserve.
2. Authorize the Community Development Director to execute the grant agreement and restrictive covenant on behalf of the Council.
3. Consider reimbursing Scott County for up to \$185,087.75 from its share of a future Regional Parks Capital Bonding Program for costs associated with their local match.
4. Inform Scott County that the Council does not under any circumstances represent or guarantee that the Council will grant future reimbursement and that expenditure of local funds never entitles a park agency to reimbursement.

### Background

#### *Regional Park Implementing Agency (Agency) and Location*

Scott County requested this grant on July 29, 2019. A copy of the Agency's request is attached to this item as Exhibit 2. Blakeley Bluffs Park Reserve is located in Blakeley Township in the southwestern portion of the County.

#### *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 PTLF and Council match.

## *Council review*

Council staff:

- review each PAOF request to ensure that the proposed acquisition complies with state statute and Council policy;
- ensure that all necessary documentation is in place and that the appraisal is reasonable and appropriate; and
- process requests on a first-come-first-served basis.

## *Subject property*

The subject 37.45-acre property is mostly within the Council-approved boundary of the Blakeley Bluffs Park Reserve. The Agency has requested an acquisition master plan amendment to bring seven acres within the boundary (Business Item No. 2019-228), which is being heard on the same calendar as this item. This acquisition request is contingent upon the Council's approval of the acquisition master plan amendment.

The property includes natural resources consisting of a Mesic Hardwood Forest System dominated by Oak. Approximately 12 of the wooded acres are inventoried as a MNDNR native plant community type Red Oak-Sugar Maple-Basswood Forest. Seven acres of the property lie in the floodplain of the Minnesota River Valley and include Willow Swamp and Floodplain Forest- Silver Maple habitat. The property contains two acres of development, including a house, yard, and driveway. The buildings will be removed, and the remaining footprint will be transitioned to a low-maintenance grass to accommodate future recreation use.

## *Acquisition details*

This is a straightforward, fee simple transaction. The property is subject to a conservation easement held by the Minnesota Land Trust. This easement, which will remain on the property, is consistent with the master plan for Blakeley Bluffs Park Reserve and the restrictions associated with receiving State and Council funding.

## **Rationale**

This acquisition is consistent with:

- *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 master plan. The Council approved the acquisition master plan for this park reserve in 2012. The Council is reviewing the acquisition master plan amendment to support this acquisition on the same review calendar. Approval of this acquisition is contingent upon the Council's approval of that acquisition master plan amendment.
  - Siting and Acquisition Strategy 1 requires that lands with natural resource features, access to water, and/or restoration potential will be a priority for the Regional Parks System. The property recommended for acquisition has 12 acres of native plant community- Red Oak-Sugar Maple-Basswood Forest. The property also contains seven acres of Minnesota River Valley floodplain, including Willow Swamp and Floodplain Forest-Silver Maple habitat.
  - Finance Strategy 7 authorizes the use of PAOF as the funding mechanism for the acquisition of Regional Park lands and matching every \$3 in state funds with \$2 in Council bonds.

- The Blakeley Bluffs Park Reserve master plan, as amended with the concurrent Business Item 2019-228; and
- All requirements of PTLF and the 2019 appropriation. This funding aligns with the goals of the Parks and Trails Legacy Fund strategic pillar of “Acquire land – create opportunities.”

### Thrive Lens Analysis

This request is consistent with Thrive’s Livability and Stewardship outcomes because the Council’s investment in the Park Reserve will protect and increase access to natural resources and outdoor recreation.

### Funding

#### Project budget

The appraised value is \$695,000, and the Seller has agreed to 93.51% of the appraised amount, offering a donation to the Agency. Stewardship plus closing and other costs are shown below:

<b>Budget item</b>	<b>Requested amount</b>
Purchase price	\$649,900
Due diligence (appraisal)	\$4,060
Holding and closing costs	\$11,391
Stewardship (including building removal, boundary marking, property monitoring, and invasive weed management)	\$75,000
<b>Total costs</b>	<b>\$740,351</b>
<b>Grant structure</b>	
State FY 2019 PTLF PAOF	\$333,157.95
Council bonds	<u>\$222,105.30</u>
<b>Grant amount not to exceed</b>	<b>\$555,263.25</b>
Local match	\$185,087.75

#### Future reimbursement consideration

The Agency is also requesting that the Council consider reimbursing its local match of \$185,087.75 for this acquisition at some point in the future as a part of a regular Capital Improvement Program (CIP). A request for “future reimbursement consideration” is the first step in a process Agencies may use to request repayment of their match amount for this acquisition in a future CIP cycle. Because the Council issues bonds to cover exactly 40% of CIP costs for a given state bonding cycle, such reimbursements are limited. The Council is under no obligation to reimburse this amount.

### Known Support / Opposition

There is no known opposition.

**Exhibit List**

- Exhibit 1: Images
- Exhibit 2: Grant request letter
- Exhibit 3: Grant application
- Exhibit 4: Board approval to purchase property
- Exhibit 5: Purchase agreement
- Exhibit 6: Appraisal excerpt

Exhibit 1 – Images

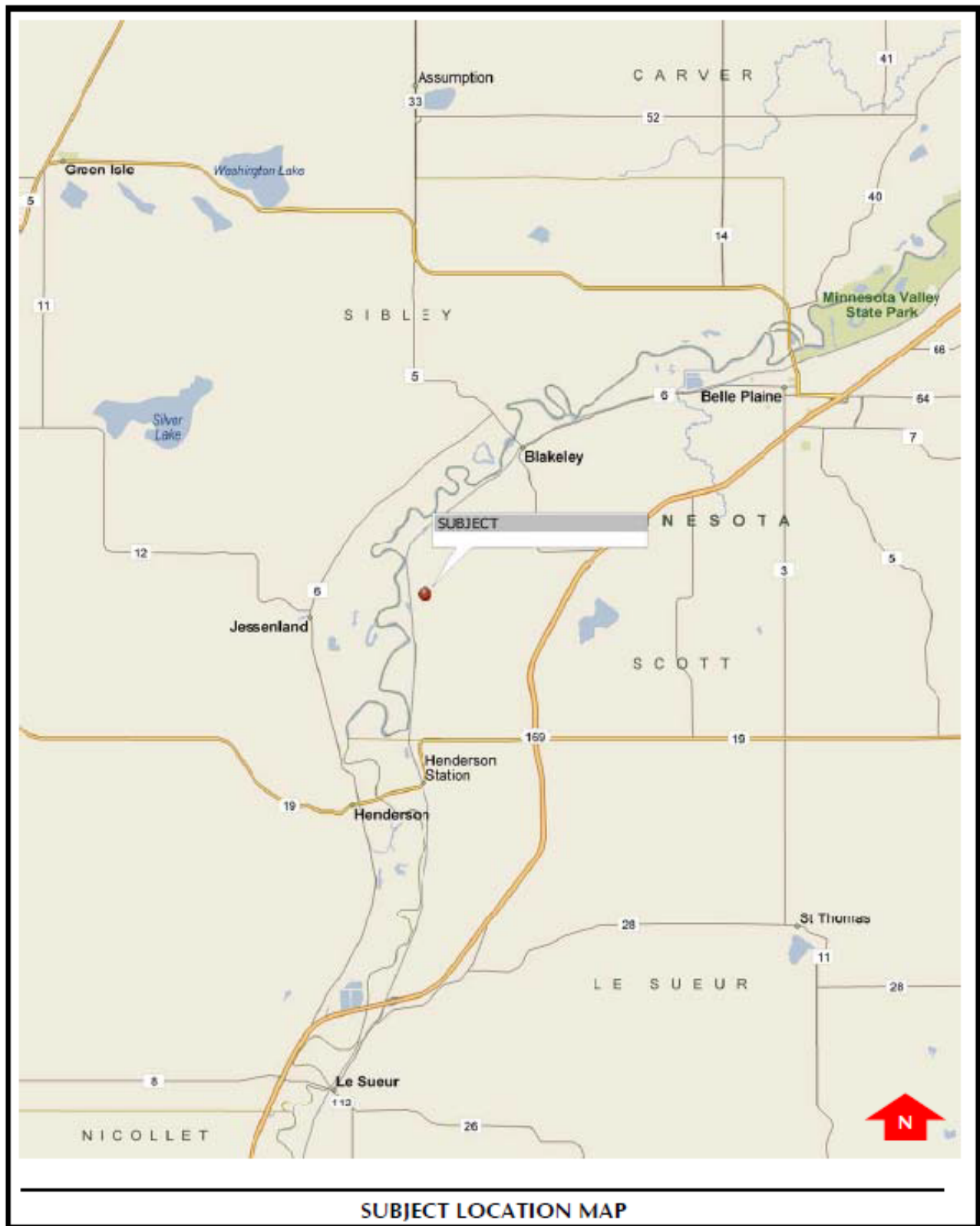
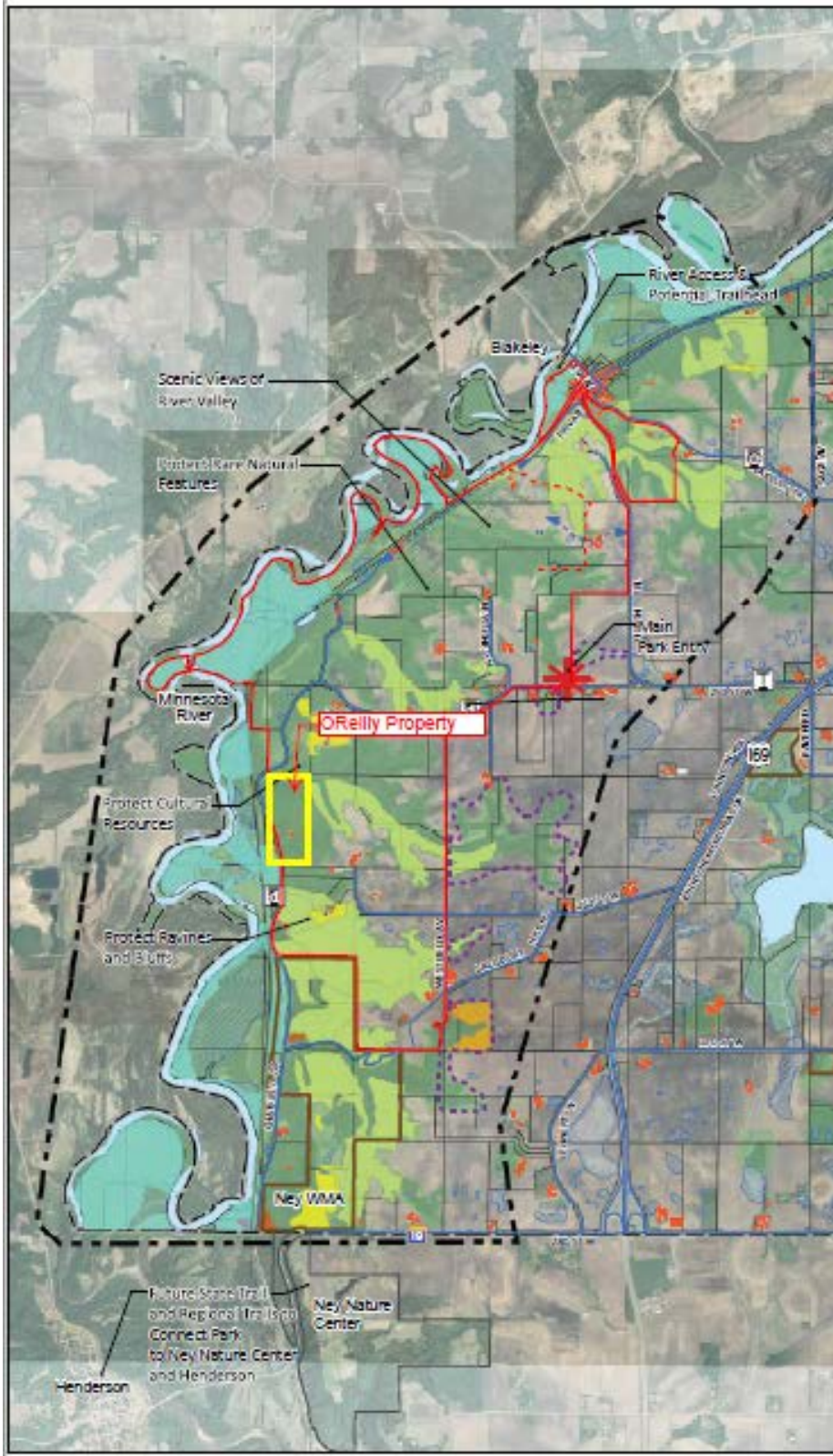


Figure 1. Location of subject property in Scott County

# Master Plan Blakeley Bluffs Regional Park Reserve



Planned Boundary:  
2,440 acres



**LEGEND**

- Planned Park Boundary
- ← Potential Vehicular Circulation
- Bluff Overlay & Cost-Share Enhancement Opportunities
- Existing Buildings
- Floodplain Forest high-quality
- Maple-Basswood Forest high-quality
- Mesic prairie
- Mesic oak savanna
- Oak woodland-brushland
- Wet meadow
- Bluff and Ravine Area (includes minimum buffer)
- Existing Road Circulation
- Open Water, Rivers, Streams
- Wetlands
- Park Reserve Search Area Boundary

0 2,000 4,000 Feet

Figure 2. Blakeley Bluffs Regional Park Reserve Master Plan Boundary and Land Type Map



**Scott**  
Date: 7/7/2019

1 in = 752 ft



This drawing is neither a legally recorded map nor a survey and is not intended to be used as one. This drawing is a compilation of records, information, and data located in various city, county, and state offices, and other sources affecting the area shown, and is to be used for reference purposes only. Scott County is not responsible for any inaccuracies herein contained. If discrepancies are found, please contact the Scott County Surveyors Office.

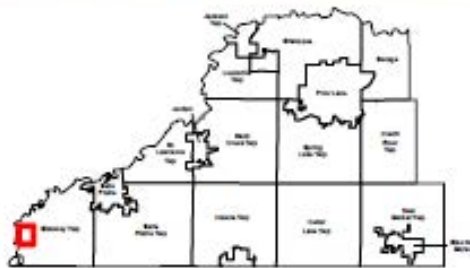


Figure 3. Subject 37.45-acre parcel



## SCOTT COUNTY PARKS AND TRAILS PROGRAM

A Partnership between Scott County and Three Rivers Park District

GOVERNMENT CENTER 114 • 200 FOURTH AVENUE WEST • SHAKOPEE, MN 55379-1220  
(952) 496-8475 • Fax (952) 496-8496 • Web [www.co.scott.mn.us](http://www.co.scott.mn.us)

July 29, 2019

Jessica Lee  
Regional Parks and Natural Resources Unit  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN 55101

Subject: Acquisition Opportunity Grant Request for Chatfield Ravines, Blakeley Bluffs  
Park Reserve

Dear Ms. Lee,

I am writing to submit an Acquisition Opportunity Grant Request for an acquisition associated with Blakeley Bluffs Park Reserve in Scott County. I request that this grant request and a related boundary adjustment request that will be submitted later this week, be placed on the September 5 MPOSC agenda for consideration.

### *Acquisition Grant Request*

The Judith O'Reilly Revocable Trust owns approximately 78 acres of land at 25975 Chatfield Drive, Belle Plain, MN 56011. The property lies on the western boundary of the park reserve. At this time, the owners wish to sell approximately 38 of the 78 acres of land to Scott County, for the future Blakeley Bluffs Park Reserve. The 38 acres of land for sale includes Minnesota River floodplain, bluffs, woods, and a home.

Scott County is requesting the Metropolitan Council's consideration of an acquisition opportunity grant in the amount of \$555,263 that would fund 75% of the acquisition and associated costs, with 25% local match coming from county funds. In addition, Scott County requests that the 25% local match of \$185,088 be eligible for reimbursement in future Regional Park CIP requests.

This property is a critical component of the future Blakeley Bluffs Park reserve:

- It is a critical link in a future hiking trail anticipated to run the length of the Park Reserve and through this property.
- Its topography will provide hiking access between the floodplain and bluff top.
- The current owners established hiking trails on the property, including one that will access a high point that offers scenic views of the Minnesota River Valley; these may form the basis for segments of the hiking trail in the future.
- The property is predominately wooded, with approximately 12 acres of the wooded area being of quality Red Oak-Sugar Maple-Basswood Forest.



- The combination of quality forest resources and opportunities for scenic viewing within what will be a large complex of natural lands will offer some of the best hiking experiences in the Metropolitan Area.

#### *Summary of Property Acquisition Background*

In 2017 and 2018 the County and seller were in discussions about County acquisition (willing) of sellers' 78-acre property. In January 2018 the County secured an appraisal for the 78-acre parcel and County and seller came to an agreed upon acquisition price, as well as a donation. Soon after, and for a number of reasons, the sellers requested the acquisition discussion be put on hold for a few months requesting the acquisition process resume in fall of 2018. Shortly after, one of the owners passed away. Subsequently, the property went through an ownership transfer and the owners placed the property on the open market for sale in June, 2019. The County secured an appraisal addendum in June 2019 which along with the listed market price formed the basis for the County's purchase price offer.

#### *Boundary Adjustment Request*

Concurrent to this grant request, the County is requesting a boundary adjustment to the Blakeley Bluffs Park Reserve approved boundary. An adjustment is necessary because 7 acres of the 38 acres being acquired are outside the park reserve boundary. While drafting the boundary during the 2011 master planning effort it appears that in the area where this property is situated, we largely followed the roadway, missing the fact that by doing so we were bisecting a parcel, and stranding a 7 acre portion of the parcel on the other side of the road. If this had been noticed, we would have aligned the park boundary with this property, rather than cutting 7 acres off. One of our practices in identifying boundaries is to not leave small unusable and non-conforming parcels. This area of Blakeley is guided by 1/40 residential zoning. We are requesting that the boundary be adjusted to capture the 7 acres on the west side of Chatfield Drive.

A second area of the park reserve boundary is also in need of a boundary "clean up". Several years ago the Minnesota Department of Natural Resources purchased an approximately 120 acre property located within the planned park reserve boundary. The County was unable to purchase the property and ultimately supported it being purchased by the MnDNR and added to the adjacent Ney Wildlife Management Area, where its natural resource value will be preserved and hunting access provided. Two smaller parcels (14 acres and 10 acres) are situated in such a way, tucked into the Wildlife Management Area. These are also being proposed for removal, taking into consideration the proximity to public hunting grounds as well as ongoing consideration of the Blakeley Township Board's concerns over the size of the park reserve.

Thank you for your consideration of this request. If you have questions please contact me directly at 952-496-8752.

Sincerely,



Patricia Freeman  
General Manager Scott County Parks



Application

10851 - 2019 Parks Acquisition Opportunity Fund

11053 - Chatfield Ravines Acquisition - Blakeley Bluffs Park Reserve

Parks Grants Acquisition

Status: Submitted  
Submitted Date: 07/30/2019 3:59 PM

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## Primary Contact

**Name:\*** Patricia Freeman  
Salutation First Name Middle Name Last Name

**Title:** General Manager Scott County Regional Parks

**Department:** Physical Development - Parks

**Email:** pfreeman@co.scott.mn.us

**Address:** 200 Fourth Avenue West

**\* City:** Shakopee **State/Province:** Minnesota **Postal Code/Zip:** 55379  
City State/Province Postal Code/Zip

**Phone:\*** 952-496-8752  
Phone Ext.

**Fax:**

**What Grant Programs are you most interested in?** Parks Legacy Fund

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## Organization Information

**Name:** SCOTT COUNTY

**Jurisdictional Agency (if different):**

**Organization Type:** County Government  
**Organization Website:**  
**Address:** 200 4TH AVE W  
  
\* SHAKOPEE Minnesota 55379  
City State/Province Postal Code/Zip  
**County:** Scott  
**Phone:\*** 952-496-8341  
Ext.  
**Fax:**  
**PeopleSoft Vendor Number** 0000024262A23

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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** Blakeley Bluffs PR - Scott County

### Master plan

*An acquisition request will not be considered complete 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** Blakeley Bluffs Park Reserve  
Master Plan 03/14/2012  
Name of master plan Council 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**.*

This is a routine acquisition method.

**Does this acquisition involve eminent domain?** No

### 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 Council notified of your intention to use eminent domain?**

**Date the petition was filed.**

**Settlement date**

**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 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.**

**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** 10/31/2019

*Format: mmddyyyy (Do not enter any punctuation.)*

**Type of agreement** Purchase Agreement

*i.e., purchase agreement, offer letter, etc.*

**Date agreement expires** 12/31/2019

*Format: mmddyyyy (Do not enter any punctuation.)*

**Relocation costs**

*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 requested grant amount include relocation costs?** No

**Appraisal**

*The appraisal must have an effective date within one year of the date the purchase agreement is signed. The appraisal **MUST** list the Metropolitan Council as an intended user, and the intended use must include "negotiation and grant reimbursement."*

**Appraisal effective date** 06/25/2019

**Appraised value** \$695,000.00

**Amount being offered the seller (net of closing and other costs)** \$649,900.00 93.51%  
% of appraised value

**Who performed the appraisal?** Patchin Messner Valuation Conselors

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

**Survey**

**Was a survey done?** No

**Quality of natural resources - is the property...**

...undeveloped?	Fully	Yes Partially
...wooded?	Fully	Yes Partially
...shoreline?	Fully	Partially

**Describe the existing natural resources it contains**

This 38 acre property is mostly wooded with an approximately 2 acre development footprint (single family, multi-floor home, yard, driveway). The property's woodlands are part of a Mesic Hardwood forest system that covers adjacent lands and is dominated by Oak species and tend to be older, more established forest ecosystems within the greater area. These dense and diverse woods provide a variety of habitats for local wildlife at all levels of forest. Approximately 12 of the wooded acres on the property are inventoried as a MN DNR native plant community type Red Oak-Sugar Maple-Basswood Forest. It's landform is characterized by steep slopes and ravines.

Approximately 7 acres of the property lie in the floodplaining of the Minnesota River Valley. Based on the Minnesota Land Cover Classification database, the floodplain habitats on the property include Willow Swamp and Floodplain Forest - Silver Maple Subtype.

**Known opposition**

**Is the Agency aware of any opposition to this acquisition?** Yes

**If yes, explain:**

One individual has contacted Scott County and the Met Council to express his opposition to the acquisition. Both Scott County and Met Council are openly communicating with him.

**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 property?** Yes

**If yes, describe**

The property is subject to a conservation easement held by the Minnestoa Land Trust. The easement restrictions are consistent with the anticipated uses of the property within the park reserve.

**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?**

**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](http://www.lccmr.leg.mn/pm_info/enrtf_fee-title-acquisition-project-requirements.pdf)*

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

**Anticipated funding source**

PTLF Legacy / Council match

*Select as many as apply*

**Funding source comments, if desired**

**Structures currently on the property**

**Does the property contain ANY structures?**

Yes

**If yes, are there any habitable structures?**

Yes

**Does the property currently contain any revenue-generating businesses?**

No

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

We plan to evaluate the structure for possible moving, deconstruction or demolition.

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

The roadways and driveway leading to the house are narrow and heavily wooded. It's likely that significant tree removal would be required on the property and along the roadways in order to move the structure. This, along with the condition of the road, may present significant barriers to moving/relocation of the house.

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

The property contains a 1.5 story home built in 2003 of approximately 4,061 square feet of total finished area, and an attached 3-stall garage.

**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.*

## **Stewardship and minimal access**

**Describe the stewardship plan.**

Structures – The house and garage will be evaluated for moving, deconstruction or demolition.  
Land - Upon acquisition of the property stewardship activities will include boundary marking and enforcement, property monitoring and ordinance enforcement, and noxious and invasive weed management. The area where the house and driveway are located will be transitioned to a low maintenance eco grass that will require limited maintenance, and the remainder of the non-wooded area will be allowed to transition to woodland. Maintaining an open area of low maintenance grass on the level portions of the property and along the driveway is desired to accommodate future recreational use. Another benefit of keeping an open area is to support some public use at the park in the interim period before the park reserve is transitioned to full use; this area may be utilized as a gathering space for volunteer events (such as invasive control efforts or native plantings) or to support recreation or education programs.

**How will the stewardship implementation be funded?**

The costs for the stewardship plan is reflected in the acquisition costs. These costs are split between the grant and the County.

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?

## Site Description

### Land Use History

**Current land uses** Residential, Woods

*Select as many as apply*

**Previous land uses** Woods

*Select as many as apply*

**Adjacent land uses** Park, Residential, Woods

*Select as many as apply*

### Inspection

**Does the property contain any of the following?** Wells, Septic, Sumps, Power and/or utility lines

*Select as many as apply*

## Sellers and parcels

Seller name	Parcel addresses	PID	Acres (SF for easements)	Date PA signed	Habitable structures?	MN House district	City	County	Met Council district	MPOSC	Latitude	Longitude	
Judith O'Reilly Revocable Trust	25975 Chatfield Drive, Belle Plaine, MN		37.45	07/23/2019	Yes	20A	Belle Plaine	Scott	4	B	44.574680	-93.886740	
			<b>37</b>										

## Local match

### Source of local match

The local match funding source is the Scott County levy.

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

**If yes, how much?** \$185,088.00

## Grant agreement signatories

Full name	Title	If this is an attorney, is the signature 'for form only'?
Barb Weckman Brekke	County Board Chair	
Lezlie A. Vermillion	County Administrator	
Jeanne Andersen	Assistant County Attorney	Yes

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## Acquisition Costs

Cost Items	Amount
<b>Purchase price</b>	
Negotiated purchase price	\$649,900.00
<b>Appraisal expenses</b>	
Appraisal	\$4,060.00
Appraisal review	\$0.00
<b>Environmental expenses</b>	
Phase I environmental site assessment	\$0.00
Phase II environmental site assessment	\$0.00
Environmental contamination remediation	\$0.00
<b>Holding expenses</b>	
Interest	\$0.00
Land stewardship	\$75,000.00
Land development	\$0.00
Pro-rated share of all property taxes/assessments	\$3,872.00
Legal services and closing costs	\$750.00
Property tax equivalency payment-473.341	\$2,412.00
Relocation costs to seller	\$0.00
State deed tax/conservation fee	\$2,149.00
Title insurance	\$2,112.00
Well disclosure statement	\$50.00
Other holding	\$0.00
<b>Other expenses</b>	
Other expenses	\$46.00
<b>Totals</b>	<b>\$740,351.00</b>

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## Total Estimated Acquisition Costs

<b>Totals</b>	<b>Total acquisition cost</b>	<b>Total paid with state funds</b>	<b>Total paid with metro funds</b>	<b>Total paid by agency</b>	<b>Total grant amount</b>
Total Estimated Acquisition Cost (calculated after costs above are entered)	\$740,351.00	\$333,157.95	\$222,105.30	\$185,087.75	\$555,263.25

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## Required Attachments - Acquisition

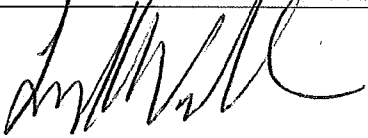
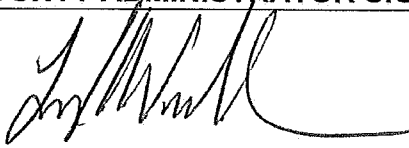
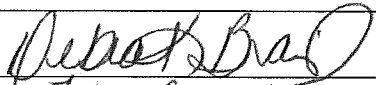
Exhibit 4: Board approval to purchase property

**AGENDA # 7.11**  
**SCOTT COUNTY, MINNESOTA**  
**REQUEST FOR BOARD ACTION**  
**MEETING DATE: JULY 16, 2019**

<b>ORIGINATING DIVISION:</b>	Planning & Res. Mgmt.	<b>CONSENT AGENDA:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>ORIGINATING DEPARTMENT:</b>	Parks and Trails		
<b>PRESENTER:</b>	Patty Freeman - 8752	<b>ATTACHMENTS:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>PROJECT:</b>	Blakeley Bluffs Park Reserve	<b>TIME REQUESTED:</b>	N/A
<b>ACTION REQUESTED:</b>	Adopt Resolution No. 2019-109, Authorizing the Execution of a Purchase Agreement and Acquisition of Real Property Located at 25975 Chatfield Drive (PID #029190021) in Blakeley Township; Submittal of a Grant Request to the Metropolitan Council for Acquisition Funding; and Authorization to Align the Park Boundary With the Acquisition		
<b>CONTRACT/POLICY/GRANT:</b>	<input checked="" type="checkbox"/> County Attorney Review <input type="checkbox"/> Risk Management Review	<b>FISCAL:</b>	<input type="checkbox"/> Finance Review <input type="checkbox"/> Budget Change

**ORGANIZATIONAL VALUES:**

- Stewardship: Ensuring the responsible and stable investment of taxpayer dollars and communicating its value to the public
- Partnership: Aligning existing resources, volunteers and programs to achieve shared goals
- Leadership: Anticipating changes and managing challenges based on reliable information and citizen input
- Commitment: Developing a high quality workforce that is dedicated to advancing a safe, healthy and livable community
- Customer Service: Creating a customer experience that is respectful, responsive and solution-oriented
- Innovation: Exploring and adopting new technologies and processes with the goal of improving service and reducing the long term cost of service delivery

<b>DEPARTMENT/DIVISION HEAD SIGNATURE:</b>		<b>COUNTY ADMINISTRATOR SIGNATURE:</b>	
			
<b>Approved:</b>	TWIDB says	<b>DISTRIBUTION/FILING INSTRUCTIONS:</b>	
<b>Denied:</b>			
<b>Tabled:</b>			
<b>Other:</b>			
<b>Deputy Clerk :</b>			
<b>Date:</b>	7-16-19		

**Background/Justification:**

The purpose of this agenda item is to adopt Resolution 2019-109, Authorizing the Execution of a Purchase Agreement and Acquisition of Real Property Located at 25975 Chatfield Drive (PID #029190021) in Blakeley Township; Submittal of a Grant Request to the Metropolitan Council for Acquisition Funding; and Authorization to Align the Park Boundary with the Acquisition.

In 2018 County staff was in conversation with a previous owner of this property at 25975 Chatfield Drive who wished to sell to the County. The County commissioned an appraisal for the property by Patchin Messner Valuation Services. Prior to completion of the purchase agreement, the property owner passed away. The property has since been transferred to a family member's irrevocable trust and they have listed a portion of the property for sale on the open market. The County recently (June 27, 2019) commissioned an addendum to the 2018 appraisal by Patchin Messner Valuation Services, providing an updated opinion of estimated market value on this property listed for sale in order to aid staff in negotiating a purchase price. The Scott County Board is being asked to initiate the acquisition process by authorizing execution of a purchase agreement with the Judith K. O'Reilly Revocable Trust for approximately 38 acres of land address as 25975 Chatfield Drive (PID #029190021).

The property is approximately 80 acres (78.5 deeded acres, remaining road and railroad right-of-way) zoned A-1 Agricultural Preservation District (1 per 40 density). The owners plan to subdivide the property through an administrative subdivision into two parcels, one to create an approximately 38-parcel with the home which is the parcel the County desires to purchase. It is understood that the family intends to retain the remaining 40 acre parcel for continued pasture use. The entire parcel today is under a conservation easement held by the Minnesota Land Trust. The County has reviewed this easement and it is consistent with the County's future proposed use of the property as a park.

Based on the information staff has available, 31 of the 38 acres for sale are within the Blakeley Bluffs Acquisition Master Plan boundary. The 7 acres currently not in the approved boundary appear to have been unintentionally left out of the master plan boundary. The overall objective would be to work through the required process Metropolitan Council by the end of 2019 to align the park boundary and secure a regional acquisition grant for the property so that it can be added to the Park reserve. Funding from the Parks Acquisition Opportunity Fund Program may only provide funds for the acquisition of lands within an approved master plan boundary. The County remains committed to a maximum Park Reserve size of 2,440 acres as previously discussed with the Blakeley Township Board.

This 38-acre property purchase would result in the elimination of a private residential driveway on Chatfield Drive (County Road 51). County staff has been in discussions this summer with Blakeley Township Supervisors on a long-term vision for this low traffic volume County road corridor, given continuous – and costly - ravine stabilization issues and washouts that occur along this stretch of roadway near this private driveway location.

During conversations with the seller regarding purchase of the property currently on the market, if seller is interested in a willing sale of the full parcel (78.5 acres) to the County, staff intends to include the full acreage in the negotiations.

Scott County's 2019 – 2023 Parks Improvement Program proposed acquisition of land within Blakely Bluffs Park Reserve boundary from a willing seller. Seventy-five (75%) percent of the funding for the acquisition would come from the Metropolitan Council's Regional Park Acquisition Opportunity Fund Program, and the remaining 25% would be a local County match that would be eligible for reimbursement from future Regional Park CIP distributions. The funding for the 25% match for the property acquisition is programmed and will come from the County Road and Bridge fund.

Fiscal Impact:

None

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

<b>Date:</b>	July 16, 2019
<b>Resolution No.:</b>	2019-109
<b>Motion by Commissioner:</b>	Wolf
<b>Seconded by Commissioner:</b>	Beer

**RESOLUTION NO. 2019-109; AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT AND ACQUISITION OF REAL PROPERTY LOCATED AT 25975 CHATFIELD DRIVE (PID #029190021) IN BLAKELEY TOWNSHIP; SUBMITTAL OF A GRANT REQUEST TO THE METROPOLITAN COUNCIL FOR ACQUISITION FUNDING; AND AUTHORIZATION TO ALIGN THE PARK BOUNDARY WITH THE ACQUISITION**

WHEREAS, Scott County is interested in acquiring additional land for Blakely Bluffs Park Reserve consistent with an approved master plan; and

WHEREAS, whereas a portion of the property at 25975 Chatfield Drive has been placed on the open market for sale; and

WHEREAS, the County has obtained an appraisal by Patchin Messner Valuation Services for an opinion of estimated market value; and

WHEREAS, the property is approximately 80 acres (78.5 deeded acres, remaining road and right-of-way), zoned A- 1 Agriculture Preservation and the owners plan to subdivide the parcel through an administrative subdivision into two parcels, one to create an approximately 38-acre parcel with the home which is the parcel the County desires to purchase and it is understood that the family intends to retain the remaining 40-acre parcel for continued pasture use; and

WHEREAS, the entire parcel today is under a conservation easement held by the Minnesota Land Trust; and

WHEREAS, the County has reviewed this easement and it is consistent with the County's future proposed use of the property as a park reserve; and

WHEREAS, the information staff has available, 31 of the 38 acres for sale are within the Blakeley Bluffs Acquisition Master Plan boundary; and

WHEREAS, this purchase would result in the elimination of a private residential driveway on Chatfield Drive (County Road 51); and

WHEREAS, County staff has been in discussions this summer with Blakeley Township Supervisors on a long-term vision for this low traffic volume County road corridor; and

WHEREAS, if seller is interested in a willing sale of the full parcel (78.5 acres) to the County intends to include the full acreage in the negotiations; and

WHEREAS, the County remains committed to a maximum Park Reserve size of 2,440 acres; and

WHEREAS, the overall objective would be to work through the required process of the Metropolitan Council by the end of 2019 to align the park boundary and secure a regional acquisition grant for the property, so that it can be added to the Park Reserve; and

**BOARD OF COUNTY COMMISSIONERS  
SCOTT COUNTY, MINNESOTA**

<b>Date:</b>	July 16, 2019
<b>Resolution No.:</b>	2019-109
<b>Motion by Commissioner:</b>	Wolf
<b>Seconded by Commissioner:</b>	Beer

WHEREAS, Scott County's 2019-2023 Parks Improvement Program proposed acquisition of this land within Blakeley Bluffs Park Reserve boundary from a willing seller; and

WHEREAS, 75% of the funding for the acquisition would come from the Metropolitan Council's Parks Acquisition Opportunity Fund Program and the remaining 25% would be local match that would be eligible for reimbursement from a future Regional Park Capital Improvement Program (CIP) distribution; and

WHEREAS, funding for the 25% match for the property acquisition is programmed and will come from the County Road and Bridge fund.


NOW THEREFORE BE IT RESOLVED that the Board of Commissioners in and for the County of Scott, Minnesota, hereby authorizes the County Administrator to execute a Purchase Agreement and complete the purchase of real property at 25975 Chatfield Drive (PID #029190021), subject to approval by the County Attorney's Office as to form.

BE IT FINALLY RESOLVED that Scott County Park's staff is hereby authorized to submit a grant request for park land purchase and a boundary change request to the Metropolitan Council.

COMMISSIONERS	VOTE			
Weckman Brekke	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Wolf	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beard	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Beer	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ulrich	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

**State of Minnesota)  
County of Scott )**

I, Lezlie A. Vermillion, duly appointed qualified County Administrator for the County of Scott, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Scott County, Minnesota, at their session held on the 16<sup>th</sup> day of July, 2019 now on file in my office, and have found the same to be a true and correct copy thereof. Witness my hand and official seal at Shakopee, Minnesota, this 16<sup>th</sup> day of July, 2019.

  
\_\_\_\_\_

County Administrator  
Administrator's Designee

## REAL PROPERTY PURCHASE AGREEMENT

THIS AGREEMENT, made as of this 23<sup>rd</sup> day of JULY, 2019 by and between the Judith Kay O'Reilly Revocable Trust dated January 25, 2019, as amended, (hereinafter referred to as the "Seller") and County of Scott, a body politic and corporate organized and existing under the laws of the State of Minnesota, (hereinafter referred to as the "Buyer"). Seller and Buyer may at sometimes herein be collectively referred to as ("Parties") and individually as ("Party").

### RECITALS:

WHEREAS, Seller is the owner of certain real property, with improvements located thereon, situated in Scott County, State of Minnesota, more particularly described in Section 1 of this Agreement below; and

WHEREAS, Seller is a willing seller who desires to sell certain real property, with improvements located thereon, situated in Scott County, State of Minnesota, more particularly described in Section 1 of this Agreement below; and

WHEREAS, Buyer is a willing buyer who desires to buy the same certain real property, with improvements located thereon, situated in Scott County, State of Minnesota, more particularly described in Section 1 of this Agreement below; and

WHEREAS, Seller and Buyer enter into this Agreement as a willing seller and a willing buyer by mutual agreement.

NOW THEREFORE, in consideration of the promises and of the payments and mutual covenants contained herein, the parties agree as follows:

1. Seller is the owner of certain real property, with improvements located thereon, situated in Scott County State of Minnesota described, as follows:

The West Half of the Southwest Quarter (W $\frac{1}{2}$  of SW $\frac{1}{4}$ ) of Section 19, Township 115, Range 25, Scott County, Minnesota, excepting the right-of-way of the Chicago, St. Paul, Minneapolis and Omaha Railroad Company.

which it is attempting to subdivide and upon such subdivision desires to sell a portion of the real property with improvements located thereon.

2. Seller undertakes and agrees to sell to Buyer, after or contemporaneous to successful subdivision of its original parcel, and Buyer agrees to purchase from Seller, upon the terms, covenants and conditions set forth below, real property situated in Scott County, State of Minnesota described, as follows:

See Exhibit "A" attached hereto and made a part hereof, which is subject to the County's review and approval as evidenced thereon by its signature.

Together with all buildings, improvements, fixtures, and landscaping situated thereon

(hereinafter referred to as the "Property").

3. Personal Property. Personal property that Seller nominates to include in this transaction is listed on an Addendum attached hereto and made a part hereof. In the event that there is no personal property, Seller shall write "None" on the blank line below and initial or in the event that personal property is included in this transaction, Seller shall write "See attached addendum" and initial. Purchase of personal property is subject to acceptance by Buyer's initials next and opposite to each item on the Addendum to evidence Buyer's acceptance. Seller agrees to deliver a Bill of Sale for the personal property at and as a part of Closing.

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4. Purchase Price. The total purchase price for the Property shall be Six Hundred Forty Nine Thousand Nine Hundred and No/100 (\$649,900.00) Dollars (the "Purchase Price"), to be paid as follows:
    - a. Earnest Money: Five Thousand and No/100 (\$5,000.00) Dollars.
    - b. Six Hundred Forty Four Thousand Nine Hundred and No/100 (\$644,900.00) Dollars to be paid by check on the Closing Date, less any and all payoffs of mortgages, liens or other interests, and upon delivery by Seller to Buyer of good and marketable title by a Warranty Deed of conveyance.
  5. Condition of Title.
    - a. The obligations of Buyer are hereby made expressly contingent upon Buyer's satisfaction with the condition of the title to the Property pursuant to Section 6, and as described in Section 1 of this Agreement.

- b. Seller shall, within fifteen (15) business days of this Agreement, deliver to Buyer for its examination, an Abstract of Title and a copy of any owner's title insurance policy for the property, if in the Seller's possession or control. Buyer may update the Abstract of Title certified to a current date by a licensed Abstracter at Buyer's expense or Buyer may order a title commitment from a title insurance company, at Buyer's expense, for Buyer's examination. Buyer shall have thirty (30) business days from the receipt of said updated Abstract of Title or title commitment for examination of same. In the event that Buyer elects to order an Owner's Insurance Policy at Closing, the premium for such policy is at Buyer's expense.
  - c. If Buyer fails to notify Seller in writing of Buyer's objections to the condition of title to the Property within thirty (30) business days from the receipt of an updated Abstract of Title or title commitment, Buyer shall be deemed to have given notice of Buyer's election to waive the condition of satisfactory title and to proceed to Closing.
  - d. If Buyer notifies Seller of objections within thirty (30) business days, Seller shall have forty-five (45) business days to obtain good and marketable title to the Property in response to a notice of Buyer's objections.
  - e. If Buyer is not satisfied with the condition of title to the Property after Seller's forty-five (45) business days to cure objections, Buyer may elect to:
    - (i). Terminate this Agreement by notice to Seller; or
    - (ii). Waive the failure of satisfactory title to the Property and proceed to Closing in accordance with the terms of this Agreement.
6. Seller's Representation and Warranties. Seller represents and warrants to Buyer (as of the date of this Agreement and as of the Closing Date, unless otherwise specifically limited) that:
- a. Seller will deliver, as of the Closing Date, good and marketable title in fee simple to the Property, free and clear of all liens, encumbrances, assessments, obligations, charges and options of any kind, except for easements of record. It is understood by the parties that any outstanding mortgages, assessments, liens or judgments against the property shall be released or satisfied on the Property from the proceeds of the sale at the time of Closing.



- b. Seller shall deliver good and marketable title in fee simple to the Property, free and clear of all liens, encumbrances, assessments, obligations, charges and options of any kind, or other encumbrances affecting title, except for easements of record.
- c. Seller has not entered into any other contracts or agreements of any kind for the sale of this Property. Seller has not entered into any leases or contracts for any use on the Property, except easements of record. Seller agrees not to lease, sell, convey, mortgage or otherwise encumber all or any portion of the property or to amend any existing document or other matter encumbering or affecting the Property.
- d. To the best of Seller's knowledge, there is no pending or threatened litigation or other proceeding which could adversely affect the value or Buyer's use of the Property.
- e. Seller (i) has not received any written notification from any governmental agency, and is not aware of any pending governmental agency notification that the improvements, which constitute part of the Property, or the present uses of the Property, do not comply with applicable laws, ordinances or regulations, and (ii) has no knowledge of defects or conditions on or in the Property or the soil or groundwater thereof which exist and that may materially impair Buyer's use and enjoyment of the Property.
- f. Seller has not had any labor, material, machinery, fixtures and/or tools furnished to the property within 120 days immediately preceding the Date of Closing. Seller shall pay in full any payments for all labor, materials, machinery, fixtures, or tools furnished on or for the Property within 120 days immediately preceding the Date of Closing. Seller shall obtain releases from the provider(s) of such labor, materials, machinery, fixtures or tools. Seller shall notify Buyer, and provide copies of all releases, of any labor, materials, machinery, fixtures, or tools furnished on or for the Property within 120 days immediately preceding the Date of Closing.
- g. Seller warrants that the Property has water and septic service, as follows (check the appropriate boxes):

City Water:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>J.O. Trustee</u>	Seller Initials
City Sewer:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<u>J.O. Trustee</u>	Seller Initials
Private well:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>J.O. Trustee</u>	Seller Initials

Subsurface Sewage Treatment System:  Yes  No JO, Trustee  
Seller Initials

In the event that a private water well or a subsurface sewage treatment system exists on the Property, Seller agrees to provide Buyer with a current Well Disclosure Statement and/or a current Subsurface Sewage Treatment System Disclosure Statement along with a current Property Disclosure Statement, all completed and delivered contemporaneously with Seller's execution and delivery this Agreement.

- h. To the best of Seller's knowledge, there are no hazardous substances or underground storage tanks on the Property.
- i. To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.
- j. Seller advises that information regarding the predatory offender registry and persons registered with the predatory offender registry under Minn. Stat. § 243.166 may be obtained by contacting local law enforcement office in the community where the Property is situated or by contacting the Minnesota Department of Corrections by telephone at (651) 361-7200 or its website at [www.corr.stte.mn.us](http://www.corr.stte.mn.us).

7. Subdivision of Land:

- a. Seller shall engage a licensed surveyor to prepare a boundary survey and legal description of the subdivision of land at Seller's expense. The subdivision descriptions shall comport to the description set out in section 1 herein, provided however that if there are slight variations, the official survey set out herein will control and will be the description used for closing and final deed description purposes. Seller warrants that the legal description shall be approved and accepted for filing of record by the Office of County Recorder in and for Scott County, Minnesota. Seller warrants that all buildings are entirely within the boundary lines of the Property and that the buildings and the use of the Property are in compliance with the current zoning ordinances. Seller warrants that the Property has the right of access to a public roadway.
- b. In the event that Seller cannot obtain all applicable government approvals for subdivision of land, this Agreement shall be null and void and Seller shall return all earnest money deposits to Buyer. The Parties also acknowledge in



such event, Buyer is interested in purchasing the entire property and Sellers will negotiate with Buyer and grant Buyer a right of first refusal if they decide to undertake selling the entire property. ↙

8. Entry onto the Property. Upon execution of this Agreement by the parties hereto, Buyer and its duly authorized agents shall, upon reasonable notice and during normal business hours, have the right to enter on, over, under and upon the Property in order to conduct such inspection, engineering, environmental, topographical, and survey studies or reports as Buyer may desire or find necessary for its evaluations of the appropriateness of the Property for the intended use.
9. Seller's Requirements at Closing. Seller shall deliver to Buyer an executed and duly recordable Warranty Deed conveying the Property subject to easements of record. Seller shall also deliver a Seller's Affidavit (MUCB form or similar); well certification and disclosure, compliance agreement and disclosure, and other documents as the Closing agent or title insurance company may deem necessary or appropriate for the transfer of good and marketable title to the Property.

Seller agrees to cooperate with Buyer regarding any reasonable request(s) made subsequent to closing to correct errors, if any, made concerning this transaction or provide any and all additional documents deemed necessary by Buyer to effect this transaction and make fee title good and marketable title. Seller agrees that cooperation includes, but is not limited to, execute or re-execute any documents that Buyer deems necessary or desirable to complete this transaction. The Parties understand that the Seller is not responsible for performing any duties or obligations of the Buyer in this transaction and that the Buyer is not responsible for performing any duties or obligations of the Seller.

10. Deed Tax and Filing Fees. Seller shall pay deed tax and conservation fees for this transaction. Buyer shall pay recording fees for the Warranty Deed for this transaction. Seller shall provide affidavits and other documents necessary to clear title, which shall be the responsibility of Seller, at Seller's expense
11. Property Taxes. Seller warrants that it has paid all prior years' property taxes and assessments. Property taxes payable in and for the calendar year of Closing Date will be prorated between Seller and Buyer to the Date of Closing for this transaction. Seller shall pay, on the Date of Closing, any deferred property

taxes (i.e. Green acres, etc.). Seller shall pay any and all other special assessments pending and levied as of the date of this Purchase Agreement.

12. Place and Time of Closing. In the event that Seller can deliver good and marketable title, this transaction shall be closed at a Closing prior to or by, a date and time as mutually agreeable between the parties hereto, which shall be no earlier than December 1, 2019 but no later than December 31, 2019 with the Closing Agent designated as Scott County Abstract and Title, Inc. with offices in Shakopee, Minnesota. Seller and Buyer shall each share 50% to pay closing and title fees charged by Closing Agent.
13. Possession. Seller shall deliver possession of the Property and shall vacate the Property immediately upon Closing.
14. Personal Property. Seller shall remove from the Property any and all personal property not included in the sale, materials, debris, rubbish, and/or other items prior to vacating the Property, subject to the satisfaction of the Buyer. Seller shall vacate the single-family residence in a "Broom Clean" condition.
15. Risk of Loss. If there is any loss or damage to the Property between the date hereof and the Date of Closing, for any reason including but not limited to, fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the Closing Date, this Purchase Agreement may become null and void at Buyer's option, and upon such election, Buyer and Seller shall immediately sign a cancellation of the Purchase Agreement.
16. Time of Essence. Time is of the essence in this Purchase Agreement.
17. Responsible Party. The Parties agree that the Party engaging any work, services, commissions or fees, including but not limited to, inspections, assessments, surveys, appraisal, title search, title examination, title insurance, brokerage, attorney's fees and other legal services, shall have the sole obligation and responsibility for such work, services, commissions or fees.
18. Notices. All notices required or permitted hereunder shall be deemed effectively given to the party to be charged therewith when personally delivered to the Seller or an officer of the County or deposited in the United States mail, postage prepaid and addressed as follows:

To Seller: 1100 1<sup>st</sup> St. S.E Apt. 431  
New Prague, MN 56071

To Buyer: Scott County Transportation Services Division  
Attn: W. Randy Ronning  
600 Country Trail East  
Jordan, MN 55352

The foregoing addresses may be changed by written notice given as provided in this Section.

19. Voluntary Agreement. The Parties acknowledges that this Agreement is for the direct purchase of the Property, which Seller has listed for sale with a Real Estate Broker on the open market. The Parties acknowledge that this transaction is by and between a willing seller and a willing buyer on a voluntary basis by mutual agreement of purchase price, terms and conditions. County acknowledges that this transaction is not in relation to or subject to any rights arising out of eminent domain. Seller acknowledges and waives that it has no rights of any kind whatsoever, which is associated with or resulting from any applicable laws and regulations under the rights of eminent domain.
20. Entire Agreement. This Agreement contains all of the agreements and understandings of the Parties hereto. This Agreement may be modified or cancelled only in writing executed by Seller and Buyer or by operation of law.
21. Binding Nature of Agreement. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.
22. Survival of Terms. All representations, warranties and agreements contained in this Agreement shall survive the Closing and shall not be merged into any instruments of conveyance delivered at the Closing, and the parties hereto shall be bound accordingly.
23. Headings. The headings of the sections in this Agreement are for convenience only and do not construe or limit the contents of such section.

- 24. Counterparts: This instrument may be executed in one or more counterparts or in multiple originals, either one of which is as valid as the other and when taken together shall constitute one agreement.
- 25. Effective Date of Agreement. This Agreement shall become effective and shall be binding upon the Parties hereto only after it has been executed by each of the Parties hereto. Buyer shall have no more than five (5) business days after the date of Seller's execution and delivery of this Agreement to Buyer for Buyer to approve this Agreement as to form.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JUDITH KAY O'REILLY REVOCABLE TRUST  
DATED JANUARY 25, 2019, AS AMENDED

Dated: July 23, 2019.

Judith Kay O'Reilly, Trustee  
Judith Kay O'Reilly, as Trustee  
{Print Name Above}

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
\_\_\_\_\_, as Trustee  
{Print Name Above}

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
\_\_\_\_\_, as Trustee  
{Print Name Above}

Dated: \_\_\_\_\_, 2019.

\_\_\_\_\_  
\_\_\_\_\_, as Trustee  
{Print Name Above}

COUNTY OF SCOTT

Dated: 7/16, 2019

By: Barb Weckman Brekke

Barb Weckman Brekke

Its: Board Chair, Board of Commissioners

Dated: 7/14, 2019

By: Lezlie A. Vermillion

Lezlie A. Vermillion

Its: Administrator

I approve this instrument as to form:

Jeanne Andersen 7/16/19  
Jeanne Andersen, Asst. County Attorney Date



This instrument was drafted by Scott County, 600 Country Trail, E. Jordan, MN 55352



PATCHIN MESSNER  
VALUATION COUNSELORS

**ADDENDUM**

To: Scott County Highway Department

From:  Sherril L. Brumm, MAI (MN License No. 20249948)  
 Andrew S. Totzke (MN License No. 40288605)

Date: June 25, 2019

Subject: 25975 Chatfield Drive, Blakeley Township, MN

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At your request, this memorandum is intended to provide valuation guidance regarding the property owned by the Judith Kay O'Reilly Revocable Trust (formerly vested in James P. O'Reilly and Judy K. O'Reilly), located at 25975 Chatfield Drive, Blakeley Township, Minnesota. In our report dated January 24, 2018, the property consisted of a 74.05-acre parcel, improved with a 1.5-story home, which was built in 2003 and containing  $\pm$ 4,061 SF of total finished area. Based on the data and analysis, as of January 12, 2018, the estimated market value of the property was \$760,000.

The previous appraisal report (Patchin Messner Valuation Counselors job file 21782) was intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. The original appraisal is adopted by reference as part of this addendum letter. This letter cannot be properly understood without the referenced appraisal report.

As of May 23, 2019, the above-referenced property is listed on the Northstar Multiple Listing Service (MLS), with an asking price of \$649,900. In comparison to the previous appraisal assignment, the property is being advertised with  $\pm$ 38 acres of land; however, the listing agent reported that the property will be subdivided into a 40-acre tract to meet the minimum lot area requirement of 40 acres set forth in the A-1, Agricultural Preservation District.



Given the above, and assuming that the property is in similar condition to that of the inspection performed on January 12, 2018, the comparable home sales previously utilized in the appraisal assignment dated January 24, 2018, are re-adjusted to a current date of value, and to the reduced land size of  $\pm 40$  acres. In addition, information has been sought on recent sales of residential properties utilizing the same search criteria; however, the minimum land area was expanded to include properties with 15.00+ acres to recognize the subject's reduced land size, as currently marketed.

First, an adjustment grid and narrative analysis of the comparable properties previously utilized in the appraisal assignment dated January 24, 2018, will be presented to arrive at a re-evaluated estimate of value. Next, an adjustment grid and narrative analysis of the new comparables will be included to arrive at a value estimate. Thereafter, the two conclusions of value will be reconciled to arrive at a final estimate of value.

The comparable home sales utilized in the appraisal assignment dated January 24, 2018, are re-adjusted on the following page, and a narrative analysis to arrive at a value estimate is presented below.

In this case, the date of value has been updated from January 12, 2018, to June 24, 2019, and the land area has been reduced from 74.05 acres to 40.00 acres. Also, as previously mentioned, the condition of the property is assumed to be similar to that as observed on January 12, 2018.

The same market condition adjustment of +3.0% per annum is applied to the comparables, and resulted in a 4.0% to 5.0% upward adjustment to the comparable sales. Conversely, the subject's land size decreased from 74.05 acres to 40.00 acres. The diminished land area of 34.05 acres mostly consists of wooded bluffs and steep ravines, whereas the remaining 40 acres includes a buildable homesite with good natural amenity. Given the above, the contributory value of this 34.05 acres of land is estimated to be approximately \$2,500 per acre, or approximately \$85,000 (\$2,500 per acre x 34.05 acres). Therefore, an additional \$85,000 downward adjustment for site size is applied to the comparable home sales.

After the adjustment process, the five comparable sales range in price from \$680,435 to \$725,930, with an average of \$700,479. Given the above, and granting weights similar as in the previous appraisal assignment, the market value of the subject property, as of June 24, 2019, is estimated to be \$710,000.

In addition to the above, information has been sought on recent sales of residential properties utilizing the same search criteria as in the 21782 job file; however, the minimum land area was expanded to include properties with 15.00+ acres to recognize the subject's reduction in land size. An adjustment grid is located on the following page, and a narrative analysis is include below to arrive at an estimate of value.

The same property adjustments are applied to the new comparable single-family sales as was applied in the previous appraisal assignment. Prior to adjustments, the comparable sales range in price from \$620,000 to \$875,000, with an average of \$719,980. After the adjustment process, the comparable sales range in price from \$635,795 to \$676,910 with an average of \$657,020. This narrowing of the unit range supports the adjustments made and provides for meaningful analysis.

Improved Sales 3 and 5 required the lowest level of gross adjustment and are considered the strongest indicators of value. The adjusted sale prices of Improved Sale 3 and Improved Sale 5 are \$676,910, and \$664,645, respectively.

Secondary weight is applied to Improved Sale 1. Improved Sale 1 is the most recent sale, and is located in rural Scott County. Furthermore, no adjustment for site size and condition of home were necessary. (As noted in the previous appraisal assignment, as well as in this addendum, the unbuildable land area contributes significantly less than the buildable upland.)

Improved Sale 2 required the highest level of gross adjustment, but the property shares similarities with the subject, and is given supporting weight in the final analysis.

Improved Sale 4 also shares similarities with the subject; however, the property is the low indicator of value, and sold for approximately \$80,000 below list price. Therefore, the adjusted unit value of Improved Sale 4 likely understates the value of the subject, and will be given less weight in the final analysis.

Given the above, and recognizing the subject's amenity, the market value of the subject property, as of June 24, 2019, is estimated to fall at the high end of the range, or \$670,000.

Lastly, it is noted that the asking price of the subject property is \$649,900. According to the listing agent, the asking price is below market, and is priced for a quick sale. Furthermore, the asking price is below the previous estimates of market value.

Given the above, the sales analyzes are summarized as follows:

	<u>Range &amp; Average</u>	<u>Est. of Value</u>
Adjusted Sale Prices of Comparables from Previous Appraisal Assignment	\$680,435 - \$725,930 \$700,479	\$710,000
Adjusted Sale Prices of Comparables from Updated Search Criteria	\$635,795 - \$676,910 \$657,020	\$670,000
Asking Price of Subject Property	N/A	\$649,900

The three analyzes suggest an estimated market value from \$649,900 to \$710,000. The comparable sales include single-family homes that share physical and locational similarities with the subject, and transacted within a relevant time in comparison to the effective date of value. Furthermore, it is noted that the analysis includes the active listing of the subject property. However, the listing is reportedly below market and is priced for a quick sale. This is supported by the two sales analyzes.

Setting aside the listing of the subject, the indicated range of value narrows to \$670,000 to \$710,000. The updated sales search revealed single-family properties that were also improved with one or more outbuildings, whereas the subject is only improved with a single-family home. Therefore, more weight is granted to the comparable sales analysis performed as part of the previous appraisal assignment.

All things considered, the market value of the subject, as of June 24, 2019, is estimated at **\$695,000.**

**SIX HUNDRED NINETY-FIVE THOUSAND DOLLARS**