

# Legislative-Citizen Commission on Minnesota Resources

**MEMO:** Agenda Item #4

**DATE:** January 16, 2020

**SUBJECT:** Metropolitan Council request for approval to purchase land over appraised market value

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## Background

On November 19, 2019, Metropolitan Council submitted an amendment for Commission approval to purchase land over appraised market value using both M.L. 2015, Chp. 76, Sec. 2, Subd. 09b "Metropolitan Regional Park System Land Acquisition - Phase IV" and M.L. 2017, Chp. 96, Sec. 2, Subd. 09a "Metropolitan Regional Parks System Land Acquisition"

The bill rider language for both appropriations contained the following as it relates to purchasing land over appraised value:

M.L. 2017, Chp. 96, Sec. 2, Subd. 13h and M.L. 2015, Chp. 76, Sec. 2, Subd. 13h

*(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.*

## Met Council's Request

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"The Metropolitan Council requests that the Legislative-Citizen Commission on Minnesota Resources approve funding an acquisition for Washington County's St. Croix Bluffs Regional Park at an amount that is 106.5% of the appraised value. Washington County has been working on the Rowe property purchase for over ten years in various capacities. A purchase such as the Rowe property is much more than a dollar amount: it is building lasting relationships with neighbors to the park and providing education in understanding the benefits of the natural resources experience that they provide.

The Rowe parcel is a 102-acre parcel that is on the approved list for this appropriation (parcel 16). Washington County has successfully negotiated with the landowner and has a signed purchase agreement that expires March 31, 2020. The seller has agreed to sell for \$2,935,000, which is 106.5% of the appraised value of \$2,755,000. Valuation of property can be thought of as a range of value at a given time based on facts regarding certain variables. Appraisers could provide different outcomes depending on how they review the data and make their adjustments. Because adjustments made in the appraisal to the various comparables are subjective, a six and one-half percent difference on a \$3 million-dollar property is very minimal and completely within a normal range of value. Based on the review of the appraisal and property in question, the purchase price for this property falls within a range that anyone in the open market would pay given the circumstances.

This parcel is a critical inholding for the St. Croix Bluffs Regional Park, which is currently 583.7 acres in size. After acquiring this 102-acre parcel, there will only be one 20-acre parcel left to acquire within the Council-approved park boundary.

This property has high natural resources value, including over 40 acres of hardwoods, mixed forest and open meadow. The remainder of the parcel will be restored to its natural state of oak savannah. This acquisition will also protect 1,000 feet of St. Croix River shoreline. St. Croix Bluffs Regional Park currently has over 3,800 feet

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of shoreline along the St. Croix River, and acquiring this parcel will result in the protection of nearly 5,000 contiguous feet of shoreline.

*The Rowe acquisition will be funded by a combination of ENRTF (34%), Parks and Trails Legacy Fund (11%), local Agency match (25%), and Council bonds (30%). The total project cost is \$2,971,466.20, of which ENRTF will fund \$1,020,000 (\$612,834.63 from ML2015 and \$407,165.37 from ML2017). This acquisition will use the remaining funds in the ML2015 appropriation and most of the balance of the ML2017 appropriation.*

This acquisition has been approved by the Metropolitan Parks and Open Space Commission and the Community Development Committee. The full Metropolitan Council will hear the request on January 22, 2020, following the January 16, 2020 LCCMR meeting. Washington County will be able to close on this acquisition immediately following Council approval.”

### Attachments

- Map of the proposed addition to St. Croix Bluffs Regional Park

### Action

If the commission approves this amendment, the following motion could be offered:

Move to approve the Metropolitan Council's request to pay up to 106.5% of the appraised value for the Rowe property to be acquired by Washington County for the St. Croix Bluffs Regional Park.