

To: Honorable Mayor and City Council
Heidi Nelson, City Administrator
Chuck Stifter, Park and Recreation Director

From: Ken Ashfeld, P.E., Director of Public Works/City Engineer

Date: March 2, 2023

Subject: Potential Land Acquisition
Parks and Recreation Comprehensive Plan
March 6, 2023 Council Work Session

REQUESTED ACTION: Direct staff to negotiate terms of a purchase agreement for tree conservancy land from the TriCare property.

Background/Recommendation

The Parks and Recreation section of the city's comp plan comprehends a park conservancy at three locations along I-94. The intended conservancies were first identified within the 1994 comprehensive park plan and has been included as such within each subsequent update. The following is an excerpt from the Parks System Plan.

Conservancy Parks

Generally, these land holdings are intended to preserve a unique natural resource in the community. Their size and shape vary significantly. These parks serve a special purpose in the system by providing visual interest and diversity to the community landscape. These parks are intended for passive recreation such as walking and bird and animal watching. High quality wetlands, woodlands or wildlife habitats are examples of sites categorized as conservancies.

Those locations are roughly described as follows and as shown in Attachment A. It should be noted that each of these locations are subject to the T-zone ordinance provisions.

- (North location); the north border of the city, located on either side of I-94, on the Shaw Holdings property and the north part of the former Hoffman property, now owned by Three Rivers Park District.
- (Middle location); the city owned property lying south and east of the 105th Avenue bridge overpass of I-94, much of which is forested but also within the flood zone district.

- (South location); the areas on either side of I-94 within the Minnesota Health Village development and the Radintz/TriCare properties.

Land Acquisition Proposal

Related to the implementation of the comprehensive plan, the city entered into a land exchange agreement with Three Rivers Park District (TRPD) that sets the framework for acquisition of the west side of the north location (former Hoffman property). It is anticipated that development of the Shaw property at some point will preserve the east side. The TRPD property is not encumbered by T-zone ordinance provisions but if ultimately under the ownership of the City, more control is possible to compliment the park conservancy objectives in addition to development. Additionally, the city purchased the land south of 105th Avenue using MnDOT right of way funds as part of the last phase of TH 610, thereby preserving the middle location. The development plan for Minnesota Health Village intends to preserve the east side of the south location.

As a result of the TriCare development proposal for the Edison Apartments (TriCare 6th Addition), staff has had conversations with Radintz and TriCare as to development plans for the west side of the south location (north of Menards). There are no current plans for the Radintz property other than access has always been contemplated from the west through what is now Edison Apartments. TriCare is interested in selling the property east of Edison Apartments in that it is comprehended as being integrated into the park conservancy. It is that interest that is the subject of this memo and it is recommended that Council provide direction to staff.

Property description

Attached is a graphic of TriCare development area depicting the land that is included in the discussions with TriCare (Attachment B). The non-wetland area of TriCare is approximately 3.5 acres with about two of those acres wooded. For reasonable use of the property it should be assembled with the Radintz parcel to complete the planned conservancy. The Radintz property is roughly 13 acres with nine acres being non-wetland, all of it wooded. The Radintz property is guided by T-zone provisions and is comprehended to be partially a park conservancy with the remaining portion developable. I have reached out to a representative of the Radintz family for the purpose of exploring their willingness to preserve this property by dedication to the city.

Acquisition Cost

The proposed acquisition cost for the high ground and surrounding wetlands from the TriCare property is \$300,000, which is just under \$2.00 per square foot of high ground and no compensation for the wetland areas. This cost is reflective of the parcel being partially encumbered by T-zone ordinance provisions and wetland buffer. As a comparison, the Edison Apartments site sold for \$7.00 per square foot, not including assessments.

If Council finds it advisable to preserve this property through ownership, I offer the following funding options.

1. Since the property would be the initial acquisition related to the park conservancy it seems appropriate to use park dedication funds. As a source, the park dedication fees for the Edison Apartments is \$840,000. However, my concern with this option considers the planning objective to provide public access over the non-wooded area to the Radintz property, if in fact that property is developed to some use other than just a conservancy. Using park dedication funds for the tree conservancy may imply preservation as opposed to a public road providing access to the Radintz property. It has been the position of staff that fundamental planning principles require planned access to the Radintz property versus creating a landlocked parcel.
2. Utilization of funds from the Improvement Project Fund (IPF) to cash flow this purchase may be the safest approach. As we know more about land uses in the future and the conservancy land is assembled and defined, the city could then do a fund transfer from park dedication back to the IPF commensurate with the value of the conservancy land. Any value associated with the non-wooded area to support an access road would then be assigned by special assessment to the Radintz development.

Summary

Thank you for your consideration of this report in response to a proposal from TriCare. As TriCare continues to market their land for development, they have an interest in addressing the future use of this small parcel. Direction to staff as to Council's interest in purchasing the property from TriCare is being requested.