



SPECIAL BOARD MEETING

September 18, 2017
Polk County Administration Bldg., Room 120
111 Court Ave., Des Moines
12:00 P.M.

AGENDA

- 1) Roll Call**
- 2) Auction of Morgan Land (two parcels containing approximately 97 acres - Hwy 65 & NE 112th Street) near Chichaqua Bottoms Greenbelt**

Adjournment

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	Date	September 18, 2017
	Item No. Roll Call No. Submitted by:	Special Mtg 17-S0901 Doug Sheeley Conservation Ecologist

AGENDA HEADING:

Auction of Morgan Land (two parcels containing approximately 97 acres – Hwy 65 & NE 112th Street) near Chichaqua Bottoms Greenbelt

INFORMATION:

On September 19, 2017 at 10:00 AM, two tracts of land belonging to the Harry Clifford Morgan Revocable Trust will be sold at auction at the American Legion building in Bondurant, Iowa.

Tract #1 comprises 22.61 acres and is located just north of the intersection of NE 112th Street and Highway 65. It is primarily pasture that due to the presence of wetland features, and has never been converted to crop land. There are several acres of degraded sedge meadow (an uncommon plant community type in Iowa) on the area and the tract may have fen-type geology. This parcel does not adjoin any land currently owned by Polk County Conservation, but is less than 0.5 miles from three parcels on the Chichaqua Bottoms Greenbelt area.

Tract #2 includes 74.40 acres and is currently crop ground in entirety. Historic wetland features are present in several locations on this parcel. It adjoins the Southpoint pond parcel at Chichaqua Bottoms Greenbelt on its western boundary.

These land have been listed on PCC's Priority Acquisition Targets for many years.

The Iowa Natural Heritage Foundation (INHF) commissioned an Opinion of Value (OOV) for these parcels from Hertz Real Estate Services. INHF has agreed to purchase and hold the land until PCC secures sufficient capital to repurchase these parcels.

FISCAL IMPACT:

Amount: Market Value plus 10% maximum and associated fees

Funding Source: Bond

PREVIOUS BOARD ACTION(S): None

RECOMMENDATION: That the Board request INHF staff to bid on these parcels up to the following amounts:

Tract 1 – Market value and mean development potential premium assigned by OOV plus 10%

Tract 2 – Market value assigned by OOV plus 10%

We further recommend that the Board authorizes the Director to sign the Memorandum of Understanding to repurchase between PCC and INHF.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “Memorandum”), is between Iowa Natural Heritage Foundation (the “Foundation”), an Iowa non-profit corporation, and Polk County Conservation Board (the “Board”) (the two parties together, the “Parties”), relative to the acquisition of the Morgan Property located in Polk County, Iowa, and legally described as:

NW ¼ of SW ¼, less road easement and except parcel beginning at SE corner, W 931', NE 1,365.5', South 993.4' to the point of beginning; all in Section 1, Township Eighty (80) North, Range Twenty-two (22) west of the 5th P.M., Polk County Iowa,

&

North ½ of SE ¼ of Section 2, T80N, R22W, Polk County, Iowa, except at NE corner of SE ¼ of Sec 2, West 560', South 410', East 560', North 410', containing 5.5 acres m/l.

Containing 97 acres, more or less (the “Property”).

This Memorandum is understood to be an expression of the intent of the Parties to attempt in good faith to negotiate and reach binding agreements on the matters discussed by this Memorandum.

The Board, at its _____, 2017 meeting, has agreed to purchase the Property from the Foundation under the terms of this Memorandum, but does not at this time have funds available to consummate such purchase. By virtue of its budget process, the Board expects to receive funds from Iowa Department of Natural Resources, REAP, Habitat Stamp Grants, revenue sharing or other sources which it will also use, upon receipt, to pay such Purchase Price.

In order to assist the Board in the purchase of the Property, the Parties agree to pursue good faith discussions and negotiations to draft and execute such agreements as may be necessary to finalize their mutual agreements as follows:

1. **Purchase by the Foundation.** The Foundation shall purchase the Property for no more than 10% above the opinion of value, and also including a development premium on Parcel 1, secured by the Foundation. *Note there are two parcels for sale at auction and both have separate numbers for valuation.
2. **Holding of the Property.** The Foundation shall hold the Property to permit the Board time to obtain funding for repurchase through REAP, Habitat Stamp, NAWCA, Bond funds and other internal and external funds.
3. **Holding of Title.** The Foundation shall take title to the Property in its name. Under certain conditions, the Foundation may convey legal title to the Property to the Board in order to enable the Board to receive reimbursement from certain state or federal costs sharing programs.
4. **Repurchase by the Board.** The Board shall repurchase the Property from the Foundation at a time mutually agreed to by the Parties.
 - a. **Repurchase.** The Foundation will hold the Property for two years while the Board obtains the appropriate funding. Once funding is received, the Board shall repurchase the property for the original purchase price plus **all of the Foundation’s costs and expenses.** These expenses include, but are not limited to, *real estate taxes, interest (which begins accruing from the date of purchase), abstracting fees, recording fees, surveying costs, revenue stamps, and attorney’s fees.*
 - b. **Alternative Resolution.** If after two years the Board has not been able to repurchase the Property or is not in the process of repurchasing the Property, the Foundation and the Board will meet to discuss a resolution. The Foundation and the Board will discuss the options available for resolving the funding complications and make a determination as to the continuing feasibility of the project. The Board shall send a letter detailing the resolution to the Foundation so that the Parties have a clear understanding of how they will move forward with the project. The Board also agrees that the Foundation reserves the right to sell the Property privately in the event an adequate resolution cannot be accomplished.
 - c. **Transfer of Rights.** Upon receiving full payment of the Purchase Price, the Foundation shall relinquish its rights under this Memorandum and convey all rights, title, and interest held by it in

the Property to the Board by Corporate Warranty Deed, subject to the same conditions and restrictions, if any, as the Foundation received at the time it took title to the Property.

- 5. **Approval of County.** The Board’s signature on this agreement is an acknowledgment that the necessary approvals to enter into this Memorandum within the county have been obtained. Foundation may request the minutes from the Polk County Board of Supervisors, if necessary.
- 6. **Examination of Title.** The Foundation shall examine the abstract and title prior to purchase of the Property. The expense shall be the responsibility of the Board and will be repaid at the time of closing between the Foundation and the Board.
- 7. **Liability Insurance.** In the event there are buildings, dwellings or other structures on the Property, the Board shall maintain liability insurance with coverage sufficient to replace them if damaged. The Board shall provide a certificate of liability insurance naming the Foundation as a co-insured.
- 8. **Hazardous Waste.** The Board shall hold the Foundation harmless from any loss, cause, or liability resulting from hazardous waste found on the subject property.
- 9. **Promotion of the Foundation.** Informational signs, pamphlets, interpretive and/or promotional materials, and property signs used or distributed by the Board regarding the Property shall make reference to the fact that "A cooperative project with Iowa Natural Heritage Foundation."
- 10. **Foundation Membership.** The Board shall maintain at least a Guardian (\$100-249) level membership in the Foundation during the process of the transaction this Memorandum contemplates. Such membership will help support the efforts of the Foundation on this and other conservation projects in Iowa.

Polk County Conservation Board

 By: _____

 Title

 Date

Iowa Natural Heritage Foundation

 By: _____

 Title

 Date