

Moorhead - Clay County Joint Powers Authority (MCCJPA)

Thursday, February 25, 2021, 1:00 p.m.
Virtual Meeting held through Microsoft Teams Meeting

MINUTES

1) CALL TO ORDER

The meeting was called to order by Commissioner Campbell at 1:00 p.m.

2) ROLL CALL

City of Moorhead: Mayor Shelly Carlson
Council Member Chuck Hendrickson
Council Member – vacant
Clay County: Commissioner Kevin Campbell
Commissioner Jenny Mongeau
BRRWD Board: Member Gerald VanAmburg

Others Present: Joel Paulson, Diversion Authority Executive Director; Attorney John T. Shockley and Attorney Chris McShane, Ohnstad Twichell Law Firm; Eric Dodds, AE2S; Scott Stenger and Dale Ahlsten, Prosource; Ken Helde and Lisa Kilde, HMG SRF; John Albrecht, Jacobs Engineering; Stephen Larson and Colleen Eck, Clay County.

3) ELECTION OF MCCJPA CHAIR

Member VanAmburg moved and Mayor Carlson seconded to elect Commissioner Campbell as MCCJPA Chair. Motion carried.

Mayor Carlson moved and Member VanAmburg seconded to elect Council Member Hendrickson as MCCJPA Vice-chair.

4) APPROVAL OF AGENDA

Council Member Hendrickson moved and Mayor Carlson seconded to approve the agenda. Motion carried.

5) APPROVAL OF MINUTES

Council Member Hendrickson moved and Commissioner Mongeau seconded to approve the minutes from January 28, 2021 as presented. Motion carried.

6) PROJECT UPDATES

a. Property Acquisition Status Report

Mr. Dodds stated there has been a lot of progress on acquisitions related to the Red River Control Structure. Offers were made on appraised values.

b. Project Lands Policy

Mr. Dodds noted there has been debate and discussion related to a policy for leasing and selling project lands. They are not ready with a final policy at this time.

Attorney Shockley stated they have been working through revisions between rural and urban settings, and distinctions between tillable ag land and land that cannot be farmed. The policy will be brought back for acceptance.

c. Organic Farmland

Two organic farmlands were purchased several years ago and have been rented to the organic producer. Organic farmland will be impacted by the project. An early buyout would be offered after an appraisal is completed. Pending the final passage of the land policy the producers would be made aware of the sale.

d. Christine and Wolverton Area Mitigation

Mr. Dodds stated that after the CLMR designation was received in October the authorities sent information to the property owners regarding purchasing property rights. Ring levees or other mitigation components will change the impacts within both cities: Christine and Wolverton. A letter will be drafted from the Diversion Authority letting them know we will suspend action until it is more finalized. The Buffalo-Red River Watershed District (BRRWD) will be the authority implementing the Wolverton project. The same goes for the Georgetown area.

7) APPRAISAL REVIEWS

a. OIN 8527 (Mike and Margaret Nelson) Appraisal

Mr. Dodds stated that replacement housing will be part of the request for OIN 8527.

Mr. Albrecht stated the appraisal has been reviewed for compliance with federal and state laws and practices. The minimum amount of just compensation for this rural residential parcel is \$450,000. The most similar property was assessed at \$475,000 but has more acreage.

Ms. Kilde stated there will be relocation differential payment as well. She used comparables and made adjustments for outbuildings and relocation. She referred to her summary of comparables. These amounts were shared with Mike and Margaret Nelson who are eager to move forward with the process.

Mayor Carlson motioned and Member VanAmburg seconded to approve the acquisition amount of \$450,000 and replacement housing differential of \$62,500 for OIN 8527 / Mike and Margaret Nelson. Motion carried.

b. OIN 251 (Larry and AJ Dahlstrom Trust) Appraisal

This parcel will be impacted by the Red River Control Structure. Mr. Albrecht noted this will be a partial acquisition of 7.59 acres @ \$4,700/acre plus severance damages to the remainder of the parcel calculated at \$68,751. The recommended just compensation totals \$104,500.

Commissioner Mongeau recused herself from voting on this item.

Council Member Hendrickson moved and Mayor Carlson seconded to approve the just compensation of \$104,500 for OIN 251 / Larry and AJ Dahlstrom Trust. Motion carried.

c. OIN 9307 and 9325 (Peter and Debra Livdahl) Appraisal

Mr. Albrecht provided information on the appraisal for OIN 9307 and 0325. The appraisal includes 3.3 acres of farmland and an easement for eight years at \$150/acre. Using comparable sales, the minimum compensation would be estimated at \$19,250. The appraisal concluded the value to the subject land to be \$4,900/acre.

d. OIN 250 (Kenneth Bye) Minimum Compensation

Mr. Albrecht stated that 4.89 acres are needed from this 30-acre parcel. The mobile home needs to be removed from the property and there are some limitations to the property. With four comparable properties used, \$462,500 was recommended as the minimum compensation.

Member VanAmburg moved and Council Member Hendrickson seconded to approve the appraisal of \$4,900/acre for OIN 9307 and 9325 / Peter and Debra Livdahl; and minimum compensation price of \$462,500 for OIN 250 / Kenneth Bye. Motion carried.

e. Environmental Monitoring Easement Appraisals and Outreach Plan

Mr. John Albrecht noted the completed compliant appraisals for monitoring easements were evaluated by the Diversion Authorities. A single certificate was used for them. The value, property, and location were all included on a spreadsheet. Minimum compensation can be applied to it later. All the easements on the MN side are complete. Attorney McShane stated they have all been reviewed.

Ms. Warren referred to page 48 in the material packet for the appraisal review tracking sheet. Seven-hundred fifty dollars was adopted as minimum unless the appraised value is higher. The properties were identified as either agricultural and residential. A map of properties acquired by MCCJPA was provided along with an action plan for working with the property owners. A memo was drafted for the property owners to go along with the appraisal report to offer \$750 unless there is a higher appraised value. Commissioner Mongeau commented that she not in support of anything less than the \$750 minimum. Attorney McShane clarified that none of these easements will cause relocations. There are 42 parcels and 31 easements.

Mayor Carlson moved and Council Member Hendrickson seconded to approve the Environmental Monitoring Easement Appraisals and Outreach Plan. Motion carried.

8) LAND AGENT REPORTS

Mr. Dodds has asked the land agents to contact the property owners with upcoming structure appraisals.

Mr. Stenger addressed the Heartland Seed property and noted the owner would like to lease it back after he sells it. Mr. Vetter stated there is some concern about liability with that option. The owners' attorney has reviewed leasing responsibilities and taxes. They are looking at a double net lease but a code inspection would be needed before accepting the lease. They would need to come up with the appropriate amount for monthly rent. There are 10 acres and a half dozen buildings on the site. Mr. Vetter recommended that MCCJPA carry insurance on it and the lessee be asked to carry his own liability insurance for the structures and equipment onsite. Ms. Kilde added that they are preparing for the environmental monitoring easements.

9) PROPERTY ACQUISITION

a. OIN 8527 (Mike and Margaret Nelson) Negotiation Summary

Mr. Dodds stated that negotiations have begun with the property owners based on the draft appraisal report. Ms. Kilde noted she has been working with Nelsons for a few months and has gone over everything in the acquisition summary. The Nelsons recently hired Attorney Nick Delaney to represent them. He has received the draft appraisal and would like to proceed with a counter-offer of \$550,000 for a settlement. They would want to build an outbuilding but would need storage in an existing outbuilding at a rate of \$100/month until October at the latest. The Attorney's fees are not to exceed \$4,000. The appraised value is \$450,000.

Attorney DeLaney commented that he is representing the property owners and has completed some settlements on the ND side. He noted that the Board has set some parameters and has gone 10% above the appraised value to get a sale done. He noted that state laws differ between ND and MN and appraisals may vary. He added that a lump sum is the easier option. The property owners asking for \$550,000 to get into the property they are looking to purchase. The Attorney's fees are included in a lot of settlements on the ND side. He would work with Ms. Kilde on the documents she needs. Mr. Dodds stated the choices in the past have been to accept the offer; ask the land agent to renegotiate; or counteroffer.

Council Member Hendrickson moved and Commissioner Mongeau seconded to accept a counteroffer of a \$550,000 lump sum to include the RHDP and closing costs; with attorney fees up to \$4,000; and a lease deadline of October 31, 2021. Motion carried.

10) PROPERTY MANAGEMENT

- a. OIN 253Y1 253N 253Y3 2021 (Todd Blilie) Farmland Lease**
- b. OIN 253Y2 254 256 2021 (Pete Livdahl) Farmland Lease**
- c. OIN 1790 1811 2021 (Lynn Brakke) Farmland Lease**

Mr. Dodds stated these 2021 farmland leases are consistent with past farmland leases. ND accepted their 2021 farmland leases in one motion.

Commissioner Mongeau moved and Mayor Carlson seconded to approve the 2021 Farmland Leases for OIN 253Y1 253N 253Y3 (Blilie) for \$12,825; OIN 253Y2 254 256 (Livdahl) for \$6,965.75; and OIN 1790 1811 (Brakke) for \$53,917.50. Motion carried.

- d. Adopting Hunting Access Policy**

Mr. Dodds provided MCCJPA's basic hunting requirements to have a MN license, follow the laws for weapons, remove entrails from public lands and a minimum of 200 feet from property lines due to predators and unsightliness. Clay County also has an outdoor recreation policy on the County GIS website that was included. Commissioner Mongeau stated the County policy seems like it includes more requirements than necessary. There was not action taken on adopting the policy. The item will be reviewed further.

Commissioner Mongeau moved and Member VanAmburg seconded to adjourn the meeting at 2:37 p.m.

Stephen Larson, MCCJPA Secretary