

Moorhead - Clay County Joint Powers Authority (MCCJPA)

Thursday, September 2, 2021, 12:30 p.m.
Clay County Courthouse, Third Floor Meeting Rooms
In Person Meeting with Microsoft Teams Option Available

MINUTES

1) CALL TO ORDER

The meeting was called to order by Chair Campbell at 12:30 p.m.

2) ROLL CALL

City of Moorhead: Mayor Shelly Carlson
Council Member Chuck Hendrickson
Council Member Larry Seljevold
Clay County: Commissioner Kevin Campbell, Chair
Commissioner Jenny Mongeau
BRRWD Member VanAmburg

Others Present:

Joel Paulson, Diversion Executive Director
Attorney John Shockley and Attorney Chris McShane, Ohnstad Twichell Law
Eric Dodds, Jessica Warren, and Dean Vetter, AE2S
Bob Zimmerman, Moorhead City Engineer
Lisa Kilde, HMG SRF
Dale Ahlsten and Scott Stenger, Prosource
Stephen Larson, County Administrator, and Colleen Eck, Clay County staff

3) APPROVAL OF AGENDA

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

4) APPROVAL OF MINUTES

Mayor Carlson moved and Council Member Hendrickson seconded to approve the minutes from July 22, 2021. Motion carried.

5) CITIZENS TO BE HEARD

There were no citizens to be heard.

6) PROJECT UPDATES

A. Property Acquisition Status Report

Mr. Dodds referred to page 8 of the handouts for the Property Acquisition Status Report and noted there are still a couple parcels to be acquired. Page 9 shows an overview of the Environmental Monitoring Easements (EME). Another strategy meeting was held earlier this week for securing as many of the EMEs as possible. Additional details were found on the subsequent pages.

B. Organic Farmland Appraisal Update

MCCJPA previously approved Crown Appraisal doing the appraisal work for the organic farmland parcels in Clay and Wilkin Counties. That appraiser is also working on the Flow Easement Study and are behind schedule with the organic farmland, but they plan to have the organic farmland appraisals available at the November meeting.

C. Red River Control Structure Negotiations Update

There are four properties that need to be acquired for the Red River Control Structure. Two of the properties have been acquired and have gone through the closure process. Ms. Ahlsten is working hard on continued negotiations for the other two properties. Attorney McShane stated that he has filed the petition for eminent domain for one landowner. After he gets the name of the judge and the hearing date, he can serve the landowner(s) and inform the Board of the date.

7) APPRAISAL REVIEWS

A. OIN 1252 Kragerud Appraisal and RHDP

Mr. Dodds stated that Mr. Albrecht could not be here but his information for this property was included in the packets. He referred to the summary page for the OIN 1252 Kragerud property which is a rural residential property that is just across the County line. A minimum comp analysis was also completed on the property. The appraised value is \$350,000 and the just compensation is \$450,000. He added that the minimum comp statute was established so that a displaced property owner can go out on the open market and find something comparable. The appraised value takes in the depreciation value of the home. Based on the features of this home they look at comparables for it.

Attorney Shockley stated the minimum comp analysis was created for properties that are more unique. He first dealt with it in 2007 or 2008. He provided examples and noted that many times the numbers are fairly close but not always. The analysis is based on factors that are very specific to the property. Ms. Kilde added that the minimum comp analysis addresses what is on the market today, and sometimes there is a discrepancy.

Member VanAmburg moved, and Council Member Hendrickson seconded, to approve the appraised value of just compensation of \$450,000 for OIN 1252 (Kragerud). Motion carried.

Ms. Kilde stated an analysis of comparable properties was completed and a carve-out value of one acre was used for the Replacement Differential Housing Payment (RDHP). The comparable property price was \$399,900; the adjusted valuation acquisition price was \$308,000; for a maximum RDHP of \$91,900. The RDHP must be spent to be received.

Council Member Hendrickson moved and Mayor Carlson seconded to approve the Replacement Differential Housing Payment of \$91,900 for OIN 1252 (Kragerud). Motion carried.

B. OIN 1238 Ness Appraisal

Mr. Dodds stated the Ness property is in Wilkin County, just south of the county line. The property is a 91.9-acre track of farmland and an 18.7-acre improved site with buildings. The appraisal summary lists the building site at \$450,000 and the farmland at \$460,000. A calculation for Minimum Comp adjusted the residential site to \$475,000. The house is a secondary residence and a RDHP was not needed. The total for just compensation is \$935,000. A flowage easement is needed on the entirety of the parcel. The structures need to be flood-protected to a certain elevation. They are committed to offering a buyout of the property. All indications are that they would like to stay. This appraisal will allow them to start more formal negotiations with the property owner. The hope is to come up with a mitigation solution so they will be able to stay in place so long as the mitigation is less expensive than the buyout. The flowage easement is ongoing and hopefully the ag land can still be farmed.

Council Member Seljevold moved, and Member VanAmburg seconded, to approve the estimate of just compensation of \$935,00 for OIN 1238 (Ness). Motion carried.

C. OIN 8528 Leech Appraisal and RHDP

Mr. Dodds next referred to OIN 8528 Leech appraised market value of \$300,000 and an increase to \$400,000 due to the minimum comp statute. The details and map of this property started on page 34.

Commissioner Mongeau joined the meeting at this time.

Council Member Hendrickson moved and Member VanAmburg seconded to approve the estimate of just compensation of \$400,000 for OIN 8528 (Leech). Motion carried.

Ms. Kilde referred to the RHDP on page 38 of the packets. The comparables that were reviewed were on page 39. The minimum comp value that was identified was \$400,000 with the carve-out values that were used for this property. The property is five acres and the comparable used was one acre. The value of the home/attached garage is \$220,000 plus \$20,000 for one acre. The adjusted price is \$240,000. The comparable price was \$300,00 for a maximum differential payment of \$60,000. Purchase agreements have been brought back for Board approval.

Member VanAmburg moved and Council Member Seljevoll seconded to approve the RHDP of \$60,000 for OIN 8528 (Leech). Motion carried.

D. OIN 1834 Spanier Appraisal

Mr. Dodds stated OIN 1834 Spanier property is in the same neighborhood. The appraisal and minimum compensation are being presented today. An RHDP for this property will be brought back at a later date. This is a 9.5-acre site with some building improvements. The appraised value and minimum comp are both \$475,000. In response to a question, Mr. Dodds noted that appraisals are opinions of value and do not always involve hard engineering or hard science.

Commissioner Mongeau moved and Council Member Hendrickson seconded to approve the estimate of just compensation of \$475,000 for OIN 1834 (Spanier). Motion carried.

8) LAND AGENT REPORTS

Ms. Kilde stated she has been working with the Environmental Monitoring Easements and getting more to sign. She noted that the meeting with the U.S. Army Corps of Engineers was good. She continues to meet with landowners and answering their questions throughout the process.

Ms. Ahlsten commented that she is working with the Red River Control Structure negotiations, Environmental Monitoring Easements, and Upstream Flowage Easements.

Mr. Stenger noted that most recently he has been working with Heartland Seed and putting together the numbers that he expects to present at the November meeting.

9) MISCELLANEOUS

The next MCCJPA meeting is scheduled for September 23, 2021.

10) ADJOURN

The meeting adjourned at 1:18 p.m.

Stephen Larson, MCCJPA Secretary