



# GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

**COMMITTEE OF THE WHOLE AGENDA**  
COUNTY BOARD ROOM  
GOVERNMENT CENTER  
RED WING, MN

OCTOBER 16, 2018  
9:30 A.M.

1. Right of Way Issues.

Documents:

[Right of Way Issues.pdf](#)

# GOODHUE COUNTY DEPARTMENT OF PUBLIC WORKS



**Gregory Isakson, P.E.**  
**Public Works Director/County Engineer**

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FAX 651.267.4883  
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HIGHWAYS ♦ PARKS ♦ SOLID WASTE

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TO: Honorable County Commissioners  
Scott Arneson, County Administrator

FROM: Greg Isakson, Public Works Director

RE: 16 Oct 18 Committee of the Whole Meeting  
**Right of Way Issues**

Date: 10 Oct 18

Staff would like to discuss the following Right of Way related subjects with the County Board at this Committee of the Whole:

- Southeast Collector Right of Way including a discussion of condemnation on the Southeast Collector – South project and a discussion on possible condemnation for the Southeast Collector – North project.
- The concept of using ‘signing incentives’ to entice landowners to sign Right of Way offers and minimize Right of Way costs.
- Vacating a segment of existing Right of Way. The County bought Right of Way and built the first segment of Bench St in 2000. A property owner who sold Right of Way has requested to repurchase a portion of the Right of Way to build a commercial building, or several commercial buildings. Since the concept of selling back Right of Way is an unusual discussion, staff would like to present the concept for a discussion with the Board before moving forward with this potential land transaction.



# Right of Way Issues

- Southeast Collector
- Right of Way Incentives
- Bench St. Right of Way Vacation Request



# Southeast Collector Right of Way Issues



- **Southeast Collector – South**

- Tight delivery window.
- In planning stage when MnDot announced there was funding for the TH 52 – CSAH 24 Interchange project.
- Shortly after MnDot’s announcement, Mayo Clinic announced they plan to build their new hospital near this new interchange. **Time was of the essence.**
- In short order staff acquired all of the new Right of Way with the exception of one parcel.
- The condemnation process was initiated.
  - Jun 2013 – ‘Right of Entry’ signed.
  - Jun 2014 – Grading and Paving project substantially complete.
  - Oct 2014 – First Condemnation Hearing held
  - Dec 2014 – No Objection to Public Purpose
  - Apr 2015 – Updated Appraisal to Landowner along with a check to landowner creating the ‘Date of Taking.’
  - Jun 2015 – Land Commissioner Viewing
  - Jun 2016 – Landowner hires new attorney
  - Nov 2017 – Landowner passes away
- This issue is still outstanding. We await the landowner’s appraisal and parallel action from Mn/DOT.



- **The Southeast Collector – North**

- Fall 2015 - Original appraisals and offers presented to all landowners.
- Fall 2016 – Revised original appraisals. Began discussions with attorney for two of the eight landowners. Negotiating in ‘good faith’.
- Today - waiting for their appraisals with no firm date when staff anticipates seeing their appraisals and further negotiations could commence.
- This project has already been delayed by 3 years.
- If the County wants to build this project in 2019, then Negotiated Settlements or the condemnation process needs to begin in the near future or the project will slip another year.
- Is the Board interested in moving to condemnation if necessary to commence construction in 2019 or continue waiting to see the appraisals for the two landowners?



# Right of Way Incentives



- **Right of Way Purchase Incentives**

- A 2006 change to MS 117.031(a) has had a chilling effect on purchasing Right of Way for a highway project.
- If a public entity takes Right of Way through condemnation, and if the final offer is:
  - - 20% higher than the public entity's final offer, then the court **may** award a portion or all of the landowner's attorney fees.
  - - 40% higher than the public entity's final offer, then the court **shall** award attorney fees.
- Since this statute was enacted more Right of Way purchases have been drawn out for several years and if the judge awards a final settlement over 140% of the public entity then the public is paying a lot of money for Right of Way and attorney fees.
- Several Counties have increased their initial offers for Right of Way at values higher the property's appraised values in order to entice a quick settlement and **avoiding the condemnation process.**
- Staff would like to discuss some of these enhanced initial offerings for discussion.





- **Right of Way Purchase Incentives**

- Minimum Value - \$500

- 130% of County's Assessed Value

- Low cost
- Simple takings such as 'Strip Takings'

- Administrative Settlements

- increase any offer by \$20,000

- Offer much higher than appraised value during negotiations or eminent domain hearings to avoid Condemnation costs.



# Vacate Bench Street Right of Way to Original Owner



11011 BENCH STREET  
RED WING, MN 55066

# Red Wing Construction Company

11011 Bench Street, Red Wing, MN 55066 • Phone 651-388-2881 • Fax 651-388-7619

General Commercial Contractor



## Bench St. – Re-Plat & Development

To whom it concerns,

We'd like to formally proceed with acquiring roughly 150 feet by 30 feet of frontage directly in front of our shop and re-plat Parcel #556450200 for a commercial business development.

Our research shows that if we can start our development efforts with the property line as close as possible to the bike trail (Exhibit B & C), this should help to lower our development costs for this project along with helping to maximize our current property.

Currently the delta between our property line following Bench St. on the south/west side of our main driveway entrance versus the north/east side of our driveway – there is roughly 35' of difference – which is to protect the slope. Please see Exhibit B (Current Property Line) and Exhibit C (Proposed Property Line) attached.

Between our driveway and our service road, there's roughly 750 feet going East to West of frontage on Bench St. We'd like to start our development efforts closest towards our driveway/main entrance and begin with roughly 150 feet of the frontage on Bench St. with this proposed lot/re-plat being roughly 100 feet deep.

As discussed with City along with County representatives, our goals and move forward strategy are below:

- Submit this formal letter to Goodhue County – Greg Isakson for preliminary board approval of this project
- Once approved, get 100% buy-in from all stakeholders involved in the development to continue moving this project forward
- From there, coordinate with County on appraisal to dial in the roughly 150 feet by 30 feet (~4,500SF) of property to acquire back from county
- Once land acquisition is ironed out, proceed with re-platting of parcel for this development

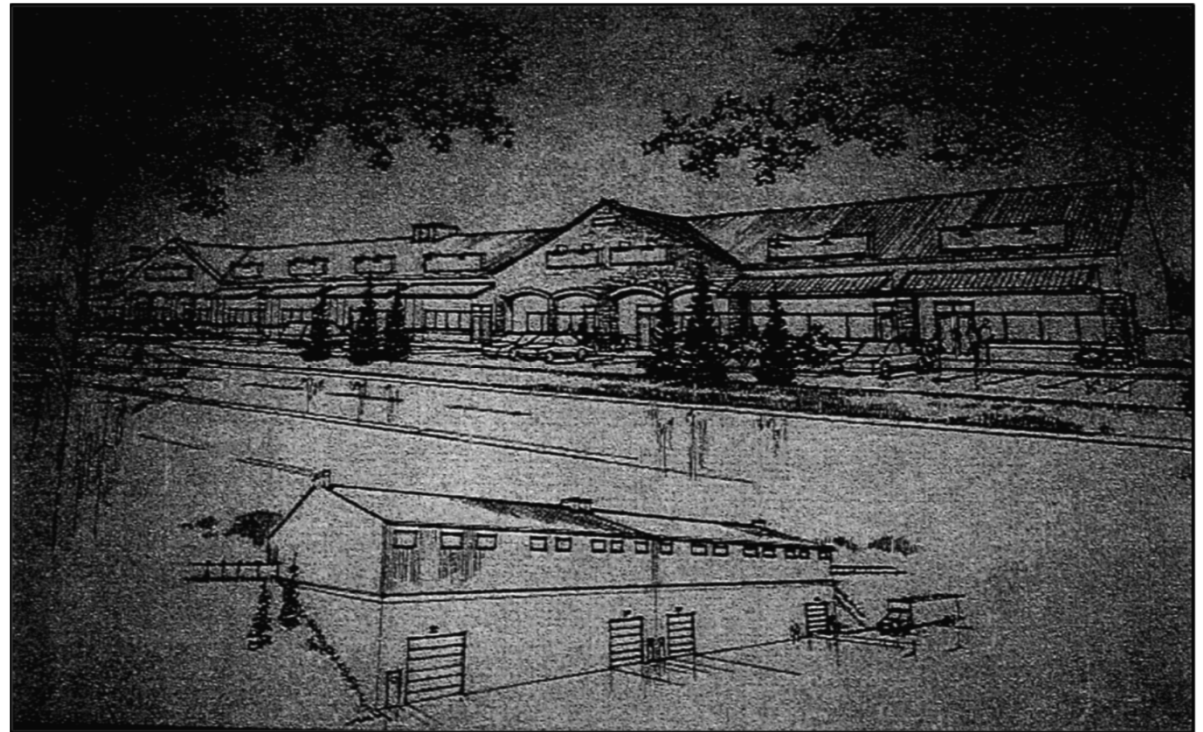
To summarize, we're looking to development this concept on our Bench St. property (Exhibit A) which would consist of building two-story facilities that will have access coming into the second story at the same elevation level as Bench St. and when coming further down our main driveway behind this building / lower level there would be access for larger storage, warehousing, parking (Exhibit A). As the development grows, we'll look to repeat this process and in the interim, protect the remaining frontages current slope at all times.

Greatly appreciate your teamwork and will talk soon,

Jeff Frost  
  
C.E.O.  
Red Wing Construction Co.

RECEIVED  
JUL 17 2018  
Goodhue County  
Public Works

# EXHIBIT A



# EXHIBIT B



# EXHIBIT C



