



CITY OF MARSHALL
Housing and Redevelopment Authority
Meeting
Agenda
Tuesday, October 27, 2020 at 5:15 PM
Merit Center

NOTICE: Pursuant to Minnesota State Statute 13D.021 Some or all members of the City Council may participate by telephone or other electronic means. Regular attendance and meeting location are not feasible due to the Coronavirus Disease (COVID-19) pandemic.

CALL TO ORDER

NEW BUSINESS

1. S.P. 4210-49RW Project - MN 68 Temporary Easements and Land Acquisition – Parcels 237 A, Parcel 237B.

ADJOURN

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.

**HOUSING AND
REDEVELOPMENT AUTHORITY
AGENDA ITEM REPORT**

Meeting Date:	Tuesday, October 27, 2020
Category:	NEW BUSINESS
Type:	ACTION
Subject:	S.P. 4210-49RW Project - MN 68 Temporary Easements and Land Acquisition – Parcels 237 A, Parcel 237B.
Background Information:	<p>MnDOT is proposing a 2022 MN 68 highway surfacing project between Minneota and Marshall that includes shoulder widening and ditch slope grading. To ensure adequate space for construction of their proposed improvements, the DOT is requesting temporary construction easements on two HRA-owned properties:</p> <ul style="list-style-type: none"> - MnDOT Parcel 237A, Outlot E, Commerce Industrial Park: MnDOT is proposing to pay the City \$2,800 in damages or loss of value to the property related to construction operations on or adjacent to this parcel. Outlot E is a drainage ditch for Commerce Industrial Park, located south of Michigan Avenue. This lot is owned by the HRA. - MnDOT Parcel 237B, Outlots A & B, Sonstegard Addition: MnDOT is proposing to pay the City \$11,000 in damages or loss of value to the property related to construction operations on or adjacent to these parcels. Outlot A contains a stormwater drainage pond for Commerce Industrial Park and Outlot B is a wetland area north of Lake Road. These lots are owned by the HRA. <p>The proposed temporary construction easement areas were reviewed by City Engineering and Assessing Department staff. City staff does not foresee any concerns with granting MnDOT their requested easements. Informational letters, appraisals and easements are attached for your review.</p>
Fiscal Impact:	The HRA will receive payment of \$13,800.00.
Alternative/ Variations:	No alternative actions recommended.
Recommendation:	<p>Recommendation No. 1 that the HRA authorize execution of the Temporary Easement for Parcel 237A.</p> <p>Recommendation No. 2 that the HRA authorize execution of the Temporary Easement for Parcel 237B.</p>

DISTRICT 8 Right of Way
2505 Transportation Rd
Willmar, MN 56201

Office Tel: 320-231-5195
Fax: 320-231-5168

September 15, 2020

The City of Marshall Housing and Redevelopment Authority
Attn: Mayor
City Hall
334 West Main Street
Marshall, MN 56258

State Project #: 4210-49RW
Control Section: 4210 (68=68) 901
Project Job #: TRW232620
County: Lyon
Parcel #: 237A
Prop. Address: Highway 68, Marshall, MN 56258

The State of Minnesota, acting through its Department of Transportation (MnDOT) will be purchasing an interest in your property for improvements to Highway 68. A parcel sketch, a legal description and a copy of the recorded plat are enclosed to help you identify the location of MnDOT's acquisition of your property.

The certified appraisal amount for this acquisition is listed on the enclosed letter signed by Joseph D. Pignato, Director of the Office of Land Management.

You will have a reasonable length of time to consider this offer. To help in making your decision, you may wish to obtain an appraisal by a qualified appraiser for the property or interest being acquired. You are entitled to reimbursement for reasonable costs of the appraisal up to a maximum of \$1,500 for a single or two family residential property and minimum damage acquisitions, or up to a maximum of \$5,000 for other types of property. The owner must submit to MnDOT the information necessary for reimbursement, including a copy of the owner's appraisal. Payment for the appraisal will be reimbursed within 30 days after MnDOT receives a copy of the appraisal and the enclosed Appraisal Reimbursement Claim form.

In considering your agreement with MnDOT's certified appraisal offer amount, we have enclosed three copies of temporary easement for your signature. Please sign the temporary easement in the presence of a notary public.

When the documents have been signed, please return two of each document to this office in the envelope provided. The remaining copies and other enclosures are intended for your use.

Due to regulations by the United States Internal Revenue Service (IRS) regarding the Tax Reform Act of 1986, MnDOT must furnish the IRS with Taxpayer Identification Numbers for all real estate transactions. To assist in this matter please complete the enclosed IRS form W-9 and return it to us with the signed documents. Unless this information is provided, no payment can be made.

We trust this matter will have your immediate attention as this parcel will be needed for the upcoming construction season. We look forward to receiving your acknowledgement of this purchase offer and any comments you may have concerning the acquisition. Thank you for

your time and consideration in this matter.

Sincerely,



Teresa Kluesner-Weihs
Real Estate Representative
651-370-3750
Teresa.Kluesner-Weihs@state.mn.us

Enclosures:

Conveyance Document(s)
Parcel Sketch/Plat
Acquisition Incidental Claim Form
Appraisal Reimbursement Claim Form

Guidebook
IRS W-9 Form
Return Envelope
Legal Description
Valuation Report

TEMPORARY EASEMENT

C.S. 4210 (68=68) 901
Parcel 237A
County of Lyon

Date: _____

For and in consideration of the sum of two thousand eight hundred and no/100
Dollars (\$ 2800.00 -),

The City of Marshall Housing and Redevelopment Authority, also known as Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a municipal corporation under the laws of the state of Minnesota, Grantor, hereby grants to the State of Minnesota, Grantee, a temporary easement to be used for highway purposes on all that part of the following described property in Lyon County, Minnesota:

All of the following:

A temporary easement for highway purposes in that part of Outlot E, Commerce Industrial Park Second Addition, shown as Parcel 237A on Minnesota Department of Transportation Right of Way Plat Numbered 42-36 as the same is on file and of record in the office of the County Recorder in and for Lyon County, Minnesota, by the temporary easement symbol, said easement shall cease on December 1, 2025, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.

Grantor is the owner of the above described premises and has the lawful right and authority to convey and grant the temporary easement herein granted.

The said Grantor does hereby release the State of Minnesota from any claims for damages to the fair market value of the above-described area covered by this temporary easement and for its use, or any claims for damages to the fair market value of the remaining property of Grantor caused by the use of the temporary easement, including grading and removal of materials from said easement area for highway purposes. Notwithstanding the foregoing,

Grantor does not release any claims Grantor may have as a result of the negligence of the Grantee, its agents or contractors, in conducting any of the above activities.

THE CITY OF MARSHALL HOUSING AND REDEVELOPMENT AUTHORITY, ALSO KNOWN AS HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF MARSHALL, MINNESOTA

By: _____
Its: _____

STATE OF MINNESOTA)
)SS.
COUNTY OF LYON)



The foregoing instrument was acknowledged before me this _____ day of _____, _____, by The City of Marshall Housing and Redevelopment Authority, also known as Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a municipal corporation under the laws of the state of Minnesota

NOTARY PUBLIC

My commission expires: _____

This instrument was drafted by the State of Minnesota, Department of Transportation, Legal and Property Management Unit, 395 John Ireland Blvd. St. Paul, MN 55155-1800

Date: _____

The City of Marshall Housing and Redevelopment
Authority
Attn: Mayor
City Hall
334 West Main Street
Marshall, MN 56258

State Project #: 4210-49RW
Control Section #: 4210 (68=68) 901
Project Job #: TRW232620
County: Lyon
Parcel: 237A - The City of Marshall Housing and Authori
Property Address: Highway 68, Marshall, MN 56258

The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing an interest in your property for improvements to Highway 68. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property interest being purchased. The certified appraised amount offered to you is \$2,800.00. This amount is for damages or loss in value to the remainder property.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Sincerely,



Joseph D. Pignato, Director
Office of Land Management

Enclosures:

"Guide for Property Owners" Booklet

Legal Description describing acquisition

Offer to Sell and Memorandum of Conditions (reference copy if applicable)

Conveyance Instrument (reference copy if applicable)

"Relocation Assistance" Booklet (if applicable)

Valuation Report

Appraisal Reimbursement Claim form

Acquisition Incidental Claim form

Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: _____

Owner: _____



Date: _____

The Housing and Redevelopment Authority in and
for the City of Marshall, Minnesota
Attn: Mayor
City Hall
344 West Main Street
Marshall, MN 56258

State Project #: 4210-49RW
Control Section #: 4210 (68=68) 901
Project Job #: TRW233262
County: Lyon
Parcel: 237B - The Housing and Redevelopment Authority
Property Address: Highway 68, Marshall, MN 56258

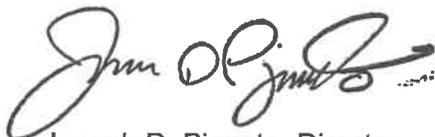
The State of Minnesota, acting through its Department of Transportation (MnDOT), will be purchasing an interest in your property for improvements to Highway 68. The person delivering this purchase package is a representative of MnDOT and will explain the procedures involved in the acquisition process.

This package includes a copy of an appraisal completed by MnDOT for the property interest being purchased. The certified appraised amount offered to you is \$11,000.00. This amount is for damages or loss in value to the remainder property.

In accordance with Federal and State laws and regulations, eligible property owners and/or occupants of the property on the date of this purchase offer may be entitled to relocation assistance and benefits.

It is important that you review all of the information provided in this purchase package. It will help explain your rights during the purchasing process and assist you in making your decisions. If at any time you have questions or concerns, please contact your MnDOT representative.

Sincerely,



Joseph D. Pignato, Director
Office of Land Management

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Valuation Report

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Plat map (if applicable)

Parcel sketch

Receipt of Valuation Report:

Date: _____

Owner: _____



TEMPORARY EASEMENT

C.S. 4210 (68=68) 901
Parcel 237B
County of Lyon

Date: _____

For and in consideration of the sum of eleven thousand and no/100 Dollars (\$ 11,000.⁰⁰),

The Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a Municipal Corporation under the laws of the state of Minnesota, Grantor, hereby grants to the State of Minnesota, Grantee, a temporary easement to be used for highway purposes on all that part of the following described property in Lyon County, Minnesota:

All of the following:

A temporary easement for highway purposes in that part of Outlots A and B Sonstegard Subdivision II, shown as Parcel 237B on Minnesota Department of Transportation Right of Way Plat Numbered 42-37 as the same is on file and of record in the office of the County Recorder in and for Lyon County, Minnesota, by the temporary easement symbol, said easement shall cease on December 1, 2025, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.

Grantor is the owner of the above described premises and has the lawful right and authority to convey and grant the temporary easement herein granted.

The said Grantor does hereby release the State of Minnesota from any claims for damages to the fair market value of the above-described area covered by this temporary easement and for its use, or any claims for damages to the fair market value of the remaining property of Grantor caused by the use of the temporary easement, including grading and removal of materials from said easement area for highway purposes. Notwithstanding the foregoing, Grantor does not release any claims Grantor may have as a result of the negligence of the Grantee, its agents or contractors, in conducting any of the above activities.

THE HOUSING AND REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF
MARSHALL, MINNESOTA

By _____

Its _____

STATE OF MINNESOTA)
)SS.
COUNTY OF LYON)



The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____ the _____ of The Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a municipal corporation under the laws of the state of Minnesota, on behalf of the corporation.

NOTARY PUBLIC

My commission expires: _____

This instrument was drafted by the
State of Minnesota, Department of
Transportation, Legal and Property
Management Unit,
395 John Ireland Blvd.
St. Paul, MN 55155-1800

OWNER'S COPY REAL ESTATE APPRAISAL REPORT



S.P.: 4210-49RW
C.S.: 4210 (68=68) 901
Parcel: 4210-901-237B
Owner: The Housing and
Redevelopment Authority
Parcel Address: Highway 68, Marshall, MN 56258
Appraiser: Alice Lenzmeier



MDV Report

May 6, 2020

Summary

State Project:	4210-49RW (TH 68) Parcel 4210-901-237B
Control Section:	CS/900: 4210 (68=68) 901
Owner:	City of Marshall Housing and Redevelopment Authority
Address:	Xxx Highway 68, Minneota, MN 56264
County:	Lyon County
Parcel ID Number	27-804008-0; 27-804009-0
Legal Description:	OUTLOT A & B, SONSTEGARD SUBDIVISION II
Purpose:	Estimating a value of the proposed acquisition
Intended Users:	MnDOT
Entire Tract:	40.20 Acres
Improvements:	None
Zoning:	Industrial
Highest and Best Use:	As Vacant: Industrial
Intended Acquisition:	A Temporary Easement over 0.51 Acres from March 17, 2020, to 12/01/2025 or 69 months
Estimate of Compensation:	\$11,000.00(r)
Value Approach / Effective Date:	Sales Comparison Approach / March 17, 2020
Appraiser:	Alice Lenzmeier, MN Certified General Real Property Appraiser, Lic. No. 4000395

Property Appraised

The subject of this analysis is a 40.20 acre industrial site along T.H. 68 in Minneota, Minnesota. The site is vacant and is part of an improved industrial park. The subject is vacant and is appraised herein. There are no site improvements and landscape that will be impacted during construction.

Scope of Work

An MDV is an abbreviated appraisal of properties directly impacted by an acquisition for public right-of-way, whereby damages or compensation are estimated to be less than \$25,000, and is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP), the MnDOT Right-of-way Manual and Minnesota Statutes, Ch. 117. The appraiser has retained data in the work file that supports the conclusions stated, herein.

The appraiser has taken the following steps to estimate compensation to the subject property.

1. Inspected the subject on March 17, 2020.
2. Gathered and analyzed data related to the physical characteristics of the subject property.
3. Reviewed and relied on comparable sales included in this report.
4. Selected appropriate comparable sales and prepared a sales comparison approach to estimate the value of the subject based on the conditions of the subject both before and after the acquisition has occurred.

Exposure and Marketing Period

Typical exposure time (listing period) of the subject is estimated to be six to twelve months and an additional two to three months for escrow and closing time is estimated.

Purpose / Intended Use / Intended Users

The purpose of this appraisal is to provide an opinion of the loss in the subject property market value resulting from a proposed partial acquisition. The intended use of the appraisal is to assist the Minnesota Department of Transportation (MnDOT) in purchasing the proposed acquisition from the property owner. The intended users of the report are officials of MnDOT.

Sale History

There have been no recorded sales of the subject property in the past five years.

Flood Zone

The subject is not subject to flood as per Lyon County Floodway maps dated July 2010.

Subject Description. Before the Acquisition

The subject is a 40.20 rectangular shaped site with a level topography at street grade. The property fronts and is accessed via a service road that intersects with Trunk Highway No. 68 at the western edge of Marshall, MN. The site does not have an address assigned. The subject site is zoned industrial. Commercial uses are also allowed. The subject's highest and best use is as the ongoing current use as an industrial or commercial site available for development. About half of the subject site is wetland but at least half of it is developable. The Lyon County estimated market value of the subject is \$294,800 allocated to land.

Acquisition Description

There will be 0.51 acre of temporary easement that generally is 10' x 2,200'+/- along the existing T.H. 68 right of way on the northern edge of the Highway. The temporary easement is for a period of 69 months or 5.75 years. The temporary easement is through December 1, 2025.

There are no site improvements in the acquisition area.

Subject Description. After the Acquisition

Following the acquisition the subject site size will be the same 40.20 acres of which 0.51 acre will be encumbered by a temporary easement for 69 months or until December 1, 2025. The acquisition will not effect the subject's highest and best use, which remains the same after the acquisition.

Sales Information

The subject is a city of Marshall site that is available for commercial development per city officials and it is allowed under the present zoning per city officials and per the zoning map. All of the following vacant commercial lot sales are current and from similar small cities. Lyon County and all contiguous counties were searched. Several potential sales were found, verified when possible, inspected and the following were deemed to be the most appropriate for the subject property. The following information is taken from Mn Department of Revenue eCRVs submitted and verified by county assessors. A relatively narrow range of \$.82/SF to \$2.23SF were found. Based on these sales, and giving most weight to Sale # 3, located in Lyon County in Cottonwood, the market value of the subject is \$1.00/SF or \$43,560/acre. Given that the acquisitions are taken in acres the price per acre is presented and used here.

Sale 1

Parcel ID: 24-0384000

Buyer: Schlangen Custom Cabinets, Inc

Seller: Loren E. Dittman Revocable Trust

Location: xxx Meeker Drive, Eden Valley

DOS: 2/20/2018

Price: 22,5000 - WD

Size: 28,301 SF

Pr/SF: \$1.50

Comments: This commercial lot is accessed via a service road and visible from the highway. It was joined to the adjacent property and since the sale has been developed. The buyer indicated that he believed that he paid market price.

Sale 2

Parcel ID: 95-498-0020

Buyer: Stacy's Nursery, Inc.

Seller: Marcus Real Estate and Investments, LLC

Location: xxx Highway 12 East, Willmar, MN

DOS: 5/23/2019

Price: \$210,000 - WD

Size: 2.83 acres; 123,231 SF

Pr/SF: \$1.70

Comments: This is a commercial lot that will be developed with a retail nursery.

Sale 3

Parcel 22-010008-9

Buyer: Jason Fischer and Wendy Fischer

Seller: Terry Lange and Mendy Lange

Location: 190 East 4th St, Cottonwood, MN

DOS: 5/14/2019

Price: \$15,000 - QCD

Size: 18,300 SF

Pr/SF: \$.82

Comments: This commercial site is located in a business park accessed via a service road and visibility to the State Highway 23.

Sale 4

Parcel ID: 88-217-0140; 88-127-0150

Buyer: BCD Rentals LLC

Seller: Redwood Falls Industries, Inc.

Location: 1779 & 1782 E Bridge Street, Redwood Falls, MN

DOS: 17/24/2018

Price: \$33,000 - WD

Size: 0.34 acres; 14,810 SF

Pr/SF: \$2.23

Comments: This site is composed of two platted commercial lots accessed via a service road from the main highway. Located behind the platted lots is the local airport. The businesses near the subject are primarily service businesses.

The sales are all considered to be good sales. They are all current and located relatively close to the subject. Sale #3 which is located in Lyon County in Cottonwood is given the most weight. Based on these industrial and commercial sales the subject market value is \$1.00/SF.

Sale #	PID #	Address	Sales Price	Size/SF	Price/SF	Date of Sale
1	24-0284000	Xxx Meeker Ave, Eden Valley	\$22,500	28,301SF	\$1.50	2/20/2018
2	95-498-0020	Xxx Highway 12 E., Willmar, MN	\$210,000	123,231 SF 2.83 Ac	\$1.70	5/23/2019
3	22-010008-9	190 East 4 th St, Cottonwood	\$15,000	18,300 SF	\$.82	5/14/2019
4	88-217-0140; 88-217-0150	1779/1781 E Bridge St, Red Wood Falls	\$33,000	14,810 SF	\$2.23	7/24/2018

After reasonable consideration, adjustments were applied providing an estimated unit value of \$1.00 square foot. The subject is 40.20 acres +/- and subject amenities are similar to the comparables found. The subject can easily be sub-divided into smaller lots to accommodate potential users in the future as it is owned by the HRA. Attachments at the end of this report included a parcel sketch, legal description of the temporary easement, photographs of the subject and temporary easement area and a map of the comparables. Further details of the sales above are retained in the appraiser's work file.

Fee Acquisition Area

None

Temporary Easement Area

The temporary easement is 0.51 acre as shown on MnDOT Plat 42-37 encumbered for construction purposes for 69 months or 5.75 years. It measures 2,200' +/- x 10'+/- or 0.51 acres and is located adjacent to the existing T.H. 68 right of way along the section of the subject that front along T.H. 68. The compensation is measured by "land rent," or a return on the value of the land to be encumbered.

Prior to accounting for the value impact of the temporary easement, the land to be encumbered with the TE has a value of \$43,560/acre. Based on consideration of current rates of return for various investments with varying degrees of risk, it is concluded that a 9.00% annual rate of return, or land rent, is applicable. In determining the total rent due, the land rent is treated as though it would be payable in monthly installments (at the beginning of each month) during the period of the temporary easement.

The total amount of the monthly payments is converted to a net present value, since all of the rent is being paid up front in one lump sum. The analysis employs a relatively safe annual discount rate of 1.75%.

Compensation for the temporary easement area is calculated as follows:

Temporary Easement Area	0.51 Acre
Value (unencumbered value/Ac-or-\$1.00/sf)	x <u>\$43,560</u>
Market Value (unencumbered) of TE Area	22,215.60
Annual Rate	x 9.00%
Annual Rent	\$ 1,999.40
Monthly Rent (\$1,999.40/12)	\$ 166.62
Present Value Factor (69 months @ 1.75)	x <u>65.69</u>
Estimated Value of Temporary Easement	\$ 10,945.05

Site Improvement Damaged Within the Acquisition Area

None

Allocation of Damages

The subject will be impacted by a temporary easement. Compensation associated with the acquisition has been estimated and is summarized below.

Temporary Easement	\$ 10,945.00
Recommended Compensation	\$ 11,000.00 (r)

ERTIFICATE OF APPRAISER

S.P.: 4210-49RW

Parcel: 4210-901-237B

That on 3/17/2020, I personally inspected the property herein and that the property owner representative, Glen Olson, did not accompany me on the field inspection.

- I have personally made a field inspection of the subject and used the comparable sales found in the Project Comparable Sales Book relied upon in making this valuation.
- That to the best of my knowledge and belief the statements contained in this valuation are true and the information upon which the opinions expressed herein is correct.
- That I understand that such valuation is to be used in connection with the acquisition of right of way for a transportation improvement to be constructed by the acquiring agency and that such valuation has been made in conformity with the appropriate state laws, regulations, policies, and procedures applicable to the valuation of right of way for such purposes.
- In making this valuation, I have disregarded any increase or decrease in the before value caused by the project for which the property is being acquired.
- That neither my employment nor my compensation for making this valuation and report are in any way contingent upon the values reported herein.
- That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property valued.
- That I have no direct benefit or indirect present or contemplated future personal interest in the subject property or in any way benefit from the acquisition of the subject property rights.
- That I will not reveal the findings and results of such valuations to anyone other than the proper officials of the acquiring agency until authorized to do so, or until I am required to do so, by due process of law, or released from this obligation.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the report within the three year period immediately preceding acceptance of this assignment.
- My independent opinion of fair market value for the property rights as of 3/17/2020 is \$11,000.00(r), and that this conclusion, as set forth in this MDV Report, was reached without collaboration or direction.

Appraiser

**Alice
Lenzmeier**

Digitally signed by
Alice Lenzmeier
Date: 2020.05.06
18:19:51 -05'00'

Date: 5/62020

MN Certified General Real Property
Appraiser, Lic: 4000395

Approval: *Ron Lambert*

Date: 5-8-2020

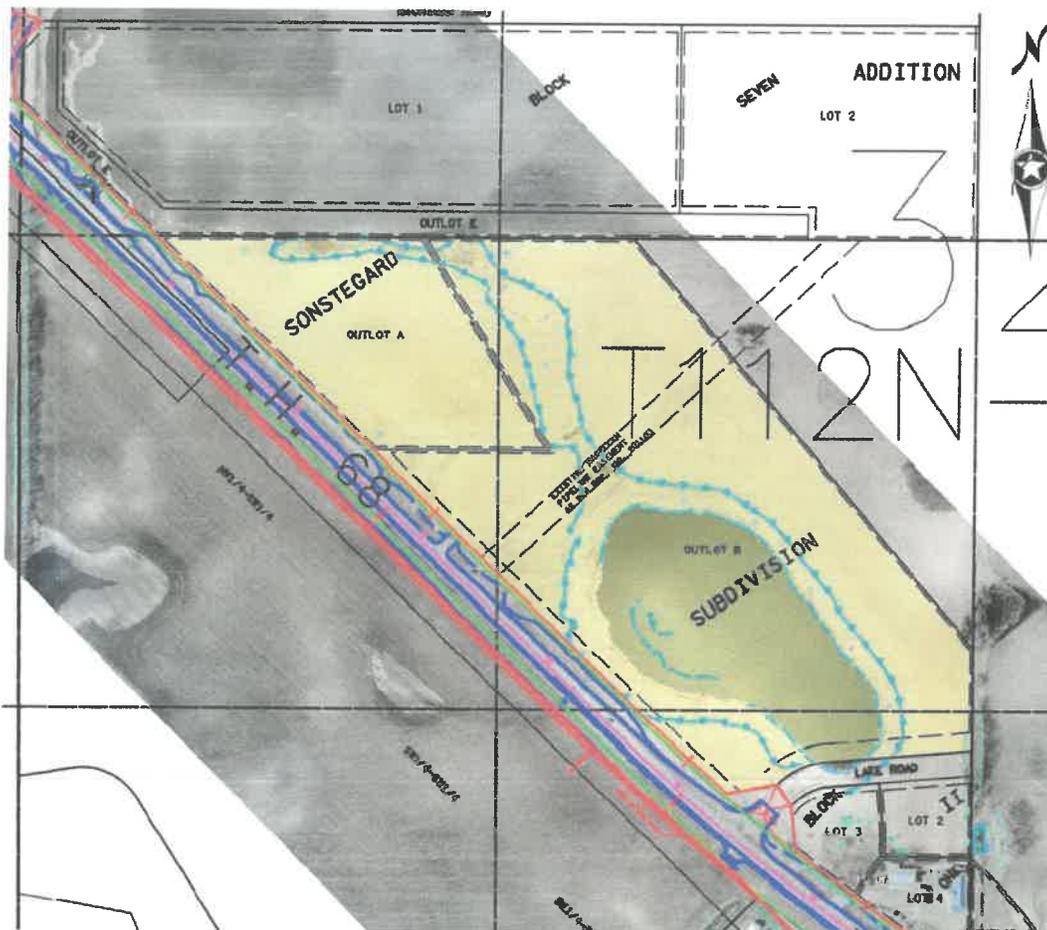
Ron Lambert
MnDOT RE Specialist Supervisor
MN Certified General - License # 4000592



RIGHT OF WAY PARCEL LAYOUT

Control Section: 4210 (68=68) 901
 State Project: 4210-49RW County: Lyon
 Owner: The Housing and Redevelopment Authority

Parcel Number: 237B
 Sheet 1 of 1
 Scale 1 inch = 400 ft.



C.S. 4210(68=68)901 S.P. 4210-49

SONSTEGARD SUBDIVISION II							
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITHOUT ROADS		TEMPORARY EASEMENT	
				ACRES	ACRES	ACRES	EXPIRES
237B	42-37	THE HOUSING AND REDEVELOPMENT AUTHORITY	OUTLOT A & B	40.20	0.51	12/01/2025	

Layout sketch by Ryan Jaeger

Created on December 30, 2019

March 23, 2020
4210-901-237B

Parcel 237B C.S. 4210 (68=68) 901

S.P. 4210-49RW

All of the following:

A temporary easement for highway purposes in that part of **Outlots A and B Sonstegard Subdivision II**, shown as Parcel 237B on Minnesota Department of Transportation Right of Way Plat Numbered 42-37 as the same is on file and of record in the office of the County Recorder in and for Lyon County, Minnesota, by the temporary easement symbol, said easement shall cease on December 1, 2025, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.

Commercial Lot Sales Map



Flood Map



4,000 Feet
Miles

FEMA Data

- Floodway
- 1% Annual Flood Chance
- 0.2% Annual Flood Chance
- Base Flood Elevation
- Hydraulic Structures

Subject Photographs



Front View North from T.H. 68



View East along T.H. 68



View West along T.H. 68

DISTRICT 8 Right of Way
2505 Transportation Rd
Willmar, MN 56201

Office Tel: 320-231-5195
Fax: 320-231-5168

September 15, 2020

The Housing and Redevelopment Authority in and for the City of Marshall, Minnesota
Attn: Mayor
City Hall
344 West Main Street
Marshall, MN 56258

State Project #: 4210-49RW
Control Section: 4210 (68=68) 901
Project Job #: TRW233262
County: Lyon
Parcel #: 237B
Prop. Address: Highway 68, Marshall, MN 56258

The State of Minnesota, acting through its Department of Transportation (MnDOT) will be purchasing an interest in your property for improvements to Highway 68. A parcel sketch, a legal description and a copy of the recorded plat are enclosed to help you identify the location of MnDOT's acquisition of your property.

The certified appraisal amount for this acquisition is listed on the enclosed letter signed by Joseph D. Pignato, Director of the Office of Land Management.

You will have a reasonable length of time to consider this offer. To help in making your decision, you may wish to obtain an appraisal by a qualified appraiser for the property or interest being acquired. You are entitled to reimbursement for reasonable costs of the appraisal up to a maximum of \$1,500 for a single or two family residential property and minimum damage acquisitions, or up to a maximum of \$5,000 for other types of property. The owner must submit to MnDOT the information necessary for reimbursement, including a copy of the owner's appraisal. Payment for the appraisal will be reimbursed within 30 days after MnDOT receives a copy of the appraisal and the enclosed Appraisal Reimbursement Claim form.

In considering your agreement with MnDOT's certified appraisal offer amount, we have enclosed three copies of temporary easement for your signature. Please sign the temporary easement in the presence of a notary public.

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We trust this matter will have your immediate attention as this parcel will be needed for the upcoming construction season. We look forward to receiving your acknowledgement of this purchase offer and any comments you may have concerning the acquisition. Thank you for

your time and consideration in this matter.

Sincerely,



Teresa Kluesner-Weihs
Real Estate Representative
651-370-3750
Teresa.Kluesner-Weihs@state.mn.us

Enclosures:

Conveyance Document(s)
Parcel Sketch/Plat
Acquisition Incidental Claim Form
Appraisal Reimbursement Claim Form

Guidebook
IRS W-9 Form
Return Envelope
Legal Description
Valuation Report

OWNER'S COPY REAL ESTATE APPRAISAL REPORT

S.P.: 4210-49RW
C.S.: 4210 (68=68) 901
Parcel: 4210-901-237A
Owner: The City of Marshall Housing

and Authori

Parcel Address: Highway 68, Marshall, MN
56258

Appraiser: Alice Lenzmeier

mn DEPARTMENT OF
TRANSPORTATION



MDV Report

May 6, 2020

Summary

State Project:	4210-49RW (TH 68) Parcel 4210-901-237A
Control Section:	CS/900: 4210 (68=68) 901
Owner:	City of Marshall Housing and Redevelopment Authority
Address:	Xxx Highway 68, Minneota, MN 56264
County:	Lyon County
Parcel ID Number	27-159007-0; 27-159008-0; 27-159013-0
Legal Description:	LOT 1 & 2, Block 7, OUTLOT E COMMERCE INDUSTRIAL PARK SECOND ADDITION
Purpose:	Estimating a value of the proposed acquisition
Intended Users:	MnDOT
Entire Tract:	35.44 Acres
Improvements:	None
Zoning:	Industrial
Highest and Best Use:	As Vacant: Industrial
Intended Acquisition:	A Temporary Easement over 0.13 Acres from March 17, 2020, to 12/01/2025 or 69 months
Estimate of Compensation:	\$2,800.00(r)
Value Approach / Effective Date:	Sales Comparison Approach / March 17, 2020
Appraiser:	Alice Lenzmeier, MN Certified General Real Property Appraiser, Lic. No. 4000395

Property Appraised

The subject of this analysis is a 35.44 acre industrial site along T.H. 68 in Minneota, Minnesota. The site is vacant and is part of an improved industrial park. The subject is vacant and and is appraised herein. There are no site improvements and landscape that will be impacted during construction.

Scope of Work

An MDV is an abbreviated appraisal of properties directly impacted by an acquisition for public right-of-way, whereby damages or compensation are estimated to be less than \$25,000, and is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP), the MnDOT Right-of-way Manual and Minnesota Statutes, Ch. 117. The appraiser has retained data in the work file that supports the conclusions stated, herein.

The appraiser has taken the following steps to estimate compensation to the subject property.

1. Inspected the subject on March 17, 2020.
2. Gathered and analyzed data related to the physical characteristics of the subject property.
3. Reviewed and relied on comparable sales included in this report.
4. Selected appropriate comparable sales and prepared a sales comparison approach to estimate the value of the subject based on the conditions of the subject both before and after the acquisition has occurred.

Exposure and Marketing Period

Typical exposure time (listing period) of the subject is estimated to be six to twelve months and an additional two to three months for escrow and closing time is estimated.

Purpose / Intended Use / Intended Users

The purpose of this appraisal is to provide an opinion of the loss in the subject property market value resulting from a proposed partial acquisition. The intended use of the appraisal is to assist the Minnesota Department of Transportation (MnDOT) in purchasing the proposed acquisition from the property owner. The intended users of the report are officials of MnDOT.

Sale History

There have been no recorded sales of the subject property in the past five years.

Flood Zone

The subject is not subject to flood as per Lyon County Floodway maps dated July 2010.

Subject Description. Before the Acquisition

The subject is a 35.44 rectangular shaped site with a level topography at street grade. The property fronts and is accessed via a service road that intersects with Trunk Highway No. 68 at the western edge of Marshall, MN. The site does not have an address assigned. The subject site is zoned industrial. Commercial uses are also allowed. The subject's highest and best use is as the ongoing current use as an industrial or commercial site available for development. The Lyon County estimated market value of the subject is \$384,700 allocated to land.

Acquisition Description

There will be 0.13 acre of temporary easement that generally is 10' x 560 '+/- along the existing T.H. 68 right of way on the northern edge of the Highway. The temporary easement is for a period of 69 months or 5.75 years. The temporary easement is through December 1, 2025.

There are no site improvements in the acquisition area.

Subject Description. After the Acquisition

Following the acquisition the subject site size will be the same 35.44 acres of which 0.13 acre will be encumbered by a temporary easement for 69 months or until December 1, 2025. The acquisition will not effect the subject's highest and best use, which remains the same after the acquisition.

Sales Information

The subject is a city of Marshall site that is available for commercial development per city officials and it is allowed under the present zoning per city officials and per the zoning map. All of the following vacant commercial lot sales are current and from similar small cities. Lyon County and all contiguous counties were searched. Several potential sales were found, verified when possible, inspected and the following were deemed to be the most appropriate for the subject property. The following information is taken from Mn Department of Revenue eCRVs submitted and verified by county assessors. A relatively narrow range of \$.82/SF to \$2.23SF were found. Based on these sales, and giving most weight to Sale # 3, located in Lyon County in Cottonwood, the market value of the subject is \$1.45/SF. Given that the acquisitions are taken in square feet the price per square foot is presented and used here.

Sale 1

Parcel ID: 24-0384000

Buyer: Schlangen Custom Cabinets, Inc

Seller: Loren E. Dittman Revocable Trust

Location: xxx Meeker Drive, Eden Valley

DOS: 2/20/2018

Price: 22,5000 - WD

Size: 28,301 SF

Pr/SF: \$1.50

Comments: This commercial lot is accessed via a service road and visible from the highway. It was joined to the adjacent property and since the sale has been developed. The buyer indicated that he believed that he paid market price.

Sale 2

Parcel ID: 95-498-0020

Buyer: Stacy's Nursery, Inc.

Seller: Marcus Real Estate and Investments, LLC

Location: xxx Highway 12 East, Willmar, MN

DOS: 5/23/2019

Price: \$210,000 - WD

Size: 2.83 acres; 123,231 SF

Pr/SF: \$1.70

Comments: This is a commercial lot that will be developed with a retail nursery.

Sale 3

Parcel 22-010008-9

Buyer: Jason Fischer and Wendy Fischer

Seller: Terry Lange and Mendy Lange

Location: 190 East 4th St, Cottonwood, MN

DOS: 5/14/2019

Price: \$15,000 - QCD

Size: 18,300 SF

Pr/SF: \$.82

Comments: This commercial site is located in a business park accessed via a service road and visibility to the State Highway 23.

Sale 4

Parcel ID: 88-217-0140; 88-127-0150

Buyer: BCD Rentals LLC

Seller: Redwood Falls Industries, Inc.

Location: 1779 & 1782 E Bridge Street, Redwood Falls, MN

DOS: 17/24/2018

Price: \$33,000 - WD

Size: 0.34 acres; 14,810 SF

Pr/SF: \$2.23

Comments: This site is composed of two platted commercial lots accessed via a service road from the main highway. Located behind the platted lots is the local airport. The businesses near the subject are primarily service businesses.

The sales are all considered to be good sales. They are all current and located relatively close to the subject. Sale #3 which is located in Lyon County in Cottonwood is given the most weight. Based on these industrial and commercial sales the subject market value is \$1.00/SF.

Sale #	PID #	Address	Sales Price	Size/SF	Price/SF	Date of Sale
1	24-0284000	Xxx Meeker Ave, Eden Valley	\$22,500	28,301SF	\$1.50	2/20/2018
2	95-498-0020	Xxx Highway 12 E., Willmar, MN	\$210,000	123,231 SF 2.83 Ac	\$1.70	5/23/2019
3	22-010008-9	190 East 4 th St, Cottonwood	\$15,000	18,300 SF	\$.82	5/14/2019
4	88-217-0140; 88-217-0150	1779/1781 E Bridge St, Red Wood Falls	\$33,000	14,810 SF	\$2.23	7/24/2018

After reasonable consideration, adjustments were applied providing an estimated unit value of \$1.00 square foot. The subject is 35.44 acres +/- and subject amenities are similar to the comparables found. The subject can easily be sub-divided into smaller lots to accommodate potential users in the future as it is owned by the HRA. Attachments at the end of this report included a parcel sketch, legal description of the temporary easement, photographs of the subject and temporary easement area and a map of the comparables. Further details of the sales above are retained in the appraiser's work file.

Fee Acquisition Area

None

Temporary Easement Area

The temporary easement is 0.13 acre as shown on MnDOT Plat 42-36 encumbered for construction purposes for 69 months or 5.75 years. It measures 560' +/- x 10' +/- or 0.13 acres and is located adjacent to the existing T.H. 68 right of way along the section of the subject that front along T.H. 68. The compensation is measured by "land rent," or a return on the value of the land to be encumbered.

Prior to accounting for the value impact of the temporary easement, the land to be encumbered with the TE has a value of \$43,560/acre. Based on consideration of current rates of return for various investments with varying degrees of risk, it is concluded that a 9.00% annual rate of return, or land rent, is applicable. In determining the total rent due, the land rent is treated as though it would be payable in monthly installments (at the beginning of each month) during the period of the temporary easement.

The total amount of the monthly payments is converted to a net present value, since all of the rent is being paid up front in one lump sum. The analysis employs a relatively safe annual discount rate of 1.75%.

Compensation for the temporary easement area is calculated as follows:

Temporary Easement Area	0.13 Acre
Value (unencumbered fee value per SF)	x <u>\$43,560</u>
Market Value (unencumbered) of TE Area	5,662.80
Annual Rate	x 9.00%
Annual Rent	\$ 509.65
Monthly Rent (\$509.65/12)	\$ 42.47
Present Value Factor (69 months @ 1.75)	x <u>65.69</u>
Estimated Value of Temporary Easement	\$ 2,789.92

Site Improvement Damaged Within the Acquisition Area

None

Allocation of Damages

The subject will be impacted by a temporary easement. Compensation associated with the acquisition has been estimated and is summarized below.

Temporary Easement	\$ 2,790.00
Recommended Compensation	\$ 2,800.00 (r)

CERTIFICATE OF APPRAISER

S.P.: 4210-49RW

Parcel: 4210-901-237A

That on 3/17/2020, I personally inspected the property herein and that the property owner representative, Glen Olson, did not accompany me on the field inspection.

I have personally made a field inspection of the subject and used the comparable sales found in the Project Comparable Sales Book relied upon in making this valuation.

That to the best of my knowledge and belief the statements contained in this valuation are true and the information upon which the opinions expressed herein is correct.

- That I understand that such valuation is to be used in connection with the acquisition of right of way for a transportation improvement to be constructed by the acquiring agency and that such valuation has been made in conformity with the appropriate state laws, regulations, policies, and procedures applicable to the valuation of right of way for such purposes.
- In making this valuation, I have disregarded any increase or decrease in the before value caused by the project for which the property is being acquired.
- That neither my employment nor my compensation for making this valuation and report are in any way contingent upon the values reported herein.
- That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property valued.
- That I have no direct benefit or indirect present or contemplated future personal interest in the subject property or in any way benefit from the acquisition of the subject property rights.
- That I will not reveal the findings and results of such valuations to anyone other than the proper officials of the acquiring agency until authorized to do so, or until I am required to do so, by due process of law, or released from this obligation.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the report within the three year period immediately preceding acceptance of this assignment.

- My independent opinion of fair market value for the property rights as of 3/17/2020 is \$2,800.00(r), and that this conclusion, as set forth in this MDV Report, was reached without collaboration or direction.

Appraiser

**Alice
Lenzmeier**

Digitally signed by

Date: 2020.05.06

Alice Lenzmeier

17:35:02 -05'00'

Date: 5/6/2020

MN Certified General Real Property
Appraiser, Lic: 4000395

Approval:



Date: 5-8-2020

Ron Lambert

MnDOT RE Specialist Supervisor

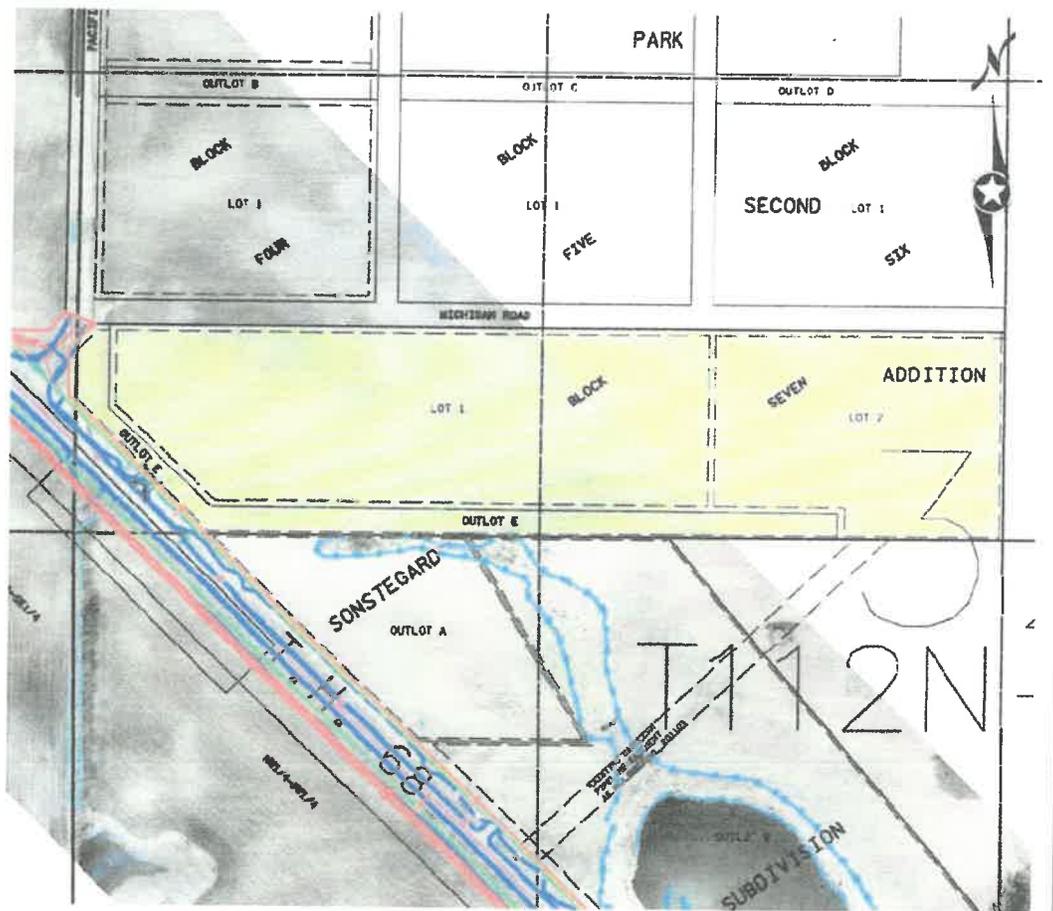
MN Certified General - License # 4000592



RIGHT OF WAY PARCEL LAYOUT

Control Section: 4210 (68=68) 9C1
 State Project: 4210-49RW
 Owner: The City of Marshall Housing and Authority

Parcel Number: 237A
 Sheet 1 of 1
 Scale 1 inch = 400 ft.



C.S. 4210(68=68)901 S.P. 4210 49

COMMERCE INDUSTRIAL PARK SECOND ADDITION						
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITHOUT ROADS		TEMPORARY EASEMENT
				ACRES	ACRES	EXPIRES
237A	42-36	THE CITY OF MARSHALL HOUSING AND AUTHORITY	LOT 1 & 2, BLOCK 7 OUTLOT E	35.44	0.13	12/01/2025

Layout sketch by Ryan Jaeger

Created on December 17, 2019

March 23, 2020
4210-901-237A

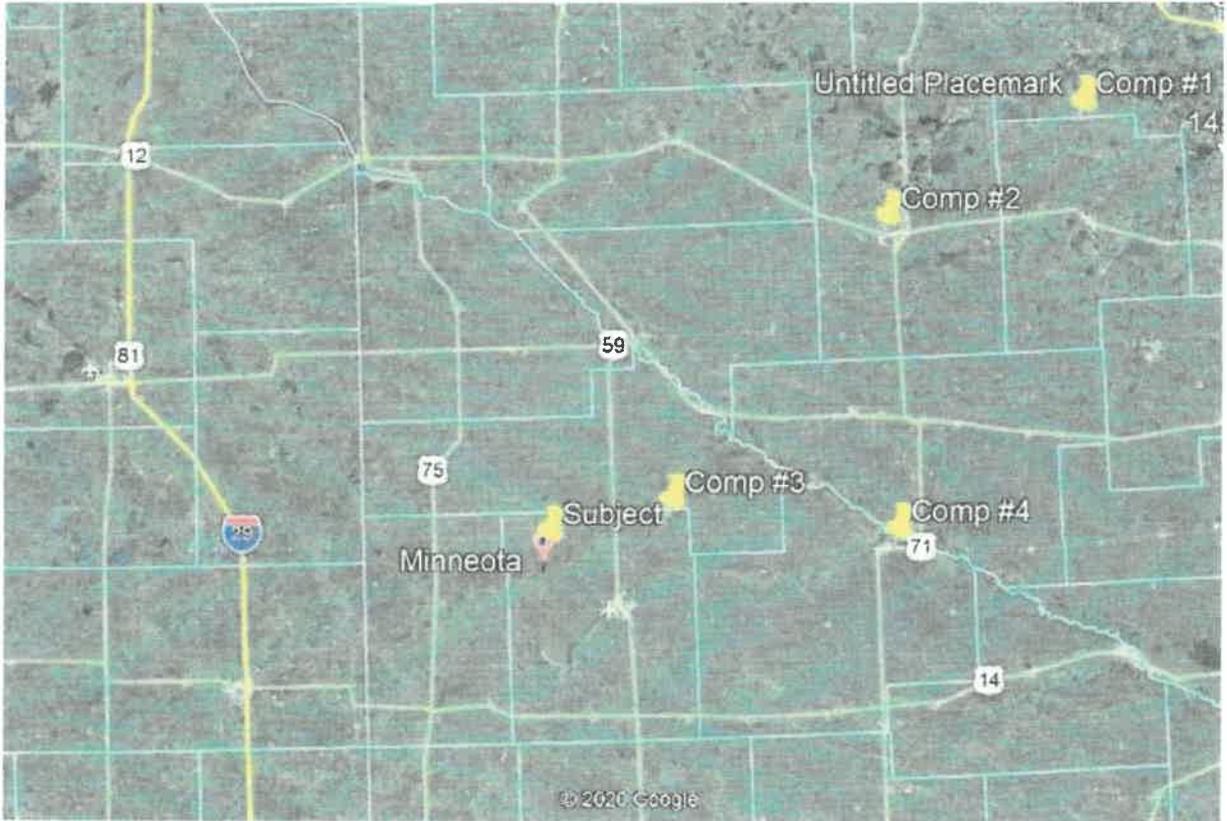
Parcel 237A C.S. 4210 (68=68) 901

S.P. 4210-49RW

All of the following:

A temporary easement for highway purposes in that part of **Outlot E, Commerce Industrial Park Second Addition**, shown as Parcel 237A on Minnesota Department of Transportation Right of Way Plat Numbered 42-36 as the same is on file and of record in the office of the County Recorder in and for Lyon County, Minnesota, by the temporary easement symbol, said easement shall cease on December 1, 2025, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.

Commercial Lot Sales Map



Flood Map



4,000 Feet
Miles

FEMA Data	
Floodway	Base Flood Elevation
1% Annual Flood Chance	Hydraulic Structures
0.2% Annual Flood Chance	

Subject Photographs



Front View North from T.H. 68



View East along T.H. 68

