



**Diversion Authority Land Management
Committee Meeting Minutes
3:00 PM Wednesday, December 16, 2020
Virtual Meeting
Fargo, North Dakota**

Permanent, Reliable Flood Protection

A virtual meeting of the Diversion Authority Land Management Committee was held on December 16, 2020. The following committee members were present: Mary Scherling, Cass County Commissioner; Bruce Grubb, Fargo City Administrator; Kevin Campbell, Clay County Commissioner; Nathan Boerboom, Fargo Division Engineer; Rodger Olson, Cass County Water Resource District; Duane Breitling, Cass County Commissioner; Jenny Mongeau, Clay County Commissioner; Bob Zimmerman, Moorhead City Engineer and Kory Peterson, Mayor, City of Horace.

The following committee members were absent: Johnathan Judd, Mayor, City of Moorhead; Chuck Hendrickson, Moorhead City Council Member and Arlette Preston, Fargo City Commissioner.

1. MEETING TO ORDER

Mrs. Scherling called the meeting to order at 3 pm. Roll call was taken and a quorum was present.

2. AGENDA REVIEW/APPROVAL

There were no changes to the agenda as presented however, Mr. Dodds indicated that there is supplemental material that will be added to Item 5 for discussion.

3. APPROVAL OF MINUTES

Ms. Mongeau moved to approve the minutes from November 2020, and Mr. Olson seconded the motion. Motion carried.

4. PROPERTY ACQUISITION STATUS REPORT

Mr. Dodds reported that there are currently 39 properties that will move forward with LRED and 485 properties have been acquired to date. The environmental monitoring easement appraisals are coming in and 209 parcels have been acquired with 2 currently in negotiations.

Mrs. Scherling inquired with Mr. McShane regarding the length of time it takes to gain possession of an LRED property. Mr. McShane indicated that it can be a fairly quick process if there are no title issues or forthcoming negotiations. Upon deposit of the funds to the court, access to the property is granted.

5. POLICY DISCUSSION REGARDING DISPOSAL OF ASSET LANDS

Mr. Paulsen and Mr. Dodds gave an overview of the draft asset lands policy. Currently, there is over \$20 million in excess lands to be disposed of and it needs to be determined how we move forward with the disposition of these lands.

4. KEY PRINCIPLES

4.1. Land Sold via Public Sale. It is the Authority's intent that all sales of excess lands shall be done via public sale/auction such that there is transparent and abundant opportunity for all buyers to purchase the property.

4.2. Refrain from Selling Land at a Loss. It is the Authority's intent that excess land should not be sold at a loss. At the time of a possible sale, should the land be appraised at a value less than that paid to acquire the property, the Member Entity shall refrain from selling the property until such time as the value of the land increases to an amount greater than the amount paid for the property, taking into consideration the impact(s) of the project that affect the value of the excess land.

4.3. Preference to Sell Farmland to Adjacent Property Owner. Preference should be given to adjacent landowners interested in purchasing farmland. Each adjacent property owner should be provided with notice of the sale prior to it being made available to the general public.

4.4. Taxable Parcels. Excess property should continue to generate revenue for the county in the form of taxes. Consistent with the Authority's intent, Member Entity's will ensure the property will remain a taxable parcel by refraining from selling the property (other than at public auction) to parties not required to pay taxes on said property, such as other governmental entities and non-profit organizations unless approved otherwise by the Diversion Authority Board.

4.5. Option to Hold Certain Land Long-Term. Consistent with the Authority's intent to recoup its investment in real property, should the Member Entity determine that it would be in the best interest of the Authority to retain ownership of certain excess property for a period of time in order to increase its return on investment or manage its long-term risk, the Member Entity will refrain from selling said land until the determination is made that it is in the Authority's best interest to sell the land.

Mr. Olson commented that he is not supportive of opening the sale of these lands to the public for sale or auction and Ms. Mongeau concurred. Mr. Olson stated that priority should be given to the original landowner/renter.

Mrs. Scherling asked if there is a minimum bid when opening the land for auction and Mr. Dodds indicated that there is no minimum bid requirement.

6. UPDATE ON OUTREACH TO UPSTREAM PROPERTY OWNERS

Outreach efforts continue to move forward. Appraisers continue to contact property owners to set up appraisal appointments and this is consistent with what they were advised of.

7. FLOWAGE EASMENT STUDY

Crown Appraisals will begin Phase II of the flowage easement study with approximately 500 properties to appraise. Advisors from Crown anticipate that it will take the majority of 2021 to complete.

8. 2021 FARMLAND LEASE UPDATE

Mr. Dodds reported that Pifer's Auction is currently meeting with property owners to sign their respective leases for 2021.

9. 2021 MEETINGS CALENDAR

The 2021 meeting calendar was presented for review. Mrs. Scherling commented that if there is no business at hand, Land Management may not meet and may scale back to quarterly.

10. COMMITTEE UPDATE TO BOARD

Following is the update that will be provided to the Board tomorrow.

- Acquisitions – 31 parcels acquired since the November meeting (11/12/2020 – 12/10/2020)
 - Focus areas: Diversion Channel, Southern Embankment Reach 1, and I-29 Road Raise
- Cass County Commission has held 8 public meetings with property owners and authorized CCJWRD to utilize last resort eminent domain
- Appraisal Work
 - Appraisals ordered for Drain 27 Wetland, Red River Control Structure, and Environmental Monitoring Easements
 - Contracting for Appraisals of Upstream Structure Sites (farmsteads, rural residential, etc.)
- Policy **Discussion** regarding Asset Lands
- 2021 Farmland Lease Agreements being developed consistent with P3 Procurement timeline

11. CCJWRD UPDATE

Mr. Olson indicated that land agents are working diligently with property owners and 21 have been invited to the December 17 meeting.

12. MCCJPA UPDATE

There was no update; their regular meeting will be held on December 17 at 1 pm.

13. MetroCOG UPDATE

There was no update from MetroCOG.

14. OTHER BUSINESS

With no additional business, the meeting adjourned at 3:57 pm.