





# Minnesota

## Known Condemnations Benefiting Private Parties<sup>213</sup>

Filed/Authorized Condemnations  2

Threatened Condemnations  23

Legend  = 1  = 10

### Minnetonka

In January 2006, the City Council voted to use eminent domain to put pressure on two property owners to sell to a developer for the Glen Lake project, which will include new retail space and condos.<sup>214</sup> In February 2006, the City condemned the properties—the headquarters of West Suburban Alano Society, which aids people with substance abuse problems, and a rental home whose owner, Arnie Zachman, wanted to develop it himself. The City had already reached a tentative agreement to relocate West Suburban Alano, but decided to condemn the property anyway in case the agreement fell through.<sup>215</sup> In May, the Alano Society reached a deal with the City.<sup>216</sup>

### Ramsey

City officials sent notices in April 2006 to 13 property owners on 67 acres where the City plans to build Ramsey Crossings, to which they hope to attract a big-box store. The City wants to begin “negotiating” to purchase their land. Some of the property is in a tax-increment financing district, meaning eminent

213 These numbers were compiled from news sources. Many cases go unreported, and news reports often do not specify the number of properties against which condemnations were filed or threatened.

214 Bill Clements, “Dispute underscores eminent domain debate,” *Finance and Commerce*, February 9, 2006, at NEWS.

215 Ben Steverman, “Despite protests, city invokes eminent domain; Minnetonka voted to begin process of forcing two property owners to sell, making way for a redevelopment in the Glen Lake area,” *Star Tribune*, March 1, 2006, at 1W.

216 Ben Steverman, “Recent Actions,” *Star Tribune*, May 17, 2006, at 4W.

domain can be used to seize property from people who want to stay. “I find it very hard to swallow that they can come in here and basically they’re going to take my land so a developer can make money,” says Jeff Wise, who owns Wisser Choice Liquor.<sup>217</sup>

## Rosemount

A few days after the *Kelo* decision, a private developer released drawings of a remodeled downtown that City officials want the developer to build. Just as in New London, the goal of the redevelopment is increasing the tax base.<sup>218</sup> In October 2005, the developer made offers to landowners to purchase their property. But if they don’t agree to sell, Mayor Bill Droste says the City is willing to use eminent domain to seize property. He wants to replace current citizens with Core Block East, the first phase in a 52-acre redevelopment plan that will replace homes and six thriving businesses with retail and office space and perhaps townhouses. Many owners and renters, including Quilter’s Haven, Haupt Antiek Market and Fluegel’s Farm Garden and Pet,

217 Sarah McCann, “More growth in store for Ramsey; The huge Town Center housing and shopping area isn’t done, and the city is planning another big development,” *Star Tribune*, April 12, 2006, at 1N.

218 Shira Kantor, “Destination unknown; Rosemount wants to redevelop its downtown to boost its tax base and economy; But business owners are afraid they’ll be forced to close or move,” *Star Tribune*, June 29, 2005, at 1S.

## Private Environmental Clean-up Thwarted By Taking

After the *Kelo* decision, ExxonMobil Pipe Co. lost its fight against the City’s condemnation of 29 acres along the Mississippi River that ExxonMobil owned and housed an oil-tank farm for five decades. City officials and Brighton Development want to turn the site, to be called Victoria Park, into a 64-acre residential development with 850 townhomes, apartments, houses and condos.<sup>1</sup> The property was condemned in 2003, but ExxonMobil fought the condemnation in court.<sup>2</sup> The company contended that the site is contaminated and not suitable for residences and even offered to *give* the land to the City in exchange for a promise not to build homes there.<sup>3</sup> In January 2005 a Ramsey County judge decided the site was safe and that the eminent domain action could go forward. ExxonMobil appealed the ruling, and the court, citing *Kelo*, ruled against the company.<sup>4</sup> ExxonMobil had wanted to continue its own cleanup efforts on the site and then put in a commercial or industrial development.<sup>5</sup>

1 Robert Ingrassia, “Turning dirt and selling units; Big housing development on way to realization,” *St. Paul Pioneer Press*, June 24, 2005, at B1; Bill Clements, “Legal battle continues over Victoria Park project in St. Paul,” *Legal Ledger*, April 21, 2005, at NEWS.

2 Jackie Crosby, “St. Paul near deal to acquire old tank farm; The effort could bring 1,000 housing units to a site along the Mississippi River,” *Star Tribune*, October 23, 2003, at 5B.

3 Robert Ingrassia, “Turning dirt and selling units; Big housing development on way to realization,” *St. Paul Pioneer Press*, June 24, 2005, at B1.

4 *Housing and Redevelopment Auth. of Saint Paul v. ExxonMobil Oil Corp.*, No. A05-511, 2006 Minn. App. Unpub. LEXIS 393 (Minn. Ct. App. 2006).

5 Bill Clements, “Legal battle continues over Victoria Park project in St. Paul,” *The Legal Ledger*, April 21, 2005, at NEWS; *Housing and Redevelopment Auth. of Saint Paul v. ExxonMobil Oil Corp.*, No. A05-511, 2006 Minn. App. Unpub. LEXIS 393 (Minn. Ct. App. 2006).

do not want to move.<sup>219</sup> Kurt Hansen, who leases space to several businesses, wants to redevelop his properties himself, but since the City has signed an exclusive developer agreement with its preferred developer for the area, he cannot. In February 2006, City administrator Jamie Verbrugge said that if Minnesota legislators tighten the State's eminent domain laws, the developer would build around any unwilling sellers.<sup>220</sup> The State did in fact pass new legislation, but it is possible that Rosemount's project is exempt from the new restrictions on using eminent domain for private parties.<sup>221</sup>

## West St. Paul

West St. Paul officials want new development and retailers along South Robert Street. In October 2005, the City Council declared their intention to use eminent domain to seize two parcels if owners refused to sell to Sherman Associates, the City's chosen developer. Sherman wants to build 39 townhouses and 13,000 square feet of commercial space where a liquor store and auto service center stand now. The owners sold, but were unhappy with the compensation, which under Minnesota law does not cover relocation costs.<sup>222</sup>

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219 Maricella Miranda, "Downtown development raises ire; Despite offers; business owners aren't happy about their future displacement," *St. Paul Pioneer Press*, November 6, 2005, at 1B; Shira Kantor, "Destination unknown; Rosemount wants to redevelop its downtown to boost its tax base and economy; But business owners are afraid they'll be forced to close or move," *Star Tribune*, June 29, 2005, at 1S.

220 Shira Kantor, "Eminent domain reform could hinder cities' plans; Rosemount and other communities south of the river could find their plans for redevelopment stymied by proposed legislation that would curb cities' ability to seize private property for economic purposes," *Star Tribune*, February 8, 2006, at 1S. 221 2005 Minn. SF 2750 (signed into law May 19, 2006).

222 Brian Bonner, "Robert St. progress pains some; City could use eminent domain to seize two businesses," *St Paul Pioneer Press*, October 2, 2005, at 3B; Grant Boelter, "Robert Street redevelopment continues in West St. Paul," *Sun Newspapers*, December 1, 2005; Brian Bonner, "Robert Street revival plans frustrate city; Housing projects are humming, but area hasn't attracted key businesses," *Pioneer Press*, February 27, 2006, at STATE AND REGIONAL NEWS.