Report of Pre-Improvement Redetermination of Benefits  
Middle Snake Tamarac River Watershed District Polk CD 175

In accordance with Minnesota Statute (MS) 103E.351, we the viewers, submit the following Viewers’ Report:

The fundamental principle for the determination of benefits and damages is based upon a comparison of the conditions prior to the construction of the ditch system with the conditions that exist after the implementation of the ditch system or proposed drainage project.

The undersigned viewers, pursuant to the order of the Middle Snake Tamarac River Watershed District (MSTRWD) Drainage Authority, did meet prior to commencing duties on the 18th day of September, 2017 at the MSTRWD office in Warren, Minnesota. Having taken the oath as required by MS 103E.305, did view, all lands affected by said proposed drainage system and further, we did determine the damages to lands affected by establishment of a grass strip.

We were able to determine the boundaries of the benefited area by processing and analyzing maps using “Light Detection and Ranging” (LiDAR) along with visually viewing the project area. Meetings were held with landowners, Engineers and MSTRWD staff. We viewed each County Assessors’ records to determine the number of acres of land in each parcel of each 40-acre tract of land. Other sources of information used were USDA-Natural Resources Conservation Service Web Soil Survey, 12 years of USDA satellite imagery, US Fish and Wildlife Service National Wetland Inventory (NWI) maps, and Polk Counties Assessors’ sales data and annual report.

We have determined the extent and basis of benefits and damages as prescribed under MS 103E.315 and MS 103E.321. We have indicated in tabular form, for each lot, 40-acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged (see Exhibit A).

An easement, in the form of an additional restriction on the use of real property adjacent to the open channel of the drainage system has already been acquired for this system. Damages were previously awarded for the establishment of a permanent strip of perennial vegetation approved by the drainage authority that will not impede future maintenance of the drainage system as required in MS 103E.021.

Right of way damages, having been determined and paid in the original proceedings for establishment of the drainage system, based on the area contemplated and included in the

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1 Original viewer resigned, therefore a replacement viewer was appointed.
proceeding for the establishment or subsequent improvement of the drainage system, were not considered.

We have determined the following direct drainage benefits and indirect (outlet) benefits on and related to the redetermination of benefits for MSTRWD Polk CD 175. Benefits were determined based on the drainage system operating in its as constructed condition.

Direct Benefits – Class 1 (Mapped as Red)

Using the direct market value approach, giving consideration for the lands’ geographic location in the watershed, location relative to the outlet, proximity to the ditch bottom elevation, soil types, as well as analyzing direct sales data for competitive properties in the market place, we determined the existing market values of land in a pre-establishment condition as well as in a post establishment condition. Though this description may not describe your lands exactly, your lands fell broadly under this category.

Class 1 lands, prior to the existence of the drainage system, had a value range of $3,563 to $3,938 per acre. They consisted mostly of low wet acres unsuitable for crop production, without great risk, most years. With the establishment of adequate drainage to these lands, the market value has increased to $5,303 to $5,861 per acre. These lands are now used for productive row crops.

The viewers have determined based on these values, along with allowances for private improvement costs, that MSTRWD Polk CD 175 provides for an increased market value/benefit to agricultural/cropland acres in Class 1 by the rate of $832 per acre.

Direct Benefits – Class 2 (Mapped as Yellow)

Using the direct market value approach, giving consideration for the lands’ geographic location in the watershed, location relative to the outlet, proximity to the ditch bottom elevation, soil types, as well as analyzing direct sales data for competitive properties in the market place, we determined the existing market values of land in a pre-establishment condition as well as in a post establishment condition. Though this description may not describe your lands exactly, your lands fell broadly under this category.

Class 2 lands, prior to the existence of the drainage system, had a value range of $3,824 to $4,226 per acre. It was mostly utilized as high-risk crop land. Although some row crops were grown in this land class, it was not without substantial risk of loss to the grower. Now that adequate drainage has been established through these lands, the market value has increased to $5,405 to $5,973 per acre. The lands are now used to grow some of the most productive row crops in the area.

The viewers have determined based on these values, along with allowances for private improvement costs, that MSTRWD Polk CD 175 provides for an increased market value/benefit to agricultural/cropland acres in Class 2 by the rate of $664 per acre.
**Direct Benefits – Class 3 (Mapped as Green)**

Using the direct market value approach, giving consideration for the lands’ geographic location in the watershed, location relative to the outlet, proximity to the ditch bottom elevation, soil types, as well as analyzing direct sales data for competitive properties in the marketplace, we determined the existing market values of land in a pre-establishment condition as well as in a post establishment condition. Though this description may not describe your lands exactly, your lands fell broadly under this category.

Class 3 lands, prior to the existence of the drainage system, had a value range of $4,085 to $4,515 per acre. These lands were mostly utilized for the production of row crops, although over saturation of the soil and surrounding lands did not allow for these lands to realize their full production potential. Now that the drainage system has been established, the land is able to utilize the system as an outlet to drainage tile systems and increased the production potential. As a result, the land value range has increased to $5,481 to $6,057 per acre.

The viewers have determined based on these values, along with allowances for private improvement costs, that MSTRWD Polk CD 175 provides for an increased market value/benefit to agricultural/cropland acres in Class 3 by the rate of $469 per acre.

**Indirect Benefits – Class 4 (Mapped as Blue)**

Class 4 lands are lands have had an increase in market value after the construction of the drainage system. As, they have now been able to be altered from their pre-settlement state in such a manner that they are now drained and farmed. As a result, they burden the drainage system’s capacity, thus increasing a sediment load and causing a need for increased maintenance. Taking into consideration regular ditch maintenance, and sediment loading, as well as benefits in the form of protection, we determined the rate per acre that MSTRWD Polk CD 175 provides as an outlet, protection, or drainage benefit to these lands. The viewers have determined that Class 4 lands fall broadly under two categories, 4a lands that get a drainage benefit from the drainage system and 4b lands that mostly get a protection benefit from the drainage system. Though this description may not describe your lands exactly, your lands fell broadly under this category. The viewers have determined the Class 4a benefit to be $248 per acre and the 4b benefit to be $212 per acre.

**Example of how benefits were calculated for Class 2:**

- Market Value Before Project: $4,025
- Market Value After Project: $5,689
- Increase in Market Value: $1,664
- Less Private Improvement Costs: $1,000
- Net Benefits: $664

**Road Benefits**
The viewers have determined outlet as well as reduced maintenance cost benefits for all State, County, and Township roads located within the boundary of MSTRWD Polk CD 175 at a rate of $132 per acre.

**Residential Land Benefits**

Outlet benefits were applied to residential lands within the watershed of MSTRWD Polk CD 175. The outlet benefit was calculated based on runoff burden to the drainage system and use of the drainage system as an outlet. The viewers have determined the outlet benefits for residential lands at the rate of $17 per acre.

**Non-benefiting Acres**

Based on current land use and regulatory restrictions, permanent program restrictions (i.e. RIM or CREP) or other permanent restriction and restoration to pre-settlement landscape conditions or creation of wetland areas, we determined some areas to be non-benefited from the drainage system and restricted from taking future benefit from the drainage system. For example, we determined that lands restored to pre-settlement conditions and permanently restricted from future modification would not drain in any altered manner such that the drainage system would be burdened by the land other than such burden as nature would have provided. Further, for example, nonconverted wetlands that are so restricted from conversion by regulation that conversion is unlikely, were not determined to benefit from the system.

At the completion of our examination, we did sum up the total benefits for MSTRWD Polk CD 175. We found that the total benefits are $5,525,243.12. (See Exhibit A for tabular report of benefits.)

We recommend that the MSTRWD Drainage Authority hold a final hearing on the report and confirm the benefits and damages for MSTRWD Polk CD 175.

Dated this 9th day of August, 2018.

[Signature Page to Follow]
Respectfully submitted,

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Bryan Murphy

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Shantel Hecht

____________________________________
Larry Murphy