

**SUMMARY OF: STATE OF MINNESOTA VS. UNION PACIFIC RAILROAD, ET AL.**

**By Christopher J. Stockness, Senior Appraiser**

RE: Fourth Judicial District Court, Court File No. 27-CV-07-20490

In the above matter, State of Minnesota vs. Union Pacific Railroad, et al, Shenehon Company aided Malkerson Gilliland Martin LLP in successfully obtaining a reasonable damage award for the property owner. The Commissioners' findings, dated December 23, 2008 and filed on January 5, 2009, supported the respondent's claim for damages in the amount of \$1,200,000. Reasonable appraisal fees were also stipulated and, in the event that ongoing investigation shows damages to a retaining wall were due to the taking, additional compensation may be forthcoming.

This case involved a fee simple taking of land adjacent to the I-35W Bridge and a temporary easement following the August 2, 2008 collapse. The taking, along with a 40 month temporary easement encumbering the entire property, resulted in significant changes to the owner's plans and delayed the project (a retail development) for the duration of the temporary easement. Shenehon Company completed a development cost approach, which appropriately analyzed the damages of the taking by factoring in the impact of the loss of fee simple land and its impact on the development as well as the delay of the project as a result of the temporary easement that encumbered the entire property.

The Commissioners' award, in the amount of \$1,200,000, exceeded the amount offered the State (\$800,000). Look for full details of this case and the valuation techniques used in the Fall, 2009 issue of Valuation Viewpoint.