

2023-2024 Biennial Report on

Potential Right of Way Conveyance Parcels

March 2025



Prepared by:

The Minnesota Department of Transportation
395 John Ireland Boulevard
Saint Paul, Minnesota 55155-1899

Phone: 651-296-3000

Toll-Free: 1-800-657-3774

TTY, Voice or ASCII: 1-800-627-3529

To request this document in an alternative format

Please call 651-366-4718 or 1-800-657-3774 (Greater Minnesota). You may also send an email to ADArequest.dot@state.mn.us.

July 31, 2025

The Honorable Erin Koegel, Co-Chair
House Transportation Finance & Policy Committee
5th Floor, Centennial Office Building
Saint Paul, MN 55155

The Honorable Jon Koznick, Co-Chair
House Transportation Finance & Policy Committee
2nd Floor, Centennial Office Building
Saint Paul, MN 55155

The Honorable Scott Dibble, Chair
Senate Transportation Finance & Policy Committee
3107 Minnesota Senate Building
Saint Paul, MN 55155

The Honorable John Jasinski
Ranking Minority Member
Senate Transportation Finance & Policy Committee
2227 Minnesota Senate Building
Saint Paul, MN 55155

RE: 2025 Report on Potential Right of Way Conveyance Parcels

Dear Legislators:

I am pleased to provide the report on Potential Right of Way Conveyance Parcels. This report is required under [Minnesota Statutes 161.44, Subdivision 1a](#).

The report describes the proactive process MnDOT implemented to efficiently locate and market unneeded parcels of land to the public for purchase. Included within the report is a list of the parcels MnDOT has currently identified as potentially saleable right of way, and the report describes the ongoing efforts to improve this new process.

Please contact me if you have questions about this report, or you may contact Joe Pignato in the Office of Land Management at joseph.pignato@state.mn.us or at 651-366-3502.

Sincerely,



Nancy Daubenberger, P.E. (MN)
Commissioner

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Legislative Request

This report is issued to comply with [Minnesota Statutes 161.44, subdivision 1a](#).

161.44 RELINQUISHMENT OF LAND NO LONGER NEEDED.

Subd. 1a. Periodic review.

(a) The commissioner is encouraged to examine all real property owned by the state and under the custodial control of the department to decide whether any real property may be suitable for sale or some other means of disposal.

(b) The commissioner may not sell or otherwise dispose of property under this subdivision unless: (1) an analysis, which must consider any relevant nonmotorized transportation plans or in the absence of such plans, demographic and development factors affecting the regions, demonstrates that (i) the property or a portion of it is not reasonably suitable for bicycle or pedestrian facilities, and (ii) there is not a likelihood of bicycle or pedestrian facility development involving the property; or (2) the use of the property for bicycle or pedestrian facilities is protected by deed restriction, easement, agreement, or other means.

(c) The commissioner shall report the findings under paragraph (a) to the House of Representatives and Senate committees with jurisdiction over transportation policy and finance by March 1 of each odd-numbered year. The report may be submitted electronically.

The cost of preparing this report is under \$5,000. This does not include the cost of identifying the potential conveyance parcels.

Summary

The Minnesota Department of Transportation historically used a reactive approach to the disposal of unneeded right of way. Land was not usually sold until a prospective buyer inquired about its availability. The result of this approach is that some available parcels went unsold while time and effort were expended on parcels that ultimately were not available to sell.

To better handle the disposal of unneeded right of way, MnDOT adopted a proactive approach to identifying potential saleable parcels to actively market to the public. This report includes a list of potential saleable parcels in Appendix A. This list is provided to the Legislature in response to changes in [Minn. Stat. 161.44](#) enacted during the 2013 and 2014 legislative sessions.

The list in Appendix A represents MnDOT's progress to date. Ongoing improvements to the process will add more property to the list. MnDOT's intent is to increase property sales by more actively marketing the identified parcels.

Background

MnDOT's focus is to preserve existing transportation infrastructure while seeking opportunities to expand the infrastructure to meet current and emerging needs. Activities that do not contribute to those goals, either directly or by providing additional resources, tend to receive less emphasis. Such activities are carried out as resources become available. The disposal of property (right of way) no longer needed for the operation or enhancement of the transportation system is one of the activities traditionally dealt with as an opportunity presents itself, rather than in a proactive manner.

Approach

In the past, the sale of unneeded right of way almost always started with an inquiry to MnDOT from an interested outside party. Once an inquiry was received, MnDOT conducted an internal review to determine if the property would be needed for current or future transportation use. This review included multiple functional areas such as planning, design, traffic and safety and maintenance. Any legal constraints were identified, such as the interested party did not own the fee underlying the highway easement, the interested party was not an eligible direct sale party or there was a right of first refusal available to another party. If the property was available for sale, it was appraised to determine fair market value and negotiations took place with the interested party.

In some cases, a requested property was not available because MnDOT needed to retain it for transportation purposes. Even when a parcel was available to sell, a sale did not always occur. The prospective buyer may not have been eligible for a direct sale, may have been unwilling to pay the appraised fair market price or may have lost interest during the time it took MnDOT to conduct the review and obtain an appraisal.

The Initial List

MnDOT's Right of Way Electronic Acquisition Land Management System, or REALMS database, which details the current right of way holdings, was queried for all parcels that were either acquired as "excess" ([Minn. Stat. 161.23](#)) or that had some prior or existing possible sale activity. The resulting list was examined to remove any properties that were already disposed of or not held in fee. The remaining properties were sent to the districts for final determination as to availability. If the district knew of any additional potential sale properties, they were added to the list.

In 2014 and 2015 a contractor further examined the right of way in MnDOT's District 8 (Willmar) and District 4 (Detroit Lakes) to identify potential sale properties that did not fall within the selection criteria used to create the REALMS list. The lists were sent to the districts for review and approval.

In 2015 and 2016 Metro District identified potential surplus parcels. The list was reviewed and approved.

The Current List

MnDOT is adding this new proactive approach to help promote better management of these public resources. The method described in this section was used to develop the list attached as Appendix A and is current as of Dec. 31, 2024. This approach is subject to continuous improvement as described in the next section.

From Jan. 1, 2023, to Dec 31, 2024, the list in Appendix A decreased from 113 available properties to 97 properties. Activity on Appendix A is as follows:

- 33 additional properties were identified and added to this report
- 24 additional properties were denied and continued to be needed for right of way
- 80 Completed & Denied sales from Dec. 31st, 2022, and before were removed from this report
- 7 properties are available for immediate sale over the counter (OTC)
- 20 properties statuses remained unchanged
- 3 properties changed from denied/dropped/pending status to in-progress
- 9 properties changed from in-progress to complete

Methodology

The new methodology identifies and actively markets available properties that can be returned to productive use and the tax rolls. The attached list of potential saleable properties is the result of this process.

The following assumptions guide the current approach:

1. The intent of the legislation is to return property to economic productivity and the tax rolls.
2. Only fee-held right of way is considered for this report.
3. Properties currently under consideration for possible sale due to an individual request are not included because it may be determined that the parcel:
 - a. Is still a necessary asset and not available for sale
 - b. Is not needed and will be sold as part of a current negotiation, making the parcel unavailable for sale
 - c. Is not needed but the current negotiation will not end in a sale, at which time the parcel will be added to the available parcel list

Statute Changes Affecting the Sale of Property

There were no changes affecting [Minn. Stat. 161.44](#) or [161.23](#) from Jan. 1st, 2023, until Dec. 31st, 2024.

Bicycle and Pedestrian Facility Protection

Prior to being offered for sale, each parcel is examined to determine its suitability for potential bicycle or pedestrian facilities. If the examination shows the property has the potential to support bike or pedestrian use per [Minn. Stat. 161.44, subd 1a \(b\) \(1\)](#), then a suitability worksheet is completed. If the property is suitable for such use, measures are taken to protect that use and become a part of the condition of sale per [Minn. Stat. 161.44, subd 1a \(b\) \(2\)](#).

Conveyance Activity

The reporting period is from Jan. 1, 2023, to Dec. 31, 2024. In addition to the 9 completed sales shown in Appendix A, an additional 110 conveyances were completed in this report period – this number includes both fee-owned property and highway easement property. Currently 222 other conveyances are in various stages of investigation, review or negotiation – this number includes both fee-owned property and highway easement property. These other conveyances were requested by an outside interested party, local government authority or underlying fee owner of the highway easement.

Continuing Process Improvement

As mentioned previously, this process is under continuous revision and improvement. The best practices continue to be:

1. Perform an in-depth analysis of the remainder of MnDOT's right of way holdings.
Outcome: Appendix A grew by 36 (33 new) in progress properties
Continuing: Older denied or dropped excess, fee-owned properties are being reviewed and researched
2. Identify surplus right of way as part of the construction project close-out process
Outcome: Districts have been asked to identify any potential properties that may be sold when construction is finished.
Continuing: Districts have been asked to identify any potential properties that may be sold when construction is finished.
3. Move potential lease properties to the proper District authority
Outcome: If a property is denied a sale, there is a process in place to investigate if that same property would be approved for a lease.
Continuing: If a property is denied a sale, there is a process in place to investigate if that same property would be approved for a lease.
4. Review current leased properties for potential sales
Outcome: Several leased properties were converted to saleable land.
Continuing: Review leases with each district to consider converting to a sale.
5. Create a graphic display allowing potential purchasers to easily locate the available properties on a web-based map
Outcome: An in-house GIS application has been developed for the Property Sales website.
Continuing: Review and continue to add properties as they become available and adapt the mapping application as necessary.
6. Actively market the identified properties
Outcome: Established GIS application on website, added embedded QR code to the For Sale signs, publish advertisements in papers that fit the neighborhood demographics.
Continuing: Add additional sales support by contracting a licensed real estate broker for the over-the-counter sales properties listed.
7. Research property previously deemed unavailable due to upcoming construction
Outcome: Property will be vetted and added to Appendix A.
Continuing: Property will be vetted and added to Appendix A.

Appendix A: Current List of Potential Sale Properties

List is current as of December 2024

County	Trunk Highway	Location	Parcel	Status	District
Aitkin	65	Verdon Township	0101-000-3324	In Progress	1
Anoka	35W	Ramp from Lake Dr to I-35W S	0214-901-1	In Progress	M
Anoka	10	US 10, MN 610, MN47	0214-901-8	In Progress	M
Beltrami	197	TH 197 in Bemidji	0416-904-35	Completed	2
Big Stone	28	TH 28 & 10 th Street	0605-824-23	Completed	4
Big Stone	28	TH 28 & 10 th Street	0605-824-24	Completed	4
Big Stone	28	TH 28 & 10 th Street	0605-824-27	Potential	4
Big Stone	28	TH 28 & 10 th Street	0605-824-28	Potential	4
Big Stone	28	TH 28 & Penn St, Graceville	0605-824-19	Denied	4
Big Stone	28	TH 28 & Penn St, Graceville	0605-824-20	Denied	4
Big Stone	28	TH 28 & Penn St, Graceville	0605-824-21	Denied	4
Brown	14	18th St. N & TH 14	0804-391-243	Pending	7
Crow Wing	371	Pequot Lakes	1810-904-238B	In Progress	3
Crow Wing	18	TH18 & Katrine Dr, Deerwood	1818-000-31	In Progress	3
Crow Wing	210	Baxter	1805-05B 6	OTC	3
Crow Wing	210	Brainerd	1806-304-216J	OTC	3
Dakota	494	I-494 @ 5 th Avenue South	1985-902-405E	Completed	M
Dakota	35E	I-35E @Blackhawk Road	1982-904-40	In Progress	M
Dakota	35E	I-35E @ Blackhawk Road	1982-904-41	In Progress	M
Dakota	55	Hastings	1910-321-259	OTC	M
Dodge	14	Claremont	2001-903-22	Denied	6
Dodge	14	SE Quad TH14 & 110 th Ave	2001-903-3A	In Progress	6
Dodge	57	Kasson	2007-902-1	In Progress	6
Goodhue	61	Red Wing	2514-603-306	In Progress	6
Goodhue	61	TH 61 & 130th Ave.	2514-601-203A	In Progress	6
Goodhue	61	Red Wing	2514-602-331	In Progress	6
Goodhue	61	Welch	2514-602-204	In Progress	6
Hennepin	7	Ramp from I-494 to MN 7 W	2706-81A-367	In Progress	M
Hennepin	35W	35W @ W 28th Street	2782-903-18C	Completed	M
Hennepin	35W	35W & 1 st Ave S (E 62 nd St)	2782-916-30C	OTC	M
Hennepin	35W	35W & Nicolett	2782-915-273	In Progress	M

County	Trunk Highway	Location	Parcel	Status	District
Hennepin	394	400 2 nd Ave N, Minneapolis	2789-901-44	In Progress	M
Hennepin	394	400 2 nd Ave N, Minneapolis	2789-901-45	In Progress	M
Hennepin	394	400 2 nd Ave N, Minneapolis	2789-901-46	In Progress	M
Hennepin	100	Edina	2733-903-36	In Progress	M
Hennepin	100	Edina	2733-903-36B	In Progress	M
Hennepin	100	MN 100 @ MN 55	2735-023-9C	Completed	M
Hennepin	100	Crystal	2735-904-22	Denied	M
Hennepin	100	Crystal	2735-904-23	Denied	M
Hennepin	100	Crystal	2735-904-24	Denied	M
Hennepin	100	Crystal	2735-904-25	Denied	M
Hennepin	100	Crystal	2735-904-26	Denied	M
Hennepin	610	MN 610 & US 169	2771-903-47	Pending	M
Hennepin	62	Edina	2744-901-11	In Progress	M
Hennepin	94	40th Ave N at I-94	2781-928-42	Completed	M
Hennepin	94	Brooklyn Park	2786-902-19	In Progress	M
Hennepin	494	Plymouth	2785-910-2	In Progress	M
Hennepin	494	Plymouth	2785-910-6	In Progress	M
Hennepin	494	Plymouth	2785-910-7	In Progress	M
Houston	26	Reno	2828-000-1436D	Denied	6
Houston	26	La Crescent	2828-000-1B	Denied	6
Houston	61	La Crescent	2805-381-304	Denied	6
Houston	61	La Crescent	2805-381-304A	Denied	6
Isanti	65	Cambridge	3004-902-14	Denied	3
Itasca	38	SE Quad at Fern Leaf Lane	3108-903-78	In Progress	1
Itasca	38	SE Quad at Fern Leaf Lane	3108-903-79	In Progress	1
Itasca	38	TH38 & County Rd 77, Grand Rapids	3108-904-7	In Progress	1
Lyon	19	Marshall	4242-000-158	In Progress	8
Morrison	10	City of Randall	4903-901-211	In Progress	3
Nicollet	14	Co Rd 26 & TH 14	5202-28C-204	In Progress	7
Nicollet	14	New Ulm	5202-28C-204	In Progress	7
Olmsted	14	Rochester	5502-901-6	Denied	6
Olmsted	14	Rochester	5502-901-34	Denied	6
Olmsted	52	TH52 & 75 th St N, Rochester	5508-036-228B	In Progress	6
Olmsted	52	TH52 & 75th St N, Rochester	5508-036-228C	In Progress	6
Olmsted	52	TH52 & 75th St N, Rochester	5508-036-228D	In Progress	6
Ottertail	29	TH29 near 240th Street	5608-241-263	Potential	4
Ramsey	5	Maplewood	6230-901-22	Denied	M
Ramsey	52	St. Paul	6244-901-202	OTC	M

County	Trunk Highway	Location	Parcel	Status	District
Ramsey	94	I-94 @ Howell Street	6282-903-47	Pending	M
Ramsey	94	I-94 @ Howell Street	6282-903-1	Pending	M
Ramsey	35E	St. Paul	6280-916-2	Denied	M
Ramsey	35E	St. Paul	6280-916-48	Denied	M
Ramsey	35E	St. Paul	6280-916-49	Denied	M
Ramsey	35E	St. Paul	6280-916-50A	Denied	M
Ramsey	35E	St. Paul	6280-916-51	Denied	M
Ramsey	35W	New Brighton	6284-901-23	In Progress	M
Redwood	14	TH 14 & CSAH 5	6401-311-222A	Dropped	8
Sherburne	169	169 & Elk Hills Dr, Elk River	7106-901-207R	In Progress	3
Sherburne	169	169 & Elk Hills Dr, Elk River	7106-901-207S	In Progress	3
Stearns	23	Richmond	7305-282-313F	In Progress	3
Stearns	23	Richmond	7305-282-318A	In Progress	3
Stearns	94	St. Cloud	7380-906-53	OTC	3
Stearns	94	St. Cloud	7380-906-56	OTC	3
St. Louis	33	SE Quad TH 33 & CSAH 56	6911-12A-206	Completed	1
St. Louis	53	Eveleth	6969-000-3120	In-Progress	1
St. Louis	53	NW Quad Piedmont & 12th St	6915-906-20	Pending	1
St. Louis	53	NE Quad Piedmont & 13th St	6915-906-29	Pending	1
St. Louis	53	NE Quad Piedmont & 13th St	6915-906-44	Pending	1
St. Louis	53	SE Quad Piedmont & 24th Ave	6915-906-46	Pending	1
Todd	10	NW of Downer Lake Rd	7702-322-322A	In Progress	3
Todd	210	Junction TH 210 & TH 71	7701-902-211	Potential	3
Todd	210	Junction TH 210 & TH 71	7701-902-211A	Potential	3
Wabasha	61	Lake City	7979-000-1902A	Denied	6
Washington	35	N of 220th St N at I-35	8280-901-4	Completed	M
Wright	101	Otsego	8608-902-308	Denied	M