

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE CITY OF RICHFIELD HOUSING AND REDEVELOPMENT AUTHORITY

In the Matter of the Kenneth Wren
Residential Relocation Claim

ORDER ON INTERVENTION

On September 29, 2003, Lyndale Gateway LLC filed a Petition to Intervene as a party in this contested case proceeding. Kenneth Wren filed an objection to the petition on October 2, 2003.

Petitioner Lyndale Gateway is represented by David A. Davenport, Esq. of the firm of Winthrop and Weinstine, P.A., 225 South 6th Street, Suite 3500, Minneapolis, MN 55402-4629. Claimant Kenneth Wren is represented by Jon Morphew, Esq. of the firm of Schnitker and Associates, P.A., 2300 Central Avenue NE, Minneapolis, MN 55418. The HRA is represented by Robert J.V. Vose, Esq., Kennedy and Graven, 200 South 6th Street, Suite 470, Minneapolis, MN 55402.

Based upon the written submissions and all of the filings in this matter, and for the reasons set out in the Memorandum which follows:

IT IS HEREBY ORDERED that the Petition to Intervene is GRANTED.

Dated this 3rd day of October 2003.

/s/ George A. Beck

GEORGE A. BECK

Administrative Law Judge

MEMORANDUM

The purpose of this administrative proceeding is to determine whether Kenneth Wren is eligible for relocation benefits from the Richfield HRA under the Minnesota Uniform Relocation Act and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Those laws provide that a person displaced by the public taking of land may be entitled to payment for actual reasonable moving and related expenses. In this case the HRA acquired property in Richfield on the east and west sides of South Lyndale Avenue and on the east side of Aldrich Avenue and the west side of Garfield Avenue, between 76th and 77th Streets, for redevelopment. The HRA entered into a contract for private residential development with the Cornerstone Group and its subsidiary Lyndale Gateway LCC.

Lyndale Gateway entered into a purchase agreement with Mr. Wren for his residential property at 7627 Aldrich Avenue South in Richfield on September 9, 2002. The purchase price was \$180,000. The purchase agreement contained a provision in which the seller agreed that neither the buyer nor the City of Richfield would have any obligation to pay any relocation assistance services payments or benefits to the seller.^[1] Lyndale Gateway commenced an action in Hennepin County District Court on September 24, 2003 against Mr. Wren claiming that he breached his contract with Lyndale Gateway and seeking a permanent injunction against Mr. Wren to prevent him from continuing to pursue his residential relocation claim.^[2] In response to the lawsuit, counsel for Mr. Wren advised Lyndale Gateway that the complaint should be voluntarily dismissed since Mr. Wren was only seeking a determination of eligibility for benefits and has not yet initiated a claim benefits amount determination process.^[3]

Minn. R. pt. 1400.6200 allows intervention when “the petitioner’s legal rights, duties or privileges may be determined or affected by the contested case.” Under this rule a petitioner must show how it will be directly affected by the outcome of the contested case. Lyndale Gateway asserts that it is contractually obligated to reimburse the City of Richfield for any relocation benefits that Mr. Wren may obtain. Lyndale also states that it is concerned that its district court action may be rendered moot depending upon the outcome of this contested case proceeding.

In his response to the petition, Mr. Wren opposes intervention and again asserts that he did not waive his right to seek a determination of eligibility for benefits and that Lyndale Gateway will not be directly affected by such a determination. Mr. Wren argues that Lyndale Gateway’s remedy is in district court if it believes a breach of contract occurred. Mr. Wren believes that Lyndale Gateway was acting as a “strawman” in its purchase of his house so that the HRA could avoid paying relocation costs.

There is apparently no dispute that Lyndale Gateway is contractually required to reimburse the HRA for any benefits paid to Mr. Wren. Accordingly, it has demonstrated that its legal rights or duties may be affected and it has shown a direct economic interest in the outcome of this contested case proceeding. Its participation will ensure that all positions are vigorously presented. The fact that this proceeding may be limited to a decision as to eligibility is not determinative since eligibility is a prerequisite to a benefit award and would therefore obviously be of interest to Lyndale Gateway. Additionally, the existence of another remedy available to the petitioner will not necessarily preclude its participation.^[4]

It is therefore ordered that petitioner is granted party status with all the rights of a party under Minn. Rule pt. 1400.6200, subp. 3.

G.A.B.

^[1] Ex. A.

^[2] Ex. B.

^[3] Ex. C.

^[4] Avery v. Campbell, 157 N.W. 2d 42 (Minn. 1968).