Committee Report

Transportation Committee

Committee meeting date: October 26, 2026 **For the Metropolitan Council:** October 28, 2026

Business Item: 2026-171 SW

Disposition of 13 Properties in the Right-of-Way Acquisition Loan Fund Program

Proposed action

That the Metropolitan Council direct recipients of highway right-of-way acquisition loans to sell 13 properties as identified in Table 1 and forward the sales proceeds to the Metropolitan Council in full satisfaction of the loans consistent with Minnesota Statute.

Summary of Transportation Committee discussion/questions

No discussion. Motion by Osman, seconded by Barber. Motion carried.

Business Item

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Disposition of 13 Properties in the Right-of-Way Acquisition Loan Fund Program

District(s), member(s):	District 4 (Barber), District 5 (Pacheco), District 9 (Morales), District 10 (Lindstrom)
Policy/legal reference:	Minnesota Statute Section 473.167, Subd. 2
Staff prepared/presented:	Amy Vennewitz, Director Transportation Planning, 651-602-1058
	Tony Fischer, Transportation Planner, 651-602-1703
Division/department:	Transportation Planning

Proposed action

That the Metropolitan Council direct recipients of highway right-of-way acquisition loans to sell 13 properties as identified in Table 1 and forward the sales proceeds to the Metropolitan Council in full satisfaction of the loans consistent with Minnesota Statute.

Background

Minn. Stat. Section 473.167, Subd. 2 established the Right-of-Way Acquisition Loan Fund (RALF) program to allow the Metropolitan Council (Council) to make interest-free loans to cities and counties to purchase right-of-way needed for future highway improvements prior to its development or redevelopment, with the goal of avoiding more costly acquisitions.

Over the lifespan of the program, the highway system was built out, thereby limiting the future need to construct new highways or expand them. This change has resulted in a significant reduction in new loans being issued and an increase in the disposition of past loans for land in situations where that land will not be needed for a highway purpose.

The 13 properties identified in Table 1 and Exhibits 1-4 were purchased by the identified local governments with RALF loans to be held until the Minnesota Department of Transportation (MnDOT) needed them for anticipated highway improvements. MnDOT has notified the Council that in the case of each of the 13 properties that are part of this Business Item, the plans for future highway improvements have changed and these properties will no longer be needed.

Table 1: RALF Properties declared excess by MnDOT.

County	Loan Recipient	Property ID Number(s)	Loan Number	Outstanding Loan Balance	Appraised Value
Anoka	City of Ramsey	343225210103	L0905	$779,472	$665,000
Anoka	City of Ramsey	343225120010	L0405	$1,040,862	$1,130,000
Anoka	City of Ramsey	343225120013	L0502	$1,121,789	$1,060,000
Anoka	City of Ramsey	353225230006	L0705	$523,137	$485,000
Anoka	City of Ramsey	283225430002	L0801	$1,203,834	$1,170,000
Anoka	City of Ramsey	343225220009	L0810	$406,921	$440,000
Anoka	City of Ramsey	353225240001, -310007	L0404	$350,624	$375,000
Anoka	City of Ramsey	353225310027, -0028	L0602	$283,928	$435,000
Anoka	City of Ramsey	353225310024	L0503	$235,585	$310,000
	Sum City of Ramsey			**$5,946,152**	**$6,070,000**
Ramsey	City of Blaine	053023110030	L0616	$1,093,250	*
Carver	City of Chaska	302170240	L9701	$912,739	*
Anoka	Anoka County	293225240009	L0805	$1,002,268	*
Hennepin	City of Bloomington	1602724410012	L9904	$706,466	*
	Sum All			**$9,660,875**	

*Appraisals for these four parcels are not yet completed.

Minn. Stat. Section 473.167, subd. 2 instructs, in part, that "upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property."

Given that MnDOT no longer needs these properties for future highway improvements, this Business Item requests that the Council authorize the Regional Administrator to direct loan recipients to sell these 13 properties and remit the receipts from the sale to the Council in full satisfaction of the loans consistent with Minn. Stat. § 473.167, subd. 2.

Staff is in the process of obtaining appraisals for the following four properties purchased utilizing Loan Numbers L0616, L9701, L0805 and L9904. Upon direction from the Council, staff will instruct all loan holders to market the properties identified in Table 1 above for sale.

The Council's Real Estate Office (REO) will negotiate with the loan recipient acceptable marketing strategies for the property to recognize full value for the RALF program.

Staff will utilize appraisals, comparable real estate transactions and REO's expertise to set initial listing prices and negotiate final sales prices.

Upon a sales price negotiated between the RALF loan recipient and the property's purchaser, the Council will direct the RALF loan recipient to close on the sale and remit all funds, less customary closing costs, to the Council for deposit into its RALF fund. Council staff will then write off any remaining loan balances consistent with Minnesota law.

Rationale

The Council made loans to local units of government under the statutory RALF program in anticipation that these properties would be needed by MnDOT for future highway improvements. MnDOT's highway plans have changed, and it has notified the Council that it will not need these properties. Minnesota law requires the Council to notify the local government that the highway plans have changed, the property is no longer needed and that the local government must sell the property at market value and forward those funds, less customary closing costs, to the Council in full satisfaction of the RALF loan. Repayments must be for market value, which may be more or less than the outstanding loan amounts. The difference between the loan balance and the market value of the property is the responsibility of the RALF fund. In some cases where repayments are less than the outstanding loan balance, staff is instructed to write off the remaining outstanding balance.

Thrive lens analysis

On February 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, this work promotes stewardship by both supporting a program for the economic acquisition of right-of-way for highway improvements and the disposal of surplus parcels.

Funding

The outstanding loan balances for the properties identified in Table 1 total $9,660,875. The completed appraisals received to date total $6,070,000. The loan repayments may exceed or fall short of the outstanding loan balances because the repayment obligation is guided by statute as market value. Funds received from the disposition of these properties will be deposited into the RALF account.

Small business inclusion

There are no direct impacts to small business with this action.