



Assessment of Land Acquisition Procedures and Processes for Infrastructure Projects



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EXECUTIVE SUMMARY

Talson Solutions, LLC (Talson), an independent capital programs advisory firm, was engaged by the Metropolitan Council's Program Evaluation and Audit Department to assess land acquisition and Right-of-Way (ROW) procedures and processes as they relate to infrastructure projects, with consideration of the METRO Gold Line Bus Rapid Transit (Gold Line), whose Revenue Service Date (RSD) was in March 2025.

The Gold Line, a 10-mile bus rapid transit corridor, required the acquisition of 162 parcels including 58 commercial and industrial relocations. As of March 2025, acquisition offers had been extended for all parcels, including 14 public parcels. Of the total, 140 offers, valued at \$20.6 million, had been accepted, while the remaining 22 parcels, appraised at \$8.8 million, were in various stages of acquisition.

The objective of the assessment was to evaluate the efficiency, transparency, and coordination of Metropolitan Council's (Met Council) land acquisition processes – particularly among (1) the Regional Administration support division including: General Counsel, Real Estate Office, Finance and Administration departments; (2) the Transportation division including Metro Transit's Asset Management, Engineering and Facilities, Finance and Grants departments, and (3) the Minnesota Department of Transportation (MnDOT) – while ensuring compliance with applicable requirements.

While the Regional Administration's Real Estate Office is still maturing and not yet fully resourced to independently manage all ROW acquisition, the delivery of the Gold Line was a collaborative effort among MnDOT, Metro Transit, and Regional Administration, with MnDOT's long-standing ROW expertise being a key asset. Additionally, integrating ROW efforts within the same office as the project team supported close coordination, clear communication, and effective decision making.

The assessment found that land acquisition activities for the Gold Line were performed in a manner consistent with industry standards and compliant to regulatory requirements. Parcel acquisition followed the Real Estate Acquisition and Management Plan (RAMP), was well-documented, coordinated, aligned with Federal Transit Administration (FTA) guidance and Minnesota Statutory requirements. Talson did not identify any control deficiencies or reportable audit observations. The review did identify **five business process insights** separated into process enhancements and a best practice opportunity to support the successful delivery of future infrastructure projects.

Process Enhancement Opportunities:

1. Strengthening the Regional Administration Real Estate Office functions
2. Aligning easement terms with project schedule
3. Early research on parcel ownership to improve acquisition strategy
4. Timely execution of signaling agreements

Best Practice:

5. Early involvement of Transit-Oriented Development

The four Process Enhancement Opportunities, and Best Practice are further detailed in the *Business Process Insight* section of this report.

GOLD LINE LAND ACQUISITION BACKGROUND

Introduction

The Met Council supports long-range regional planning and capital infrastructure delivery that often requires the acquisition of land and real property rights. Guided by *Imagine 2025*¹, the region's 30-year growth plan, land use and ROW decisions are central to enabling sustainable transit and infrastructure expansion.

Under Minnesota's statutes², Met Council may acquire, condemn, own, hold, lease, exchange, transfer, sell, or otherwise manage real property interests to support regional public purposes including transportation corridors. These acquisitions are critical to timely, cost-effective project delivery and must comply with federal, state and local requirements and FTA Grant Management Circular 5010.1E.

The METRO Gold Line Bus Rapid Transit Project

The Gold Line connects St. Paul, Maplewood, Landfall, Oakdale, and Woodbury in Ramsey and Washington Counties, providing dedicated transit capacity to support the region's long-term growth. The Gold Line required extensive land acquisition to construct dedicated guideways, stations, and park-and-ride facilities, including:

- Four new Bus Rapid Transit-exclusive bridges and two underpasses of existing roadways,
- Two bridges with dedicated guideway lanes, general purpose traffic lanes, and pedestrian facilities,
- Three surface park-and-rides lots and one structured parking facility.

The Gold Line was delivered through the Design-Bid-Build method and financed in part by a \$239.3 million Full Funding Grant Agreement from the FTA towards its \$505.3 million estimated total cost. The initial \$44.5 million ROW budget increased by \$4.0 million to \$48.5 million, as reported in the March 2025 Monthly Project Report.

Gold Line's Land Acquisition and Right-Of-Way

To enable the construction and operation of the Gold Line, 162 parcels (including 14 public properties) were acquired, requiring approximately 58 relocations. All relocations were completed by December 31, 2022³. As of March 2025, 140 parcels had been acquired through accepted offers totaling \$20.6 million. The remaining 22 parcels, with a combined appraised value of \$8.8 million, were in various stages of condemnation. One contested property in Woodbury remains in dispute, with the owner's appraisal⁴ exceeding Met Council's by approximately \$4 million. Settlement proceedings for these parcels are ongoing and may extend into 2026.

Land Acquisition and ROW Framework

The Real Estate Acquisition and Management Plan developed in February 2022 by the Gold Line Project Office established the policies, procedures and governance framework for acquiring, managing and disposing of property needed to deliver the Gold Line. The RAMP was an appendix

¹ <https://imagine2050.metrocouncil.org/>

² <https://www.revisor.mn.gov/statutes/cite/473/full#stat.473.123> (473.129 §7)

³ METRO Gold Line: Bus Rapid Transit Project No. 61402, Monthly Project Report, Reporting Period: March 1, 2025 to March 31, 2025, Issued April 2025

⁴ Project Management Oversight Contractor Monitoring Report: Final Gold Line Bus Rapid Transit Project, Draft issued on March 5, 2025

to the Gold Line Project Management Manual and reflected federal, state, and local compliance requirements, including those of the FTA, Minnesota Statutes, and MnDOT ROW manual. The RAMP established:

- **Structured Property Acquisition:** A staged process including early identification of needs, environmental due diligence, competitive appraisals, just compensation offers, negotiations, and, when necessary, condemnation proceedings under Minnesota law.
- **FTA Concurrence and Threshold Controls:** Defined approval points for high-value appraisals, settlements or condemnation actions to maintain compliance with FTA oversight.
- **Relocation Assistance:** Full adherence to the Uniform Relocation Assistance and Property Acquisition Policies Act, with dedicated advisory services, relocation claims support, and appeal rights for displaced parties.
- **Property Management and Disposition:** Oversight for the maintenance, demolition, and environmental remediation, lease administration, and disposal or transfer of excess property while meeting grant and regulatory conditions.
- **Documentation, Quality Control and Reporting:** Centralized recordkeeping through MnDOT's Real Estate and Land Acquisition Management System (REALMS) and Met Council's document management tools.

Delivery of this framework required close coordination across Metro Council divisions including: the Regional Administration's Real Estate Office (REO); Metro Transit's Engineering and Facilities, Asset Management, and Finance & Grants – and with external parties such as MnDOT, local governments, and utility providers.

Snow Removal and Maintenance Agreements

In September 2024, Washington County approved three Subordinate Funding Agreements (SFAs) with Met Council to support snow removal and related maintenance along the Gold Line transit guideway, which spans both Washington and Ramsey Counties. The SFAs cover the purchase of snow removal equipment, pre-revenue operations maintenance, and post-revenue service maintenance. They also allow for the use of Metro Transit facilities for equipment storage and upkeep during non-weather periods.

ASSESSMENT APPROACH

Talson conducted the assessment in accordance with the International Standards for the Professional Practice of Internal Auditing, as issued by the Institute of Internal Auditors. These standards emphasize a structured and disciplined audit process, requiring the audits be planned and executed to obtain sufficient, relevant, and reliable evidence to support well-founded observations and conclusions. The audit was guided by a detailed audit plan aligned with clearly defined objectives.

Consistent with the standards' emphasis on risk management and value delivery, Talson assessed the effectiveness of real estate acquisition activities, including compliance with regulatory requirements, adherence to the RAMP, and coordination across involved Met Council divisions and external agencies. Particular attention was given to parcel acquisition timelines, condemnation proceedings, relocation efforts, and budget alignment.

The assessment also reviewed the project's governance structure, roles and responsibilities among Council staff and external parties (e.g., MnDOT), and controls designed to ensure federally funded acquisitions complied with FTA Circular 5010.1E. Talson affirms that the assessment procedures conducted and evidence gathered provide a reasonable basis for the observations and conclusions presented in this report.

Throughout the engagement, Talson maintained independence while fostering open communications with project stakeholders to support transparency, highlight risks, and promote continuous improvements in land acquisition planning and execution.

WORK PERFORMED

Talson conducted the assessment through a combination of document reviews, interviews, and fieldwork. Fieldwork activities occurred at Met Council's St. Paul, MN office in May 2025, and entailed conducting interviews with key interdepartmental stakeholders from the REO, Metro Transit's Asset Management, Engineering Facilities, Finance and Grants, and the Gold Line Project Management Office teams to gain an understanding of processes, controls and coordination efforts related to ROW acquisition. Subsequent to the in-person interviews, Talson also conducted a virtual interview with a representative from Transit Oriented Development (TOD).

Additionally, as part of fieldwork, the Talson team rode the Gold Line roundtrip from downtown St. Paul to Woodlane and directly observed the completed transitway, stations, park-and-ride facilities and supporting infrastructure.

Specific assessment activities are discussed below and a complete list of documents reviewed and interviews conducted is provided in *Appendix A*.

- **Policy and Framework Review** – Analyzed MnDOT's ROW manual and the RAMP to understand statutory requirements, internal roles, and acquisition procedures.
- **Process and Governance Assessment** – reviewed organizational structures and lines of authority, and evaluated project management controls, risk oversight, and escalation mechanisms for delays or disputes.
- **File and System Testing** – Reviewed a sample of parcel files and appraisal reports to assess documentation quality, stakeholder coordination, and compliance with FTA requirements. Examined key systems and tools (e.g., REALSM, Metro Transit's Parcel Tracking Matrix, and asset management platforms) for accuracy, centralized oversight, and data accessibility.
- **Interagency Coordination Review** – Evaluated how Met Council, Metro Transit, MnDOT, and FTA communicate and track acquisition milestones, approvals, regulatory compliance, including escalation practices for delays or bottlenecks.
- **Agreement and Risk Analysis** – Reviewed various Operations and Maintenance Agreements and Joint Powers Agreement (JPA) to assess clarity of responsibilities, cost-sharing, decision-making authority, and alignment with current implementation practices to identify gaps ambiguities, or compliance risks.

BUSINESS PROCESS INSIGHTS

Although Talson’s assessment did not identify control deficiencies or compliance issues requiring corrective action, it offered an opportunity to reflect on both effective practices and areas for improvement. The following five business processes highlight a mix of lessons learned – some suggesting ways to strengthen future ROW acquisition planning, enhance internal capabilities, and improve delivery efficiency, while others represent best practices demonstrated during the Gold Line project that should be reinforced and replicated in future efforts.

A. PROCESS ENHANCEMENT OPPORTUNITIES

Business Process No. 1: Strengthening the Real Estate Office Functions

Context: Metro Transit relies on MnDOT to perform parcel acquisition activities including: parcel file preparation, field title work, appraisals, title processing, and negotiations – because the REO functions are still maturing. As a result, Metro Transit and REO are dependent on MnDOT for control over acquisition schedules or the ability to proactively manage complex transactions (e.g., data centers, or other specialized facilities) that require advanced appraisal methods and nuanced risk evaluation.

Insight: Defining staffing needs – by identifying required skills sets, establishing clear staffing plans, and implementing structured training – helps build in-house ROW expertise, enhances the REO functions, and reduce reliance on external agencies. Additionally, integrating the REO into the project as early as the 10% design stage supports and enhances planning and execution.

Consideration: The Met Council should consider strengthening its REO function by defining staffing needs and required skill sets, then implementing a structured training and knowledge-transfer program. As the internal expertise is developed, administrative ROW acquisition functions can gradually be transitioned from MnDOT to REO.

Business Process No. 2: Aligning Easement Terms with Project Schedule

Context: Several easements were secured well before they were required for construction or long-term access, resulting in additional administrative efforts, legal coordination and cost.

Insight: Easement terms should be carefully timed and aligned with the planned start of construction or operational use. Securing or extending easement too early can lead to unnecessary renewals, legal complexity, and added costs if project timelines shift.

Consideration: Future projects should integrate easement acquisition and extension milestones into the master project schedule and monitor them alongside key design and construction activities. This alignment helps avoiding premature renewals, reduces administrative burden, and ensures optimal acquisition costs.

Business Process No. 3: Early Research on Parcel Ownership Improves Acquisition Strategy

Context: Several parcels acquired had complex ownership structures, requiring additional legal review, more extensive negotiation, and enhanced acquisition tactics (e.g., coordinated outreach, appraisal adjustments, or specialized legal instruments), increasing administrative efforts.

Insight: Conducting thorough parcel ownership early – including title searches, deed reviews, and identification of multi-owner or encumbered properties – allows project teams to anticipate potential acquisition challenges and plan appropriate strategy in advance. Early awareness of complex ownership structures supports schedule planning, resource allocation and risk assessment for ROW acquisition.

Consideration: Future projects should integrate comprehensive parcel ownership research into the pre-acquisition phase. This should include title and lien searches, identification of shared or disputed ownership, and early engagement with legal and appraisal experts when complex parcels are identified. Proactively addressing ownership issues helps avoid delays, improves negotiation outcomes, and strengthen overall ROW delivery.

Business Process No. 4: Timely Execution of Signaling Agreements

Context: In September 2025, approximately six months after the Gold Line’s RSD, Met Council, City of Woodbury, and Washington County formally executed the Gold Line signaling agreement. The agreement, which included the original 2021 signal design documents, establishes the responsibilities for the Traffic Signal Control and Transit Signal Priority Systems installed along the corridor.

Insight: Executing the signaling agreement after the RSD introduces a period of uncertainty regarding roles, cost responsibilities, and performance expectations, potentially exposing Metro Transit to various risks including: unclear accountability for maintenance activities, inconsistent cost recovery, delayed issue resolutions, and potential service disruptions during the Gold Line’s early operational phase.

Consideration: Signaling agreements for future infrastructure projects should be finalized prior to the commencement of revenue service to ensure that all parties understand the operational roles, service-level expectations, and maintenance responsibilities. Early execution facilitates a seamless transition from construction to operations, strengthening risk management, and enhances cost predictability during the critical initial service period. Additionally, the formally executed signaling agreements should incorporate any modifications or updates from the original design documents to reflect as-built conditions and current operations requirements.

B. BEST PRACTICE

Business Process No. 5: Early TOD Involvement Adds Significant Value

Context: TOD department was engaged early in the planning and ROW acquisition process for the Gold Line. This early participation helped identify development opportunities, align land use considerations with transit needs, and reduce later-state design and acquisition changes.

Insight: Involving TOD resources at the outset of project planning provided critical market and development constraints (e.g., state funding limitations) and improved land use integration.

Consideration: TOD expertise during early planning and property acquisition strategies should continue to be integrated on future projects, when best applicable, to enhance alignment between transit investments, developer interests, and community goals.

APPENDIX A

Documents Received from Metropolitan Council:

1. Real Estate Acquisition and Management Plan Appendix 14-A, rev. 4, dated February 25, 2022
2. Capital Grant Agreement for Engineering and Construction, effective March 1, 2022
3. Capital Grant Agreement for Pre-Engineering, Engineering and Right-of Way Acquisition, dated December 2019
4. Cooperative Funding Agreement for Project Development, signed September 26, 2017
5. Metro District Lease and Right of Way Use Agreement, rev. 2, signed February 25, 2022
6. Appraisal of Real Property Report, dated November 1, 2021
7. FTA Letter Response to Concurrence on Administrative Settlement Parcel 2000 - 3M Company, dated January 12, 2023
8. Commercial Appraisal Desk Review, dated November 3, 2021
9. GBRT Parcel Tracking Matrix, dated March 21, 2025
10. Gold Line Corridor Management Committee Meeting Minutes, dated February 20, 2025
11. Findings of No Significant Impact, dated January 2020
12. System Acceptance Test Plan, dated February 9, 2025
13. Condemnation Petitions for various acquired Parcels
14. Seventeen (17) Parcel File Packages for Parcel No's. 118C, 118H, 122E, 126, 162, 170, 173E, 179, 180, 200, 312, 324, 400, 403, 1103, 3338, 4419
15. Metropolitan Council Real Estate Manual, dated 2019
16. Real Estate Policy FM 9-1, dated October 14, 2018
17. Real Estate Policy FM 9-1a, no set date
18. Real Estate Policy FM 9-1 update, not set date
19. Expenditures for the Procurement of Goods, Services, and Real Estate Policy FM 14-2, dated June 26, 2024
20. Use of Council Property Policy RF 7-2, dated March 31, 2022
21. Use of Council Property Policy RF 7-2c, dated March 24, 2025
22. Transit Oriented Development Policy Section/Numbers 1-4, dated November 13, 2013
23. Ownership, Operation, and Maintenance Agreement for Traffic Signal control System and Transit Priority Systems, September 2025

Interviews Conducted:

1. Steve Barrett, Construction Manager, Capital Projects
2. Alicia Vap, Project Director, Capital Projects
3. Nick Thompson, Deputy General Manager
4. Ned Smith, Chief Financial Officer, Regional Administration
5. Kristin Prescott, Budget & Grants Manager, Regional Administration
6. Kelly Jameson, Real Estate, Director
7. Michael Krantz, Senior Manager, Transit Oriented Development
8. Marilyn Porter, Director, Engineering & Facilities
9. Claudius Toussaint, Program Manager, Real Estate & Asset Management
10. George Henry, Associate General Council
11. Lee Williams, Right of Way Manager, MnDOT Transit