

## Transportation Committee

Meeting date: November 23, 2015

**Subject:** Right-of-Way Acquisition Loan Fund (RALF) 2015 Annual Program Report **District(s),**

**Member(s):** All

**Policy/Legal Reference:** Mn. Statute 473.167 Highway Projects, Subd. 2 Loans for acquisition

**Staff Prepared/Presented:** Arlene McCarthy, Director MTS 651-602-1754

Amy Vennewitz, Deputy Director MTS 651-602-1058

Connie Kozlak, Manager, Systems Planning 651-602-1720

Brad Utecht, Senior Planner, 651-602-1146

**Division/Department:** Transportation/Metropolitan Transportation Services

### Proposed Action

No action needed. Information item only.

### Background

The RALF program enables the Council to make loans to cities to purchase highway right-of-way needed in advance of development. The program allows loans to be made to acquire properties on officially mapped segments of principal arterials and any state trunk highways in the seven county metro area.

In 2010, the Council suspended the RALF program to assess its financial effectiveness, ensure that loans being made were consistent with the TPP, and determine what changes, if any, should be made to the program. A financial evaluation of the program and input from a group of RALF stakeholders concluded that the RALF program has been beneficial for both MnDOT and the communities by assisting in highway program delivery in a cost-effective manner and providing a means to acquire properties facing hardship situations. In March 2014, the Council reinstated the RALF program and modified it to:

- Consider and exercise approval over individual RALF loan requests, doing so on a case-by-case basis to ensure consistency with the Transportation Policy Plan (TPP) and to determine policy and priority implications
- Limit RALF loan requests to rights-of-way threatened by development or to hardship acquisitions of homestead properties
- Require an annual review that assesses the program's status, anticipates its financial needs, recommends a levy amount for the next annual budget and addresses related matters

### Annual Review of Fund Status

The Council has not made any loans since the RALF program was re-instated in March 2014. Met Council staff has had meetings with interested cities to discuss obtaining RALF loans during this period. However, potential parcels have not met the new, stricter requirements for loan eligibility. The potential parcels are already developed, typically with a commercial use, and hardship acquisitions are restricted to homes by law.

Four RALF loans have been paid back in the past year on the MN 610 corridor. Three loans on the MN 610 corridor in Maple Grove have been paid back for a total of \$1.19 million. One loan of \$310,680 for the Environmental Impact Statement (EIS) on MN 610 was repaid by the City of Brooklyn Park in late 2014. Council staff is also working with the City of Maple Grove to sell remaining RALF parcels that were not needed for the MN 610 highway construction.

As of October 1, 2015 the available RALF fund balance is \$12.82 million. The program has \$44.04 million in outstanding loans. Due to the large balance available for the program and restricted eligibility limiting the likely number of potential loans in 2016, Met Council staff is not recommending a levy for the program for the upcoming year.

**METROPOLITAN COUNCIL  
HIGHWAY RIGHT-OF-WAY ACQUISITION FUND  
SCHEDULE OF LOANS**

Recipient	Loan Number	Description	Amount of Loan		Actual 2014 Activity			Projected 2015 Activity		
			Not to Exceed	Actual Loan	Loans	Paybacks	12/31/2014 Outstanding	Loans	Paybacks	12/31/2015 Outstanding
City of Anoka	L-07-03	5800 Hwy 10, Moriarity	820,000	815,528			815,528			815,528
City of Anoka	L-09-03	1125 W Main St, Vineyard	1,410,000	1,368,285			1,368,285			1,368,285
City of Anoka	L-09-06	Eniva Outlot B & D	325,000	310,500			318,647			318,647
<b>Total Anoka</b>			<b>2,555,000</b>	<b>2,494,313</b>	<b>0</b>	<b>0</b>	<b>2,502,460</b>	<b>0</b>	<b>0</b>	<b>2,502,460</b>
Anoka County	L-08-05	Boike, Llama St	1,272,439	1,272,439			1,272,439			1,272,439
<b>Total Anoka County</b>			<b>1,272,439</b>	<b>1,272,439</b>	<b>0</b>	<b>0</b>	<b>1,272,439</b>	<b>0</b>	<b>0</b>	<b>1,272,439</b>
City of Blaine	L-06-16	I-35 and CR J Rice St	1,093,250	1,093,250			1,093,250			1,093,250
<b>Total Blaine</b>			<b>1,093,250</b>	<b>1,093,250</b>	<b>0</b>	<b>0</b>	<b>1,093,250</b>	<b>0</b>	<b>0</b>	<b>1,093,250</b>
City of Belle Plaine	L-06-08	CSAH 3/TH 169	1,139,800	1,125,000			1,125,000			1,125,000
City of Belle Plaine	L-08-03	CSAH 3/TH 169 Weckworth	240,384	225,231			225,231			225,231
<b>Total Belle Plaine</b>			<b>1,380,184</b>	<b>1,350,231</b>	<b>0</b>	<b>0</b>	<b>1,350,231</b>	<b>0</b>	<b>0</b>	<b>1,350,231</b>
City of Bloomington	L-99-4	35W and 2 98th St	706,495	706,466			706,466			706,466
City of Bloomington	L-03-02	Wegner 8524 Girard	265,000	253,596			253,596			253,596
City of Bloomington	L-03-03	Penn Lake Highlands	252,000	239,811			239,811			239,811
City of Bloomington	L-03-04	8544 Girard Park Addition	247,000	244,247			244,247			244,247
City of Bloomington	L-03-05	8344 Humboldt	251,000	204,035			196,633			196,633
City of Bloomington	L-04-01	8350 Humboldt	250,000	221,137			219,272			219,272
City of Bloomington	L-04-02	8440 Humboldt	273,000	246,899			246,899			246,899
City of Bloomington	L-04-03	8400 Humboldt	285,000	249,149			249,149			249,149
City of Bloomington	L-04-06	8446 Humboldt	278,000	250,558			250,558			250,558
City of Bloomington	L-05-01	8356 Humboldt	280,000	243,723			243,723			243,723
City of Bloomington	L-05-04	8312 Humboldt	283,000	260,781			260,781			260,781
City of Bloomington	L-06-05	8500 Girard Ave, Bielke	265,000	257,362			257,362			257,362
City of Bloomington	L-06-06	1210 82nd, Ohuong Le Van	270,000	254,656			254,656			254,656
City of Bloomington	L-06-07	8452 Humboldt, Johnson	240,000	238,731			238,731			238,731
City of Bloomington	L-06-17	8326 Humboldt, Jackson	260,000	220,696			220,696			220,696
City of Bloomington	L-07-02	8320 Humboldt, Grob	295,355	235,000			290,700			290,700
City of Bloomington	L-07-06	8514 Girard, Harstad	225,000	195,000			215,360			215,360
City of Bloomington	L-08-4	8422 Humboldt, Fletcher	239,900	179,900			192,812			192,812

**METROPOLITAN COUNCIL  
HIGHWAY RIGHT-OF-WAY ACQUISITION FUND  
SCHEDULE OF LOANS**

Recipient	Loan Number	Description	Amount of Loan		Actual 2014 Activity			Projected 2015 Activity		
			Not to Exceed	Actual Loan	Loans	Paybacks	12/31/2014 Outstanding	Loans	Paybacks	12/31/2015 Outstanding
City of Bloomington	L-08-11	8444 Girard, Moren	239,900	174,900			207,724			207,724
City of Bloomington	L-08-12	8410 Humboldt, Benson	226,000	185,000			199,890			199,890
City of Bloomington	L-08-13	8534 Girard, Goral	275,000	235,000			251,984			251,984
City of Bloomington	L-10-01	8338 Humboldt	181,000	156,000			161,494			161,494
<b>Total Bloomington</b>			<b>6,087,650</b>	<b>5,452,647</b>	<b>0</b>	<b>0</b>	<b>5,602,543</b>	<b>0</b>	<b>0</b>	<b>5,602,543</b>
<b>City of Brooklyn Park</b>	<b>L-90-2**</b>	<b>EIS/610</b>	517,800	517,800		310,680	0			0
<b>Total Brooklyn Park</b>			<b>2,080,373</b>	<b>2,080,373</b>	<b>0</b>	<b>310,680</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
City of Chaska	L-97-1	TH 212/BDI	912,739	912,739			912,739			912,739
<b>Total Chaska</b>			<b>6,505,570</b>	<b>6,492,940</b>	<b>0</b>	<b>0</b>	<b>912,739</b>	<b>0</b>	<b>0</b>	<b>912,739</b>
City of Lakeville	L-06-01	Outlet B Cemmerce Center East	1,466,300	1,466,300			1,159,843			1,159,843
<b>Total Lakeville</b>			<b>1,466,300</b>	<b>1,466,300</b>	<b>0</b>	<b>0</b>	<b>1,159,843</b>	<b>0</b>	<b>0</b>	<b>1,159,843</b>
City of Maple Grove	L-95-2	11300 97th Av. TH 610	121,982	121,982			121,982			121,982
<b>City of Maple Grove</b>	<b>L-95-3</b>	<b>Lynde &amp; McLoed Property</b>	719,106	719,106			719,106	719,106		0
City of Maple Grove	L-95-4	Peterson Property	526,363	526,363			36,514			36,514
City of Maple Grove	L-96-2	Johnson Property	120,635	120,635			120,635			120,635
City of Maple Grove	L-97-2	Peterson	765,163	765,163			157,635			157,635
<b>City of Maple Grove</b>	<b>L-99-6</b>	<b>Berthianme</b>	285,808	285,808			285,808	285,808		0
<b>City of Maple Grove</b>	<b>L-02-02</b>	<b>Roeder Property</b>	3,996,243	3,996,243			3,996,243	185,155		3,811,088
<b>Total Maple Grove</b>			<b>9,963,138</b>	<b>9,963,138</b>	<b>0</b>	<b>0</b>	<b>5,437,923</b>	<b>0</b>	<b>1,190,069</b>	<b>4,247,854</b>
City of Ramsey	L-04-4	Miller 6159 Hwy 10	372,647	372,647			372,647			372,647
City of Ramsey	L-04-5	Deal 66xx Hwy 10	1,040,862	1,040,862			1,040,862			1,040,862
City of Ramsey	L-05-2	Hamilton 6615 Hwy 10	1,165,249	1,165,249			1,165,249			1,165,249
City of Ramsey	L-05-3	Premier 6131 Hwy 10	263,334	263,334			263,334			263,334
City of Ramsey	L-05-05	Premier 6131 Hwy 10	1,828,129	1,828,129			1,828,129			1,828,129
City of Ramsey	L-06-02	Nissen 9101 Hwy 10	381,300	371,300			384,868			384,868
City of Ramsey	L-06-03	Olsen EZ Tractor Sales	468,015	468,015			468,015			468,015

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City of Ramsey	L-06-09	Nedegaard Anchors Away	1,762,491	1,762,491			1,762,491			1,762,491
City of Ramsey	L-07-05	Halosek 6201 Hwy 10	531,000	531,000			551,934			551,934
City of Ramsey	L-08-01	Hills 7743 Hwy 10	1,229,000	1,200,852			1,260,686			1,260,686
City of Ramsey	L-08-10	DuBois 77xx Hwy 10	396,700	380,700			406,921			406,921
City of Ramsey	L-09-02	Wilson 7550 Sunwood	977,844	900,000			1,011,533			1,011,533
City of Ramsey	L-09-04	Holiday 7157 Hwy 10	922,300	860,000			935,246			935,246
City of Ramsey	L-09-05	7157 Hwy 10 Pro Sport	773,800	757,700			779,472			779,472
City of Ramsey	L-11-01	Bialon EZ Auto	653,728	653,728			653,728			653,728
<b>Total Ramsey</b>			<b>13,580,399</b>	<b>12,556,007</b>	<b>0</b>	<b>0</b>	<b>12,885,115</b>	<b>0</b>	<b>0</b>	<b>12,885,115</b>
City of Richfield	L-01-01	McCarthy Site	2,410,000	2,410,000			2,410,000			2,410,000
City of Richfield	L-01-02	Walser, BMW #2	1,710,000	1,710,000			1,710,000			1,710,000
City of Richfield	L-02-03	Walser Isuzu	2,880,000	2,880,000			2,880,000			2,880,000
<b>Total Richfield</b>			<b>7,772,480</b>	<b>7,753,754</b>	<b>0</b>	<b>0</b>	<b>7,000,000</b>	<b>0</b>	<b>0</b>	<b>7,000,000</b>
City of Shoreview	L-06-08	Rice and I-694	6,012,176	6,012,176			6,012,176			6,012,176
<b>Total Shoreview</b>			<b>6,012,176</b>	<b>6,012,176</b>	<b>0</b>	<b>0</b>	<b>6,012,176</b>	<b>0</b>	<b>0</b>	<b>6,012,176</b>
<b>All Identified Loans</b>			<b>67,809,819</b>	<b>66,023,644</b>	<b>0</b>	<b>310,680</b>	<b>45,228,719</b>	<b>0</b>	<b>1,190,069</b>	<b>44,038,650</b>
<b>Estimated Available Balance</b>							<b>11,565,654</b>			<b>12,820,723</b>
<b>Estimated Fund Balance</b>					<b>498,089</b>		<b>56,794,373</b>	<b>65,000</b>		<b>56,859,373</b>

\*\*Under state law, the city was only required to pay back 60% of the loan amount for this type of RALF loan