

Transportation Committee

Meeting date: September 12, 2016

Management Committee

Meeting date: September 14, 2016

For the Metropolitan Council meeting of September 28, 2016

Subject: Delegation of Authority Policy for Green Line Extension Light Rail Transit Project and Blue Line Extension Light Rail Transit Project of Right of Way Acquisitions

District(s), Member(s): All

Policy/Legal Reference: Council Policy – Expenditures 3-3 I. D.

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Division/Department: Metro Transit/Green Line Extension/Blue Line Extension

Proposed Action

That the Metropolitan Council authorize modifications to Metropolitan Council Policy 3-3 I. D. Expenditures for the Acquisition of Real Property, by inserting a category outlining the Metropolitan Council's oversight authority in relation to acquisition of right of way for the Green Line Extension Light Rail Transit and Blue Line Extension Light Rail Transit projects as set forth in the tables below. Project staff will provide regular project updates, including right of way acquisition status, approximately quarterly to the Council.

Background

As part of the Cooperation Agreements between the Metropolitan Council and the Minnesota Department of Transportation (MnDOT), MnDOT agreed to act as Metropolitan Council's agent and acquire the right of way needed for the Green Line Extension Light Rail Transit and Blue Line Extension Light Rail Transit projects in the name of the Metropolitan Council. The Metropolitan Council may acquire certain parcels directly if desired. Per the New Starts requirements, the project offices prepared a Real Estate Acquisition Management Plan (RAMP) that has been approved by the Federal Transit Administration (FTA). The RAMP outlines the projects' adherence to federal and state laws and regulations. In addition, the RAMP states Metropolitan Council's oversight of the process for acquiring property including offers to property owners, settlements, and condemnation proceedings. The Green Line Extension Light Rail Transit Project estimates the acquisition of property rights from approximately 153 parcels. The Blue Line Extension Light Rail Transit Project estimates approximately 198 parcels. Acquisitions include items such as temporary easements, permanent easements, utility easements, fee title, and access control.

The tables below summarize the Metropolitan Council's oversight authority in relation to the project offices' acquisition of the right of way needed for the projects and compares that to the Metropolitan Council's existing expenditure policy.

Table 1 - Initial Offers		
Proposed		Existing Policy
Approval Thresholds	Metropolitan Council Oversight Authority in relation the Projects' Acquisitions	3-3 I. D.
Over \$250,000	Regional Administrator approval	Metropolitan Council approval
\$150,000 to \$250,000	General Manager approval	Regional Administrator approval
\$100,000 to \$150,000	Program Director approval	Regional Administrator approval
Up to \$100,000	Project Director approval	Regional Administrator approval

Table 2 - Initiating Condemnation		
Proposed		Existing Policy
Approval Thresholds	Metropolitan Council Oversight Authority in relation the Projects' Acquisitions	3-3 I. D.
Over \$1,000,000	Metropolitan Council approval	Metropolitan Council approval
\$150,000 to \$1,000,000	Regional Administrator approval	Metropolitan Council approval
\$100,000 to \$150,000	General Manager approval	Metropolitan Council approval
Up to \$100,000	General Manager approval	Metropolitan Council approval

Table 3 - Approving Administrative Settlements and Non-Appealed Commissioners' Awards		
Proposed		Existing Policy
Approval Thresholds	Metropolitan Council Oversight Authority in relation the Projects' Acquisitions	3-3 I. D.
Over \$250,000	Regional Administrator approval	Metropolitan Council approval
\$150,000 to \$250,000	General Manager approval	Regional Administrator approval
\$100,000 to \$150,000	Program Director approval	Regional Administrator approval
Up to \$100,000	Project Director approval	Regional Administrator approval

Table 4 - Condemnation; Decision to Appeal Commissioners' Award*		
Proposed		Existing Policy
Approval Thresholds	Metropolitan Council Oversight Authority in relation the Projects' Acquisitions	3-3 I. D.
Over \$250,000	Regional Administrator approval	Metropolitan Council approval
\$150,000 to \$250,000	General Manager approval	Regional Administrator approval
\$100,000 to \$150,000	Program Director approval	Regional Administrator approval
Up to \$100,000	Project Director approval	Regional Administrator approval

*The decision to appeal the Commissioners' Award will require an appeal to be filed within 40 days of the award.

Rationale

Business Item 2016-01 was brought before the Transportation Committee in early 2016. Through input received at the meeting and follow-up discussions with Metro Transit's Finance, Audit, and Real Estate Departments, the business item was revised to reflect a 2-step process. The 1st step for approving the revised thresholds and the 2nd step for establishing project-specific public purpose for condemnation through a resolution; these separate actions provide the Metropolitan Council more opportunities for input and oversight. This business item has been revised to accomplish step 1 of the 2 step process.

Also, based on input received, the approval threshold for initiating condemnation, as shown in Table 2, was revised to where the project office will ask for Council approval before considering initiating condemnation for any parcel with an appraisal value over \$1,000,000.

The process described above is designed to ensure the Metropolitan Council's oversight of the process and use of funds for acquiring property rights, while also ensuring that MnDOT can make expedient and responsive offers and settlements to property owners. The attachment to this business item titled "Analysis of Proposed Approval Thresholds for Property Acquisitions" shows the relative proportions of parcels and their cost for the approval categories present in the tables above. Generally, the Regional Administrator would approve a relatively low percentage of parcels but a high percentage of the total estimated cost. Inversely, the project directors would have delegated approval authority for a high percentage of parcels but a low percentage of the total estimated cost.

Project staff will prepare a project-specific resolution, post NEPA Record of Decision, asking the Metropolitan Council to declare each project is a valid public purpose prior to starting condemnation filings.

Funding

This item has no direct budget impact. The Metropolitan Council authorized the Regional Administrator to negotiate and execute cooperation agreements with MnDOT for right of way services for both the Green Line Extension and Blue Line Extension Light Rail Transit projects.

Known Support / Opposition

MnDOT supports the process described above.

Attachment A

Analysis of Proposed Approval Thresholds for Property Acquisitions

Green Line Extension Parcel Summary				
Met Council Approval Thresholds	Estimated # of Parcels	% of Estimated Parcels	Estimated Cost (\$M)	% of Estimated Cost
Over \$1,000,000	24	16%	\$87.89	82%
\$250,000 to \$1,000,000	27	18%	\$13.20	12%
\$150,000 to \$250,000	14	9%	\$2.69	3%
\$100,000 to \$150,000	14	9%	\$1.66	2%
Up to \$100,000	74	48%	\$1.74	2%

Blue Line Extension Parcel Summary				
Met Council Approval Thresholds	Estimated # of Parcels	% of Estimated Parcels	Estimated Cost (\$M)	% of Estimated Cost
Over \$1,000,000	6	3%	\$22.20	67%
\$250,000 to \$1,000,000	10	5%	\$5.96	18%
\$150,000 to \$250,000	7	4%	\$1.50	4%
\$100,000 to \$150,000	12	6%	\$1.59	5%
Up to \$100,000	163	82%	\$2.15	6%