



City of Lakeville

2017 Legislative Priorities



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Index

Primary Legislative Priorities:

Transportation	3 - 4
A. Relieve Congestion Along I-35 through Lakeville	
B. Transportation System Improvement and Maintenance Funding	
Local Control, Municipal Revenue & Taxation	4 - 5
A. State Mandates on Local Authority	
B. Regulating the Storage of Rail Cars	
C. Levy Limits	
D. Revisions to Data Practices Act	
E. Reduction of State & Regional Agencies	
Economic Development	6
A. Restoration of Job Creation Fund (JCF)	
B. Restoration of Minnesota Investment Fund (MIF)	
Housing	6 - 7
A. City Role in Affordable, Life Cycle and Attainable Housing	

Appendix A

Additional Legislative Priorities:

- A. Fiscal Disparity Fund Distribution
- B. Transit Operations and Taxing District
- C. MnDOT Maintenance Budget
- D. Dan Patch Commuter Rail Corridor
- E. Tax Increment Financing
- F. Sunday Liquor Sales
- G. Funding to Manage Shade Tree Diseases and Pests
- H. Franchising Cable Service Providers
- I. Metropolitan Council Governance
- J. Street Improvement Districts
- K. Targeting Property Tax Relief Directly to Individuals

Primary Legislative Priorities

Transportation

A. Relieve Congestion along I-35 through Lakeville

Position: Lakeville strongly encourages MnDOT and the Metropolitan Council to find ways to reduce congestion, improve safety and increase transit options on I-35 through Lakeville.

Background: There is a need to expand the capacity of Interstate 35 in Lakeville to further increase safety and improve traffic flow. Today there is congestion from south of Lakeville to County Road 46 due to a shortage of lane capacity. In addition, between 2010 and 2016 hundreds of accidents have occurred along this section of Interstate 35 that have included multiple fatalities. The City of Lakeville believes the following improvements should be considered:

- Additional Park-and-Ride facilities should be considered: Within the next three years the Metropolitan Council has determined the Kenrick Station Park-and-Ride facility will be at capacity; and with the future extension of the METRO Orange Line service along the Interstate 35 corridor into Lakeville as proposed by METRO Transit, it will be necessary to expand the Kenrick Avenue Station or construct other park and ride facilities along the corridor.
- Interstate 35 Lane Expansions: There is a need to expand the capacity of Interstate 35 in Lakeville to increase safety and improve traffic flow for commuters not using transit. Improvements to Interstate 35 would also provide increased regional access to the County Road 70 corridor area, taking more advantage of the improved interchange and promoting continued corporate, office, industrial, and commercial growth within this area.
- County Road 50/Interstate 35 Interchange Improvement: Over the past eight years the City has invested over \$20 million dollars along the County Road 50 corridor and Interstate 35 interchange area in preparation for the future reconstruction of the interchange. In addition the City invested another \$750,000, with the help of Met Council's Right-of-way Acquisition Loan Funds (RALF), to acquire a vacant Burger King restaurant for the future construction of an off-ramp at this interchange, and another 1.6 million was invested in conjunction with Dakota County for the relocation of the 172nd Street intersection on the west side of the interchange. Currently traffic volumes are high through this area, with congestion on the ramps and turn lanes and on the mainline of County Road 50 as it narrows from four to two lanes under Interstate 35. Several more properties around the interchange are vacant or remain undeveloped due to the uncertainty of when the interchange will be reconstructed and what effect the reconstruction will have on the properties. Reconstructing the interchange in combination with constructing additional travel lanes on Interstate 35 will provide the needed regional infrastructure to extend the Metro Orange Line

along the interstate corridor, promoting new commercial and industrial development at County Roads 50 & 70, and encouraging additional job creation and tax base.

B. Transportation System Improvement and Maintenance Funding

Position: The City of Lakeville supports State efforts to bolster financial resources needed to address road and highway improvements. The City of Lakeville also supports efforts to provide cities with adequate tools to fund maintenance and improvements to local roadways.

Background: Current levels of funding for roads and highways is inadequate to maintain existing road and highway needs and meet the needs of growing areas such as Lakeville. Lakeville recognizes the need for additional transportation funding statewide and will continue to advocate for additional resources to maintain the State's transportation infrastructure. In addition, cities still lack the authority to use additional tools for City street improvements; such resources continue to be restricted to property taxes and special assessments. It is imperative that alternative authority be granted to municipalities for this purpose to relieve the burden on the property tax system.

The City of Lakeville will be financing more than \$30 million of street maintenance and reconstruction projects with property taxes over the next five years. Street maintenance and reconstruction projects will be the most significant contributing factors to future property tax increases. This is in addition to more than \$24.1 million of project costs financed from other sources such as special assessments and municipal state-aid street funding.

Local Control, Municipal Revenue & Taxation

A. State Mandates on Local Authority

Position: Lakeville opposes statutory changes which erode local control and authority.

Background: The Legislature has previously created or mandated additional tasks requiring new or added local costs without a corresponding State appropriation or funding mechanism. New unfunded mandates cause increased property taxes which impede cities' ability to fund traditional services.

B. Storage of Railroad Cars within Urban Residential Areas

Position: Minnesota's Federal Congressional Representatives should initiate legislative actions to create laws or rules that would prohibit the current practice of storing railroad cars within urbanized residential neighborhoods without the express written consent of the City.

Background: An active but little used section of freight railroad track runs through the City of Lakeville and a majority of the track runs through residential neighborhoods or is adjacent to residential homes. While the railroad track is classified as an active line, several sections are in poor condition and are not used. Therefore, the tracks are being used for the storage of inactive rail cars without any limits as to the amount of time that they may be stored. Adjacent residential property owners are experiencing detrimental

effects on their homes and neighborhoods due to the storage of these railroad cars including visual blight negatively impacting residential home values, safety of children and general welfare of the community. Lakeville City Council passed a resolution in 2009 requesting Minnesota's Federal Congressional Representatives initiate legislative actions to address this issue.

C. Levy Limits

Position: The City of Lakeville strongly opposes levy limits and other forms of levy restrictions imposed upon local governments.

Background: Local taxpayers hold their local elected officials accountable for local government spending and taxing decisions. When the state imposes levy limits, reverse referenda, or other fiscal restraints on local elected officials, it negatively impacts the ability of cities to meet the needs of their residents and removes the autonomy of local officials.

D. Data Practices Act

Position: The City of Lakeville supports common-sense changes to the Data Practices Act to protect municipalities from abusive or harassing requests, and to compensate municipalities for overly broad and burdensome requests.

Background: The Minnesota Government Data Practices Act was written before the widespread use of computers and other technology, and has never been updated to reflect the exponential increase in the amount of data that every public and private entity must manage in order to conduct business. A single overly burdensome and broad request can cost a city hundreds of hours in staff time and tens of thousands of tax dollars to respond to, and the Act largely prohibits a city from recouping any of that cost. Further, some requests are made with the intent to harass a city and its employees, and some requesters never intend to collect the data, wasting time and tax dollars. The MGDPA must be modernized to reflect today's data-intensive society.

The City of Lakeville supports common-sense changes to the Data Practices Act to protect municipalities from abusive or harassing requests, and to compensate municipalities for overly broad and burdensome requests.

E. Reduction of State and Regional Agencies

Position: The City of Lakeville supports reducing the number of state and regional agencies that regulate municipal activities related to water quality and water supply.

Background: Over the years the state and regional governments in Minnesota have layered countless regulations relating to water quality and water supply on cities, their residents, and their businesses. Overlapping, duplicative, and conflicting requirements create confusion, impede development, and waste tax dollars. While the City of Lakeville acknowledges the need for reasonable regulations, the current system has become unworkable.

Economic Development

A. Restoration of the Job Creation Fund (JCF)

Position: The City of Lakeville supports the restoration of the 2016 cuts to the Job Creation Fund - \$11.5 million in FY2017 and \$6 million per year going forward.

Background: The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. In some cases, companies may receive awards of up to \$2 million. Over the past two years this fund allowed the expansion of the Menasha Corporation and Mendell Machine within the City of Lakeville, retaining over 300 jobs and creating almost 30 new positions. The expansion of these companies and the additional jobs created may not have been possible without assistance from the Job Creation Fund.

B. Restoration of the Minnesota Investment Fund (MIF)

Position: The City of Lakeville supports the restoration of the 2016 cuts to the Minnesota Investment Fund (MIF): \$9 million in FY2017 and \$4 million per year going forward.

Background: The Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs on a statewide basis. The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve economic vitality statewide. When Post Consumer Brands acquired Malt-O-Meal in Lakeville, Post considered relocating their operations out of Minnesota. Thanks to the availability of Minnesota Investment Funds, the State and the City were able to provide the incentives needed to retain Post Consumer Brands with over 250 jobs; and allow them to expand their operations and reinvest in Lakeville and Minnesota. Without these funds the City and State may have lost a major employer and cooperate partner.

Housing

A. City Role in Housing

Position: The City values living options for people of all ages and stages of life. Lakeville strives to be a community where residents can live and age in place. Lakeville will accommodate individuals and families at all stages of life and strive to meet the housing, transportation, education, shopping, access to health care, and other needs of all demographic groups within the City.

Background: Funding for affordable, life cycle and attainable housing is the responsibility of State and Federal governments and should not be borne by local property tax payers. In addition, the City opposes any mandated housing requirements.

Cities can facilitate the production and preservation of affordable, life cycle and attainable housing by:

- Applying for State or Federal funding from applicable grant and loan programs;
- Working with developers and local residents to blend affordable, life cycle and attainable housing into new and existing neighborhoods; and
- Establishing standards that encourage affordable, life cycle, and attainable housing.

Appendix A:

Additional Legislative Priorities

A. Fiscal Disparity Fund Distribution

The City of Lakeville supports the Fiscal Disparities Program and opposes any diversion from the fiscal disparities pool to fund specific programs or projects, as this would contradict the purposes of the program as it was created for the following purposes:

- To provide a way for local governments to share in the resources generated by the growth of the metropolitan area without removing existing resources;
- To promote orderly development of the region by reducing the impact of fiscal considerations on the location of business and infrastructure;
- To establish incentives for all parts of the area to work for the growth of the area as a whole;
- To help communities at various stages of development; and
- To encourage protection of the environment by reducing the impact of fiscal considerations to ensure protection of parks, open space, and wetlands.

B. Transit Operations and Taxing District

The City of Lakeville opposes the State imposing the Transit Taxing District upon cities. The City of Lakeville supports funding of all transit capital expenses and operating subsidies into the State budget through the use of Motor Vehicle Sales Tax (MVST) revenues or other statewide revenue sources. The Transit Taxing District is a funding source for capital expenses such as transit stations and buses. These expenses account for about 10% of the cost of operating a transit system. The operating costs of the transit system are paid by all residents of the state through other revenues such as the gas and sales tax.

C. MnDOT Maintenance Budget

The City of Lakeville supports MnDOT taking full responsibility for maintaining state owned infrastructure within city limits. The state has abrogated its responsibility for maintaining major roads throughout the state by requiring, through omission, that cities bear the burden of maintenance on major state roads. Cities should be compensated equitably for providing a service that traditionally has been borne by the state. MnDOT should also be required to meet standards adopted by cities through local ordinances or reimburse cities for labor, equipment and material used on the State's behalf to improve public safety or meet local standards.

D. Dan Patch Commuter Rail Corridor

Lakeville is opposed to any State or Federal funding that supports the study, planning, design or engineering of the Dan Patch Corridor. The Dan Patch Corridor is a proposed commuter rail line that would serve a region which runs from Minneapolis to Northfield through the City of Lakeville. It was proposed as a passenger rail line in 2000 after being identified as a "Tier One" corridor in the Minnesota Department of Transportation's 2000 Commuter Rail System Plan. Due to limited State and Federal funding of planning, design, engineering and construction of

transportation projects, priority should be given to the improvement and expansion of the existing road and bridge infrastructure and BRT system.

E. Tax Increment Financing (TIF)

Cities need greater flexibility to use TIF for community and economic development that supports residents and businesses. Further restrictions of TIF would render the tool less effective and hinder local efforts to support job creation, housing and redevelopment. The Legislature should consider expanding the use of TIF to assist in the development of technological infrastructure and products, biotechnology, research, transportation and transit oriented development, non-retail commercial projects, and modifying the various provisions of existing TIF law in order to better facilitate redevelopment and housing activities.

F. Sunday Liquor Sales

If Sunday Sales are approved, it should include an impact study to be completed within three years of being implemented, with no other changes to retail alcohol policy occurring until the full impact of Sunday Sales is determined.

G. Funding to Manage Shade Tree Diseases and Pests

Lakeville supports state funding that would assist cities with meeting the costs of addressing shade tree disease and pest problems. The resurgence of Dutch Elm disease, the spread of Oak Wilt, and the growing Emerald Ash Borer infestation have brought about a significantly increased need for City tree removal services which has placed fiscal pressure on City budgets. Although the Department of Natural Resources' ReLeaf program and the Department of Agriculture's Shade Tree and Invasive Species program currently allow for addressing tree diseases and pest problems, funding levels have been inadequate to assist cities. Cities share the goal of the state's ReLeaf program—promoting and funding the planting, maintenance, and improvement of trees in the state. Lack of resources to take preventative steps to halt fast-spreading diseases by removing infected trees in a timely manner actually ends up costing cities significantly more in the long run.

H. Franchising Cable Service Providers

The City of Lakeville supports attracting multiple cable television service providers to the City by streamlining franchising requirements and removing unnecessary impediments to entering the market while preserving the City's control of its rights-of-way, local programming, and customer service standards including PEG channel capacity, funding and institutional networks (I-nets). Under current state law, local franchising authorities must adopt agreements that are "no more favorable or less burdensome" with regard to area served, public, educational and government (PEG) programming, and franchise fees. The City believes that no case has been made for state-wide franchising. The State Legislature and Congress should recognize and support increased flexibility in the exercise of local franchising authority in order to encourage entry by competitive multi-channel video service providers, without giving unfair advantage to one provider over another. Local franchising authorities need flexibility to take advantage of opportunities to provide increased customer choice while requiring a measure designed to prevent economic, racial or other discriminatory redlining or "cherry-picking" that could result in creation of a "digital divide" within the community.

I. Metropolitan Council Governance

The 17-member Metropolitan Council has 16 members, who represent geographic districts within the Twin Cities seven-county metropolitan area, with one member serving at large. However, they are all appointed by and serve at the pleasure of the Governor and typically fall within the current governor's party affiliation. To provide a governance structure which is more representative of our respective communities, local governments (cities and counties) should be afforded an opportunity to provide input in the selection process for members who represent our interest in regional planning efforts.

J. Street Improvement Districts

The City of Lakeville supports the authority of local units of government to establish street improvement districts and supports changes to special assessment laws to make assessing state-owned property a more predictable process with uniformity in the payment of assessments across the state. Funding sources for local transportation projects are limited to the use of Municipal State Aid (MSA), property taxes and special assessments, and cities under 5,000 in population are not eligible for MSA. With increasing pressures on city budgets and limited tools and resources, cities are finding it increasingly difficult to maintain aging streets. Street improvement districts allow cities in developed and developing areas to fund new construction as well as reconstruction and maintenance efforts. The street improvement district is designed to allow cities, through the use of a fair and objective fee structure, to create a district or districts within the city where fees will be raised but must also be spent. Street improvement districts would also aid cities under 5,000, giving them an alternative to the property tax system and special assessments.

K. Targeting Property Tax Relief Directly to Individuals

The City of Lakeville supports targeting property tax relief directly to individuals as opposed to direct aid programs like Local Government Aid (LGA), and believes that income, not property value, is the most appropriate measure of "ability to pay" property taxes. Lakeville supports additional property tax relief to those in greatest need by directing dollars to the circuit breaker program from programs such as Local Government Aid (LGA). The circuit breaker income adjusted property tax relief program provides direct assistance to those homeowners in greatest need, whether or not those local homeowners reside in a city which receives direct aids from the State. Lakeville believes that on a long term basis the State should focus property tax relief to individual taxpayers instead of local units of government. Such a program provides equitable tax relief to all property tax payers in Minnesota.