



City of Lakeville

2016 Legislative Priorities



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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: The Interstate 35 corridor is one of the busiest and most heavily traveled highway corridors in Minnesota. Significant efforts have been made to reduce congestion, increase safety, and improve traffic flow along this vital transportation roadway. Transit improvements made under the Urban Partnership Agreement in 2010 helped reduce the growth in traffic congestion by providing an effective alternative to automobile travel for downtown commuters. But the corridor also feeds many other destinations for automobile and commercial truck traffic.

There is a need to expand the capacity of I-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 2015 hundreds of accidents have occurred along this section of Interstate 35 through Lakeville 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 four 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 those commuters not using transit. Today there is congestion from the southern border of Lakeville to County Road 46 due to a shortage of lane capacity. In addition, there have been over 300 crashes that have occurred in this section of Interstate 35 over the past three years including 125 injuries and four fatalities. The Federal Highway Administration has commented previously that additional lanes are warranted along this stretch of highway. Improving this condition will increase safety and benefit the region and the metropolitan area's southern gateway for businesses, companies and the traveling public. Improvements to Interstate 35 would also provide increased regional access to the County Road 70 corridor area, taking full advantage of the improved interchange and promoting continued corporate, office, industrial, and commercial growth.
- 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. 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 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 Road 50 and County Road 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 \$36.9 million of street maintenance and reconstruction projects with property taxes over the next five years. The requisite projects have the potential of resulting in an 8-10% annual increase in property taxes in the coming 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 \$35.6 million of project costs financed from other sources such as special assessments and municipal state-aid street funding.

C. Street Improvement Districts

Position: 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.

Background: 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.

Municipal Revenue & Taxation

A. Levy Limits

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

Background: Lakeville believes the best decisions for local matters, including levels of property taxation, are made by locally elected officials. The imposition of broad State mandates such as levy limits, "taxpayer's bill of rights", valuation freezes, payroll freezes, reverse referenda, fund balance restrictions, and other limitations to the local government budget and taxing process can impose financial hardships on communities. Levy limits undermine local budgeting processes, planned growth, and the relationship between locally elected officials and their residents by having the State determine the appropriate level of local taxation and services, despite varying local conditions and circumstances.

B. Targeting Property Tax Relief Directly to Individuals

Position: 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.

Background: 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.

C. Sales Tax on All Local Government Purchases

The City of Lakeville supports the following clarifications and adjustments to the sales tax exemptions as passed during the 2013 legislative session:

- Clarifying the eligibility of purchases by all joint powers entities and agreements so that purchases are exempt as long as the service provided is a service primarily provided by a governmental entity. Purchases by economic development authorities, housing and redevelopment authorities and port authorities should also be exempt.
- Clarifying which purchases are ineligible for the exemption due to being generally provided by a private business. This clarification should limit taxable purchases to goods or services predominantly provided by private businesses.

- Extending the motor vehicle sales tax exemption that currently applies to marked squad cars and firefighting apparatus to all municipal vehicles that are used for general city functions and are provided by governmental entities.

The City of Lakeville supports the reinstatement of the sales tax exemption for cities' purchases of goods and services that was enacted into law in the 2013 legislative session. To ensure that citizens receive the full benefit of this exemption, the new law should treat purchases of all local government units the same, including purchases made by special taxing districts, joint powers entities, or any other agency or instrumentality of local government.

Economic Development

A. State Development Programs

Position: Lakeville supports the increased State funding for Business Development Programs approved during the 2013 Legislature.

Background: Current business development programs include the Minnesota Investment Fund and the Innovative Business Development Public Infrastructure Program administered by DEED and the Transportation Economic Development (TED) and Safety and Mobility Programs (SAM) administered by MnDOT. There will continue to be needs to fund public infrastructure and other aspects of commercial and industrial development that could previously be financed with private funding sources.

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. Administrative Citations

Lakeville supports the use of City administrative fines for local regulatory ordinances such as building codes, zoning codes, health codes, public nuisance ordinances, and regulatory matters that are not duplicative of misdemeanor or higher level state traffic and criminal offenses. The Legislature should clarify that both statutory and home rules charter cities have the authority to issue administrative citations for code violations. Further, State Statute should allow statutory and home rule charter cities to adjudicate administrative citations and to assess a lien on properties for unpaid administrative fines. The use of administrative proceedings has kept enforcement at the local level and reduced pressure on over-burdened district court systems. Cities using administrative enforcement processes experience a lower cost of enforcement and a quicker resolution to code violations.

G. Sunday Liquor Sales

The City of Lakeville does not support any legislation that would allow off-sale Sunday sales of alcohol. The City of Lakeville is a member of the Minnesota Municipal Beverage Association which has taken the position to oppose Sunday sales, as has the Minnesota Licensed Beverage Association. Advocates of the legislation state that Sunday sales have the potential to increase state revenue on liquor taxes by 5-7%. This has not been the case in the states that have allowed Sunday sales. In addition, in the State of New Mexico where the legislation was changed to allow Sunday sales, two separate studies have proven that Sunday sales are associated with increased traffic deaths and have negatively impacted health care providers, insurers, law enforcement and the judicial systems. In fact, public safety was negatively impacted so significantly that some counties quickly held elections to re-institute bans on Sunday packaged alcohol sales.

H. 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.

I. 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.

J. Mandates & Local Authority

Lakeville opposes statutory changes which erode local control and authority or create 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 service needs.

K. Elected Metropolitan Council

The City of Lakeville supports four-year staggered terms for members. The appointment of the Metropolitan Council Chair should coincide with the term of the Governor. The 17-member Metropolitan Council has 16 members, who each represent a geographic district within the Twin Cities seven-county metropolitan area, and one chair serving at large. They are all appointed by and serve at the pleasure of the Governor.

L. Storage of Railroad Cars within Urban Residential Areas

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. 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.