



City of Lakeville

2019 Legislative Priorities



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TABLE OF CONTENTS -

Primary Legislative Priorities

- A. State Mandates on Local Authority Page 1
- B. Infrastructure Fees
- C. Expansion of Wine and Strong Beer Sales in Grocery/ C-stores
- D. Metro Orange Line Extension
- E. Metro Mobility

Additional Legislative Priorities

- Local Control, Municipal Revenue, and Taxation Pages 2 – 3
 - A. Storage of Rail Cars within Urban Residential Areas
 - B. Revenue Restrictions
 - C. Data Practices Act
 - D. Metropolitan Council Governance
 - E. Fiscal Disparity Fund Distribution
 - F. Targeting Tax Relief Directly to Individuals

- Transportation:** Pages 3 – 4
 - A. Interstate 35 Congestion
 - B. County Road 50/ Interstate 35 Interchange Capacity
 - C. Transportation System Improvement and Maintenance Funding
 - D. Dan Patch Commuter Rail Corridor

- Economic Development:** Pages 4 – 5
 - A. Expansion of Job Creation Fund (JCF)
 - B. Expansion of Minnesota Investment Fund (MIF)
 - C. Workforce Development Programs
 - D. Tax Increment Financing (TIF)

- Housing:** Page 5
 - A. City Role in Housing

- Municipal Liquor Operations:** Pages 6
 - A. Pension Liabilities
 - B. Intoxicating Liquor-on-Sale License

- City Services:** Pages 6 - 7
 - A. Funding to Manage Shade Tree
 - B. Franchising Cable Service Providers

Primary Legislative Priorities

A. State Mandates on Local Authority: Lakeville opposes statutory changes which erode local control and authority. The legislature should reward cities who do not receive Local Government Aid by exempting them from burdensome mandates and other restrictions that impact our competitiveness in the marketplace. The Legislature has previously created or mandated additional tasks requiring new or added local costs without corresponding State funding or has capped fees available for cities to recoup costs from imposed mandates. New unfunded mandates cause increased property taxes which impede cities' ability to fund traditional services. Lakeville is specifically concerned about cities maintaining their control of the right-of-way regarding the design and installation of telecommunication equipment.

B. Infrastructure Fees: The Legislature should allow local units of government to impose infrastructure fees so new development pays its fair share of the off-site, as well as the on-site, costs of public infrastructure to adequately serve new development. New development and the resulting growth create an increased demand for public infrastructure. Traditional financing methods tend to subsidize new development at the expense of the existing community, place inefficient pressures on public facilities, and allow under-utilization of existing infrastructure.

C. Expansion of Wine and Strong Beer Sales in Grocery/C-Stores: Lakeville opposes any legislation that would allow the expansion of the sale of wine and strong beer in grocery and convenience stores due to significant detrimental economic impacts on city revenues and the negative affect on preventing drunk driving and underage alcohol sales and consumption. Minnesota law allows grocery stores, gas stations, convenience stores and wherever beer is sold to sell 3.2 beer. Due to the same regulatory issues concerning regulation of alcohol and wine, "strong" beer (over 3.2%) can only be sold in exclusive liquor stores. If wine can be sold in grocery stores, there will be little to prevent them from eventually selling strong beer.

D. Metro Orange Line Extension: Lakeville supports MnDOT and the Metropolitan Council in reducing congestion, improve safety and increase transit options on I-35. Today there is congestion from south of Lakeville to CR 46 due to a shortage of lane capacity. Additionally, over the past several years there have been hundreds of accidents along this section that have included multiple fatalities. Metropolitan Council has determined that within the next two years 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, it will be necessary to expand the Kenrick Avenue Station or construct other park and ride facilities along the corridor and expand the number of lanes on I-35. Lakeville requests funding be made available to expedite the planning and design for the expansion of the Kenrick Avenue park and ride and the extension of the commuter routes to downtown St. Paul.

E. Metro Mobility: Metro Mobility Bus Service is not available to cities without a regular local transit service. Lakeville supports the extension of Metro Mobility Bus Service to all cities and residents within Dakota County regardless if the city has a regular local transit service.

Additional Legislative Priorities

Local Control, Municipal Revenue & Taxation

- A. **Storage of Railroad Cars within Urban Residential Areas:** State and federal resources should be provided that will incentivize rail car storage areas within industrial areas and outside of residential neighborhoods. An active but little used section of freight railroad track runs through the City of Lakeville. The 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 is only used for the storage of inactive rail cars. This action has the potential to increase development opportunities within our industrial parks and addresses the concerns of our residential property owners regarding safety and visual blight.

- B. **Revenue Restrictions:** The City of Lakeville strongly opposes levy limits and other financial restrictions imposed upon local governments. 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.

- C. **Data Practices Act:** 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. 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.

- D. **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 local interest in regional planning efforts.

- E. **Fiscal Disparity Fund Distribution:** The City of Lakeville supports the Fiscal Disparities Program and any effort to modernize and improve the program to fund the needs of the metro area.

- F. **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.

Transportation

- A. **Interstate-35 Congestion:** 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. The funding and improvement of the Interstate 35 interchange at Interstate 494 would also assist in decreasing congesting and improve the overall movement of people and goods throughout the region.
- B. **County Road 50/Interstate 35 Interchange Capacity:** Over the past nine 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 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 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.
- C. **Transportation System Improvement and Maintenance Funding:** The City of Lakeville supports State efforts to bolster financial resources needed to address road, highway and freight rail improvements. The City of Lakeville also supports efforts to provide cities with adequate tools to fund maintenance and improvements to local roadways. 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 \$29 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 \$35 million of project costs financed from other sources such as special assessments and municipal state-aid street funding. It is also important to recognize the existing freight rail system within the city and the need to address the storage of inactive railcars via a rail yard adjacent to Airlake Industrial Park.

- 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.

Economic Development

- A. **Expansion of the Job Creation Fund (JCF):** The City of Lakeville supports the expansion of the Job Creation Fund and making the program more flexible to allow cities the ability to provide competitive incentive packages. 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 that retained over 200 jobs and creating almost 30 new positions. This expansion and the additional jobs created may not have been possible without assistance from the Job Creation Fund.
- B. **Expansion of the Minnesota Investment Fund (MIF):** The City of Lakeville supports the expansion of the Minnesota Investment Fund (MIF) and making the program more flexible to allow cities the ability to provide competitive incentive packages. 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 Mom Brands aka 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 allowed them to expand their operations by creating an additional 134 jobs and reinvest in Lakeville and Minnesota. Without these funds the City and State may have lost a major employer and cooperate partner.
- C. **Workforce Development Programs:** The City of Lakeville supports fully funding the Minnesota Job Skills Partnership and other workforce training programs administered by the Department of Employment and Economic Development, the Department of Human Services, and the various education agencies including:

- a. Providing additional flexible funding to local workforce councils, including governments and educational facilities, for the purpose of upgrading the skills and productivity of the workforce, and pursue additional creative programming and funding to prepare and place underemployed and unemployed Minnesotans, as well as address the issue of those phasing out of the workplace and retiring.
- b. Continued support to cities providing workforce programs that are coordinated with and complement state and regional efforts.
- c. Legislation providing flexibility for students under 18 years of age to have the opportunity to enter the workforce where appropriate.

It is critical for the future of our economy to prepare for new demographic trends. Worker training and education must be an important component of Minnesota's efforts to improve workforce readiness. By making firms and employees more competitive, worker training can increase wages, increase employment opportunities, fill skilled worker gaps, and keep jobs and employers in their communities.

- D. **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 to better facilitate redevelopment and housing activities.

Housing

- A. **City Role in Housing:** 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. Funding for life cycle, workforce 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 life cycle, workforce and attainable housing by:
- Applying for State or Federal funding from applicable grant and loan programs;
 - Working with developers and local residents to blend life cycle and attainable housing into new and existing neighborhoods; and
 - Establishing standards that encourage life cycle and attainable housing.

Municipal Liquor

- A. **Pension Liabilities:** The City would be in favor of legislation addressing a change in how pension liabilities are reflected in municipal liquor financial reports due to GASB 69 requirements. The City is also in favor the Minnesota Wholesalers efforts in the tracking of internet sales entering the state. These sales are not tracked nor conducted within the definitions of state statute, thus the State of Minnesota is losing both sales and excise taxes estimated in the millions of dollars.
- B. **Intoxicating Liquor – On-sale Licenses:** Lakeville supports amending the list of establishments eligible for the issuance of an on-sale licenses, as noted in State Statute 340A.404 Intoxicating Liquor; On Sale Licenses, to include Curling Centers. The current statute states a city may issue an on-sale intoxicating liquor license to hotels, restaurants, bowling centers and clubs or chartered veterans organizations. In 2017 Dakota Curling relocated their facility to Lakeville and were required to apply for their liquor license as a club since they were not specifically listed under the state statute. Curling centers essentially function the same as a bowling center. Adding “curling centers” to the list of facilities that are allowed a liquor license would eliminate them from being defined as a club.

City Services

- A. **Funding to Manage Shade Tree Diseases and Pests:** Community forests and the benefits they provide are an essential part of city infrastructure. Lakeville supports state funding that would assist cities with meeting the costs of managing shade tree disease and pest problems. The growing emerald ash borer (EAB) infestation, resurgence of Dutch elm disease and the spread of oak wilt have generated a significantly increased need for tree removal and treatment services which has placed pressure on City budgets. In 2017, emerald ash borer (EAB) was identified in Lakeville. Approximately 20% of all City trees are ash and will need to be protected with injections or removed in the next decade. Although the Department of Natural Resources’ ReLeaf program and the Department of Agriculture’s Pest Management program currently allow for addressing tree disease 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. During the early years of the state’s Dutch elm disease infestation, the state invested nearly \$30 million a year for six years in response and replacement funds to assist local governments. EAB is the most destructive forest pest the state has ever encountered. Lack of resources to take preventative steps to combat EAB in a timely manner will end up costing cities and individual citizens significantly more in the long run.
- B. **Franchising Cable Service Providers:** The City of Lakeville has been successful 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.