

Community Development Committee

Business Item

Item: 2007 - 402

Meeting date: December 17, 2007

ADVISORY INFORMATION

Date:	December 3, 2007
Subject:	Request to Delay the Date for Compliance with a Condition Required as Part of the 9/14/05-Approved Amendment to SG00-135 LCDA Grant to the City of Lino Lakes
District(s), Member(s):	All
Policy/Legal Reference:	Livable Communities Act, Minnesota Statutes 473.75
Staff Prepared/Presented:	Guy Peterson, Community Development Director (651/602-1418) Jan Gustafson, Manager, Livable Communities Program (651/602-1384)
Division/Department:	Community Development/Housing and Livable Communities

Proposed Action

Consider the City of Lino Lakes' request to delay the date required for compliance with a condition included in the September 14, 2005 Council-approved amendment to Livable Communities Grant #SG00-135 (The Village II) and determine the course of action to be recommended to the Metropolitan Council.

Background

In December 2000 the Metropolitan Council awarded the City of Lino Lakes a \$450,000 Livable Communities Demonstration Account (LCDA) grant to support land write-down for the construction of apartment units in the Legacy at Woods Edge project. The funding award was contingent on two conditions: 1) that the City agree not to impose an annual limit on the issuance of building permits connected with The Village; and 2) that the city install a traffic signal on the northbound off-ramp of I-35W at Lake Drive. The latter condition was placed on the grant because no signal had been installed at the intersection despite a 1991 condition placed on the Council's approval of a plan amendment and Metropolitan Urban Services Area exchange that required the signal installation.

On August 24, 2005 the city wrote the Council requesting reimbursement for eligible grant-funded expenses, acknowledging that the signal installation had not yet occurred, and stating that the delay was the result of a 2003 decision by the city, Mn/DOT and Council staff that it was best to delay installation of the traffic signal until a necessary major reconstruction of Lake Drive and realignment of the northbound ramp occurred. The letter stated that the reconstruction would occur in state fiscal year 2007 (July 2006 start).

The Council considered the city's request and on September 14, 2005 authorized staff to execute an amendment to LCDA grant #SG00-135 (The Village – II) to permit reimbursing the city prior to the installation of the signal subject to the following condition: the city must agree to reimburse the Metropolitan Council by January 31, 2008 the entire \$450,000 grant amount if a traffic signal is not installed on the northbound off-ramp of I-35W and operational by December 31, 2007. The Council required the Lino Lakes City Council to act officially to acknowledge and accept the repayment condition included in the grant amendment by adopting and forwarding to the Council a City Council resolution. On September 13, 2005 the Lino Lakes City Council adopted Resolution No. 05-140 stating the Grantee's agreement with the condition.

Livable Communities staff contacted the city via a letter dated November 15, 2007 asking that the city advise the Council as to the status of the traffic signal installation. The city replied (November 19 letter) that while reconstruction of the Lake Drive/35W interchange is currently underway, "the signal systems will not be installed and operational until the spring of 2008." The city requested "consideration by the Metropolitan Council to amend the grant agreement conditions to coincide with the completion of the project."

Community Development Director Guy Peterson responded to the city's request (letter dated November 28) that since Grant SG00-135 has been closed, an amendment is not possible. He advised the city that their only option at this point would be to request additional time directly from the Council, beginning with the members of the Community Development Committee. He informed the city that their request will be placed on the December 17 committee agenda at which time staff will introduce the item, offer a brief history of the funding award and grant agreement status. There will be no staff recommendation to the committee. Rather, a representative or representatives of the city will present their request to the committee.

Rationale

On September 14, 2005 the Council authorized staff to execute an amendment to LCDA grant #SG00-135 (The Village – II) to permit reimbursing the city prior to the installation of the signal with the condition that the city agree to reimburse the Metropolitan Council by January 31, 2008 the entire \$450,000 grant amount if a traffic signal is not installed on the northbound off-ramp of I-35W and operational by December 31, 2007. On September 13, 2005 the Lino Lakes City Council adopted Resolution No. 05-140 stating the Grantee's agreement with the condition. The terms of the condition have not been met and no administrative remedy is possible. The city's only recourse is to request additional time from the Council.

Funding

Between 1997 and 2004, the City of Lino Lakes "town center" project received a total of \$1,645,000 through three Livable Communities Demonstration Account Grants and one Local Housing Incentives Account Grant. LCDA Grant SG00-135 provided \$450,000 to the city to support land write-down for the construction of apartment units in the project. The work was completed and the city submitted appropriate documentation and was reimbursed via a single check in the amount of \$450,000 dated October 19, 2005.

Known Support / Opposition

The City of Lino Lakes sent a letter dated November 19, 2007 requesting that the Council delay the date required for compliance with the grant reimbursement condition that a traffic signal at Lake Drive and the northbound off-ramp of Highway 35W be installed and operational by December 31, 2007.