



Lexington-Fayette Urban County Government
DIVISION OF GRANTS AND SPECIAL PROGRAMS

Jim Gray
Mayor

Sally Hamilton
CAO

**TO: JIM GRAY, MAYOR
URBAN COUNTY COUNCIL**

**FROM: IRENE GOODING, DIRECTOR
DIVISION OF GRANTS AND SPECIAL PROGRAMS**

DATE: JUNE 11, 2015

SUBJECT: Request Council authorization to execute Supplemental Agreement No. 4 with the Kentucky Transportation Cabinet, accepting additional federal funds in the amount of \$2,720,038 for the Newtown Pike Extension Project and to approve amendment to agreement with Lexington Community Land Trust for additional federal funds in the amount of \$2,228,038 for operating, legal, mitigation, and housing construction costs.

On November 9, 2000 (Ordinance No. 344-2000), the Lexington-Fayette Urban County Council authorized acceptance of award from the Kentucky Transportation Cabinet in the amount of \$7.5 million in federal and state funds for the extension of Newtown Pike.

On February 26, 2009 (Ordinance No. 24-2009), Council authorized execution of Supplemental Agreement No. 1 with the Kentucky Transportation Cabinet in the amount of \$3,975,000 for support the cost of appraisals for right-of-way acquisitions and mitigation expenses which include the provision of temporary housing, utility payments for temporarily relocated residents, and setting up and operating a Community Land Trust.

On June 23, 2011 (Ordinance No. 76-2011), Council authorized execution of Supplemental Agreement No. 2 in the amount of \$5,088,000 for final design of Phase II and Phase III, and mitigation expenses, which included operation of the Community Land Trust and rehabilitation of Carver Center.

On July 8, 2014 (Resolution No. 416-2014), Council authorized execution of Supplemental Agreement No. 3 in the amount of \$743,101 for supplemental rent funds, capital improvement fund, education and social services, design mitigation funds, and additional funds for temporary housing.

The Kentucky Transportation Cabinet has now offered the LFUCG Supplemental Agreement No. 4 for supplemental design funds in the amount of \$2,520,038. New total is \$19,826,139. No matching funds are required.

Supplemental Agreement No. 4 provides funds for the following activities:


The Lexington Community Land Trust will be provided the following funding:

1. \$80,000 for reimbursement of upfront buyout form AU Associates, Inc., for Davis Park View.
2. \$50,000 for additional legal expenses incurred in the set-up of the land trust
3. \$392,980 (3 units) mitigation funding to make project area owner residents whole.
4. \$125,219 (2 units) as compensation for the square footage difference in housing units for project area renters who are becoming homeowners.
5. \$30,000 (3 units) in incentive funding for project area owner residents.
6. \$142,839 (3 units) in gap financing for construction costs above fair market value for project area renters becoming homeowners. Includes one rental unit.
7. \$1,000,000 to cover operating costs of the Community Land Trust for additional four years from 2016-2019.
8. \$407,000 for gap financing to support construction costs of 13-14 Phase I single family homes. Gap financing will support the amount of construction costs that exceed fair market value.

KYTC is providing LFUCG with \$292,000 for reimbursement of utilities and maintenance expenses of temporary housing and for additional design work by consultant for storm and sanitary sewer and right-of-way. KYTC is also providing \$200,000 to LFUCG for clearance activities for Community Land Trust property.

The Newtown Pike extension is authorized by Congress as a High Priority Project under the Transportation Equity Act for the 21st Century (TEA-21). The project provides for construction from West Main Street to South Limestone.

Council authorization to execute Supplemental Agreement No. 4, accepting award of additional federal funds in the amount of 2,720,038, and to approve amendment to agreement with Lexington Community Land Trust in the amount of \$2,228,038 for operating, legal, mitigation, and housing construction costs.



Irene Gooding, Director

Xc:: Derek Paulsen, Commissioner, Department of Planning, Preservation, and Development