



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 20, 2014

SUBJECT: Request Council authorization to execute Supplemental Agreement No. 3 with the Kentucky Transportation Cabinet, accepting additional federal funds for the Newtown Pike Extension Project and to approve escrow agreement for supplemental rent fund with Davis Park View, LLLP

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.

The Kentucky Transportation Cabinet has now offered the LFUCG Supplemental Agreement No. 3 in the amount of \$743,101. New total is \$17,306,101. No matching funds are required.

Supplemental Agreement No. 3 provides funds for the following activities:


- Supplemental Rent Fund in the amount of \$194,928 for the purpose of supplementing the monthly rents of qualified individuals displaced by the project and residing in rental housing units located in the Lexington Community Land Trust area for a period of up to ten years.

- Capital Improvement Fund in the amount of \$348,173 for the repair and improvement of the fourteen (14) rental units located at 800-830 DeRoode Street after a period of fifteen (15) years. At the end of 15 years these units will be transferred from management by AU Associates to the Lexington Community Land Trust.
- Education and Social Services fund in the amount of \$50,000 for qualified individuals for education and social services including anti-drug abuse education, financial counseling, health and mental health education, nutritional counseling, job training, and housing counseling.
- Design Mitigation Fund in the amount of \$100,000 for design mitigation expenses associated with the establishment of the Lexington Community Land Trust in accordance with the provisions of the Newtown Pike Extension Record of Decision.
- Temporary Housing Fund in the amount of \$50,000 for reimbursement of additional expenses associated with the maintenance of the temporary housing area in accordance with the provisions of the Newtown Pike Extension Record of Decision.

For implementation of the Supplemental Rent Fund, an Escrow Agreement has been drafted that details how LFUCG will make quarterly payments to Davis Park View, LLLP, on behalf of qualified individuals who have been displaced by the project and residing in the Land Trust Area for a period of up to ten years.

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. 3, accepting award of additional federal funds, and to approve escrow agreement for supplemental rent fund with Davis Park View, LLLP, is hereby requested.



Irene Gooding, Director

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