

Council Agenda Item 26-0193R



MEETING DATE: March 23, 2026

SUBJECT/TITLE: RESOLUTION AUTHORIZING A TEN-YEAR LIMITED USE PERMIT AGREEMENT WITH THE STATE OF MINNESOTA, DEPARTMENT OF TRANSPORTATION (MNDOT), FOR THE CONSTRUCTION, MAINTENANCE, AND OPERATION OF THE PORTIONS OF THE LAKEWALK TRAIL LYING WITHIN MNDOT'S RIGHT-OF-WAY OF TRUNK HIGHWAY 35, SUBJECT TO A RENEWAL TERM UP TO TEN ADDITIONAL YEARS, AT NO COST TO THE CITY.

SUBMITTED BY: Danielle Erjavec, Senior Property Services Specialist

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION: N/A

BACKGROUND: This resolution authorizes a ten-year limited use permit, substantially the same as the agreement attached as Exhibit 1, with the state of Minnesota, department of transportation (MnDOT), for the construction, maintenance, and operation of the portions of the Lakewalk Trail lying within MnDOT's right of way for Trunk Highway 35, at no cost to the city.

Under the terms of the agreement, MnDOT will not charge the City a fee related to the use of property within MnDOT's right-of-way, but the City will be responsible for the costs associated with the construction, maintenance, and operation of the Lakewalk Trail. Once executed, the LUP term runs through March 5, 2036, subject to a renewal up to ten additional years.

Resolution No. 23-0162 authorized the City to apply for a United States Department of Transportation Grant for "Rebuilding American Infrastructure with Sustainability and Equity" for resilient rehabilitation of the Lakewalk (the "Grant"). The Grant was awarded and will fund the following activities: (i) restoration and stabilization of portions of the shoreline, (ii) retreatment and rehabilitation the Lakewalk in certain sections, (iii) increase neighborhood and Downtown connectivity to the Lakewalk, (iv) improvement accessibility and safety, and (v) reduction of congestion on the Lakewalk (collectively, the "Project"). A condition of the Grant requires all areas improved with Grant funds occur on City-owned property dedicated to the public or otherwise authorized under written agreements. During a review of the City's real estate records, it was discovered that portions of the Lakewalk Trail cross over into MnDOT's right-of-way. MnDOT is willing to

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grant this LUP to formalize the City's ability to use its property, and the terms of the LUP satisfy the Grant requirements.

This resolution also authorizes the City Administrator to make changes to the MnDOT-owned property covered under the LUP, including but not limited to the addition and/or removal of tracts of land. The City and MnDOT are still reviewing the existing Lakewalk Trail alignment and proposed improvements under the Project and are working diligently to finalize the areas that should be included in the LUP. The authority granted to the City Administrator allows for adjustments of the MnDOT-owned property included under the LUP at an administrative level.

The current areas proposed to be included in the LUP are depicted on Exhibit A attached to Exhibit 1.

BUDGET/FISCAL IMPACT: None

OPTIONS: Approve resolution or the City will be unable to complete the Project using the Grant funds

NECESSARY ACTION: Approve resolution

ATTACHMENTS: Exhibit 1, Limited Use Permit