

PUBLIC WORKS AND UTILITIES COMMITTEE

08-0559R

REPLACEMENT

RESOLUTION AUTHORIZING ACCEPTING A GRANT FROM MNDOT IN THE AMOUNT OF \$634,466 AND APPROVING AN AGREEMENT WITH THE DULUTH AIRPORT AUTHORITY IN THE AMOUNT OF \$174,478 RELATED TO THE PAVING OF THE AIRPORT PERIMETER ROAD.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to enter into an agreement substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with Duluth airport authority pertaining to the paving of the Airport Perimeter Road in the amount of \$174,478, to be deposited in the Permanent Improvement Fund 411, Project 0677TR.

FURTHER RESOLVED, that the proper city officials are authorized to accept a grant of SAFETEA-LU funds from the state of Minnesota department of transportation in the amount of \$634,466, to be deposited in the Permanent Improvement Fund 411, Project 0677TR, for use in conjunction with the same project.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution authorizes the city to enter into an agreement with the Duluth airport authority for the paving of the so-called Airport Perimeter Road and to accept Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU") funds through Mn/DOT to pay for those costs not covered through the agreement with the DAA.

The Airport Perimeter Road runs around the west end of Runway 09 at the Duluth International Airport, approximately from the Cirrus building (old NWA Maintenance Base hanger) to the Lavaque Road north of the airport. The aggregate base of the road was built in Phase 1 of the Airport Perimeter Road project and will be paved under this agreement.

The Minnesota Air National Guard (MnANG) who is a primary user of that roadway has secured SAFETEA-LU funds to pay for a major part of the cost of the project and they are funding the remaining cost from other sources. But the SAFETEA-LU funds must come to the city through Mn/DOT because of program restrictions. The MnANG funds are going to the DAA under a military cooperative construction agreement (MCCA) and the DAA has hired RS&H to provide design and construction engineering services. They will not, however, have access to the SAFETEA-LU money.

Therefore city staff and DAA staff have determined that the best way to handle the situation is to enter into an agreement whereby the MnANG funds would substantially pass through the DAA to the city which would use those funds along with the SAFETEA-LU funds to contract for the construction of the project. The DAA would keep enough of the MnANG funds to pay for the project engineering services and the city would be entitled to retain \$15,862 to reimburse it for acting as the fiscal agent for the construction of the project. In the end the net cost to both the city and the DAA will be zero and the city will be compensated for the cost of administering the construction contract.