

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0288R

RESOLUTION AUTHORIZING APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY AND TO ENTER INTO A LOAN/GRANT AGREEMENT FOR THE WEST DULUTH RESERVOIR RECONSTRUCTION.

CITY PROPOSAL:

RESOLVED, that studies have shown that the West Duluth reservoir roof is in extremely poor condition and requires total roof removal and replacement and floor reconstruction.

The estimated cost for reconstruction at the West Duluth reservoir is \$5,000,000. The public facilities authority (PFA) may have grant and loan monies available from the American Recovery and Reinvestment Act (President Obama's stimulus package) to finance the city's share of the project costs.

To receive this money, the city must submit required information and enter into a loan/grant agreement with the Minnesota public facilities authority.

The proper city officials are hereby authorized to submit an application and to enter into a loan/grant agreement with the Minnesota public facilities authority for funding of the West Duluth reservoir reconstruction as described in the application.

FURTHER RESOLVED, that the city of Duluth has the legal authority to apply for the money, and the financial, technical and managerial capacity to ensure proper construction, operation and maintenance of the project for its design life.

FURTHER RESOLVED, that the city of Duluth estimates the loan/grant amount to be \$5,000,000 or the as-bid costs of the project.

FURTHER RESOLVED, that the city hereby expresses its official intent to use proceeds of this loan to reimburse engineering and construction expenditures made

prior to the issuance of its general obligation bond to the public facilities authority.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ENG MJG:jh 4/24/2009

STATEMENT OF PURPOSE: This resolution will authorize submission of an application and a loan/grant agreement with the Minnesota public facilities authority for the West Duluth reservoir reconstruction. The city's matching funds will be payable from the Water Bond Fund 0511, Department/Agency 500, Object 5532, City Project No. 0514WA.