

FINANCE COMMITTEE

09-0432R

RESOLUTION ACCEPTING A STATE BONDING GRANT IN THE AMOUNT OF \$4,900,000 AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT WITH THE STATE OF MINNESOTA ALL RELATED TO THE FIRST PHASE OF THE NEW AIRPORT TERMINAL PROJECT AT THE DULUTH INTERNATIONAL AIRPORT.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to accept a state bonding grant from the state of Minnesota in the amount of \$4,900,000, said funds to be deposited into Fund 411 - permanent improvement fund and transferred to Fund 590 - Duluth airport authority, and to execute a grant agreement with the state of Minnesota and all other documents related thereto, said agreement substantially in the form of that on file in the office of the city clerk as Public Document No. _____, related to the first phase of the new airport terminal project at the Duluth International Airport.

FURTHER RESOLVED, that the proper city officials are hereby authorized to enter into a memorandum of understanding, substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with the Duluth airport authority (the "authority") pursuant to which the city

will reimburse the authority for the work being done under the first phase of the new airport terminal project.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ATTY JMC:blj 6/25/2009

STATEMENT OF PURPOSE: This resolution accepts a state bonding grant in the amount of \$4,900,000 and authorizes the execution of the grant agreement with the State related to Phase I of the new airport terminal project. It also authorizes a memorandum of understanding with the airport authority. The authority will be entering into agreements for the work to be performed under Phase I, and the city will reimburse the authority for those eligible costs. Phase I consists of relocation/construction of the terminal entrance road, access road lighting, site work, installation of utilities for the new terminal, site drainage, underground storm water retention, and Phase II design services. Construction will begin this summer and will be completed in the first quarter of 2010. The total cost of Phase I is approximately \$10.3 million. In addition to the state bonding monies, funding sources include the FAA (\$5,329,578), Mn/DOT aeronautics (\$97,850) and the Duluth airport authority (\$61,338). The total project cost for the new terminal is estimated at \$65 million. Construction of the second phase is scheduled to commence in the second quarter of 2010 and the new terminal is scheduled to be completed in the fourth quarter of 2011.