

PUBLIC WORKS AND UTILITIES COMMITTEE

10-0404R

RESOLUTION AUTHORIZING JOINT APPLICATION WITH THE DULUTH SEAWAY PORT AUTHORITY TO THE U.S. DEPARTMENT OF TRANSPORTATION FOR A TIGER II GRANT IN THE AMOUNT OF \$19,700,000 FOR PORT AND ROAD IMPROVEMENTS, AND COMMITTING CITY MATCHING FUNDS.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to apply jointly with the Duluth Seaway Port authority to the U.S. department of transportation for a surface transportation discretionary ("TIGER II") grant in the estimated amount of \$19,700,000 to fund capital improvement and development of docks C and D and improved port access, and to develop a new warehouse to be owned and managed by the port authority, and also to fund road improvements at First Street and Piedmont Avenue (City Project No. 0758TR).

FURTHER RESOLVED, the city hereby pledges to fund the local matching share of the proposed improvement to the First Street and Piedmont Avenue intersection, total cost of which is estimated to be \$500,000, and which local matching share is estimated to be \$100,000, from municipal state aid funds.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ENG CJV:jh 7/22/2010

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the city to join with the Duluth Seaway Port authority in applying to the U.S. Department of transportation for a surface transportation discretionary grant, known as a "TIGER II grant," to make improvements to the port authority facilities, including city streets serving the Port Terminal.

The project will include capital improvements to docks C and D, improved access on Port Terminal property, and construction of a new warehouse which will be owned and operated by the port authority. In addition, the application will include approximately \$500,000 in improvements to the First Street and Piedmont Avenue intersection. The total estimated cost of the entire project is \$24,625,000. Of this amount the grant would be in the amount of \$19,700,000; the remaining 20% would be the local share. Of this amount the port authority would provide \$4,825,000 and the city would provide \$100,000.

The benefits of this project are the improvement of general cargo capacity at the port and improvement of truck mobility and efficiency with the flattening of a vertical curve at Piedmont Avenue and First Street. The increased capacity will provide the opportunity for an increase in regional economic activity and will help prevent oversize and overweight loads from traveling on local roads not designated as haul routes.