

RESOLUTION NO. 4783

**A RESOLUTION AUTHORIZING EXECUTION OF A MAINTENANCE
AGREEMENT FOR 3RD STREET IN EXCHANGE FOR LOCAL
MATCHING FUNDS FOR THE MINNIE STREET UPGRADE PROJECT**

WHEREAS, the Alaska Department of Transportation & Public Facilities (“DOT&PF”) has offered to pay the City’s local match contribution for the Minnie Street Upgrade Project in exchange for assuming maintenance responsibilities for 3rd Street from the Old Steese Highway to Hamilton Avenue; and

WHEREAS, the City currently maintains Minnie Street, and the DOT&PF currently maintains 3rd Street; and

WHEREAS, the DOT&PF has been tasked by the legislature to contract out road maintenance activities with private entities and local governments where possible to save the State money and resources; and

WHEREAS, the Minnie Street Upgrade Project is currently estimated at \$14,874,600 and is federally funded with a City required local match contribution of \$857,259; and

WHEREAS, the Project will reconstruct Minnie Street from Illinois Street to the Old Steese Highway intersection, including replacement of the bridge over Noyes Slough; and

WHEREAS, assuming maintenance responsibilities for 3rd Street is estimated to cost the City up to \$40,000 per year; and

WHEREAS, the City and DOT&PF believe this exchange is a win-win for both parties.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor is authorized to execute any and all documents required for executing a match and maintenance agreement on behalf of the City for 3rd Street and the Minnie Street Upgrade Project.

PASSED and APPROVED this ____ Day of March 2017.

Jim Matherly, City Mayor

AYES: Therrien, Norum, Rogers
NAYS: Pruhs, Huntington, Cleworth, Matherly
ABSENT: None
FAILED: March 20, 2017

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4783

Abbreviated Title: MAINTENACE AGREEMENT FOR 3RD ST IN EXCHANGE FOR MINNIE ST MATCH

Department(s): ENGINEERING

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes X No

2) additional support or maintenance costs? Yes X No

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes No X

If yes, how many positions?

If yes, type of positions? (F - Full Time, P - Part Time, T - Temporary)

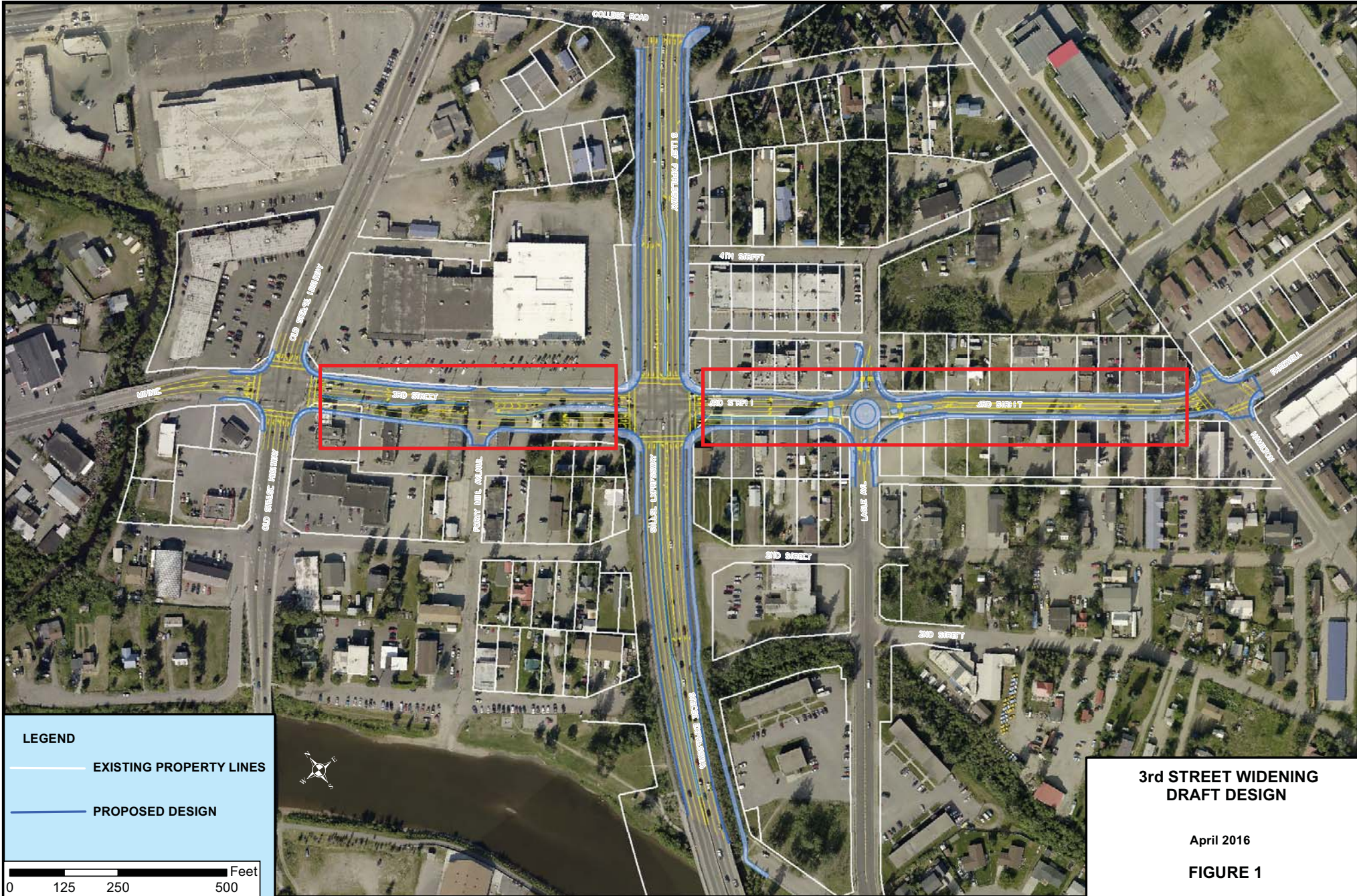
II. FINANCIAL DETAIL:

PROJECTS:	2017	2018	2019-2038	Total
Third St Maintenance	\$20,000	\$40,000	\$797,259	\$857,259
				\$0
				\$0
				\$0
				\$0
				\$0
TOTAL	\$20,000	\$40,000	\$797,259	\$857,259

FUNDING SOURCE:	2017	2018	2019-2038	Total
General Fund increase to Public Works Annual Budget	\$20,000	\$40,000	\$797,259	\$857,259
				\$0
				\$0
TOTAL	\$20,000	\$40,000	\$797,259	\$857,259

The City anticipates increased maintenance costs associated with this project of \$40,000 per year. This cost will be in perpetuity. The City will receive \$857,259 in match for the Minnie Street Upgrade project from the DOT in return for taking over maintenance on Third St. This match savings will cover the maintenance payments for 21.43 years. The City will then be responsible for those maintenance costs after year 2038.

Reviewed by Finance Department: Initial cp Date 3/14/2017





THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Transportation and
Public Facilities

NORTHERN REGION
Director's Office

2301 PEGER ROAD
FAIRBANKS, ALASKA 99709-5316
Main: 907-451-2210
TDD: 907-451-2363
Fax: 907-451-2333
www.dot.state.ak.us

March 8, 2017

Mayor Jim Matherly
City Hall
800 Cushman Street
Fairbanks, Alaska, 99701

Mayor Matherly,

The Department of Transportation and Public Facilities (DOT&PF) has been tasked through legislative intent language in the 2017 Operating Budget to “*contract with private entities, municipalities or organized boroughs when the State will save money and resources for general road maintenance including snow removal, street sweeping, temporary pot-hole repair, minor signage and road marker maintenance, and other minor road maintenance as needed.*” The DOT&PF Northern Region has identified 3rd Street maintenance and operations as a win for both parties meeting this intent language.

The current FMATS Transportation Improvement Plan (TIP) estimate for the Minnie Street project is \$14,424,000.00 for all phases of the project and includes the Minnie Street Planning and Environmental Linkage Study. Due to the functional class of Minnie Street, the City of Fairbanks is required to provide 50% of the local match at a rate of 9.03%. Based on the current estimate, the City of Fairbanks will be responsible for approximately \$720,000.00 plus contingencies.

The State of Alaska will provide the local match requirement for the City of Fairbanks Minnie Street Project through a local match agreement if the City of Fairbanks commits to accepting management and maintenance responsibilities for 3rd Street from Minnie Street to the Farewell / Hamilton Intersection. In its current condition, the annual estimated cost to manage and maintain 3rd Street is \$32,000.00.

Once the City of Fairbanks provides an updated estimate for the Minnie Street project, the DOT&PF will execute a local match agreement and maintenance agreement for Minnie Street.

“*Keep Alaska Moving through service and infrastructure.*”

The Department and FMATS would like to start the Minnie Street project as soon as possible. We ask for your response to this proposal by March 17, 2017 if possible.

As you are aware, the State of Alaska is faced with fiscal challenges and the DOT&PF is working hard to identify efficiencies. At the same time, we recognize the challenges faced by local governments and work hard to avoid additional burdens or costs. The DOT&PF has always worked efficiently and effectively with the City of Fairbanks through our combined maintenance efforts across the City of Fairbanks and looks forward to continuing this practice. Please let me know if you have questions or concerns at 451-2210.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Anderson", with a long horizontal flourish extending to the right.

Ryan F. Anderson, P.E.
Regional Director

Phase	FFY	ESTIMATED PHASE NEEDS (TOTAL \$)	COF 4.52% MATCH REQUIRED	COF MATCH CONTINGENCY REQUIRED**	COF Match Subtotal by Phase	ADOT&PF 4.52% MATCH REQUIRED	TOTAL MATCH CONTRIBUTED
9	2017	\$600,000	\$27,090	\$13,545	\$40,635	\$27,090	\$67,725
2	2019	\$974,600	\$44,003	\$22,002	\$66,005	\$44,003	\$110,008
2	2020	\$1,300,000	\$58,695	\$29,348	\$88,043	\$58,695	\$146,738
3	2021	\$1,500,000	\$67,725	\$33,863	\$101,588	\$67,725	\$169,313
7	2021	\$1,000,000	\$45,150	\$22,575	\$67,725	\$45,150	\$112,875
4	2022	\$9,500,000	\$428,925	\$64,339	\$493,264	\$428,925	\$922,189
Total		\$14,874,600	\$671,588	\$100,738	\$857,259	\$671,588	\$1,528,847

** 50% Contingency required for Phase 2-Design, Phase 3-ROW, Phase 7-Utilities, & Phase 9-Survey/Planning.
15% Contingency required for Phase 4-Construction.