



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Jason Anderson
Meeting Date:	Tuesday, March 14, 2023
Category:	AWARD OF BIDS
Type:	ACTION
Subject:	Project ST-009: W Lyon St. / N 3rd St. Reconstruction Project – 1) Consider Resolution Declaring the Official Intent of the City of Marshall, Minnesota to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Bonds or Other Obligations to be Issued by the City; 2) Consider Resolution Accepting Bid (Award Contract).
Background Information:	<p>This project consists of: reconstruction and utility replacement on West Lyon Street from East College Drive to North 5th Street and North 3rd Street from West Main Street to West Redwood Street. All utilities will be replaced, including watermain, sanitary sewer, and storm sewer on West Lyon and North 3rd Streets. Other items of work included in this project are pavement removal, aggregate base, concrete surfacing, sidewalks, curb and gutter, streetscaping, and other minor work. Also included with this project will include reconstruction of the Addison Parking Lot adjacent to West Lyon Street and East College Drive. Reconstruction of the parking lot will include pavement removal, grading, aggregate base, and concrete surfacing.</p> <p>Bids were received on March 9, 2023, for the above-referenced project. Three bids were received as shown on the attached resolution awarding contract. The apparent low bid was received from R&G Construction Co. of Marshall, Minnesota, in the amount of \$3,845,497.31. The engineer’s estimate for this project was \$3,598,863.46.</p>
Fiscal Impact:	<p>The above-referenced project, or a portion thereof, may be financed by the sale of bonds with repayment coming from assessments and Debt Service Fund Levy. It is required that action be authorized by City Council via the attached “Resolution Declaring the Official Intent of the City of Marshall, Minnesota to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Bonds or Other Obligations to be Issued by the City”. This resolution was received by Baker Tilly US, LLP and amounts input per the Finance Department.</p> <p>The estimated total project cost including 5% allowance for contingencies and 16% for engineering and administrative costs is \$4,683,815.72.</p> <p>Attached is the “Resolution Accepting Bid” awarding the contract to R&G Construction Co. of Marshall, Minnesota, in the amount of \$3,845,497.31.</p> <p>All improvements will be assessed according to the current Special Assessment Policy, including but not limited to participation from Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility Fund and Ad Valorem participation.</p> <p>The financing and cost participation will be forthcoming and addressed at the time of the Resolution Declaring Cost to be Assessed.</p>
Alternative/ Variations:	No alternative actions recommended.

Recommendations:	<p>Recommendation No. 1 that the Council adopt RESOLUTION NUMBER 23-XXX, which provides for Resolution Declaring the Official Intent of the City of Marshall, Minnesota to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Bonds or Other Obligations to be Issued by the City for Project ST-009: W Lyon St. / N 3rd St. Reconstruction Project.</p> <p>Recommendation No. 2 that the Council adopt RESOLUTION NUMBER 23-XXX, which is the “Resolution Accepting Bid (Award Contract)” for Project ST-009: W Lyon St. / N 3rd St. Reconstruction Project to R&G Construction Co. of Marshall, Minnesota, in the amount of \$3,845,497.31.</p>
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RESOLUTION NUMBER 23-_____

DECLARING THE OFFICIAL INTENT OF THE CITY OF MARSHALL, MINNESOTA TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT BONDS OR OTHER OBLIGATIONS TO BE ISSUED BY THE CITY

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the "Reimbursement Regulations") providing that proceeds of tax-exempt obligations used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the City of Marshall, Minnesota (the "City") expects to incur certain expenditures that may be financed temporarily from sources other than tax-exempt bonds and other obligations, and reimbursed from the proceeds of tax-exempt obligations; and

WHEREAS, the City has determined to make this declaration of official intent (the "Declaration") to reimburse certain costs from proceeds of tax-exempt bonds or other obligations in accordance with the Reimbursement Regulations; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARSHALL, MINNESOTA AS FOLLOWS:

1. The City proposes to construct Project ST-009: W Lyon St. / N 3rd St. Reconstruction Project (collectively, the "Project"). This project consists of: reconstruction and utility replacement on West Lyon Street from East College Drive to North 5th Street and North 3rd Street from West Main Street to West Redwood Street. All utilities will be replaced, including watermain, sanitary sewer, and storm sewer on West Lyon and North 3rd Streets. Other items of work included in this project are pavement removal, aggregate base, concrete surfacing, sidewalks, curb and gutter, streetscaping, and other minor work. Also included with this project will include reconstruction of the Addison Parking Lot adjacent to West Lyon Street and East College Drive. Reconstruction of the parking lot will include pavement removal, grading, aggregate base, and concrete surfacing.

2. The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of tax-exempt bonds or other obligations in an estimated maximum principal amount of \$ \$2,550,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds or other obligations, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

3. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of tax-exempt bonds or other obligations, except for the following expenditures: (a) costs of issuance of bonds or other obligations; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue of bonds or other obligations; or (c) "preliminary expenditures" up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, soil testing, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

4. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the tax-exempt bonds or other obligations described in paragraph 2 are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of tax-exempt bonds or other obligations to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City's budget or financial policies to pay such Project expenditures.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Passed and adopted by the Council this 14th day of March, 2023.

Robert J. Byrnes, Mayor

ATTEST:

Steven Anderson, City Clerk

RESOLUTION NUMBER 23-_____

RESOLUTION ACCEPTING BID (AWARD CONTRACT)

WHEREAS, pursuant to an advertisement for bids for Project ST-009: W Lyon St. / N 3rd St. Reconstruction Project, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement for bids:

Bidder	Amount
R&G Construction Co. Marshall, MN	\$3,845,497.31
Duininck, Inc. Prinsburg, MN	\$5,055,364.05
Hulstein Excavating, Inc. Pipestone, MN	\$5,157,287.39

AND WHEREAS, it appears that R&G Construction Co. of Marshall, Minnesota, is the lowest responsible bidder.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MARSHALL, MINNESOTA:

1. The Mayor and City Clerk are hereby authorized and directed to enter into an agreement with R&G Construction Co. of Marshall, Minnesota, in the amount of \$3,845,497.31, according to the plans and specifications on file in the Office of the City Clerk.

Passed and adopted by the Council this 14th day of March, 2023.

Mayor

ATTEST:

City Clerk

This Instrument Drafted by:
Jason R. Anderson, P.E.; Director of Public Works/City Engineer