

**TO:** Mayor and Council  
**FROM:** Kate Thunstrom, City Administrator  
**SUBJECT:** Hwy 47 Reconstruction - City Infrastructure  
**DATE:** December 2, 2024

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**OVERVIEW:**

The States portion of the Hwy 47 Infrastructure includes the pavement and intersections and can be defined as the ground up portion of the project. However, the city is fully responsible for the underground improvements that are related to our water and sewer infrastructure.

These improvement requirements include the design by Haakenson and the full cost of the work to be completed.

To address the high infrastructure costs, Staff requested federal appropriations that were moved forward by Senators Smith and Klobuchar, however in the end, we were not granted an allocation. The city had requested \$4.5 million to aid in the infrastructure needs with a city required match of \$1.5 million.

As we continue to work on the large funding gap needed for the underground infrastructure, staff reached out to Government Affairs agency Lockridge Grindal Nauen. Their services would allow us to pursue infrastructure funds directly from the State Legislator and support our efforts with Federal representatives. Services include direct work with legislative funding, committee meetings and Bills to manage a city appropriation request. Work on these initiatives should begin as soon as possible as the legislative session begins on January 14, 2025. The services by LGN go throughout the year as work with the legislature is not limited to the session.

If we are unsuccessful in obtaining the funds to cover the \$6+ million in infrastructure, the repayment of debts will fall directly on water/sewer rate users. This is an effort to continue to keep costs manageable, both in the short- and long-term future, related to our resident fees.

\$200,000 general fund reserves committed to Hwy 47 project

-\$144,757 for pre-design and environmental (JPA being structured with AC/MNDOT)

- \$40,000 for Government Affairs – infrastructure allocation requests

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= \$15,243 remaining balance set aside for Hwy 47

Overall LGN services may also be a future value in the ongoing conversations around PFAS and chlorides that also have potential to be a heavy impact on our city facilities as well as potential needs for other departments that are facing impacts due to regulation changes, such as Fire.

Agreement has been reviewed by Legal

**ACTION TO BE CONSIDERED:**

Staff recommends Council review and approve the Legislative Services Agreement with Lockridge Grindle Nauen

Attachments:

- Legislative Services Agreement