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MEMORANDUM

TO: Silver Lake Mayor and City Council

FROM: John Rodeberg, PE (MN), City Engineer
Jordan Van Oort, PE (MN), Project Engineer
David Krueger, Funding and Community Development Specialist

RE: USDA Rural Development (RD) Project Update
SEH No. SILAK 152875 14.00

ENVIRONMENTAL REVIEW (ER)

3D Rendering of Auditorium

The link below is to a snippet of the 3D Rendering developed by SEH and submitted to RD and SHPO (State Historic Preservation Office) earlier this week. As previously discussed, RD and SHPO required this additional effort to see how the proposed improvements would visually affect the historically eligible Silver Lake Auditorium. It shows how the proposed improvements match the overall look of the auditorium while “hiding” the new structures behind the building.

City staff also found a form prepared for the National Register of Historic Places from 2002 giving a narrative description of the Auditorium. This will be used as part of the project submittals as well.

<https://vimeo.com/676400153/1860e8c1b2>

SHPO Structure Inventory Documentation

Duluth Archaeology is completing additional documentation required by SHPO related to structures over 45 years old that have been identified as potentially affected by the proposed improvements. Their review included in the originally submitted ER document indicated no identified negative impacts beyond the potential visual impacts to the Auditorium, which has been addressed as part of the previous report and the new 3D Rendering, however SHPO has required this additional step. This work is expected to be completed and submitted by the end of next week.

PRELIMINARY ENGINEERING REPORT (PER)

Bonding

The Bonding Bill for the project has been introduced/posted and our lobbyists are actively engaged in providing support. The request is for up to \$15M to cover half of the potential \$30M project cost. This doesn't mean the City is obligated to complete the entire \$30M worth of improvements, but it maximizes the potential funding. The Silver Lake project appears to be a high priority for Rep. Gruenhagen, and it stands a very good chance of moving forward. There are a substantial number of requests for funding, so continued support from the City and SEH's staff will be important. It is expected that the final resolution of funding will not be known until May.

RD Support

Terry Louwagie of USDA-Rural Development has again indicated that they were reviewing funding for the Silver Lake project beyond the bonding, and it ranks very high on the sanitary sewer priority list, although

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lower on the water priority list (as expected). He expects there to be funding available for the project within the next budget cycle

RD Engineer Jim Hammer has responded on another review of the PER, after an extended period due to staff and resource limitations. We have been told that no further requests for revisions are expected to be requested once these items have been addressed, outside of a review of soft costs and cost splits. Jordan is completing the responses and will resubmit soon. The cost issues will then be addressed.

NEXT STEPS / SCHEDULE

The PER and ER are expected to be accepted within the next couple of months, and final funding projections and alternatives addressed by about May. At that time the City will meet with RD and the City's financial agent to verify the proposed project scope/staging and develop the agreements for the improvements to proceed.

Design services for the first phase of the work would be expected to begin in the summer or fall of 2022, with construction of Phase 1 Improvements expected to require 2 construction seasons, starting in late 2023 or the spring of 2024. As we have discussed, PER and ER reviews are taking significantly longer than projected due to increased project demands and limited RD staff resources, which is expected to also be the situation with Plan Review services.

We will continue to monitor and update the schedule.

Please let us know if you have any questions or comments. Thanks!

c: Diane Pedersen, City Clerk