Council Agenda Item 26-0665R

MEETING DATE: July 27, 2026

SUBJECT/TITLE: RESOLUTION AWARDING A CONTRACT FOR THE LAKEWALK AND COASTAL IMPROVEMENT PROJECT TO RACHEL CONTRACTING, LLC IN THE AMOUNT OF $9,884,980.33

SUBMITTED BY: Duncan Schwensohn, Public Works and Utilities, Engineering Division

RECOMMENDATION: Approve

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A

PREVIOUS COUNCIL ACTION: Resolution 23-0162R, passed on February 27, 2023 – Authorized application to the U.S. Department of Transportation (USDOT) for up to $8,200,000 for a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant for resilient rehabilitation of the Lakewalk.

Resolution 23-0787R, passed on October 16, 2023 – Authorized application to the MN Department of Transportation (MNDOT) for up to $2,052,524 from the Infrastructure Investment and Jobs Act (IIJA) Match Program for resilient rehabilitation of the Lakewalk.

Resolution 24-0376R, passed on May 13, 2024 – Authorized an agreement with LHB, Inc. for professional design and construction services for the Lakewalk project for a total amount not to exceed $1,119,149.00.

Resolution 24-0666R, passed on August 26, 2024 – Authorized an agreement with EPC Engineering & Testing for professional geotechnical and material testing services for the Lakewalk project in an amount not to exceed $99,234.00.

Resolution 25-0414R, passed on May 27, 2025 – Authorized amendments to the Lakewalk Trail license agreements (City contracts 24947 and 20442) and an escrow agreement with the St. Louis and Lake Counties Regional Railroad Authority for the improvement and relocation of the railroad crossings of the Lakewalk near Veterans Memorial Park and 28th Avenue East respectively. These crossing improvements are components of the Lakewalk Project.

Resolution 26-0193R, passed on March 23, 2026 – Authorized a 10-year limited use permit (LUP) with MNDOT for the construction, maintenance, and operation of portions of the Lakewalk Trail lying within MNDOT's right-of-way of Trunk Highway 35, subject to a renewal term up to ten additional years, at no cost to the City. The property described within this LUP will be improved through the Lakewalk Project.

BACKGROUND: This resolution authorizes City officials to enter a contract for the Lakewalk and Coastal Improvements Project with Rachel Contracting, Inc. in the amount of $9,884,980.33.

The City of Duluth has been awarded a grant from the U.S. Department of Transportation for $8,196,234 from the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program to support the Lakewalk and Coastal Improvement Project. The RAISE grant program requires a minimum non-federal matching contribution of twenty percent. The Infrastructure Investment and Jobs Act (IIJA) Match Program was created to help local government recipients of federal transportation grants fulfill the requirement of non-federal matching funds to support project implementation. The IIJA Match Program will meet the twenty percent match of the total project cost, up to $2,049,752. The two grants will support the Lakewalk and Coastal Improvement Project up to $10,245,986. Project costs exceeding the maximum grant awards will need to be covered by the City of Duluth.

The Lakewalk and Coastal Improvement Project will include resilient reconstruction of the Lakewalk between Endion Station and approximately 27th Avenue East. The project includes shoreline restoration, trail safety and accessibility improvements, and improved wayfinding and connectivity between downtown Duluth and the Lakewalk. The Lakewalk is the most popular public green space in Duluth, serving both residents and visitors, and provides a critical alternative transportation corridor connecting Canal Park, downtown, and eastern Duluth. The trail and shoreline also provide necessary protection of downtown infrastructure that includes a railroad, the I-35 corridor, and utility infrastructure. Storm damage along the project area has been extensive and this project has been designed to reduce vulnerabilities while improving safety and accessibility. Shoreline restoration work will include retreating the trail where possible, consolidating social trails to provide fewer but improved access points that will reduce erosion, and shoreline revetment and revegetation. The project will also improve sightlines, address congestion at key locations, construct a bypass trail along the railroad at Leif Erikson Park to meet accessibility standards, and improve turning radius at two locations. Altogether, this project will address existing challenges, improve the user experience, and better protect the Lakewalk and downtown Duluth from Lake Superior wave action.

BUDGET/FISCAL IMPACT: The project is supported by the federal RAISE grant, the state IIJA Match Program grant, and budgeted capital funds.

OPTIONS: Approve or delay capital improvements.

NECESSARY ACTION: Approve to award the project to the lowest responsive bidder.

ATTACHMENTS: Bid summary table, location map.