



**Date of City Council Meeting:** September 17, 2013

**To:** Mayor and City Council  
City Administrator

**From:** Joseph L. Stapf, P.E., Public Works Director/City Engineer

**Subject:** TIGER Trail Project  
SP 149-010-009; Northfield Modal Integration Project

**Action Requested:** The City Council is being requested to approve the following:

1. Resolution No. 2013-113 which approves the attached Budget Amendment which reflects the current cost estimate, the recent additional funding commitment from the Minnesota Department of Transportation, and reauthorizes advertisement for bids
2. Resolution No. 2013-014 which approves the settlement with the Mr. and Mrs. Roman Kopp for the trail easement across their property

**Summary Report:**

**Bid Authorization**

As previously authorized by City Council, the TIGER Trail Project was advertised and the bid opening was scheduled for August 14, 2013. As reported at that time, NO bids were received. Todd County up near Alexandria had a similar experience with a box culvert project bid about that same time. Contractors indicated that the late spring startup this past year caused them to be backed up, and consequently many were unwilling to take on additional work at that time. Another contributing factor was as is now generally customary, the project was advertised on an electronic construction project advertising site that is not apparently as widely used as the One Office system employed by MnDOT. Northfield also uses the One Office site for our state aid road projects. It is our expectation to advertise on BOTH sites this second time around.

Another circumstance that caused some of the contractors to shy away from this project was the late spring 2014 completion date. Another spring like that just past would be very problematic. With everyone backed up with work right now because of the late spring start, and the fact that a great amount of construction work was out on the street, Contractors became very choosy. Re-bidding our project as indicated will necessarily move the completion date back to the fall of next year, and essentially resolve that issue

After numerous discussions with Fausto Cabral, District 6 State Aid Engineer for the Minnesota Department of Transportation (MnDOT), and David Scott of the Federal Highway Administration (FHWA), among others, I was advised the City of Northfield should plan on re-bidding the TIGER Trail

Project in late September for a late October bid opening, and an award of contract in November. Therein lies one purpose for this report.

**Budget Amendment**

In combination with the reauthorization for bids, the attached Budget Amendment for the project reflects the summary of costs and funding included in the Financial Impacts section of this report, provides an additional \$273,616.72, which is summarized below:

**Easement Acquisition Settlement with Mr. & Mrs. Roman Kopp**

This matter is explained in detail in the attached memorandum from Robert Scott of Flaherty and Hood. Also attached is a copy of the so-called Stipulated Agreement, which came out of the easement acquisition process, including the condemnation proceedings through Rice County District Court.

Essentially, our appraiser determined the value of the easement and damages to be \$8,850. As provided in what is generally referred to as the Uniform Act for Easement and Right-of-Way Acquisition which we are obligated to follow, the property owner is allowed to obtain a second appraisal of the land in question. Mr. & Mrs. Kopp chose to do so, and their appraiser determined the value to be \$20,000. Rather than debate the validity or accuracy of that appraisal, we offered to settle at \$14,000, and the Kopp's have tentatively accepted, pending City Council approval.

I am hereby recommending and requesting approval of both Resolutions, Nos. 2013-113 and 2013-114.

**Alternative Options:** As with most of our issues there is always the do nothing option, which would be to effectively abandon the project.

**Financial Impacts:**

Council will recall that as this project was being finalized for bidding the project estimate had risen to a point of exceeding the funds originally allocated. After some additional review with the FHWA and MnDOT, MnDOT indicated it would make available an amount of up to \$596,452.52. This would require of the City of Northfield an additional 20% match, or \$119,290.50. If the project still exceeded that overall amount, Northfield would be expected to fund that additional amount. The report presented to the City Council this past June included estimated costs as shown in the table immediately below. The second table (immediately following) reflects the project estimated costs including the proposed settlement with the Kopp's.

(June, 2013 estimate)

TOTAL CONSTRUCTION COSTS	\$1,918,537.37
DESIGN ENGINEERING COSTS	\$195,000.00
RIGHT OF WAY COSTS	\$55,455.00
UNION PACIFIC RAILROAD INSPECTION AGREEMENT	\$41,000.00
ANTICIPATED CONSTRUCTION ENGINEERING COSTS	\$125,000.00
<b><u>TOTAL PROJECT COSTS</u></b>	<b><u>\$2,334,992.37</u></b>

September, 2013					
<b>1</b>	<b>Project cost estimate, September 11, 2013 inc. Kopp's settlement, but w/o contingency</b>				<b>\$2,340,142.37</b>
2					
3	Initial Grant Award from FHWA			\$1,066,000.00	
4	Initial Northfield Funding Commitment			<u>\$ 500,000.00</u>	
5	Less Available Funds				<u>\$1,566,000.00</u>
<b>6</b>	<b>Initial Shortfall as identified June, 2013</b>				<b>\$ 774,142.37</b>
7					
8	Additional MnDOT Funding			\$ 596,452.52	
9	Required Local 20% Match to gain additional MnDOT Funds			<u>\$ 119,290.50</u>	
10	Subtotal of potential additional funding via MnDOT			\$ 715,743.02	
11	Remaining Local Funding required to make up shortfall			<u>\$ 58,399.35</u>	
<b>12</b>	<b>Total potential additional project funding</b>			<b>\$ 774,142.37</b>	
13					
14	5% Contingency for Construction Cost of \$1,918,537			\$ 95,926.87	
<b>15</b>	<b>Total Additional Northfield Funding required (Line 9 + Line 11 +Line 14)</b>				<b>\$ 273,616.72</b>

As stated above, the proposed payment to the Kopp's is accommodated in the revised proposed project budget. In addition, the revised project budget as presented here provides for a contingency amount of \$95,926.87, or 5% of the estimated construction contract amount of \$1,918,537.37.

#### **Timelines:**

Advertising for bids in late September will allow a late October bid opening. It is my expectation we would bring the bids and a recommendation for award to the City Council at its November 19, 2013 meeting. Award of contract by the city Council at that time will enable the Contractor to proceed with ordering up shop drawings, procuring materials, and startup of actual construction this coming spring, which we believe will be more favorable for attracting bidders.

#### **Attachments:**

1. Resolution 2013-113 approving project Budget Amendment
2. Project Budget Amendment
3. Resolution 2013-114 approving settlement with the Kopp's
4. Memorandum from Robert Scott of Flaherty & Hood

CITY OF NORTHFIELD, MN  
CITY COUNCIL RESOLUTION 2013-113  
BUDGET AMENDMENT FOR THE TIGER TRAIL PROJECT  
AND AUTHORIZATION FOR BIDS

WHEREAS, in December of 2011, the City of Northfield was awarded a grant through the Federal Highway Administration's Transportation Improvements Generating Economic Recovery (TIGER) program, in the amount of \$1,060,000; and,

WHEREAS, the City of Northfield as part of the application for this grant had committed to the proposed project another \$500,000 in local funds bringing the total project budget to \$1,560,000; and

WHEREAS, as the project design was completed, the cost estimate for construction increased by a substantial amount due to complications with crossing three different railroad facilities, and working along Minnesota Department of Transportation right of way; and

WHEREAS, the Minnesota Department of Transportation (MnDOT) has reallocated some additional surplus funds from other projects, thereby substantially reducing the TIGER Trail project funding shortfall; and

WHEREAS, this additional MnDOT funding requires some additional contribution by the City of Northfield, which is reflected in the attached Budget Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT the attached Budget Amendment is approved.

BE IT FURTHER RESOLVED BY THE MAYOR AND CITY COUNCIL THAT the city staff is hereby authorized to advertise the project for bids.

PASSED by the City Council of the City of Northfield on this 17th day of September 2013.

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:    \_\_\_ GRAHAM    \_\_\_ DELONG    \_\_\_ LUDESCHER    \_\_\_ NAKASIAN  
         \_\_\_ PETERSON WHITE    \_\_\_ POWNELL    \_\_\_ ZWEIFEL

CITY OF NORTHFIELD, MN

Proposed Amendment  
2013 Budget

	Adopted	Change	Amended
<b>General Fund</b>			
Expenditures by Major Function:			
Transfers Out	-	273,617	273,617
Total Expenditures	<u>-</u>	<u>273,617</u>	<u>273,617</u>
Revenues less			
Expenditures	<u>(152,397)</u>	<u>(273,617)</u>	<u>(426,014)</u>
Appropriated Fund Balance	<u>152,397</u>	<u>273,617</u>	<u>426,014</u>
Budget Balance	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Tiger Grant Cap Proj Fund</b>			
Revenues -			
Intergovernmental Revenue		-	-
Transfer In	-	273,617	273,617
Total Revenues	<u>-</u>	<u>273,617</u>	<u>273,617</u>
Expenditures -			
Transfer Out	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF NORTHFIELD, MN  
CITY COUNCIL RESOLUTION 2013-114  
APPROVING AN EASEMENT ACQUISITION SETTLEMENT  
WITH MR. & MRS. ROMAN KOPP FOR THE TIGER TRAIL PROJECT

WHEREAS, in December of 2011, the City of Northfield was awarded a grant through the Federal Highway Administration's Transportation Improvements Generating Economic Recovery (TIGER) program, in the amount of \$1,060,000; and,

WHEREAS, the acquisition of certain easements and rights of way were necessary to successfully construct this project; and

WHEREAS, at its meeting of December 11, 2012, the Northfield City Council adopted Resolution 2012-131 authorizing Flaherty & Hood to proceed with the Eminent Domain process as necessary to secure the easements and right of way for the project; and

WHEREAS, a proposed stipulated settlement with Mr. & Mrs. Roman Kopp has been negotiated, as summarized in the attached report from Robert Scott of Flaherty & Hood; and

WHEREAS, this negotiated settlement calls for a payment to the Kopp's in the amount of \$14,000.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT the negotiated settlement and payment to the Kopp's in the amount of \$14,000 is hereby approved.

BE IT FURTHER RESOLVED BY THE MAYOR AND CITY COUNCIL THAT the Mayor and City Clerk are hereby authorized to execute any documents associated with this settlement.

PASSED by the City Council of the City of Northfield on this 17th day of September 2013.

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

VOTE:    \_\_\_ GRAHAM    \_\_\_ DELONG    \_\_\_ LUDESCHER    \_\_\_ NAKASIAN  
         \_\_\_ PETERSON WHITE    \_\_\_ POWNELL    \_\_\_ ZWEIFEL