



ITEM REPORT CITY COUNCIL

Agenda Date: 6/16/2026
Agenda Section: Consent Agenda

Department Origination: Public Works

Agenda Item: Approve the Widseth Contract Amendment No. 1 for the 2027 Fairview Road/Forest Drive Extension to Excelsior Road Project in the Not to Exceed Amount of \$80,500

Approval Required: Simple Majority Vote

BACKGROUND

Widseth is currently under contract for design engineering services with the City of Baxter related to the 2027 Fairview Road/Forest Drive Extension to Excelsior Road Project. This amendment supplements the original Proposal by adding right-of-way acquisition and relocation services through a subconsultant.

Widseth proposes to retain the services of SRF Consulting Group, Inc. to provide right-of-way acquisition and relocation services. SRF has specialized staff with extensive experience in assisting public agencies with property acquisition and business relocation as it relates to MnDOT requirements, the Uniform Relocation and Real Property Acquisition Polices Act and Minnesota Statute 117.52.

A summary of the additional property acquisition and relocation services is as follows:

- SRF will provide professional right-of-way acquisition and relocation services for the project. Items included in the proposed Scope of Services are as follows:
- Project management and coordination with City staff and WIDSETH
- Bi-weekly project status updates
- Preparation of title reports and field title reports for affected parcels
- Owner notifications and acquisition coordination
- Coordination of appraisals and appraisal reviews
- Preparation of offer packages and acquisition documentation
- Presentation of offers and negotiation assistance
- Mortgage consent coordination, if required
- Preparation and maintenance of acquisition files and contact logs
- Relocation assistance services in accordance with applicable federal and state requirements
- Preparation of required relocation notices and supporting documentation
- Coordination of relocation benefits and claims documentation
- Preparation of complete acquisition and relocation files for project closeout

As part of this amendment, property acquisition services originally included within WIDSETH's original contract will be removed from the scope of work. The value of the removed services is \$20,500. SRF will perform services described above for the Not to Exceed Amount of \$101,000.00. After applying the \$20,500 reduction to the original contract scope, this amendment results in a net contract increase of \$80,500. Accordingly, the total contract amount will increase from \$130,500 to \$211,000.

FINANCIAL IMPLICATIONS

With this amendment, the total current engineering fee will be increased to \$211,000. The table below shows the prior budget, current expenditures and project final costs. The prior budget amount of \$1,604,030 is what was estimated in May of 2025. Projected final project costs are estimated at \$1,873,355. The City should be aware of the following two items when reviewing and comparing the prior project budget and projected costs:

1. The project budget prepared in May of 2025 did not include \$43,600 of construction costs and \$142,670 of engineering costs being carried by the City from the 2017 Excelsior Road and Edgewood Drive Improvements Project for the future extension of Fairview Road. The City will need to decide if these costs should be included in this project or written off. Without these costs, the projected final project cost would be \$1,707,585.
2. Projected costs vary depending on the final alignment of the roadway connection. The alignment affects both construction and property acquisition costs.

EXPENSE ITEM	PROJECT BUDGET	CURRENT EXPENDITURES	PROJECTED FINAL PROJECT COSTS
CONSTRUCTION	\$955,230.00		\$942,355.00
PRIOR CONSTRUCTION		\$43,600.00	\$43,600.00
PRIOR ENGINEERING		\$142,670.00	\$142,670.00
CURRENT ENGINEERING			
WIDSETH (DESIGN AND BIDDING)		\$17,585.00	\$110,000.00
SRF (PROPERTY ACQUISITION)	\$210,150.00		\$101,000.00
CONSTRUCTION SERVICES			\$95,000.00
LEGAL, FINANCE, ADMIN AND OTHER COSTS:	\$28,650.00		\$28,270.00
PROPERTY ACQUISITION AND RELOCATION	\$410,000.00		\$410,000.00
PERMITS			\$460.00
TOTALS	\$1,604,030.00	\$203,855.00	\$1,873,355.00

The City intends to use State Aid funds and possibly assessments to fund the project. Right-of-way acquisition costs are eligible for reimbursement with Minnesota State Aid funds when they are incurred as part of an approved State Aid project and are necessary to acquire the property interests required for construction. Eligible costs generally include property acquisition, easements, appraisals, acquisition and negotiation services, relocation assistance, and other documented right-of-way expenses directly related to the project. Minnesota State Aid rules specifically provide for reimbursement of approved right-of-way claims and establish procedures for payment once acquisition activities are completed and final costs are documented. As a result, local agencies may use Municipal State Aid Street (MSAS) to reimburse eligible right-of-way acquisition costs, including consultant services associated with the acquisition process, provided all State Aid requirements and applicable acquisition procedures are followed.

STAFF RECOMMENDATIONS

Utilities Commission and Staff recommend approval of the Widseth contract Amendment No. 1 in the amount of \$80,500.00 for specialty property acquisition and relocation services.

The Utilities Commission recommendation was for the Not to Exceed Amount of \$101,000 for the fee amendment. Public Works Director/City Engineer Walter informed the Commission at the meeting that the budget information will need to be updated prior to the council meeting which is how the \$20,500 reduction was found/included in the fee amendment.

COUNCIL ACTION REQUESTED

MOTION to Approve of the Widseth Contract Amendment No. 1 for the 2027 Fairview Road/Forest Drive Extension to Excelsior Road Project in the Not to Exceed Amount of \$80,500.00.