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May 26, 2026

RE: Proposal for Professional Services
Preliminary Engineering Report
1st Avenue SE/CSAH 60 Turnback

Matt Rynda
Public Works Director
City of New Prague
118 Central Avenue N
New Prague, MN 56071-1534

Dear Matt:

First Avenue SE located between 15th Street SE (CSAH 29) and Main Street E (TH19) is currently under the jurisdiction of Le Sueur County as a County State Aid Highway (CSAH) route. Le Sueur County and the City of New Prague have been discussing the possibility of transferring ownership of this roadway to the City as it primarily functions as urban route serving the residents of New Prague. This would be completed as a turnback through MnDOT State Aid. As a turnback, the City would be able to add this additional mile of street as a CSAH turnback which does not count against the City's municipal state aid mileage but does allow the City to collect benefits for its maintenance.

The pavement condition on 1st Avenue SE varies along the corridor. The north half of the street was fully reconstructed in 2004 as part of City-led street and utility improvement project with some additional improvements completed in 2021 as part of the Main Street project. The remaining south half of the street was fully constructed as part of county led projects in 1986 and 1998. There have been no significant pavement rehabilitations of the street since their original construction. As part of the turnback process, it is expected that the street be improved to an acceptable condition. This includes pavement surfacing, curb and gutter, storm sewer, sidewalk, and other miscellaneous improvements.

ANTICIPATED SCOPE OF SERVICES:

To better understand the improvements required for 1st Avenue SE, SEH has prepared this proposal to determine the repairs needed and put them into a report. This report will be the basis of a Memorandum of Understanding (MOU) that will outline funding responsibilities between the City of New Prague and Le Sueur County and eventually integrated with a Turnback Agreement. Based on previous meetings with Le Sueur County, the cost of this report is expected to be shared between the City and County on a 50/50 basis. This is a similar arrangement to the most recent turnback agreement with Scott County in 2019 for the former CSAH 37.

The current proposal will include preliminary designs, preliminary cost estimates, field investigations, data collection, and the preliminary MOU. It should be noted that it does not meet the conditions of a Feasibility Study as needed for an assessment to residents. Though an assessment to adjacent property owners is expected, the cost for completing that component would not be shared with Le Sueur County. It is expected that a Feasibility Report would be a future phase after the conditions of a turnback are known. Though significant improvements on this street may occur in 2027, it is also possible that it will not include

Engineers | Architects | Planners | Scientists

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the length of 1st Avenue SE. There may be multiple Feasibility Reports required if the improvements are phased over multiple years.

PROPOSED FEES:

We propose to provide the services outlined above for an Hourly, Not-to-Exceed fee as summarized below and on the attached detailed task hour budget. Task 1.0: Preliminary Engineering Study: **\$20,900**

SCHEDULE AND FUTURE STEPS:

The anticipated schedule is illustrated below and can be adjusted to meet the needs or desires of the city council and staff:

Preliminary Engineering Study

- Council Approves Proposal* June 1, 2026
- Informational Letters sent out to the Residents One week after approval
- Field Investigations Early June 2026
- Investigations / Preliminary designs End of June 2026
- Conduct Neighborhood Meeting July 2026 (date TBD)
- Draft Report to City Staff for Review July 16, 2026
- Draft Report to County for Review July 23, 2026
- Finalize Report and Present to Council August 3, 2026
- Draft MOU August 2026

Future Phases (Contingent Upon Memorandum of Understanding Agreement)

- Feasibility Report for Phase 1 Improvements September 2026
- Preliminary Turnback Agreement December 2026
- Final Design of Phase 1 Improvements October 2026 to January 2027
- Bidding of Phase 1 Improvements February 2027
- Construction of Phase 1 Improvements May 2027 to September 2027
- Turnback of Street with MnDOT (Process) March 2027
- Turnback of Street to City Complete January 2028

Please contact me with any questions or comments concerning this proposal/agreement.

Sincerely,



SHORT ELLIOTT HENDRICKSON INC.

Chris Knutson, PE
Project Manager/City Engineer
(Lic. MN)

cdk

Attachments

1. Task Hour Budget
2. Supplemental Letter Agreement



1ST AVENUE SE TURNBACK - PRELIMINARY ENGINEERING
New Prague, Minnesota
May 26, 2026

DETAILED TASK HOUR BUDGET / COST ANALYSIS

	Knutson Prj Mgr PE	Istvanovich Lead RPR	Maeder Lead RPR	Admin Tech	Totals
Task 1.0 - Preliminary Engineering Study					
Information Gathering /Project Scoping / Project Initiation /Project Management / QC	16			2	18
Prepare/Mail resident information letter to neighborhood (All Areas)				2	2
Field Data Collection - Pavement Condition, Sidewalk and Curb Review	4	4	8		16
Preliminary Street Section Exhibits for Report		3			3
Utility and as-built information gathering		1			1
Sewer and Water Main Extension Layout, Preliminary Design	1	2			3
Review Drainage Structures - Assist and Tabulate information from Public Works	1		6		7
Sidewalk/Trail Extension Review	1				1
Coordinate and Review soil borings and geotechnical recommendations (borings by others)	2				2
Determine and Review Funding Splits with Le Sueur County and City of New Prague	4				4
Prepare detailed feasibility study level estimates / probable construction costs / Funding Review	4	4		2	10
Draft / Review / Revise Feasibility Study / Exhibits, etc.	20			4	24
Prepare for and Review draft report with City and County staff	2				2
Prepare final draft of Study	4			2	6
Prepare for and Present Report to City Council	4				4
Prepare Preliminary Memorandum of Understanding for Cost Share with Le Sueur County	2				2
Subtotal Hours this Task	65	14	14	12	105
Total Fee for this Task	\$20,900				

Summary of Proposed Fees:

Preliminary Engineering Study: \$20,900

Exhibit A-1

Payments to Consultant for Services and Expenses Using the Hourly Basis Option

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Hourly Basis Option

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

B. Expenses

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services but instead are reimbursable expenses required in addition to hourly charges for services and shall be paid for as described in this Agreement:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

C. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.