



REQUEST FOR ACTION

Budget Amendment - Rochester Public Utilities - Relocation of RPU Duct Bank for LinkBRT Project

MEETING DATE:

April 20, 2026

ORIGINATING DEPT:

Rochester Public Utilities

AGENDA SECTION:

Consent Agenda

PRESENTER:

**Tim McCollough/Todd
Blomstrom**

Action Requested:

Adopting a Resolution approving a 2026 budget amendment in the amount of \$1,233,000 to construct a new segment of electrical duct bank south of 2nd Street SW between 12th Avenue SW and 14th Avenue SW to eliminate conflicts with the Link Bus Rapid Transit (LinkBRT) construction project.

Report Narrative:

In 1983, Rochester Public Utilities (RPU) constructed the Cascade Creek duct bank project to provide a dedicated electrical feeder from the Cascade Creek Substation to St. Mary's Hospital and the downtown Rochester area. A portion of this feeder is located along the south side of 2nd Street SW between 12th Avenue SW and 14th Avenue SW, within property owned by St. Mary's Hospital of Rochester. A records search with Olmsted County did not identify a recorded easement for the portion of the duct bank located within the St. Mary's Hospital property.

Construction is currently underway for the LinkBRT project along 2nd Street SW. After bidding the project, the design consultant identified a grade conflict between the existing RPU feeder duct bank and an underground pedestrian tunnel associated with LinkBRT.

The LinkBRT project is funded through a combination of federal, state, and local sources. Project funding includes a Federal Transit Administration (FTA) Small Starts grant, Minnesota Department of Transportation (MnDOT) funding, and local matching funds that include Destination Medical Center (DMC) General State Infrastructure Aid and State and County Transit Aid.

Although the duct bank has been in place for over 40 years and may potentially have some degree of prescriptive rights associated with its long-term presence on private property, the absence of a recorded easement or other documented property interest means the facility may not clearly possess a compensable property right in its current location. Under federal transportation utility relocation guidelines, reimbursement eligibility generally depends on the utility having a property interest that would be considered compensable in an eminent domain action. In the absence of such documentation, there is a material risk that relocation costs may be deemed ineligible for federal participation.

Accordingly, RPU staff is seeking a budget amendment to fund the reconstruction of the affected segment of the Cascade Creek feeder duct bank located on St Mary's property south of 2nd Street SW between 12th Avenue SW and 14th Avenue SW. The relocation requires construction of a new duct bank and installation of new electrical cables prior to removal of the existing facilities in order to maintain continuous electrical service to the hospital and the downtown Rochester area.

This financial budget amendment requests City Council approval to add funds to the RPU 2026 Electric Utility budget to cover the cost of acquiring the necessary easement and constructing the new duct bank and feeder cables. The estimated cost to acquire the easement, install the new duct bank, and provide the cables and materials is \$1,233,000.

Priorities & Foundational Principles:

Transformational Capital Projects

Policy Considerations & DEI Impact:

The proposed budget amendment and corresponding project would support the transformative capital project to complete the LinkBRT project along 2nd Street SW.

Prior Legislative Actions & Community Engagement:

The Rochester Public Utilities Board approved a resolution authorizing the above described 2026 budget amendment in the amount of \$1,233,000 to construct a new segment of electrical duct bank south of 2nd Street SW at its Board meeting on March 31, 2026.

Fiscal & Resource Impact:

Approval of this recommended budget amendment will result in an increase to the 2026 RPU Electric budget in the amount of \$1,233,000. The duct bank structure would be constructed under a corresponding City Council consent agenda item to approve a construction contract change order. RPU internal crew resources and equipment will be utilized to install and terminate cables in the new duct bank.

Alternative Action(s):

No alternative actions are suggested at this time.

Prepared By:

Todd Blomstrom

Attachments:

[Cover Page](#)

[Exhibit - 20260331 - RPU Resolution - Budget Amendment Duct Bank](#)

[Resolution - 2026 RPU Budget Amendment - LinkBRT](#)