



DATE: July 24, 2023

TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator

FROM: David Swearingen, P.E. Public Works Director / City Engineer

SUBJECT: 2024 PMP – Accept Feasibility Report & Order Improvement Public Hearing

Budgeted Amount: \$2,775,000	Actual Amount: \$3,001,100 (Feasibility Estimate)	Funding Source: PIR, Surface Water, Sanitary, Water, Special Assessments
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Council Should Consider

Motions to approve, table, or deny the following:

- Adopting Resolution 2023-038 Receiving the Feasibility Report and Ordering the Public Hearing to be held on August 14, 2023, for the 2024 Pavement Management Program (PMP) Street and Utilities Improvements project.

All items need a simple majority for action unless otherwise noted.

Background/Discussion

On March 13, 2023, the City Council adopted Resolution 2023-011 ordering the preparation of a feasibility report for the 2024 PMP Street and Utilities Improvements project. The proposed improvements include bituminous paving, stormwater improvements, watermain improvements, sanitary sewer improvements, concrete curb and gutter repair, and trail improvements on and surrounding areas of:

Streets proposed for reclamation:

- Keithson Drive from County State Aid Highway (CSAH) 96 West to 800 feet south of CSAH 96 West
- Royal Hills Drive from Snelling Avenue North to Arden View Drive
- Colleen Avenue from McClung Drive to Hamline Avenue North
- Norma Avenue from Dawn Circle to Briarknoll Drive
- Norma Avenue from Briarknoll Drive to Colleen Avenue
- James Avenue from Indian Oaks Trail to Colleen Avenue

Streets proposed for Mill & Overlay:

- Briarknoll Circle
- Briarknoll Drive from Snelling Avenue North to Norma Avenue
- Royal Lane from Norma Avenue to Floral Drive West
- McClung Drive from Snelling Avenue North to Colleen Avenue
- Colleen Circle
- Arden Vista Court

In accordance with Council direction, a feasibility report has been prepared that details the existing infrastructure elements, the proposed improvements recommended, neighborhood impacts, estimated costs and financing for the proposed project. A copy of the Feasibility Report is attached (Attachment A).

At the June 20, 2023 Work Session, City Council were presented and reviewed the preliminary findings of the feasibility study. The final version of the feasibility report is substantially the same, but includes notable increases in repairs related to stormwater improvements. Arden Hills Public Works had completed camera inspection of the existing storm sewer infrastructure and identified multiple areas under the roadway that require repairs including CIPP lining, pipe replacement, structure replacements, rings and casting replacement. These areas are called out within Appendix A of the Feasibility Report. Due to these issues being under the roadway, staff has determined they are essential repairs to include with the 2024 PMP. Therefore, the budget for stormwater improvements must be increased significantly over what was presented during the CIP item at the July work session.

Also to note, additional project scope related to the trail improvements, the retaining wall repairs and wetland delineation has been included in the overall estimated cost within Table 2 of the Feasibility Report, please refer to Page 9. To include this scope in the final design, Bolton & Menk will be submitting an amendment to the Professional Services Agreement at a future Council meeting for an estimated cost of \$23,000.

Attached is Resolution 2023-038 which receives the feasibility report and orders the public hearing be held on August 14, 2023. City Staff recommends adoption of the Resolution in order to have this project proceed to a public hearing. If adopted, staff would mail notices to each property owner in the proposed assessment area stating the time of the hearing, the general nature of the improvements, the estimated project cost, the proposed assessment area, and an estimate of the assessment amount.

Budget Impact

Proposed project funding sources are a combination of the City’s Permanent Improvement Revolving (PIR) fund, utility funds, and special assessments for street improvements summarized in the following tables:

Table 2 – Estimated Total Project Costs				
Proposed Improvements	Reclamation Areas	Mill & Overlay Areas	Trails & Ponds	Total Project Costs
Streets	\$973,600	\$497,500	-	\$1,471,100
Storm Sewer	\$358,100	\$477,200	-	\$835,300
Sanitary Sewer	\$120,200	\$47,100	-	\$167,300
Watermain	\$202,500	\$17,100	-	\$219,600
Trails & Ponds	-	-	\$307,800	\$307,800
Total Project Costs	\$1,654,400	\$1,038,900	\$307,800	\$3,001,100

Table 3 – Estimated Funding Breakdown		Original
Funding Source	Project Total Cost	Projections
PIR Fund	\$900,700	\$ 1,000,000
Assessments	\$735,500	\$ 1,000,000
Utility Fund – Sanitary Sewer	\$167,300	\$ 175,000
Utility Fund – Water	\$219,600	\$ 200,000
Utility Fund – Surface Water Management	\$978,000	\$ 400,000
Total	\$3,001,100	\$ 2,775,000

The total estimated cost of the recommended improvements is \$3,001,100. The 2024 CIP budget should be adjusted to reflect the estimated values and there is a significant impact to the Surface Water Management Fund which will cause the fund to go negative in 2024. The fund should be positive in 2025, as there is not a PMP project scheduled for that year.

A portion of this project is proposed to be assessed to the benefiting property owners and the remainder through other funding sources. In accordance with the City’s Assessment policy, the preliminary assessment for the recommended improvement is calculated as:

Reclamation Areas:

50% Estimated Street Project Costs = \$486,800

Residential Equivalent Units = 86

Assessment Rate = **\$5,660**

Mill & Overlay Areas

50% Estimated Street Project Costs = \$248,750

Residential Equivalent Units = 69

Assessment Rate = **\$3,605**

As the project is designed and competitively bid, the calculated assessment amount will be updated leading up to the adoption of the assessment roll. The project funding is further described on pages 10 through 12 of the Feasibility Report.

City staff has had initial discussions with Ramsey County for potential cost share related to the stormwater pond dredging activities at the pond located off of Hamline Avenue which is a County road.

City staff has also had discussions with Rice Creek Watershed District (RCWD) staff for potential project elements that could be eligible with the RCWD Stormwater Management Grant Program. Applications for the program are typically due mid-December of each year and project awards are typically 2 months after.

Attachments

Attachment A: Feasibility Report

Attachment B: Resolution 2023-038