

CONSENT ITEM – 8I



DATE: February 9, 2026

TO: Honorable Mayor and City Councilmembers
Jessica Jagoe, City Administrator

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

SUBJECT: 2026 PMP Street & Utility Improvements, Arden Manor Park Hardcourt Improvements, Arden Oaks Park ADA Improvements – Resolution Approving Plans & Specifications and Order Advertisement for Bids

Budgeted Amount:
\$3,300,000 (2026 PMP)
\$200,000 (AMP Hardcourt)
\$67,500 (AOP ADA)

Actual Amount:
TBD after bidding

Funding Source:
PIR, Utility Funds,
Special Assessments, RCWD Grant

Council Should Consider

Motions to approve, table, or deny the following:

- Adopting Resolution 2026-006 Approving Plans and Specifications and Ordering Advertisement for Bids for the 2026 PMP Street & Utility Improvements project, Arden Manor Park Hardcourt Improvement Project, and Arden Oaks Park ADA Improvement Project.

Background/Discussion

On July 28, 2025, City Council held an Improvement Public Hearing and adopted Resolution 2025-052 Ordering Improvement and Preparation of Plans and Specifications for the 2026 PMP Street & Utility Improvements Project.

The proposed improvements include bituminous paving, storm water improvements, watermain improvements, concrete curb and gutter repair, trail improvements and appurtenant work on the following streets:

Streets proposed for Full-Depth Reclamation:

- Karth Lake Drive from the west cul-de-sac to Pleasant Drive
- Pleasant Drive from Amble Drive to the north cul-de-sac
- Pleasant Circle from the west cul-de-sac to Lexington Avenue (CSAH 51)
- Amble Drive from Karth Lake Drive to Lexington Avenue
- Amble Circle from Amble Drive to the north cul-de-sac
- Cummings Park Drive from the west cul-de-sac to Lexington Avenue

Full-Depth Reclamation consists of grinding the entire existing pavement section, shaping the generated aggregate material to raise the center crown to improve pavement drainage and repaving the roadway with 4-inches of bituminous pavement.

Streets proposed for Mill & Overlay:

- Karth Lake Circle from Hamline Avenue (CSAH 50) to the south cul-de-sac

Mill & Overlay consists of grinding and removing the top 2.5-inches of existing pavement and repaving the roadway with 2.5-inches of bituminous pavement.

On January 12, 2026, the City Council amended the PSA agreement with Bolton & Menk to include the Arden Manor Park Hardcourt Improvements and the Arden Oaks Park ADA Improvements to the bid package with the 2026 PMP Street & Utility Improvements Project.

The project plans and specifications are prepared, and the project is ready for solicitation of construction bids. Adoption of Resolution 2026-006 will approve the plans and specification and order advertisement for bids for the 2026 PMP Street & Utility Improvements project, Arden Manor Park Hardcourt Improvement Project and Arden Oaks Park ADA Improvement Project. Bids would be received on March 4, 2026 and presented to the City Council on March 9, 2026 with an appropriate resolution to proceed to an assessment hearing for the 2026 PMP Street & Utility Improvements project before awarding the construction contract. This schedule will allow for contract award on April 13, 2026 with construction starting this summer. Staff recommends adoption of Resolution 2026-006 as provided in Attachment A.

The final plan set and specifications consists of 751 pages. Full copies of these documents are on file and available upon request to the City Clerk or by downloading from the project webpage: <https://www.cityofardenhills.org/1236/2026-PMP-Street-and-Utility-Improvements>. Selected plan sheets illustrating the project improvements are provided in Attachment B.

Budget Impact

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

Funding Source Budget	2026 PMP	AMP Hardcourt	AOP ADA	Total Funds
PIR	\$ 1,170,000	\$ 200,000	\$ 67,500	\$ 1,437,500
Assessments	\$ 930,000	\$ -	\$ -	\$ 930,000
Water Utility	\$ 500,000	\$ -	\$ -	\$ 500,000
Sanitary Sewer Utility	\$ 200,000	\$ -	\$ -	\$ 200,000
Surface Water Utility	\$ 500,000	\$ -	\$ -	\$ 500,000
RCWD Grants	\$ 166,000	\$ -	\$ -	\$ 166,000
Total Project Costs	\$ 3,466,000	\$ 200,000	\$ 67,500	\$ 3,733,500

The amounts listed above are budgets based on the current opinion of probable construction costs. Final total expenses and funding amounts will be revised and presented to the City Council upon receipt of construction bids.

The potential RCWD Grants in the amount of \$110,000 will be determined by the RCWD Board on February 11, 2026.

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:

Residential Reclamation Areas:

50% Estimated Street Project Costs = \$614,500

Residential Equivalent Units = 105

Assessment Rate = \$5,850

Residential Mill & Overlay Areas

50% Estimated Street Project Costs = \$81,500

Residential Equivalent Units = 21

Assessment Rate = \$3,880

Industrial Reclamation Areas

70% Estimated Street Project Costs = \$280,000

Residential Equivalent Units = 334 (assumes 3 REU's per Acre)

Calculated Assessment Rate = \$840 per REU

To ensure the calculations resulting from the application of the City's assessment policy are in line with an appraiser's opinion of benefit to the properties in each improvement/zoning category, the City enlisted the services of Nagell Appraisal & Consulting to conduct a general benefit appraisal on the properties throughout each unique project area. The general benefit appraisals are included in Appendix D of the Feasibility Report.

The general benefit appraisals resulted in a range of benefit values for each improvement/zoning category, as indicated below:

Residential Mill & Overlay Areas

Single-Family Residential Non-Lakefront Lot Benefit Appraisal Assessment Rate = \$3,000 to \$4,000 per REU

Single-Family Residential Lakefront Lot Benefit Appraisal Assessment Rate = \$4,000 to \$5,000 per REU

Residential Reclamation Areas

Single-Family Residential Non-Lakefront Lot Benefit Appraisal Assessment Rate = \$8,000 to \$10,000 per REU

Single-Family Residential Lakefront Lot Benefit Appraisal Assessment Rate = \$9,000 to \$11,000 per REU

Industrial Reclamation Areas

Office/Industrial Benefit Appraisal Assessment Rate (up to 5 Acres) = \$0.15 to \$0.25 per SF

Office/Industrial Benefit Appraisal Assessment Rate (exceeding 5 Acres) = \$0.02 to \$0.05 per SF

Since the assessment rates calculated based on the City's assessment policy fell within or below the assessment rate range for each improvement/zoning category, it is proposed to maintain the assessment rates calculated based on the City's assessment policy for the project, or as directed by the City Council.

As the project is designed and competitively bid, the calculated assessment amount will be updated leading up to the adoption of the assessment roll.

Attachments

Attachment A: Resolution 2026-006

Attachment B: Project Plan Sheets