

Assessment Hearing

2022 Arden Oaks Street Improvements

Council Meeting
April 25, 2022

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Overview

- Project Location
- Bid Tabulation
- Project Costs
- Project Funding
- Assessment Map
- Assessment Rates
- Next Steps



Project Location

Arden Oaks Neighborhood



Bid Tabulation and Engineer's Estimate

Bids Received: Wednesday, March 9, 3:00PM

Contractor	Total Base Bid
Astech Corporation	\$520,377.70
T.A. Schifsky & Sons	\$522,711.61
Park Construction	\$526,500.62
Valley Paving	\$537,970.10
Bituminous Roadways	\$547,442.92
NW Asphalt	\$559,392.91
MN Paving & Materials	\$578,652.75
North Valley, Inc.	\$614,885.02
Meyer Contracting, Inc.	\$679,762.75
Engineer's Estimate	\$538,607.50



Project Costs

Construction Cost + 27% (of Construction Costs) in Indirect Costs

Project Cost	
Cost Category	Approximate Costs
Street Improvements	\$ 367,517.20
Indirect Costs for Street Improvements (27%)*	\$ 99,229.64
Total Costs for Street Improvements	\$ 466,746.84
Storm Sewer Improvements	\$ 132,815.50
Indirect Costs for Storm Sewer Improvements (27%)*	\$ 35,860.19
Total Costs for Storm Sewer Improvements	\$ 168,675.69
Sanitary Sewer Improvements	\$ 16,030.00
Indirect Costs for Sanitary Sewer Improvements (27%)*	\$ 4,328.10
Total Cost for Sanitary Sewer Improvements	\$ 20,358.10
Water Improvements	\$ 4,015.00
Indirect Costs for Water Improvements (27%)*	\$ 1,084.05
Total Cost for Water Improvements	\$ 5,099.05
Total Improvement Cost	\$ 520,377.70
Total Indirect Costs for City (27%)*	\$ 140,501.98
Total Project Cost	\$ 660,879.68

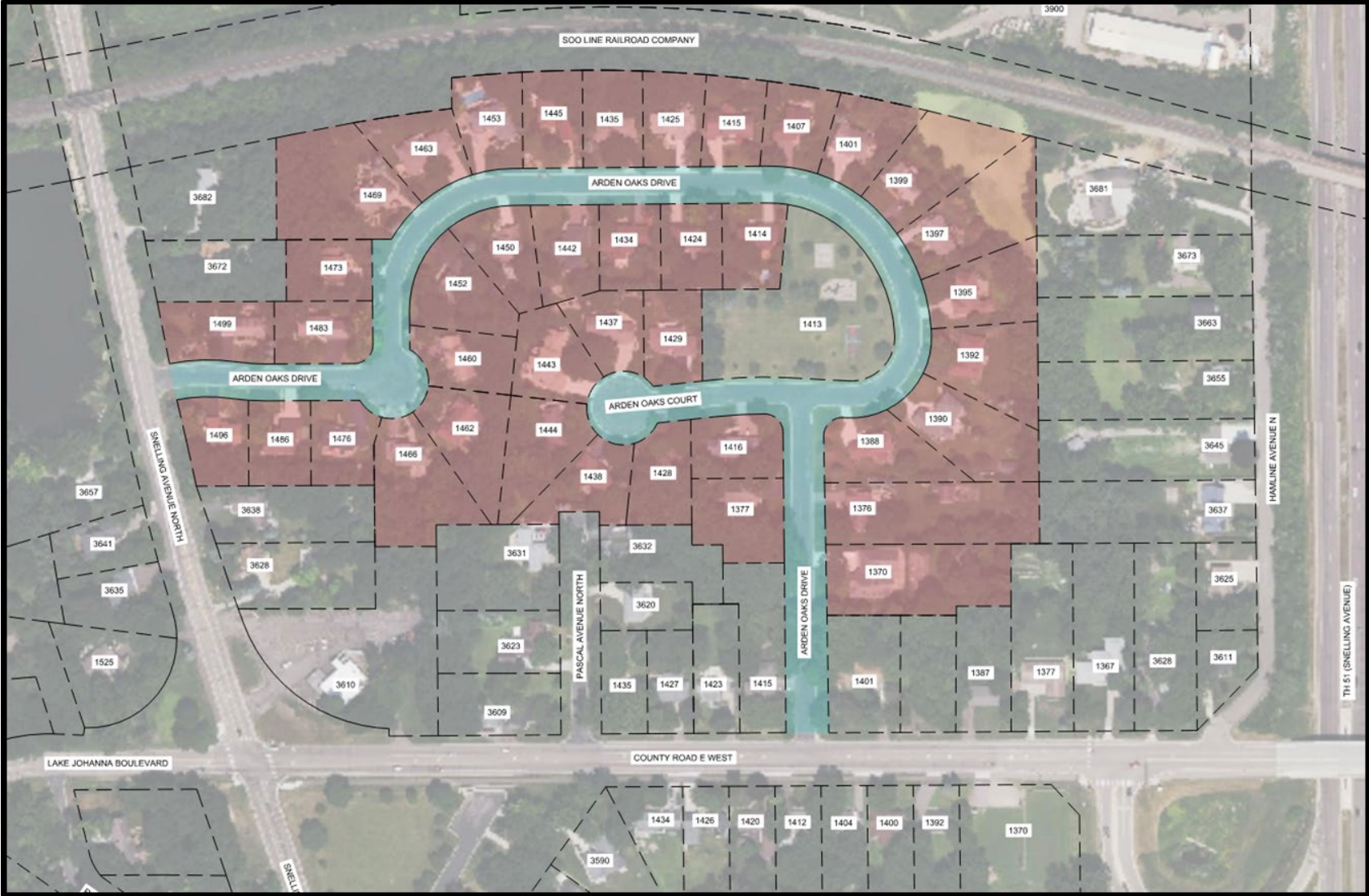


Project Funding

Project Funding	Amount
Pavement Improvement Revolving Fund	\$233,373.42
Assessment (50%)	\$233,373.42
Utility Fund – Storm Sewer	\$ 168,675.69
Utility Fund – Sanitary Sewer Fund	\$ 20,358.10
Utility Fund – Water Fund	\$ 5,099.05
Total Project Funding	\$660,879.68



Assessment Map





Assessment Rates

50% of the Street Improvement costs Assessable

Total Street Cost = \$466,746.84

Assessment Calculation	
Total Project Cost w/ 27% Overhead	\$ 660,879.68
Assessable Amount (Total Street Cost)	\$ 466,746.84
Assessment (50% of Assessable Amount)	\$ 233,373.42
Single Family Dwelling Units	40 Units
Unit Assessment (Assessable amount/ 40 Units)	\$ 5,834.34

- Feasibility Report Assessment Rate \$6,560 /Unit



Assessment Payment

Option 1 – Prior to November 15, 2022

- A property owner may at any time prior to certification of the assessment to the county auditor on November 15, 2022, pay the entire assessment on such property to the City of Arden Hills, with interest accrued to the date of payment.
- No interest shall be charged if the entire assessment is paid within 30 days from the adoption of this assessment (30 days from tonight, April 25, 2022).

Option 2 – After November 15, 2022

- The assessment is proposed to be payable in equal annual installments extending over a period of 10 years, the first of the installments to be payable with property taxes in 2023.
- Balance will bear interest at a rate set by the City Council. The City's assessment policy states that the interest rate used for the assessment shall be designated at the prime rate plus two (2) percentage points. Our current assumed bond interest rate is 2.90% and the prime rate is 3.50%. Staff would recommend following the City's assessment policy and setting the **assessment rate at 5.50%**.
- After November 15, 2022, a property owner may pay the total outstanding balance of the assessment against their property with accrued interest at any time during the life of the project assessment period to Ramsey County.

Next Steps

- Assessment Hearing and Award April 25, 2022
 - Assessment Hearing
 - Award Construction Contract
- Public Engagement – Newsletter and Website
- Begin Construction May 2022
- Substantial Competition October 2022
- Certify Assessments to County November 2022



Questions?

