City Council Item

April 13, 2026

Item	Resolution 2026-XX: Call for the Assessment Hearing for the 2026 City Pavement Rehabilitation Project No. 26-01	
File No.	ENG Project No. 26-01 CIP No. ST-012	**Item No:** D.12
Agenda Section	**CONSENT AGENDA**	
Prepared By	George Bender, Assistant City Engineer	
Reviewed By	Charlie Howley	

SUGGESTED ACTION

"The Chanhassen City Council adopts a resolution calling for the Assessment Hearing for the 2026 City Pavement Rehabilitation Project No. 26-01"

Motion Type	Simple Majority Vote of members present
Strategic Priority	Asset Management

SUMMARY

Call for Assessment Hearing for the 2026 City Pavement Rehabilitation Project No. 26-01 to be held on April 27, 2026. The project has been bid and the next step for the project is for the City Council to host a Public Hearing and subsequently consider awarding the project to a contractor.

BACKGROUND

As part of the overall Pavement Management Program (PMP), the city annually plans to rehabilitate a section or sections of public streets across the city. The Five-year Capital Improvement Plan (CIP) identifies the near-term streets to be rehabilitated. This 2026 project includes approximately 2.2 miles of city streets for rehabilitation.

Key dates and items relative to this project:

- In November 2024, the city created a project page and email subscription list.
- On June 13, 2025, the Engineering Department released a Request for Proposals (RFP) for design and construction services for the 26-01 project.
- On June 20, 2025, the Engineering Department released a Request for Proposals (RFP) for geotechnical services for the 26-01 project.
- On July 14, 2025, the City Council approved a Professional Services Agreement with Houston Engineering, Inc. for design and construction services for the 26-01 project.
- On July 14, 2025, the City Council approved a Professional Services Agreement with Braun Intertec for geotechnical exploration and engineering services in association with the 26-01 design contract.
- On November 10, 2025, the City Council called for a Public Hearing to be held regarding the proposed improvements on November 24, 2025.
- On November 19, 2025, the Engineering Department and Houston Engineering hosted a public Open House meeting at City Hall to discuss the project and respond to questions with the impacted properties. Riley Purgatory Bluff Creek Watershed District staff also attended this meeting and presented on the proposed project within North Lotus Lake Park. Approximately 73 residents attended and 20 comment cards were received.
- On November 24, 2025, the City Council accepted the feasibility study, conducted a Public Hearing related to the proposed improvements, and authorized the preparation of plans and specifications for the 26-01 project.
- On February 17, 2025, the Engineering Department and Houston Engineering hosted a pop-up meeting for the property owners in the Fox Hollow neighborhood to specifically discuss the proposed alignment of the portion of Fox Hollow Dr between Pleasantview Rd and the cul-de-sac near the tennis courts. Approximately 43 residents attended and 6 comment cards were received.
- On March 9, 2026, the City Council accepted the plans and specifications and authorized the advertisement for bids for the 26-01 project.
- On March 31, 2026, Houston Engineering and the Engineering Department hosted a bid opening.
- On April 14, 2026, the Engineering Department has scheduled a second public open house for the project in the training room at City Hall.

Project information is available on the city's website at: https://www.chanhassenmn.gov/government/projects/street-projects/2026-city-pavement-rehabilitation-project

To subscribe to the city's distribution list in order to receive routine project updates via email - interested residents and property owners should visit the following link to sign up: https://www.chanhassenmn.gov/i-want-to/subscribe. As of April 7, 2026, there are 700 email addresses subscribed to receive project updates.

DISCUSSION

The 26-01 project area is shown in the attached 5-year Capital Improvement Plan (CIP) map representing the years 2026 through 2030. The CIP is the planned sequence of pavement rehabilitation projects based on the annual budgeted pavement rehabilitation funding that strives to meet the city's goal of having an average overall condition index (OCI) at or above 70 across the city's local and municipal state-aid (MSA) street pavements. The OCI is currently at an average rating of 76 across all of the city's local and MSA streets indicating the designated goal is currently being met.

Two neighborhood areas are proposed to be rehabilitated with the 26-01 project. The Fox Hollow neighborhood area has approximately 1.3 miles of existing streets being proposed to be rehabilitated while the Vasserman Ridge neighborhood area has approximately 0.9 miles of existing streets being proposed to be rehabilitated.

Houston Engineering was provided the city's asset management and geotechnical information relative to this project to factor into the feasibility analysis to incorporate with the subsequent design. Based on the existing maintenance and rating history, on-site street observations, and the feasibility analysis - the following recommendations in the subsequent paragraphs are being proposed.

The Fox Hollow development was originally constructed in phases between 1985 and 1988 except for Fox Dr. These streets were seal coated in 2006. Fox Dr was originally constructed in 2005 and seal-coated in 2015. Fox Hollow Ct is also within this neighborhood area but it is a private street. Fox Hollow Ct is not proposed to be rehabilitated. The largest infrastructure issue with this neighborhood is lack of drainage, primarily in the street pavement section. This area is scoped to be a reconstruction project except for Fox Dr which is proposed to be a mill and overlay. The Vasserman Ridge development was originally constructed in phases between 2002 and 2004. This area is scoped to be a mill and overlay.

The approved plans and specifications were bid on March 31, 2026. Three responsive bids were received from contractors. The bids ranged from $6,218,794.49 to $6,598,439.25. The Engineer's Estimate for the bid was $7,772,680.00. There weren't any alternates bid with this project. The low contractor for the base bid was GMH Asphalt. GMH Asphalt last performed the City's annual pavement rehabilitation project in 2022. GMH's work associated with the 2022 project was acceptable. GMH is also performing the contractor pothole patching work for Public Works this year. The bid tabulation has been attached.

SCHEDULE

The remaining schedule for the project is as follows:

Task	Date
Conduct Public (Assessment) Hearing and Award Project	April 27, 2026
Begin Construction	Mid-May 2026
Substantial Completion	Early November 2026
Final Completion	June 2027

Final assessment notices were sent out to all assessable properties per the required MS 429 process on April 9, 2026. The final assessment amounts contained within the notices are related to the flat fee amounts associated with each type of pavement rehabilitation per the City's 2026 fee schedule. These amounts are $2,940 for a mill & overlay (M&O), $5,150 for an FDR, and $9,550 for a full

reconstruction.

The proposed assessment amounts for each project area are as follows:

Project Area	Preliminary Assessment Amount	Final Assessment Amount
Vasserman Ridge Area (M&O)	$2,940.00	$2,940.00
Fox Hollow Area (Reconstruction) except Fox Dr (M&O)	$9,550.00 & $2,940	$9,550.00 & $2,940.00 (6 properties along Fox Dr)

BUDGET

This project is included in the 5-year CIP and the budget for 2026. Funding for the project is budgeted to come from the Pavement Management Program (PMP) fund, which includes special assessments to benefiting properties as part of the revenue source. The special assessments are being managed per the City's Assessment Policy. Utility Enterprise funds will be utilized to cover the rehabilitation needs specific to each utility.

The overall 26-01 project budget approved with the 2025-29 Capital Improvement Plan is $8,755,000.

The table below indicates the estimated cost in comparison to the project budget.

Fund	Project Budget	Fox Hollow Area Bid Costs	Vasserman Ridge Area Bid Costs	Total Project Costs (with Engineering)
PMP (Street)	$4,835,000	$3,354,600.25	$498,677.45	$4,335,833
Surface Water	$2,130,000	$758,789.64	$46,971.00	$906,668
Sanitary Sewer	$800,000	$237,724.00	$105,774.00	$386,515
Watermain	$990,000	$1,208,661.15	$7,597.00	$1,368,573
Total	**$8,755,000**	**$5,559,775.04**	**$659,019.45**	**$6,997,589**

The low bid amount has a total of $6,218,794.49. Engineering costs are expected to be $778,794.00 which is 11% of the construction cost which is a reasonable percentage relative to the engineering effort. Based on the bid amount and engineering costs the project is expected to finish under budget by $1,757,411.

The watermain fund is overbudget by approximately $160,000, but the costs have been reduced significantly from the feasibility estimate. As a reminder the existing watermain is being fully replaced with this project in the Fox Hollow area due to the break history.

RECOMMENDATION

Staff recommends the City Council adopt the Resolution to Call for the Assessment Hearing on April 27, 2026, for the 2026 City Pavement Rehabilitation Project No. 26-01.

ATTACHMENTS

Resolution - Call for Assessment Hearing 26-01

Bid Tabulation for 26-01 Project
5-Year CIP Map for Streets (2026-2030)
26-01 CIP Project Budget (ST-012-2026)