City Council Item

October 27, 2025

Item	Resolution 2025-XX: Accept Feasibility Study, Conduct Public Improvement Hearing, and Authorize Preparation of Plans and Specifications for the Market Boulevard Improvement Project	
File No.	ENG Project No. 25-02	**Item No:** G.2
Agenda Section	**PUBLIC HEARINGS**	
Prepared By	Charlie Howley, Director of Public Works/City Engineer	
Reviewed By	Laurie Hokkanen	

SUGGESTED ACTION

"The Chanhassen City Council adopts a resolution accepting the feasibility study, ordering the improvements, and authorizing preparation of plans and specifications for the Market Boulevard Improvement Project."

Motion Type	4/5 Vote
Strategic Priority	Asset Management

SUMMARY

Accept the feasibility study and host a public hearing for the project, known as the 'improvement hearing'. This is a step in the M.S. 429 special assessment process in order to review the findings of the feasibility study and discuss specific aspects of the project. Following the public hearing portion of this agenda item, the City Council needs to make a decision regarding ordering the production of plans and specifications for the project.

Final assessment amounts are not determined as part of this action.

BACKGROUND

- In May 2016, Kimley Horn prepared a Corridor Study for Market Boulevard
- On February 27, 2023, the city hired Kimley Horn as the design consultant for the Market Boulevard Improvement project
- On July 22, 2024, the city council accepted the feasibility study and ordered the improvements based on the preferred layout at the time
- The City Council paused the project to reconsider the preferred layout
- On September 22, 2025, the City Council selected a revised preferred layout
- On October 13, 2025, the City Council called for a Public Hearing to accept the Feasibility Study based on the new preferred layout and to order the project

More information on the project is available on the project page:
https://www.chanhassenmn.gov/government/projects/street-projects/market-blvd-reconstruction-project

DISCUSSION

The Market Boulevard Improvement Project includes rehabilitation of the corridor from TH5 on the south to Chan View on the north, including Chan View itself between Market Boulevard and Laredo Drive. The work involves rehabilitation of street, sidewalk, and trail pavement; replacement of certain storm sewer and watermain; stormwater management (including the Downtown Water Reuse improvements); landscaping; lighting; signage/pavement markings; ADA; and traffic signal replacement.

The goals of the project include rehabilitation of public infrastructure; coordinating with new development (Civic Campus and the Roers redevelopment); leveraging a previous development/TIF agreement from The Venue project; and improvements to pedestrian/bicycle safety and mobility.

Schedule

Hold Public Hearing - Order Project	October 27, 2025
Approve Plans & Specs - Authorize Bidding	January 2026
Bid Opening	February 2026
Host Public Open House	March 2026
Hold Assessment Hearing - Award Construction Contract	April 2026
Begin Construction	May 2026
Complete Construction	November 2026

Public outreach, including hosting a public open house, was previously completed before pausing the project. An open house based on the reduced scope project was not held, but additional open houses will be held over the next few months to discuss construction aspects of the project, including impacts to adjacent businesses.

BUDGET

This project is funded by a combination of sources consisting of Municipal State Aid, Special Assessments, a grant from the MPCA, and Utility Enterprise Funds.

This project is identified in the Capital Improvement Plan (CIP) as Project No. ST-048. Since the scope of the project has been in flux, the project budget has also changed over time.

The Feasibility Study has identified the overall project budget as $7.6M.

$1.1M of the project cost is due to the inclusion of the downtown water reuse initiative that supports the required watershed district permitting and associated stormwater management of multiple public projects in the area (Civic Campus, 2024 Street Improvements, and this Market Blvd project).

The overall project budget identified in the Feasibility Study is as follows:

Cost/Revenue Category	**Amount**
Municipal State Aid (MSA)	$ 1,807,000
Special Assessment (TIF #11-The Venue)	$ 2,600,000
Water Utility	$ 385,000
Sewer Utility	$ 35,000
Surface Water Utility	$ 880,000
Stormwater Reuse (MPCA Grant)	$ 1,100,000
Special Assessments (private property)	$ 663,000
PMP	$ 210,000
TOTAL	**$ 7,680,000**

Assessments

Consistent with the City's Assessment Policy, certain applicable benefiting properties are proposed to be assessed a percentage of the street-related improvement costs of the project. The previous Venue project entered into an Assessment Agreement with the City as part of the TIF agreement (TIF 11) for that project. That amount has been pre-determined.

Beyond the Venue property, the other properties that have frontage along Market Boulevard and Chan View are also proposed to be assessed. The method of assessment proposed is Front Footage for this project but is split between the Municipal State Aid (MSA) section south of W 78th Street, and the non-MSA section north of W 78th Street, including Chan View.

An assessment map and role are included in the Feasibility Study, with a summary shown here:

ID	Address	Known as	Preliminary Assessment Amount
101	7812 Market Blvd.	Market Square II	$ 49,928
102	7820 Market Blvd.	Wendy's	$ 54,036
103	7836 Market Blvd.	Market Square (Cub)	$147,571
104	600 W. 79th St.	Walgreens	$ 86,268
105	580 Market St.	Market St. Station	$168,743
106	591 W. 78th St.	Roers	$ 82,792
107	n/a	City owned	$179,487
108	n/a	City owned	$ 73,628

110	7730 Laredo Dr.	US Post Office	$ 48,349
111	600 W. 78th St.	Old National Bank	$ 24,576
112	7610 Laredo Dr.	Fire Station	$ 39,321

These amounts are Preliminary based on prepared estimates. Final amounts will be determined once construction bids have been obtained.

RECOMMENDATION

From an engineering and financing perspective this project is necessary, feasible, and cost effective.

Staff recommends the City Council adopt a resolution accepting the feasibility study, ordering the improvements, and authorizing production of plans and specifications for City Project Number 25-02.

ATTACHMENTS

Resolution 2025-XX Accept Feasibility Study -Conduct PH-Order P-S for 25-02
MARKET BLVD FEASIBILITY REPORT - Final
Presentation