

City Council Item

August 10, 2026



Item	Approve Bid Package #2: Chanhassen Community Center	
File No.		Item No: H.1
Agenda Section	<u>GENERAL BUSINESS</u>	
Prepared By	Laurie Hokkanen, City Manager	
Reviewed By	Jerry Ruegemer	

SUGGESTED ACTION

"The Chanhassen City Council moves to award Bid Package #2 for the Chanhassen Community Center to RJM Construction, as part of the Construction Manager at Risk (CMAR) delivery method, and authorizes the City Manager to execute the necessary documents. This award does not establish the Guaranteed Maximum Price (GMP), which will be brought forward for City Council approval at a later date."

Motion Type	Simple Majority Vote of members present
Strategic Priority	Development & Redevelopment

SUMMARY

Bid Package #2 represents the remaining construction to complete the Chanhassen Community Center, which consists of two ice rinks, an indoor playground, concessions, community gathering rooms, and a field house. Renderings and floor plans are available on the project page at <https://www.chanhassenmn.gov/government/projects/chanhassen-community-center>. The final project scope includes all elements that were shared during the referendum, with the exception of a private restaurant shell, which has been replaced by a 4,800 square foot community room with a catering kitchen and a substantial concession area.

Selected bid alternates that are included: an operable partition in both the dance studio and party room, wood gym flooring, an Arena 1 walkway connection on the west side, service elevator B, rubber sports

floor on the walking track, and a skyfold partition in the Community room.

Also included in the bid award and overall budget is \$595,000 for fireproofing at the arena and field house roof structures if it is required through the ongoing code review. The project team will continue working to reduce this amount through alternative code-compliant construction methods, but this issue has not been fully resolved at this time.

BACKGROUND

Date	Action
November 2024	Chanhassen voters approved a half-cent sales tax via referendum.
February 19, 2025	Council selected BKV Group as the architect for the Community Center.
May 5, 2025	Council authorized a Purchase Agreement with Level 7 Development for 13.1 acres of land.
September 4, 2025	The city closed on the land purchase.
September 23, 2025	The Council entered into a contract for construction management services with RJM Construction.
February 23, 2026	City Council approved the site plan for the Chanhassen Community Center.
April 13, 2026	The Council awarded Bid Package #1 to RJM Construction (concrete, precast structural concrete, and utilities).
April 27, 2026	Council approved a contract with Sports Facilities Companies for management services. Council awarded Bid Package #1a to RJM Construction (steel supply and install).
July 13, 2026	City Council discussed bid alternates, overall budget, and reached consensus on the final project scope.

DISCUSSION

At a future meeting, the City Council will consider approval of the AIA Document A133–201 to set the Guaranteed Maximum Price with the Construction Manager at Risk (RJM Construction). That GMP will be consistent with the bids awarded.

BUDGET

The total project budget is \$82,473,546.

The proposed funding plan includes approximately \$2.5 million in park dedication fees, \$40 million in 20-year local option sales tax bonds and taxable Economic Development Authority lease revenue bonds for the remaining amount. By extending the lease revenue bonds from 20 to 30 years, the city can accommodate the higher project cost without increasing the property tax impact previously projected for residents. The estimated impact for a \$600,000 home remains approximately \$17 per month.

Future City Council action will include the issuance of bonds. The city authorized issuance of \$13.185M GO Temporary Sales Tax Revenue Bonds on June 9, 2026 to fund the land purchase and some design and engineering costs. These bonds will be repaid when the new bonds are issued.

RECOMMENDATION

Staff recommends that the Chanhassen City Council award Bid Package #2 for the Chanhassen Community Center to RJM Construction, as part of the Construction Manager at Risk (CMAR) delivery method, and authorize the City Manager to execute the necessary documents.

ATTACHMENTS

[Chanhassen CC - BP2 Recommendation of Award](#)

[Chanhassen Community Center Floor Plan](#)

[Summary of Chanhassen Community Center council discussion and actions](#)