

The background features a series of stylized evergreen trees. On the left, a dark red vertical band contains several dark red tree silhouettes. On the right, a light gray band contains several light gray tree silhouettes. The main area is white.

# Friendly Hills Neighborhood Improvements

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October 21, 2025

Assessment Hearing

Friendly Hills Neighborhood Improvements

*City Project 202407*

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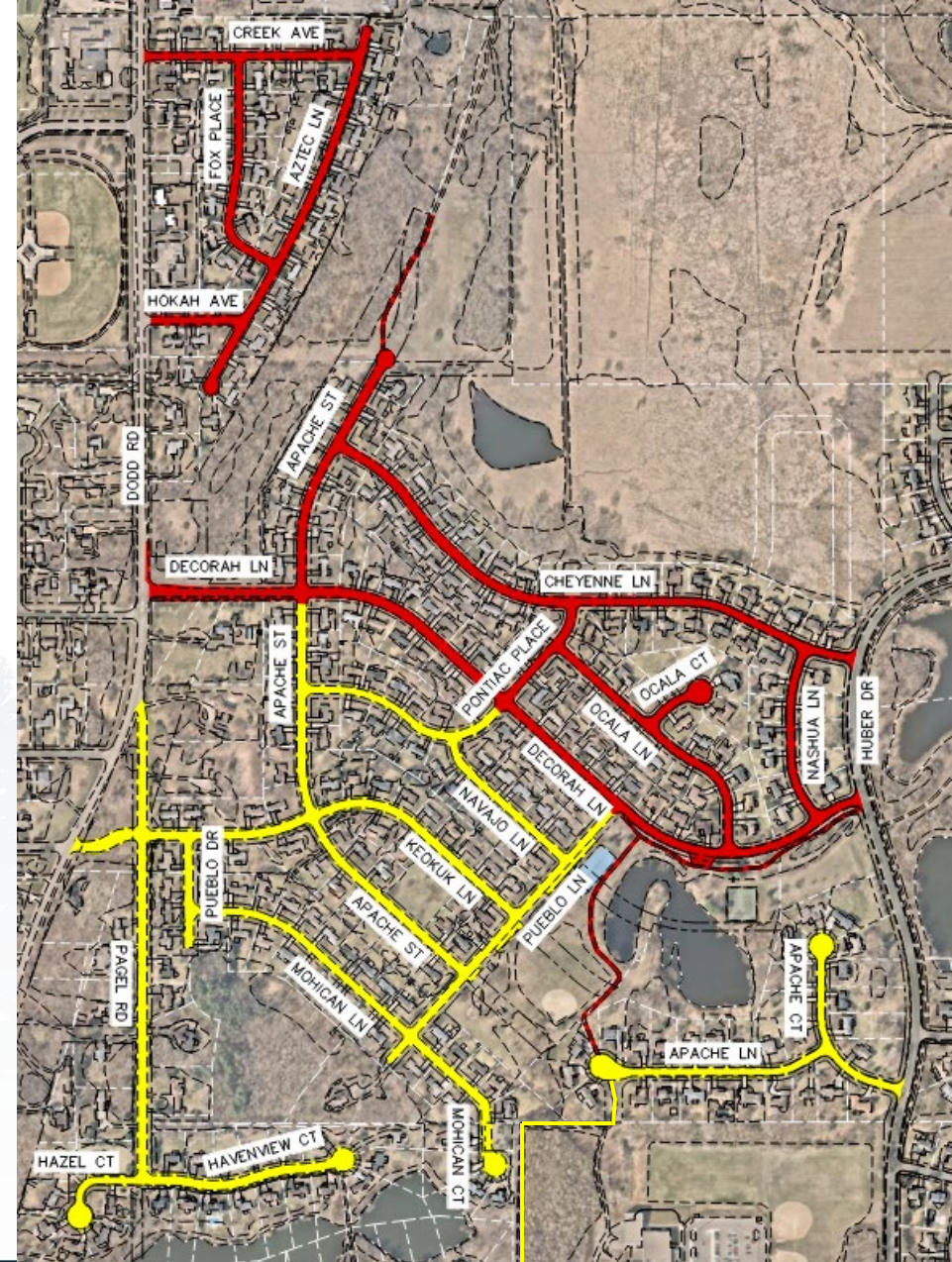
# Project Area

## 2025 Project Area (red streets)

- Creek Avenue
- Fox Place
- Aztec Lane
- Hokah Ave
- Decorah Lane
- Apache Street (north of Decorah Lane)
- Pontiac Place (north of Decorah Lane)
- Ocala Lane
- Ocala Court
- Nashua Lane
- Cheyenne Lane
- Friendly Hills Park Trail Improvement

## 2026 Project Area (yellow streets)

- Apache Street (south of Decorah Lane)
- Pontiac Place (south of Decorah Lane)
- Navajo Lane
- Keokuk Lane
- Pueblo Lane
- Pueblo Drive
- Pagel Road
- Mohican Lane
- Hazel Court
- Havenview Court
- Mohican Court
- Apache Lane
- Apache Court



# Street Improvements



Pavement  
Reclamation (Full  
Depth)



Concrete Curb and  
Gutter Replacement



Utility Replacement  
Water Main  
Sanitary Sewer



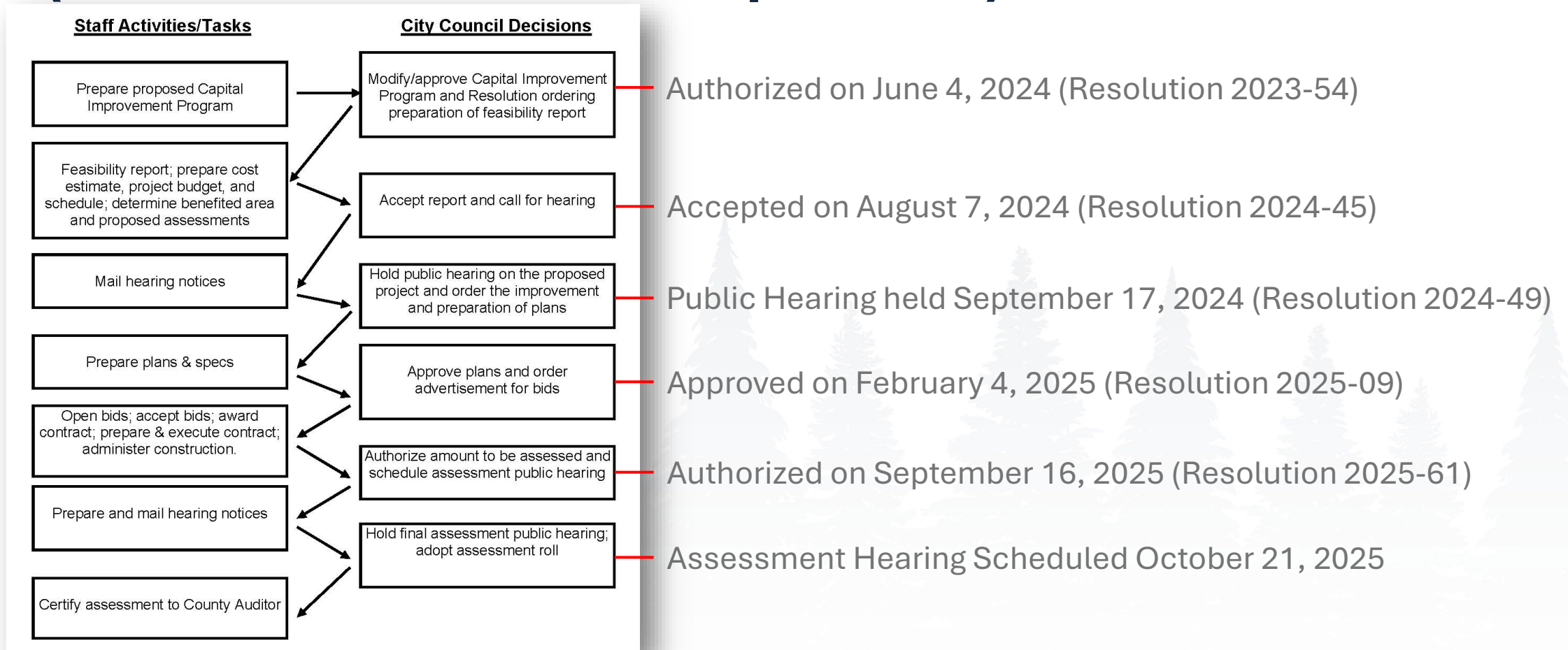
Storm Water Treatment  
Additional Catch Basins  
Curb Cut Raingardens

# Remaining Improvements

- 2025
  - Remaining wear course paving & striping
  - Minor miscellaneous restoration
  - Timeframe: October – Early November
- 2026
  - Roadways south of Decorah Lane
  - Limited utility improvements
  - Access to remain open throughout construction
  - Timeframe: April - September



# Public Improvement Process for Special Assessments (Minnesota Statutes Chapter 429)



# Project Costs

Project Total	2025 Estimated Costs	2026 Estimated Costs	Total Estimated Costs (2025 and 2026)
Street Improvements	\$1,505,936.00	\$1,588,074.30	\$3,094,010.30
Indirect Costs for Street Improvements (20%)*	\$301,187.20	\$317,614.86	\$618,802.06
<b>Total Costs for Street Improvements</b>	<b>\$1,807,123.20</b>	<b>\$1,905,689.16</b>	<b>\$3,712,812.36</b>
Park Improvements	\$157,597.40	\$49,606.25	\$207,203.65
Indirect Costs Park Improvements (20%)*	\$31,519.48	\$9,921.25	\$41,440.73
<b>Total Costs for Park Improvements</b>	<b>\$189,116.88</b>	<b>\$59,527.50</b>	<b>\$248,644.38</b>
Storm Sewer Improvements	\$396,551.99	\$338,144.60	\$734,696.59
Watermain Improvements	\$11,514.00	\$15,756.00	\$27,270.00
Sanitary Sewer Improvements	\$715,663.63	\$80,515.00	\$796,178.63
<b>Total Cost for Utility Improvements</b>	<b>\$1,123,729.61</b>	<b>\$434,415.60</b>	<b>\$1,558,145.21</b>
Saint Paul Regional Water Service Watermain Replacement	\$1,297,506.10	\$708,744.90	\$2,006,251.00
Indirect Costs for SPRWS (15%)*	\$194,625.92	\$106,311.74	\$300,937.65
<b>Total Cost for SPRWS Improvements</b>	<b>\$1,492,132.02</b>	<b>\$815,056.64</b>	<b>\$2,307,188.65</b>
Total Improvement Cost	\$4,084,769.11	\$2,780,841.05	\$6,865,610.16
Total Indirect Costs*	\$527,332.60	\$433,847.85	\$961,180.44
<b>Total Cost</b>	<b>\$4,612,101.71</b>	<b>\$3,214,688.90</b>	<b>\$7,826,790.60</b>
<b>Rounded Total Cost</b>	<b>\$4,612,102.00</b>	<b>\$3,214,689.00</b>	<b>\$7,826,791.00</b>

# Funding Sources

Funding Source	Project Total
Municipal Levy	\$1,331,746.18
Park Fund (Municipal Levy)	\$225,605.33
<b>Total Municipal Levy</b>	<b>\$1,557,351.51</b>
Park Fund (Utility Franchise Fee)	\$23,039.05
City Assessment (Utility Franchise Fee)	\$111,892.98
Municipal State Aid Funds (Roadway)	\$524,660.00
Municipal State Aid Funds (Storm Sewer)	\$68,822.30
Residential Assessments (50%)	\$1,744,513.20
Utility Fund - Storm Sewer	\$665,874.29
Utility Fund - Sanitary	\$796,178.63
Utility Fund - Water	\$27,270.00
Saint Paul Regional Water Services	\$2,307,188.65
<b>Total</b>	<b>\$7,826,790.61</b>

# Assessment Summary

- \$5,086 per parcel following Construction and anticipated 2026 costs
- Resident Feedback
  - 2026 Project Area – Statutes 429 allows for flexible timelines of assessments to avoid budget shortfalls
  - Assurance of completion in 2026
    - Legally binding contract between City and Contractor
    - Supported by Payment and Performance Bonds
- Payment Options
  - Interest free by November 24, 2025
    - Certified to Dakota County to be levied to property taxes
  - 10-year payment schedule on any remaining amount certified to County
    - 4.99% interest rate (2.0% over true interest cost of bond)
- City Assessment funded through Utility Franchise Fee Fund

Assessment Calculation	Total
Total Project Cost	\$7,826,790.60
Assessable Amount	\$3,712,812.36
Assessment Amount (50% of Assessable Amount)	\$1,856,406.18
Total Units - Residential*	343
Assessment - Residential	\$1,744,513.20
Total Units - City of Mendota Heights*	22
City Assigned Assessment Amount	\$111,892.98
Total Units	365
Unit Assessment (Assessable amount/ XX Units)	\$5,086.04
<b>Total Assessment Amount</b>	<b>\$5,086.04</b>



# Estimated Assessment Payment

**Assessment Hearing Date: October 21, 2025**

**STREET REHABILITATION ASSESSMENT SINGLE UNIT HOMES:**

Apache Court, Apache Lane, Apache Street, Aztec Lane, Cheyenne Lane, Creek Avenue, Decorah Lane, Fox Place, Havenview Court, Hazel Court, Hokah Avenue, Keokuk Lane, Mohican Court, Mohican Lane, Nashua Lane, Navajo Lane, Ocala Court, Ocala Lane, Pagel Road, Pontiac Place, Pueblo Drive, and Pueblo Lane

Proposed Unit Assessment: \$5,086.04  
Proposed Interest Rate 4.999% \*

Year	Principal	Interest	Annual
1	\$508.61	\$303.71	\$812.32
2	\$508.60	\$228.83	\$737.43
3	\$508.60	\$203.40	\$712.00
4	\$508.61	\$177.98	\$686.59
5	\$508.60	\$152.55	\$661.15
6	\$508.60	\$127.13	\$635.73
7	\$508.61	\$101.70	\$610.31
8	\$508.60	\$76.28	\$584.88
9	\$508.60	\$50.85	\$559.45
10	\$508.61	\$25.43	\$534.04
	<u>\$5,086.04</u>	<u>\$1,447.84</u>	<u>\$6,533.88</u>

\* Interest Rate is set as 2.0% over bond cost.

# Requested Action

- Staff recommends City Council Adopt Resolution 2025-68 Adopting and Confirming Assessment for the Friendly Hills Neighborhood Improvements
  - Staff available for any questions
  - Council should open the Assessment Hearing