



# Request for City Council Action

## DEPARTMENT INFORMATION

ORIGINATING DEPARTMENT	REQUESTOR:	MEETING DATE:
Public Works	City Engineer Wagner	February 23, 2026
PRESENTER(s)	REVIEWED BY:	ITEM #:
Public Works	City Administrator/Finance Director Flaherty	5.1 – 2026 Street Renewal Project

## STRATEGIC VISION

MEETS:	THE CITY OF OTSEGO:
	Is a strong organization that is committed to leading the community through innovative communication.
<b>X</b>	Has proactively expanded infrastructure to responsibly provide core services.
	Is committed to delivery of quality emergency service responsive to community needs and expectations in a cost-effective manner.
	Is a social community with diverse housing, service options, and employment opportunities.
	Is a distinctive, connected community known for its beauty and natural surroundings.

## AGENDA ITEM DETAILS

RECOMMENDATION:	
City staff recommends the City Council adopt a resolution receiving a feasibility report and calling a hearing on an improvement project.	
ARE YOU SEEKING APPROVAL OF A CONTRACT?	IS A PUBLIC HEARING REQUIRED?
No	Yes, proposed to be held March 23, 2026
BACKGROUND/JUSTIFICATION:	
<p>The 2026 Street Renewal Project Feasibility Report, authorized by the City Council in October 2025, has been completed and was presented for review and discussion at a Special City Council meeting on February 23, 2026.</p> <p>The Feasibility Report outlined two proposed methods of reconstruction of 70<sup>th</sup> Street NE from Kadler Avenue west to the intersection with 71<sup>st</sup> Street NE and for reconstruction of 71<sup>st</sup> Street NE within the I-94 West Industrial Park.</p> <p>A Public Hearing to present the study to residents will need to be held to continue forward with the project with the potential for assessments in accordance with Minnesota Statutes, Chapter 429.</p> <p>The Capital Improvement Plan (CIP) included a budget in the amount of \$486,375 for this improvement project. The total estimated project costs within the Feasibility Report range from \$522,034 to \$1,351,228 and will be funded by special assessments in an amount to be determined during discussion at the February 23, 2026, Special City Council meeting, and the remaining balance of the project paid with funds from the City's Pavement Management Fund.</p>	
SUPPORTING DOCUMENTS ATTACHED:	
<ul style="list-style-type: none"> <li>• <b>Feasibility Report</b></li> <li>• <b>Resolution 2026-15</b></li> </ul>	

**POSSIBLE MOTION**

PLEASE WORD MOTION AS YOU WOULD LIKE IT TO APPEAR IN THE MINUTES:

Motion to adopt Resolution 2026-15 Receiving Feasibility Report and Calling Hearing on Improvement.

**BUDGET INFORMATION**

FUNDING:	BUDGETED:
Fund 201 – Pavement Management	Yes

**FEASIBILITY REPORT  
FOR  
CITY OF OTSEGO  
2026 STREET RENEWAL PROJECT**

RECONSTRUCTION OF:

**70<sup>TH</sup> STREET NE (WEST END TO KADLER AVE NE)**

**OTSEGO I-94 WEST INDUSTRIAL PARK  
71<sup>ST</sup> STREET NE**

January 9, 2026

Prepared by:



3601 Thurston Avenue  
Anoka, MN 55303  
Telephone: 763-427-5860

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under State of Minnesota Statutes Sections 326.02 to 326.16.

A handwritten signature in black ink, appearing to read 'Matthew Kind', is written over a horizontal line.

Matthew Kind

44985

Reg. No.

January 9, 2026

Date

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	PROPOSED PROJECT .....	9
III.	INITIATION.....	12
IV.	FEASIBILITY .....	12
V.	RIGHT-OF-WAY / EASEMENTS.....	12
VI.	PERMITS .....	12
VII.	COMPLETION.....	12
VIII.	PRELIMINARY PROJECT SCHEDULE .....	12
IX.	ESTIMATED PROJECT COST .....	12
X.	PROPOSED FUNDING.....	16
XI.	ESTIMATED ASSESSMENT.....	16
XII.	ASSESSMENT .....	16
XIII.	CONCLUSION AND RECOMMENDATION .....	18

## EXHIBITS

A.	2026 STREET RENEWAL MAP .....	2
B.	2025 CITY PCI RATING MAP .....	8
C.	TYPICAL STREET SECTIONS .....	10
D.	ENGINEER'S ESTIMATE .....	14
E.	BENEFITING PROPERTY MAP.....	17

## ATTACHMENTS

1.	PRELIMINARY ASSESSMENT ROLL
----	-----------------------------

## I. INTRODUCTION

The purpose of this Feasibility Report is to present the City of Otsego with a preliminary examination of municipal street improvements for the following list of streets within Otsego, Minnesota. This report discusses the proposed scope of improvements, preliminary cost estimates, and a project schedule.

For this project, two options are being considered for the reconstruction of the proposed streets.

Option A1: Full-depth reclamation of both existing rural streets with no additional improvements.

Option B1: 70<sup>th</sup> Street NE widening with right turn lanes at entrances of 71<sup>st</sup> St NE. 71<sup>st</sup> Street NE adds curb & gutter, and storm sewer.

Funding for Options A1 or B1: 70<sup>th</sup> Street would be paid 100% by the City of Otsego via the City Pavement Management Fund 201, while the funding source for 71<sup>st</sup> Street would be 100% assessed. Costs for stormwater improvements may be covered via City Storm Water Fund 603. Apportionment of funding between benefiting parcels and City for the entire project to be determined.

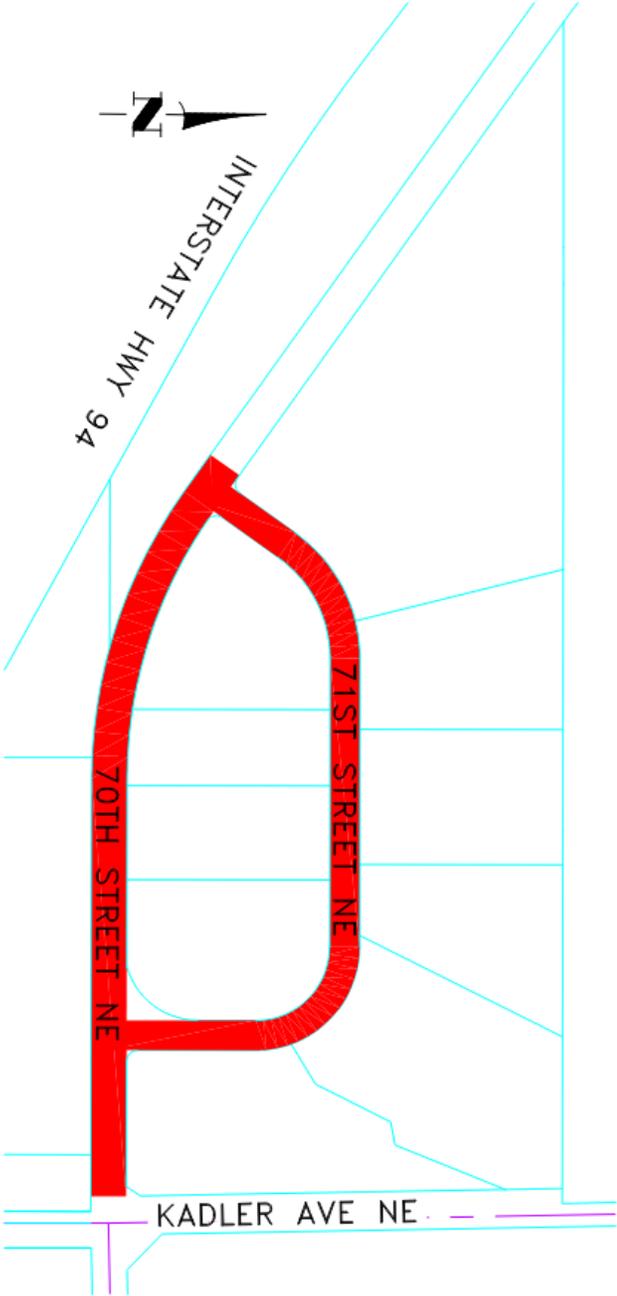
This report has been prepared in compliance with Minnesota State Statute 429 for projects resulting in special assessments.

1. 70<sup>th</sup> Street NE (West End of 71<sup>st</sup> to Kadler Ave NE)
2. 71<sup>st</sup> Street NE

The following map shows the streets (highlighted in red) being proposed for reconstruction and identifies the eligible assessable parcels numbered 1 to 10.

**EXHIBIT A**

**2026 Street Renewal Map**



The following table lists each street, with its respective Pavement Condition Index (PCI) number, build year, and improvement year, if any.

<b>Street</b>	<b>2025 PCI</b>	<b>Built</b>	<b>Overlay</b>
70 <sup>th</sup> Street NE (71 <sup>st</sup> west entrance to Kadler)	42	1992	2008
71 <sup>st</sup> Street NE	54	2001	-

The PCI rating for 70<sup>th</sup> Street NE has a rating of 42, from existing businesses. An overlay was installed on 70<sup>th</sup> St only from 71<sup>st</sup> St to Kadler Ave in 2008 due to accelerated wear from heavy trucks. 71<sup>st</sup> Street is about 25 years old and to date has never been reconstructed. The road sections considered for this project have an average PCI rating of 48, which is well below the average of all streets in the City of Otsego. A PCI rating of around 50 shows that structural degradation will accelerate and thus will require more frequent repairs. When repairs of low PCI streets become a substantial annual cost to the City, it is recommended that the street be reconstructed.

Existing street surfaces are 24-33 years old, with the one overlay being nearly 18 years old. The pavements are experiencing block, alligator, edge, and thermal cracking due to usage and aging. As shown in the provided photos (pages 4-7), the streets listed for this feasibility report have a high number of patches.

70<sup>th</sup> Street NE



70<sup>th</sup> Street NE



71st Street NE



71st Street NE





## II. PROPOSED PROJECT

The 2026 Street Renewal Project is scheduled to reconstruct 2 municipal streets. Currently both streets fall under the definition of a rural street section (no curb) using ditches and culverts to convey storm water. For consideration, two options will be presented.

**Option A1:** This option will use the full depth reclamation process, where it will grind, mix, and place the existing asphalt and aggregate as the new road base for asphalt paving. The resulting combined asphalt/aggregate base is thicker and more robust than the original base, thus substantially improving the structural strength of the road. This process typically results in the road profile increasing by 3.5 to 4.0 inches and will require driveway entrances to be modified to match the road. This will require removal of a part of the existing entrance (minimum of 5 ft in length) to suitable point where it can be sloped to match the new road. Concrete drives will be left as-is with the street cross slope transitioned to match the driveway edge. All driveway entrances will be rebuilt in-kind. Existing road widths for 70<sup>th</sup> and 71<sup>st</sup> Streets are 28 ft and 40 ft, respectively. Each originally built with 2 ft gravel shoulders. Typical sections provided in Exhibit C.

**Option B1:** This choice proposes upgrades to both streets to bring them up to current City standards.

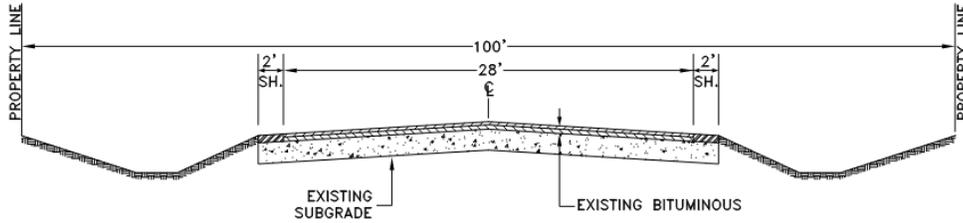
70<sup>th</sup> Street is proposed to be widened to a 42 ft wide surface with 2 ft gravel shoulders and two right turn lanes constructed at both intersections of 71<sup>st</sup> Street. Curb and gutter were considered for 70<sup>th</sup>, but topography and other mitigating factors showed that it would be too costly and unnecessary.

71<sup>st</sup> Street is proposed to add curb & gutter and storm sewer, thereby upgrading it from a rural to urban street. Ditches will be filled with proposed storm sewer routed to existing ponds.

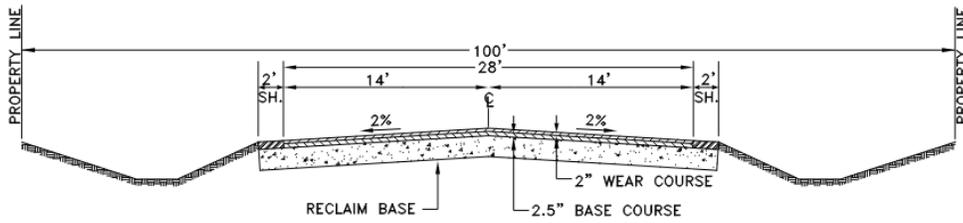
Full depth reclamation will be part of the process for Option B1 as well, however, changes in centerline profiles will be minimal by using the excess reclaim material for street widening.

# EXHIBIT C

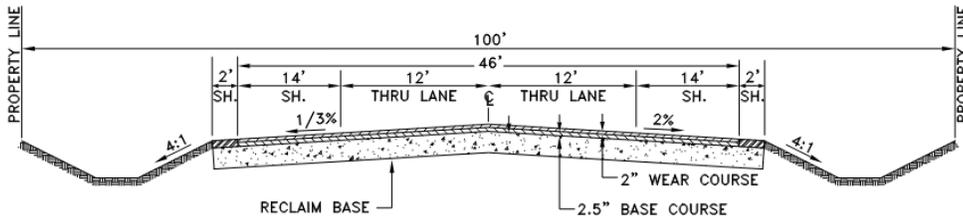
## Typical Street Sections 70th Street NE



EXISTING TYPICAL STREET SECTION- 70TH ST NE  
NO SCALE



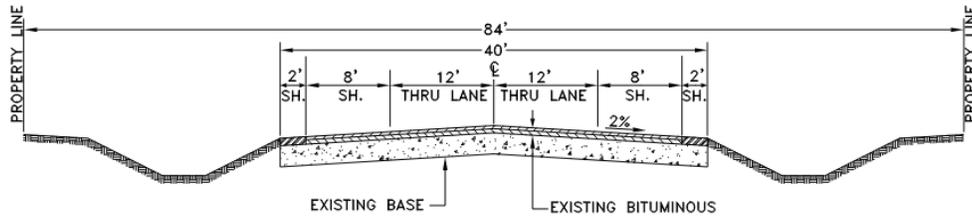
PROPOSED TYPICAL STREET SECTION OPTION A1 - 70TH ST NE  
RURAL RECLAIM - NO WIDENING  
NO SCALE



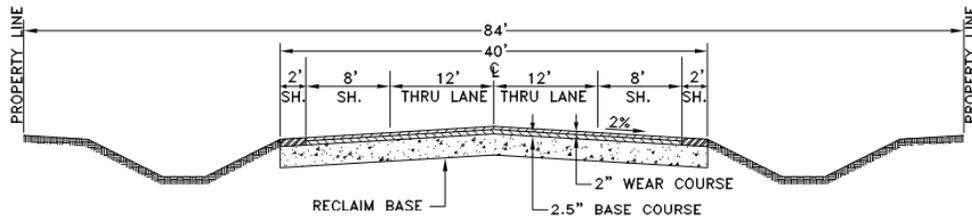
PROPOSED TYPICAL STREET SECTION OPTION B1 - 70TH ST NE  
RURAL RECONSTRUCTION - WIDENED TO 46 FT.  
NO SCALE

# EXHIBIT C

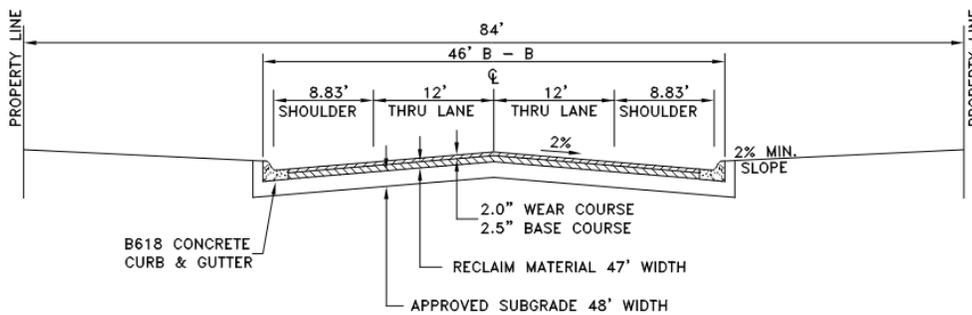
## Typical Street Sections 71st Street NE



EXISTING TYPICAL STREET SECTION— 71ST ST NE  
NO SCALE



PROPOSED TYPICAL STREET SECTION OPTION A1 – 71ST ST NE  
RURAL RECLAIM – NO UPGRADES  
NO SCALE



PROPOSED TYPICAL STREET SECTION OPTION B1 – 71ST ST NE  
URBAN RECONSTRUCTION – W/CURB AND STORM SEWER  
NO SCALE

### **III. INITIATION**

The feasibility report was initiated by the City Council per resolution 2025-56 on October 27, 2025 as the streets were included for the 2026 Capital Improvement Plan. This was due to the PCI ratings being some of the lowest in the City and in accordance with the City's policy on the streets renewal program.

### **IV. FEASIBILITY**

From an engineering standpoint, the project is feasible and the value of existing businesses is positively benefited by accessing a bituminous paved street in good condition. It can be conducted as proposed and need not be constructed in conjunction with any other project. The City and the persons assessed should review the project for benefit to determine the economic feasibility of the proposed improvements. An appraisal will be performed to determine the benefit for the assessed parcels.

### **V. RIGHT-OF-WAY / EASEMENTS**

The existing streets and proposed street improvements are within the existing right of ways (70<sup>th</sup> St NE - 100 feet, 71<sup>st</sup> St NE – 84 feet)

### **VI. PERMITS**

No permits would be needed to complete the work for Option A1. NPDES and/or Construction Stormwater permits may be needed for Option B1 depending on the total area of disturbance for the project.

### **VII. COMPLETION**

This project is proposed to be completed during the 2026 construction season.

### **VIII. PRELIMINARY PROJECT SCHEDULE**

The preliminary project schedule for the 2026 Otsego Street Renewal Project has yet to be determined.

### **IX. ESTIMATED PROJECT COST**

This report includes a detailed estimate of construction costs for both options as described in this report.

**OPTION A1 - RURAL RECLAIM**

<b>70th Street NE</b>	
Construction Cost	\$ 191,972.50
15% Admin, Legal & Engineering	\$ 28,795.88
Pavement Mgt. Fund 201 Project Total	\$ 220,768.38
<b>71st Street NE</b>	
Construction Cost	\$ 261,970.00
15% Admin, Legal & Engineering	\$ 39,295.50
Assessed Project Total	\$ 301,265.50
<b>Option A1 Project Total</b>	<b>\$ 522,033.88</b>

**OPTION B1 - RECONSTRUCTION WITH WIDENING (70<sup>th</sup>), CURB/STORM (71<sup>st</sup>)**

<b>70th Street NE</b>	
Construction Cost	\$ 518,248.00
15% Admin, Legal & Engineering	\$ 77,737.20
Pavement Mgt. Fund 201 Project Total	\$ 595,985.20
<b>71st Street NE</b>	
Construction Cost	\$ 656,733.00
15% Admin, Legal & Engineering	\$ 98,509.95
Assessed Project Total	\$ 755,242.95
<b>Option B1 Project Total</b>	<b>\$ 1,351,228.15</b>

The quantities and unit prices provided shown in Exhibit D are estimates only and are not guaranteed. Unit prices were derived from earlier similar projects. Contractors will be paid only for work completed.

# EXHIBIT D

## Engineer's Estimate OPTION A1

Bid Schedule "Option A1"				70th Street NE			71st Street NE		
Item No.	Spec. Ref	Description	Unit	Est. Unit Price	Estimated Quantity	Extension	Estimated Quantity	Extension	
1	2021.501	Mobilization	LS	\$ 15,000.00	1	\$ 15,000.00	1	\$ 15,000.00	
2	2104.503	Remove Sewer Pipe (Storm)	LF	\$ 11.00	120	\$ 1,320.00	0	\$ -	
3	2104.504	Remove Bituminous Pavement (Driveways)	SY	\$ 6.00	107	\$ 642.00	367	\$ 2,202.00	
4	2104.513	Sawing Bituminous Pavement (Full Depth)	LF	\$ 3.00	107	\$ 321.00	290	\$ 870.00	
5	2104.603	Sprinkler System Allowance	LS	\$ 2,000.00	0	\$ -	0	\$ -	
6	2105.607	Haul & Dispose of Excess Material (LV)	CY	\$ 9.00	0	\$ -	0	\$ -	
7	2105.607	Haul & Stockpile Excess Material (LV)	CY	\$ 6.00	187	\$ 1,122.00	230	\$ 1,380.00	
8	2211.509	Aggregate Class 5 Mod (driveaway)	TON	\$ 30.00	17	\$ 510.00	18	\$ 540.00	
9	2211.509	Aggregate Shoulder (from excess reclaim)	CY	\$ 12.00	187	\$ 2,244.00	196	\$ 2,352.00	
10	2211.509	Bit. Driveway Type SP 9.5 Wearing Course Mixture (2.B)	SY	\$ 15.00	123	\$ 1,845.00	783	\$ 11,745.00	
11	2215.504	Full Depth Reclamation	SY	\$ 2.50	6621	\$ 16,552.50	9864	\$ 24,660.00	
12	2232.501	Mill Bituminous Surface	SY	\$ 6.00	21	\$ 126.00	105	\$ 630.00	
13	2357.506	Bituminous Material For Tack Coat	GAL	\$ 4.00	364	\$ 1,456.00	559	\$ 2,236.00	
14	2360.509	Type SP 12.5 Non Wear Course Mixture (2.B)	TON	\$ 69.00	1024	\$ 70,656.00	1573	\$ 108,537.00	
15	2360.509	Type SP 9.5 Wearing Course Mixture (2.B)	TON	\$ 71.00	818	\$ 58,078.00	1258	\$ 89,318.00	
16	2501.502	18" RC Pipe Apron	EACH	\$ 1,450.00	2	\$ 2,900.00	0	\$ -	
17	2501.502	24" RC Pipe Apron	EACH	\$ 1,500.00	2	\$ 3,000.00	0	\$ -	
18	2501.503	18" RC Pipe Culvert	LF	\$ 100.00	60	\$ 6,000.00	0	\$ -	
19	2501.503	24" RC Pipe Culvert	LF	\$ 110.00	60	\$ 6,600.00	0	\$ -	
20	2563.601	Traffic Control	LS	\$ 2,500.00	1.0	\$ 2,500.00	1.0	\$ 2,500.00	
21	2573.503	Silt Fence, Type MS	LF	\$ 4.00	0	\$ -	0	\$ -	
22	2574.525	Pulverized Topsoil Borrow (LV)	CY	\$ 60.00	0	\$ -	0	\$ -	
23	2575.505	Turf Establishment	SY	\$ 5.00	220.0	\$ 1,100.00	0.0	\$ -	
<b>Bid Schedule "Option A1"</b>				<b>70th Street NE</b>			<b>71st Street NE</b>		
				Const. Cost	\$ 191,972.50			Const. Cost	\$ 261,970.00
				15% Admin, Legal & Engineering	\$ 28,795.88			15% A. L. & E.	\$ 39,295.50
				Pavement Mgt. Fund 201 Project Total	\$ 220,768.38			Assessed Project Total	\$ 301,265.50
				<b>Option A1 Project Total</b>			<b>\$ 522,033.88</b>		



# EXHIBIT D

## Engineer's Estimate OPTION B1

Bid Schedule "Option B1"				70th Street NE			71st Street NE		
Item No.	Spec. Ref	Description	Unit	Est. Unit Price	Estimated Quantity	Extension	Estimated Quantity	Extension	
1	2021.501	Mobilization	LS	\$ 90,000.00	0.5	\$ 45,000.00	0.5	\$ 45,000.00	
2	2104.502	Salvage Mailbox	EACH	\$ 100.00	0	-	9	\$ 900.00	
3	2104.502	Salvage Sign	EACH	\$ 45.00	0	-	5	\$ 225.00	
4	2104.503	Remove Sewer Pipe (Storm)	LF	\$ 11.00	180	\$ 1,980.00	755	\$ 8,305.00	
5	2104.504	Remove Bituminous Pavement (Driveways)	SY	\$ 6.00	240	\$ 1,440.00	460	\$ 2,760.00	
6	2104.504	Remove Concrete Pavement (Driveways)	SY	\$ 10.00	0	-	235	\$ 2,350.00	
7	2104.513	Sawing Bituminous Pavement (Full Depth)	LF	\$ 3.00	130	\$ 390.00	290	\$ 870.00	
8	2104.513	Sawing Concrete Pavement (Full Depth)	LF	\$ 5.00	0	-	130	\$ 650.00	
9	2104.603	Sprinkler System Allowance	LS	\$ 10,000.00	0.0	-	0.5	\$ 5,000.00	
10	2105.607	Haul & Dispose of Excess Material (LV)	CY	\$ 9.00	0	-	1150	\$ 10,350.00	
11	2105.607	Haul & Stockpile Excess Material (LV)	CY	\$ 6.00	1007	\$ 6,042.00	1150	\$ 6,900.00	
12	2106.507	Common Embankment (CV)	CY	\$ 3.00	2817	\$ 8,451.00	0	\$ -	
13	2106.507	Common Excavation (CV) (inc. 4" ts stripping)	CY	\$ 10.00	3311	\$ 33,110.00	0	\$ -	
14	2106.507	Select Granular (CV)	TON	\$ 15.00	2901	\$ 43,515.00	0	\$ -	
15	2106.507	Topsoil (CV) 4"	CY	\$ 3.00	1172	\$ 3,516.00	0	\$ -	
16	2211.509	Aggregate Class 5 Mod (widening)	TON	\$ 23.00	229	\$ 5,267.00	30	\$ 690.00	
17	2211.509	Aggregate Class 5 Mod (driveway)	TON	\$ 23.00	46	\$ 1,058.00	2422	\$ 55,706.00	
18	2211.509	Base - Excess Reclaim for Widening	CY	\$ 23.00	992	\$ 22,816.00	0	\$ -	
19	2211.509	Bit. Driveway Type SP 9.5 Wearing Course Mixture (2.B)	SY	\$ 15.00	131	\$ 1,965.00	529	\$ 7,935.00	
20	2215.504	Full Depth Reclamation	SY	\$ 3.00	7461	\$ 22,383.00	9629	\$ 28,887.00	
21	2232.501	Mill Bituminous Surface	SY	\$ 6.00	1000	\$ 6,000.00	100	\$ 600.00	
22	2357.506	Bituminous Material For Tack Coat	GAL	\$ 5.00	633	\$ 3,165.00	553	\$ 2,765.00	
23	2360.509	Type SP 12.5 Non Wear Course Mixture (2.B)	TON	\$ 68.00	1780	\$ 121,040.00	1557	\$ 105,876.00	
24	2360.509	Type SP 9.5 Wearing Course Mixture (2.B)	TON	\$ 70.00	1424	\$ 99,680.00	1245	\$ 87,150.00	
25	2501.502	15" RC Pipe Apron	EACH	\$ 1,300.00	4	\$ 5,200.00	2	\$ 2,600.00	
26	2501.502	18" RC Pipe Apron	EACH	\$ 1,450.00	2	\$ 2,900.00	1	\$ 1,450.00	
27	2501.503	15" RC Pipe Culvert	LF	\$ 100.00	126	\$ 12,600.00	0	\$ -	
28	2501.503	18" RC Pipe Culvert	LF	\$ 110.00	63	\$ 6,930.00	0	\$ -	
29	2503.541	15" RC Pipe Sewer Design 3006 CL III (All Depths)	LF	\$ 65.00	0	-	1215	\$ 78,975.00	
30	2503.541	18" RC Pipe Sewer Design 3006 CL III (All Depths)	LF	\$ 80.00	0	-	469	\$ 37,520.00	
31	2506.502	Construct Drainage Structure 24" X 36"	EACH	\$ 2,800.00	0	-	8	\$ 22,400.00	
32	2506.502	Construct Drainage Structure Design 48-4020	EACH	\$ 4,200.00	0	-	8	\$ 33,600.00	
33	2531.503	Curb & Gutter B618	LF	\$ 19.00	0	-	4551	\$ 86,469.00	
34	2540.602	Install Salvaged Mailbox	EACH	\$ 200.00	0	-	9	\$ 1,800.00	
35	2540.602	Install Salvaged Sign	EACH	\$ 300.00	0	-	5	\$ 1,500.00	
36	2563.601	Traffic Control	LS	\$ 10,000.00	0.5	\$ 5,000.00	0.5	\$ 5,000.00	
37	2573.503	Silt Fence, Type MS	LF	\$ 4.00	4275	\$ 17,100.00	1000	\$ 4,000.00	
38	2574.525	Pulverized Topsoil Borrow (LV)	CY	\$ 60.00	570	\$ 34,200.00	100	\$ 6,000.00	
39	2575.505	Turf Establishment	ACRE	\$ 2,500.00	3	\$ 7,500.00	1	\$ 2,500.00	
<b>Bid Schedule "Option B1"</b>				<b>70th Street NE</b>			<b>71st Street NE</b>		
				Const. Cost \$	518,248.00		Const. Cost \$	656,733.00	
				15% Admin, Legal & Engineering	\$ 77,737.20		15% A. L. & E.	\$ 98,509.95	
				Pavement Mgt. Fund 201 Project Total	\$ 595,985.20		Assessed Project Total	\$ 755,242.95	
				<b>Option B1 Project Total</b>			<b>\$1,351,228.15</b>		



**X. PROPOSED FUNDING**

The funding for the CIP street renewal project is expected to be provided by two sources: City of Otsego and benefiting property owners.

More specifically, 70<sup>th</sup> Street would be fully funded by the City of Otsego via Pavement Management Fund 201, and 71<sup>st</sup> Street would be funded by benefiting property owners. Costs related to storm sewer improvements for the entire project could be sourced via the City's Stormwater Fund 603 per the Public Improvement Assessment Policy, Section 6.C.4.

**XI. ESTIMATED ASSESSMENT**

The estimated assessment for the 10 parcels on 71<sup>st</sup> St NE has been calculated using the methods described in the City of Otsego's *Public Improvement Assessment Policy* dated 3/22/21. The policy describes 4 distinct methods to calculate individual assessments. They are: "Adjusted Front Footage" method, "Area" method, "Per Lot" method, and "Per Unit" method. For this project, the "Per Unit" method uses traffic data to calculate the assessment.

For this study, the 4 methods were applied to the 2 project options as previously described providing a total of 8 unique assessment values for each of the 10 parcels on 71<sup>st</sup> St NE. All industrial zone properties were assessed at 100% per the Public Improvement Assessment Policy, Section 6.2.a.(2).

The estimated total project costs for each option are:

**\$522,033.88** OPTION A1 - Rural Reclaim, and  
**\$1,351,228.15** OPTION B1 - Reconstruction with Widening (70<sup>th</sup>), Curb/Storm (71<sup>st</sup>), as shown in Section IX. The estimated cost per the 2026 CIP is \$486,375.00.

The four variations of the preliminary assessment roll are provided as Attachment 1 at the end of this document.

**XII. ASSESSMENT**

The assessment values provided in Attachment 1 will be reviewed prior to the final value assigned to the eligible parcels.

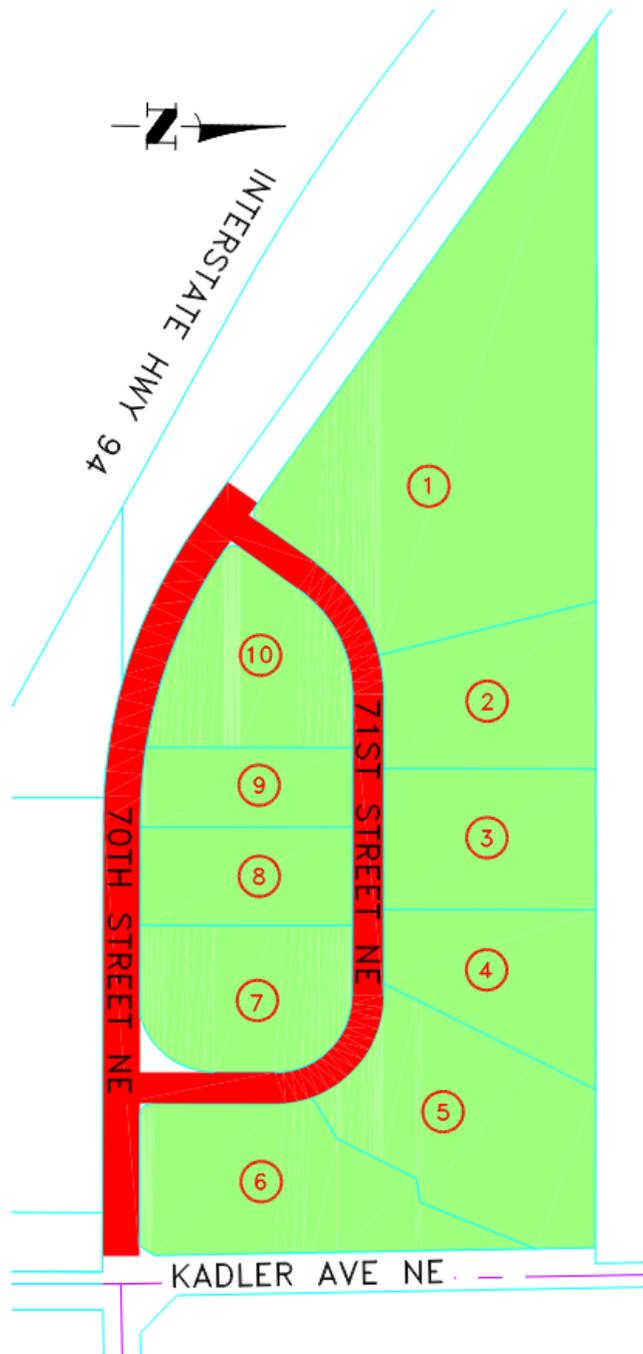
Assessments can be paid in full or partially prepaid once the assessment roll has been adopted by the City Council after all costs are determined. Any unpaid portion of the assessment will be added to the property tax of each property payable starting in 2027. The length of assessment and the interest rate are determined by the City Council and typically correlate with the City bond length and rate which the City receives.

## Exhibit E

### Benefiting Property Map

A total of 10 properties within Otsego I-94 West Industrial Park will be included in the 2026 Street Renewal Project. Only those properties addressed to 71<sup>st</sup> Street NE will be assessed.

List of property owners is provided in **Attachment 1**.



### **XIII. CONCLUSION AND RECOMMENDATION**

This report analyzed the feasibility of improving streets. The proposed improvements are necessary, cost effective, and feasible from a technical and engineering standpoint. The improvements also benefit the assessed properties proposed as shown in the map and tables provided in Exhibit E and Attachment 1.

# **Attachment 1**

**City of Otsego  
2026 Street Renewal Project  
Preliminary Assessment Roll**

<b>71st STREET NE ASSESSMENT ROLL - "ADJUSTED FRONT FOOTAGE" METHOD</b>					
<b>REF #</b>	<b>PID</b>	<b>OWNER/TAX PAYER</b>	<b>Share of Total Assessment</b>	<b>Reclaim Rural OPTION A1</b>	<b>Reconstruct Upgrade OPTION B1</b>
1	118166001010	Trudell Family LP	31.49%	\$ 94,882.90	\$ 237,862.09
2	118166002010	Knife River Corp - North Central	8.18%	\$ 24,630.22	\$ 61,745.55
3	118169001010	Eudlid Chemical Company	8.16%	\$ 24,581.06	\$ 61,622.30
4	118238001010	Minncomm Utility Constr. Co.	7.87%	\$ 23,696.14	\$ 59,403.90
5	118238001020	Acuity Land Holdings, LLC	4.31%	\$ 12,978.80	\$ 32,536.58
6	118238001030	Ortiz Properties LLC	3.51%	\$ 10,569.86	\$ 26,497.59
7	118238002010	Hippo Group LLC	6.20%	\$ 18,681.61	\$ 46,832.95
8	118238002020	County of Wright - HWY	7.34%	\$ 22,122.96	\$ 55,460.07
9	118402000010	City of Otsego*	10.84%	\$ 32,643.65	\$ 81,834.42
10	118402001010	Arns Enterprises LLC	12.11%	\$ 36,478.30	\$ 91,447.50
<b>TOTAL</b>			<b>100.00%</b>	<b>\$ 301,265.50</b>	<b>\$ 755,242.95</b>

\*Costs shown is not an assessment to the City, but will be paid directly to the project.

<b>71st STREET NE ASSESSMENT ROLL - "AREA" METHOD</b>					
<b>REF #</b>	<b>PID</b>	<b>OWNER/TAX PAYER</b>	<b>Share of Total Assessment</b>	<b>Reclaim Rural OPTION A1</b>	<b>Reconstruct Upgrade OPTION B1</b>
1	118166001010	Trudell Family LP	31.28%	\$ 94,226.25	\$ 236,215.93
2	118166002010	Knife River Corp - North Central	10.23%	\$ 30,834.32	\$ 77,298.61
3	118169001010	Eudlid Chemical Company	8.36%	\$ 25,172.13	\$ 63,104.06
4	118238001010	Minncomm Utility Constr. Co.	9.05%	\$ 27,264.68	\$ 68,349.87
5	118238001020	Acuity Land Holdings, LLC	3.25%	\$ 9,785.74	\$ 24,531.90
6	118238001030	Ortiz Properties LLC	3.27%	\$ 9,847.29	\$ 24,686.18
7	118238002010	Hippo Group LLC	10.21%	\$ 30,772.78	\$ 77,144.33
8	118238002020	County of Wright - HWY	9.19%	\$ 27,695.50	\$ 69,429.89
9	118402000010	City of Otsego*	0.00%	\$ -	\$ -
10	118402001010	Arns Enterprises LLC	15.16%	\$ 45,666.80	\$ 114,482.18
<b>TOTAL</b>			<b>100.00%</b>	<b>\$ 301,265.50</b>	<b>\$ 755,242.95</b>

\*Costs shown is not an assessment to the City, but will be paid directly to the project.

**City of Otsego  
2026 Street Renewal Project  
Preliminary Assessment Roll**

<b>71st STREET NE ASSESSMENT ROLL - "PER LOT" METHOD</b>					
<b>REF #</b>	<b>PID</b>	<b>OWNER/TAX PAYER</b>	<b>Share of Total Assessment</b>	<b>Reclaim Rural OPTION A1</b>	<b>Reconstruct Upgrade OPTION B1</b>
1	118166001010	Trudell Family LP	10.00%	\$ 30,126.55	\$ 75,524.30
2	118166002010	Knife River Corp - North Central	10.00%	\$ 30,126.55	\$ 75,524.30
3	118169001010	Eudlid Chemical Company	10.00%	\$ 30,126.55	\$ 75,524.30
4	118238001010	Minncomm Utility Constr. Co.	10.00%	\$ 30,126.55	\$ 75,524.30
5	118238001020	Acuity Land Holdings, LLC	10.00%	\$ 30,126.55	\$ 75,524.30
6	118238001030	Ortiz Properties LLC	10.00%	\$ 30,126.55	\$ 75,524.30
7	118238002010	Hippo Group LLC	10.00%	\$ 30,126.55	\$ 75,524.30
8	118238002020	County of Wright - HWY	10.00%	\$ 30,126.55	\$ 75,524.30
9	118402000010	City of Otsego*	10.00%	\$ 30,126.55	\$ 75,524.30
10	118402001010	Arns Enterprises LLC	10.00%	\$ 30,126.55	\$ 75,524.30
<b>TOTAL</b>			<b>100.00%</b>	<b>\$ 301,265.50</b>	<b>\$ 755,242.95</b>

\*Costs shown is not an assessment to the City, but will be paid directly to the project.

<b>71st STREET NE ASSESSMENT ROLL - "PER UNIT" METHOD VIA TRAFFIC DATA</b>					
<b>REF #</b>	<b>PID</b>	<b>OWNER/TAX PAYER</b>	<b>Share of Total Assessment</b>	<b>Reclaim Rural OPTION A1</b>	<b>Reconstruct Upgrade OPTION B1</b>
1	118166001010	Trudell Family LP	23.66%	\$ 71,264.77	\$ 178,653.77
2	118166002010	Knife River Corp - North Central	21.14%	\$ 63,689.92	\$ 159,664.36
3	118169001010	Eudlid Chemical Company	10.60%	\$ 31,933.42	\$ 80,053.94
4	118238001010	Minncomm Utility Constr. Co.	7.75%	\$ 23,351.56	\$ 58,540.06
5	118238001020	Acuity Land Holdings, LLC	2.41%	\$ 7,260.65	\$ 18,201.74
6	118238001030	Ortiz Properties LLC	1.31%	\$ 3,945.72	\$ 9,891.53
7	118238002010	Hippo Group LLC	6.95%	\$ 20,941.95	\$ 52,499.42
8	118238002020	County of Wright - HWY	4.54%	\$ 13,667.52	\$ 34,263.12
9	118402000010	City of Otsego*	0.00%	\$ -	\$ -
10	118402001010	Arns Enterprises LLC	21.65%	\$ 65,209.99	\$ 163,475.02
<b>TOTAL</b>			<b>100.00%</b>	<b>\$ 301,265.50</b>	<b>\$ 755,242.95</b>

\*Costs shown is not an assessment to the City, but will be paid directly to the project.

**CITY OF OTSEGO  
COUNTY OF WRIGHT  
STATE OF MINNESOTA**

**RESOLUTION NO: 2026-15**

**RECEIVING FEASIBILITY REPORT AND CALLING HEARING ON IMPROVEMENT**

**WHEREAS**, pursuant to resolution 2025-56 of the City Council adopted October 27, 2025, a report has been prepared by Hakanson Anderson Associates, Inc. with reference to proposed Improvement No. 2026-01, the improvement of 70th Street NE west of Kadler Ave NE and 71st Street NE within the plat of Otsego I-94 West Industrial Park, and this report was received by the City Council on February 23, 2026; and

**WHEREAS**, the report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OTSEGO, MINNESOTA:**

1. The City Council will consider the improvement of such streets in accordance with the report and the assessment of abutting properties for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$522,033.88 (A1) or \$1,351,228.15 (B1).
2. A Public Hearing shall be held on such proposed improvements on the 23rd day of March 2026 in the City Council chambers within the Prairie Center at 7:00 p.m. and the City Clerk shall give mailed and published notice of such hearing and improvement as required by law.

**ADOPTED** by the Otsego City Council this 23th day of February, 2026.

**MOTION BY:**  
**SECONDED BY:**  
**IN FAVOR:**  
**OPPOSED:**

**CITY OF OTSEGO**

---

Jessica L. Stockamp, Mayor

ATTEST:

---

Audra Etzel, City Clerk