

REQUEST FOR ACTION

Department Head

Phil Kern, City Administrator

City Council Date

February 4, 2010

Agenda Item

Discuss Northwest Interceptor Feasibility Analysis.

ACTION REQUESTED

Staff recommends Council approval of a feasibility analysis on the proposed Northwest Industrial Park.

BACKGROUND

The City has discussed and worked for several years on the development of a new industrial park northwest of Delano. Conducting planning and land development examinations with private developers, the City has acquired an initial master study of industrial options. Based on land availability and utility access, the Northwest Industrial master plan conducted in 2006 by Bolton and Menk has identified the optimal area for industrial growth to the northwest.

The City has identified job creation and tax base growth as two of the major goals for the coming years. As a means to that end, the creation of additional industrial development opportunities is paramount to accomplishing that goal. The City has been approached by several parties interested in industrial land, and the intent of the feasibility study is advance the preparation for development.

Staff identified a number of obstacles and action steps needed if the City proceeded with installing public improvements and developing the industrial park. The feasibility plan will create the outline from several respects, as follows:

- Engineering Feasibility Study – will advance the detail of the utility and street construction plans, along with the estimate of costs of a phased approach. Vince Vander Top is refining a scope of work for the feasibility study and will present to the Council at Thursday's meeting.
- Planning Feasibility – the site will need a significant amount of planning and land use review in order to be developed. There are a number of steps – annexation, survey/wetland delineation, and platting, for example – that will need to be staged in the proper order to complete the project in a timely and efficient manner. Further, the layout of utilities as identified in the engineering feasibility will need to work hand-in-hand with the planning structure. Staff anticipates planning consultation on the feasibility study to work within existing budgeted amounts.
- Financing Plan – ultimately, the crux of the industrial development plan would need creative financing. Staff is proposing to prepare an outline for financing and utilize the services of Springsted to assist with the assumptions and recommendations. It is expected that Springsted's involvement would be approximately \$3,000 - \$5,000 for the initial plan estimates.

Staff recommends approval of the feasibility studies, to be funded by the EDA fund. With approval and presentation back to the Council, the City will be in a better position to assess future steps.

FUNDING

Staff anticipates costs of the studies around \$20,000 and would identify all costs as part of a planned reimbursement effort from assessment bonds if the project proceeds.

ATTACHMENTS

- None