

## Feasibility Analysis

### Revenues

|         |    | Price Per A | Acres |                 |               |
|---------|----|-------------|-------|-----------------|---------------|
| Phase 1 | \$ | 41,500.00   | 14    | \$              | 581,000.00    |
| Phase 2 | \$ | 43,500.00   | 7.5   | \$              | 326,250.00    |
|         |    |             |       | GROSS Revenues: | \$ 907,250.00 |

### Expenses

|                                                                              |    |                          |               |
|------------------------------------------------------------------------------|----|--------------------------|---------------|
| CBRE (5% commission)                                                         | \$ | 45,362.50                |               |
| Site Clean Up Costs (150K-200K)                                              | \$ | 200,000.00               |               |
| <b>(A*)</b> Internal Road (175K road, 85K utilities, 50K land proceeds loss) | \$ | 310,000.00               |               |
| <b>(B**)</b> External Road (XX Road, XX Utilities, XX Acquisition)           | \$ | 510,000.00               |               |
| Contingency                                                                  | \$ | 50,000.00                |               |
|                                                                              |    | GROSS Expenses <b>A:</b> | \$ 605,362.50 |
|                                                                              |    | GROSS Expenses <b>B:</b> | \$ 805,362.50 |

### NET Proceeds\*\*\*

|                              |    |            |
|------------------------------|----|------------|
| <b>A:</b>                    | \$ | 301,887.50 |
| <b>(will be higher**) B:</b> | \$ | 101,887.50 |

**County HRA Dollars:** generally speaking, staff will recommend all applicable City costs associated with this project be considered for funding by the Anoka County HRA. If the City chose to utilize this funding source, multiple expenses shown in this feasibility report would become additional revenue available to apply to Fire Station #2 (i.e. site clean-up costs, Alternative B, etc.). If this contract is executed, staff will work with the EDA to draft a preliminary applicaiton to the County HRA.

**A\*** NIK Management construct an internal connection to their site. If this internal connection was required by the City, it would result in three connections to the NIK project. This would result in additional costs to the developer. Therefore, the developer would require to be compensated on the purchase price. This would be negotiated with phase-two closing. However, staff and NIK have identified about \$200,000 for starters.

**B\*\*** City construct a connection across Nowthen Boulevard to 151st LN NW. The City would need to purchase a private property to accomplish this alternative. Staff is currently working with said property owner. NOTE: this alternative would result in additional land proceeds down the road (\$100,000-\$175,000)--said proceeds are not included in the above analysis due to timing and unknowns. If reasonably achievable, this alternative is preferred by City staff.

**\*\*\*Property Tax Proceeds.** It is estimated, at full build out, over \$130,000 in annual property taxes would be collected from the proposed development. The City would receive about 35% of total property taxes (about \$49,000).