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Patrick:

The City of Ramsey has taken several steps toward identifying and evaluating a site for a new business park in the community. Ramsey has been very successful in the past with developing four business parks including Business Park 95, Energy Park, Sunfish Lake Business Park and the Azurite Business Park. Many of these business parks repurposed land in need of redevelopment resulting in a significant increase in tax base and jobs for the community.

Ramsey is currently considering a site west of Armstrong Blvd. adjacent to Bunker Lake Blvd for a new business park. The City's engineering consultant recently completed an estimate of costs related to improvements needed for the proposed business park. The Ramsey EDA and City Council are requesting additional information to arrive at a sound decision on how best to proceed toward the goal of developing a new business park.

The following is a summary of the desired "Scope of Work" as expressed to me by city staff:

I. Market Analysis

What are Ramsey's neighboring communities doing? (Rogers, Otsego, Elk River, Anoka, Coon Rapids, Blaine)

What are other comparable cities doing? (Chaska, Shakopee, Cottage Grove)

The research should include:

1. Number of acres guided for industrial, number of business parks.
2. Ownership situation.
3. Asking price (and what does it include—i.e. is it shovel ready)
4. What improvements are available and included (Water, sewer, gas, electric, fiber/communications, road, etc.)
5. What incentives are they willing to or do they provide?
6. What is each city's marketing strategy (broker, City staff, etc.)?
7. Major advantages of each city's business park
8. Major obstacles of each city's business park
9. Other information

Include a chart comparing communities noted above.

Given the information above, is there room or demand in the market place for a new business park in Ramsey?
Are there vacancy rates, absorption rates, and other data that demonstrate the need for a new business park from a market perspective?

II. Cost-Benefit Analysis

Does a new business park make economic sense for the City of Ramsey?

The cost-benefit analysis should include:

1. An estimate of full build out valuations for each of the projected three phases of the business park
2. A concept map for entire business park
3. Tax base creation calculations for each phase (1, 10, 20, 30 years: show total taxes, show City only taxes)
4. Rough job creation estimations
5. Ancillary economic benefits (i.e. homeownership, The COR, retail, professional services, recirculation of dollars, biz retention, development fees to be collected by City that can help park and trail system, etc.)

III. Alternatives And Recommendations

This research would include recommendations/ strategies for moving forward identifying the benefits and drawbacks of each alternative including:

1. Should the City move forward with pursuing a new business park? (Does it make sense?) If yes, how should the city proceed?
2. Should the city be proactive with constructing arterial infrastructure (i.e. shovel ready)?
3. Should the city own land, place an option to purchase land?
4. Should the city move forward with phase 1 improvements now (i.e. development unknowns)?
5. Timeline to fully develop a business park
6. What cost allocation method should be used?
7. How much land should be targeted now, and in the future?
8. If the City gets involved, what is the funding source?
9. What should be the targeted timeline?
10. Will the City need or be willing to provide incentives? If so which ones?
11. Do any state/ federal/ county funds exist to help?

III. Timeline and Cost of Research

My estimated time for completing the analysis would be 90 days. The total amount of senior professional staff time allocated to complete the work is estimated to be approximately 170 hours. The hourly billing rate is \$175 per hour. Travel expenses would be billed at cost using the prevailing IRS mileage rate.

IV. Report Purpose

This assignment will be completed with the understanding that the results of our work will be used by the City of Ramsey to evaluate the future demand and feasibility for a new business park. Our research report will be prepared for that purpose and will be subject to the following qualifications:

- ◆ Our report and analysis will be based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and discussions with the client and other communities actively engaged in economic development as well as professional developers. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results achieved may vary from the analysis.
- ◆ Our analysis will not evaluate the effectiveness of the owner of the business park as this issue is yet to be decided. Nor will we be responsible for future marketing efforts and other management actions upon which actual results are dependent unless requested to do so.
- ◆ Our report will be intended solely for the purpose described above and should not be used for any other purpose without our prior written permission.

Closing Remarks

I thank you in advance for the opportunity to work on behalf of the City of Ramsey. We have an established and successful working relationship that spans two decades. Our work together has yielded significant outcomes for the community that we can all be proud of. We believe that this assignment will yield similar results.

Best regards,

Michael J. Mulrooney

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President