

THE AREA

Delano, MN, is a thriving community located in the southeastern corner of Wright County, adjacent to Hennepin County and about 30 minutes from downtown Minneapolis. Because of its proximity to the metro area, Delano is conscientious on balancing residential growth with economic development to avoid becoming a bedroom community to the metro; thus, economic development is a priority for the City. They have been aggressive, creative, and successful when it comes to business retention and attraction.

THE OPPORTUNITY

The Northwest Industrial Park (Park), owned by the City of Delano, is an economic engine for the community. 82 acres are developed and this project proposes to develop the remaining 73 acres. The developed phase has resulted in the following:

- Currently there are four businesses operating in the Business Park.
- Three additional currently in the approval/development process.
- Actual FTE jobs created: 80
- Actual MN jobs retained: 75
- Total expected jobs to be created: 175
- Total expected jobs to be retained: 100
- Private investment to date: \$120,000,000
- Annual tax revenue from improvements: \$694,000

With the proposed improvements, the following impacts are anticipated:

- Projected tax revenue from improvements: \$1,085,000
- Tuffy's Phase 2 alone: 150 jobs, \$75,000,000 private investment, \$450,000 tax revenue
- Additional Projects:
 - FTE jobs created: 200
 - MN jobs retained: 100
 - Private Investment: \$40,000,000
 - Annual tax revenue: \$250,000

PROPOSED PROJECT / BUDGET

In order to serve the demand for industrial space, and increasing interest in rail service, the City is proposing to extend roads and utilities to the unserved portion of the Industrial Park now with future ability so serve with rail infrastructure as needed.

The City of Delano is requesting \$3.2 million to design and construct water, sewer and road extensions to serve an expanded industrial park. The City has already invested \$5,424,500 to date on the industrial park and is asking for the full amount of improvements for this phase. When combined, the City has provided 63% of the current and expanded industrial park costs. Project cost estimate:

| Item | Cost Estimate |
|--------------------------------------|---------------|
| Innovation Way Extension + Utilities | \$1.2 million |
| Murphy Lane Extension + Utilities | \$1.5 million |
| McKinley Parkway Extension | \$500,000 |
| TOTAL EST. PROJECT COSTS | \$3.2 million |

REGIONAL PLANNING

Delano is part of the 7W regional planning area and the area's counties and cities participate in regional planning activities. Delano's proposed industrial park expansion project aligns with the *Region 7W 2022 Comprehensive Economic Development Strategy (CEDS)* as it advances several of its goals, most notably:

- "... supporting the expansion of infrastructure to underserved areas."
- "Develop and expand transportation facilities to accommodate freight movement and meet the changing needs of the regional economy."

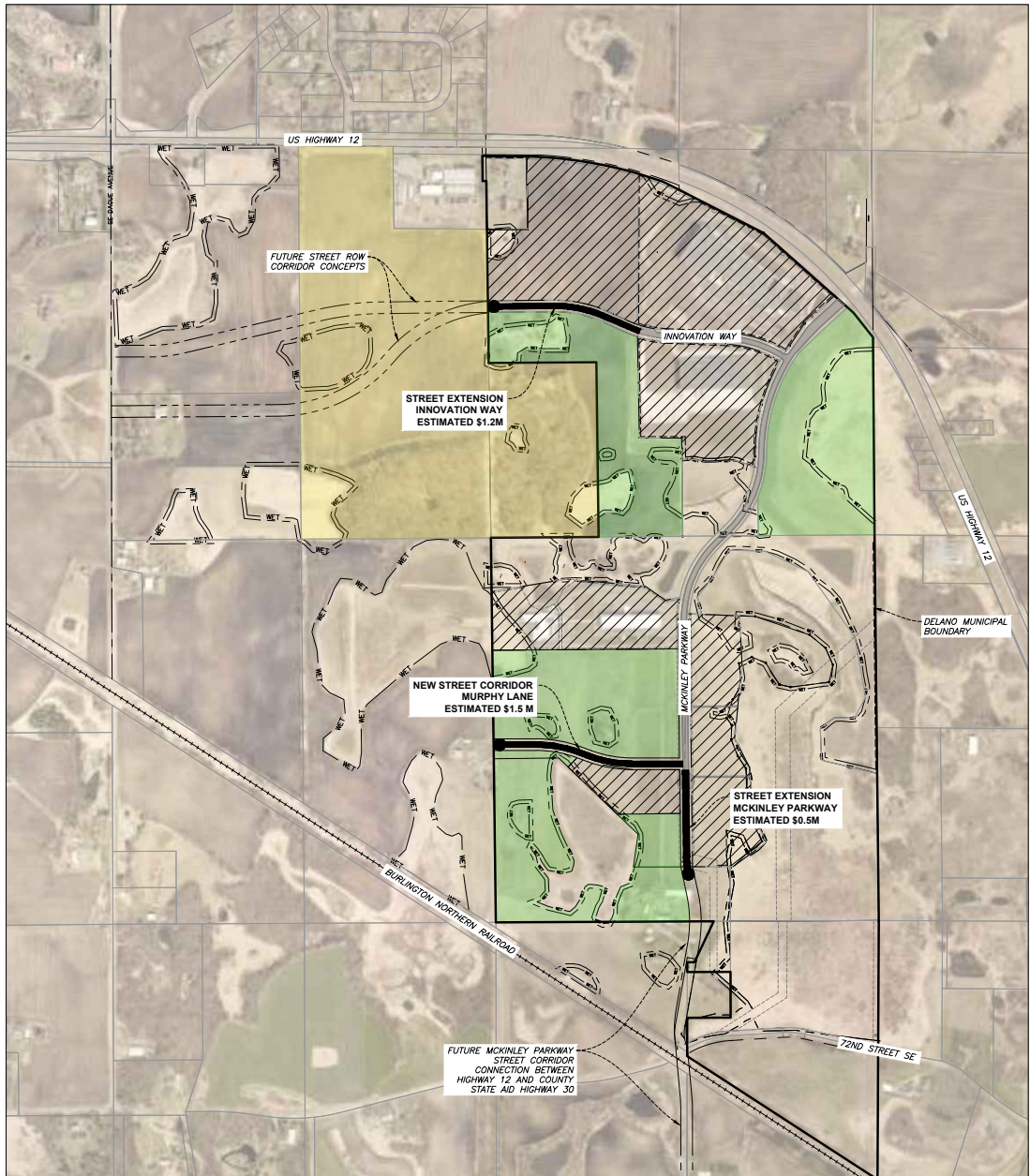
FUTURE PHASES TO COMPLEMENT THE PARK

The City has coordinated and developed a concept rail layout in support of this expanded industrial park. A phased approach will be necessary for railway infrastructure improvements to service current and future tenants and will ensure a financially conservative approach and allow the City to coordinate and/or negotiate from a public-private partnership perspective.






Rail infrastructure phasing will generally include the following phases:

- Phase 1: Turnouts Installation (Two #15 Turnouts along with associated signal implementation)
- Phase 2: Siding Installation
- Phase 3: Industrial lead installation/extension
- Phase 4: Additional Industrial lead/extensions

The City secured BNSF Railway's support in providing rail service in the future to the proposed site in Delano and they indicated it is a priority project for them (12/15/22 letter).

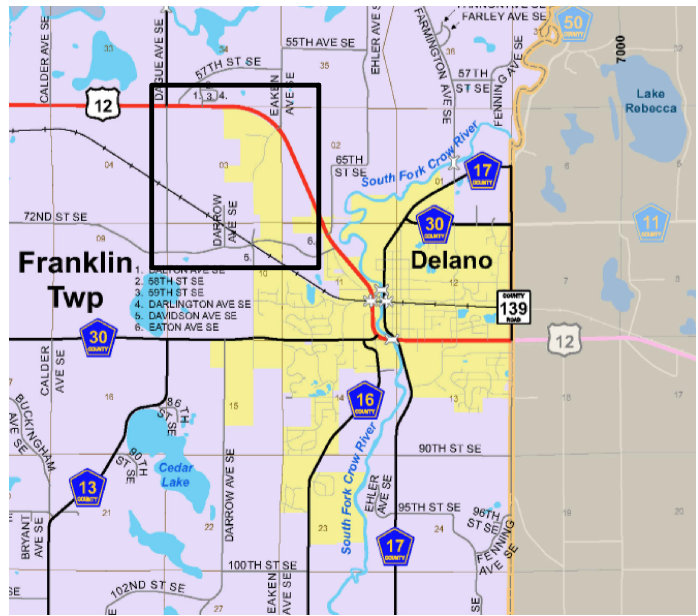


LEGEND

-  EXISTING PAVEMENT SURFACE
-  PROPOSED STREET AND UTILITY EXTENSION
-  DEVELOPED OR DEVELOPING LOT
-  AVAILABLE EDA OWNED DEVELOPMENT READY LAND
-  AVAILABLE PRIVATELY OWNED DEVELOPMENT READY LAND

INNOVATION WAY EXTENSION ESTIMATE = \$1.2 MILLION
 (EXTENSION OF STREET AND CITY UTILITIES)
 MURPHY LANE ESTIMATE = \$1.5 MILLION
 (NEW STREET AND UTILITIES)
 MCKINLEY PARKWAY EXTENSION ESTIMATE = \$500 THOUSAND
 (EXTENSION OF STREET)

TOTAL ESTIMATE = \$3.2 MILLION



234 2ND STREET N
 DELANO, MN 55328

**DELANO WEST METRO
 BUSINESS PARK**
 DELANO, MN

| | | | |
|---------------|---------------------------------|---------|--|
| PROJECT TITLE | | | |
| ISSUE NO. | ISSUE # | | |
| DESCRIPTION | DESCRIPTION | | |
| DATE | XXX/XX/XX | | |
| PROJECT NO. | | | |
| DWN BY | CHKD BY | APPD BY | |
| SDL | XXX | XXX | |
| ISSUE DATE | JAN 2023 | | |
| ISSUE NO. | ISSUE 0 | | |
| SHEET TITLE | | | |
| | INDUSTRIAL PARK EXPANSION NEEDS | | |
| SHEET NO. | | | |

FIGURE 1