

AGENDA
Council of the City of Lacombe
Monday, January 7, 2013 at 5 PM
in Council Chambers

Time Reference	Agenda Item
	<u>Committee Meeting of Council</u>
5:00	1. CALL TO ORDER
	2. ADOPTION OF AGENDA
	3. ADOPTION OF MINUTES
	4. INFORMATION
	5. PUBLIC HEARINGS
	6. PRESENTATIONS
	7. BYLAWS
	8. UNFINISHED BUSINESS
	9. NEW BUSINESS
	<p><u>Lands and Buildings</u></p> <p>Len Thompson Phase II</p> <ul style="list-style-type: none"> • Len Thompson Phase II Business Plan Report • Len Thompson Industrial Park Phase II Summary of Costs
	10. REPORTS

	11. IN CAMERA
	<ul style="list-style-type: none">• Land Matter Report
	12. NOTICES OF MOTION
	13. ADJOURNMENT
	<u>Future Meetings</u> <ul style="list-style-type: none">• January 14, 2013 - Regular Council Meeting• January 28, 2013 - Regular Council Meeting• February 4, 2013 - Council Committee Meeting



Len Thompson Phase 2 Business Plan



Executive Summary

Council repeatedly expressed their desire to acquire land for municipal use both in the 2011 – 2013 Strategic Plan and during the compilation of the Ten Year Capital Plan.

In May of 2012 discussions were initiated to purchase 33.97 acres of land for municipal use and for the development of industrial lots. In July 2012, this transaction was concluded with the City purchasing 33.97 acres for \$1,650,000 cash and an in-kind amount of \$218,350.00.

An outline plan was prepared by Stantec Consulting and adopted by Council in November 2012. This plan created 14 industrial lots, a ten acre lot for the Public Works facility and an environmental open space lot. There are 26 developable acres with the balance of the land being designated as either floodway or flood fringe.

The total input cost to develop this site is \$5,829,099.97. This breaks down to an average retail price per acre of \$250,135.35. The City will pay \$180,838.22 an acre for the ten acres of land allocated for Public Works.

The rezoning for Len Thompson Phase 2 is scheduled for completion by mid – January and subdivision is planned to be finalized by February 1, 2013.

Vision and Goals

A strategic priority of the City of Lacombe Strategic Plan (2011 – 2013) states; “Ensure Land Resources are in Place”. Supporting this goal is a Desired Outcome calling for an inventory of serviced industrial land.

In 2012, the Corporate Services Director sold the last industrial lot in Len Thompson Industrial Park. There is a privately owned quarter section of land within City boundaries intended for industrial use. This land remains un-serviced and is not shovel ready. Hence, the City of Lacombe supported a proactive approach and purchased 33.97 acres of land for industrial development. Within this development area, ten acres was designated for a future internal Public Works site.

The acquisition of 33.97 acres of land allows the City of Lacombe to fulfill two goals. The first being the relocation of the Public Works yard to a larger and more appropriate site within the City. Secondly, the City will service 14 industrial lots in 2013 and actively market the lots for sale. This, of course, replenishes the depleted inventory of serviced industrial lots ensuring industrial development will not stagnate in Lacombe.

Company Description

The City of Lacombe is a municipal corporation in the Province of Alberta. It is the mandate of the City to manage how the municipality evolves while abiding by prescribed legislation.

As a government entity, the City of Lacombe has no interest in competing with the private sector and land is not sold for the purpose of speculation or resale by others. With little to no serviced industrial lots available within the City of Lacombe, the acquisition and development of these lots is intended to improve the community's investment readiness.

When the City of Lacombe previously undertook the development of industrial lots, the Land Sale Policy 69_501 was adopted. This policy outlined the conditions and price of land sold for industrial purposes. Administration will present Council with revisions to this policy that enhance industrial land sales and development within the City.

The Community & Economic Development Department will oversee the sale of industrial lots on behalf of the City.

Products and Services

Upon completion of site servicing, there will be a total of 14 lots comprised of 15 acres for sale within Len Thompson Phase 2 Industrial Park. Rezoning for the site is in progress and it is anticipated that the rezoning process will be completed by mid-January 2013. The 14 lots will be rezoned as Light Industrial (I1), ten acres dedicated for City use will be rezoned as Public and Institutional (P) and an Environmental Open Space (EOS) parcel will be created.

In creating a high quality industrial park, the proposed development is an extension of the existing industrial uses and is an ideal location for industrial development. Access to the site is from Len Thompson Drive, which will provide connectivity within and surrounding Len Thompson Phase 2.

Len Thompson Phase 2 concept plan has been prepared to provide a range of industrial opportunities for future businesses. The plan has considered environmental constraints and taken into account a desire to provide a large area for municipal use and consistency with surrounding industrial lots. Additionally, the floodway and flood fringe have been preserved. The location and layout of the 14 industrial lots has been designed to provide visibility to owners along Hwy. 2A. A large Public and Institutional District, which will house the Public Works yard and buildings, has been located along the eastern portion of the Plan Area.

Marketing/Sales Plan

Administration will take a multi – faceted approach to marketing the industrial lots within this subdivision.

The development and distribution of the City of Lacombe profile including site specific details will be focused on cultivating local and regional interest.

A page will be added to the City's website organizing information on each lot in an appealing format.

Administration will meet with local businesses to provide details on the availability of land. The Community & Economic Development Manager will be the point of contact for information on land sales.

Local realtors will be used to promote and sell lots. Realtor commission will be determined and confirmed.

Financial Projections

The financial projection of all costs associated with land acquisition and development equals \$5,829,099.97.

Included in this expenditure is lot costs which, incorporate land cost, stripping, grading, site servicing, street lights, telephone and other shallow services, MR contribution and off site levies. Also included is the recovery of municipal infrastructure (roads, water, storm and wastewater) and finally additional recoveries includes MR development, interest costs, legal, advertising and real estate commission.

After considering all pertinent expenses, the average retail value of one acre of land in Len Thompson Phase 2 is \$250,135.35.

The City of Lacombe will develop ten acres of land within this subdivision at a cost of \$180,838.22 per acre.

The city will debenture borrow \$1,650,000.00 for land acquisition and will incur indebtedness for site servicing. Borrowing for the land purchase will be amortized over 5 years and site servicing debt will be amortized over 15 years.



Len Thompson Industrial Park Phase II

Development Cost and Pricing Report

December 19, 2012

Len Thompson Industrial Park - Phase II - Projected Income Statement

Revenue			
Land Sales	15.01 ac	250,000	3,752,500.00
In Kind Land Contribution	Environmental Reserve		218,350.00
City R/W of Acquisition	Grant/Reserve Funding		<u>48,462.87</u>
Subtotal			\$ 4,019,312.87
Expenses			
Land Acquisition			
	Cash		1,650,000.00
	In Kind		<u>218,350.00</u>
			1,868,350.00
Construction Costs			
	Miscellaneous		860,250.00
	Site Grading		397,500.00
	Sanitary Sewer Mains		106,420.00
	Water Mains		243,795.00
	Service Connections		49,200.00
	Roadways		191,770.00
	Paving		135,000.00
	Street Lights & Servicing		200,000.00
	Contingency & Engineering		<u>545,983.75</u>
			2,729,918.75
Land Registration & Regulatory Costs			
	Legal Costs (Acquisition)		1,670.50
	Subdivision & Land Use		<u>261,637.28</u>
			<u>263,307.78</u>
Subtotal			<u>\$ 4,861,576.53</u>
Development Costs Net of Revenues			-\$ 842,263.66
Selling, Marketing & Legal Costs			<u>205,876.55</u>
Development Costs including Marketing			-\$ 1,048,140.21
Interest on Short Term and Long Term Debt			<u>761,646.90</u>
Cost to City for City Owned Properties			<u>-\$ 1,809,787.10</u>
<u>City owned Properties</u>			
Book Value - Public Works Yard			\$ 1,868,912.58
Book Value of PUL			71,934.58
Book Value - ER (Less In Kind Land of \$218,350)			144,066.64
Book Value - MR (not recovered from land sales)			-
Subtotal			2,084,913.79
Difference in BE and actual Sales Revenue			3,063.18
Cost of City Land to City Offset by Markup on Industrial Lots			- 278,189.86
Cost of City Land to City			<u>1,809,787.10</u>
Average Cost per Acre (Applied Against Public Works Lot Only)			\$ 180,838.22

Len Thompson Industrial Park - Phase II - Lot Size, Cost Recovery & Pricing

Last Updated 18-Dec-12						Lot Specific Costs						Recovery of Municipal Infrastructure			Additional Recoveries			Sales & Marketing				Average Sales Price Per Acre	
Block	Lot	Plan	Civic Address	Area (Ha)	Frontage (m)	Lots for Resale	Capital Assets Land	Roads (m)	Water (m)	Storm (ha)	Wastewater (m)	Subtotal	Recovery of MR Development (ha)	Interest Costs (ha)	Subtotal	Legal	Advertising	Commission (5% of Market)	Subtotal	Total Inventory Cost	Markup (8%)		Total
Lots Held for Resale																							
1	12	TBD	TBD	0.405	38.710	125,092.94		26,883.29	13,751.30	6,363.01	6,151.42	53,149.01	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	238,710.89	19,096.87	257,807.76	
1	13	TBD	TBD	0.405	38.260	125,092.93		26,570.77	13,591.44	6,363.01	6,079.91	52,605.13	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	238,167.00	19,053.36	257,220.36	
1	14	TBD	TBD	0.405	37.760	125,092.93		26,223.53	13,413.82	6,363.01	6,000.45	52,000.81	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	237,562.68	19,005.01	256,567.70	
1	15	TBD	TBD	0.405	36.970	125,092.93		25,674.89	13,133.18	6,363.01	5,874.91	51,046.00	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	236,607.86	18,928.63	255,536.49	
1	16	TBD	TBD	0.405	36.460	125,092.93		25,320.71	12,952.01	6,363.01	5,793.87	50,429.59	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	235,991.46	18,879.32	254,870.78	
1	17	TBD	TBD	0.405	37.260	125,092.93		25,876.29	13,236.20	6,363.01	5,921.00	51,396.50	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	236,958.37	18,956.67	255,915.04	
1	18	TBD	TBD	0.405	39.690	125,092.93		27,563.88	14,099.43	6,363.01	6,307.15	54,333.46	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	239,895.33	19,191.63	259,086.96	
1	19	TBD	TBD	0.405	41.470	125,092.93		28,800.05	14,731.75	6,363.01	6,590.01	56,484.82	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	242,046.69	19,363.74	261,410.43	
1	20	TBD	TBD	0.405	45.430	125,092.93		31,550.19	16,138.50	6,363.01	7,219.30	61,270.99	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	246,832.86	19,746.63	266,579.49	
1	21	TBD	TBD	0.405	51.760	125,092.93		35,946.24	18,387.16	6,363.01	8,225.20	68,921.61	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	254,483.48	20,358.68	274,842.16	
1	22	TBD	TBD	0.405	33.450	125,092.93		23,230.33	11,882.74	6,363.01	5,315.55	46,791.62	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	232,353.49	18,588.28	250,941.77	
1	23	TBD	TBD	0.405	15.060	125,092.93		10,458.86	5,349.90	6,363.01	2,393.19	24,564.95	16,196.36	30,462.87	46,659.23	300.00	1,000.00	12,509.71	13,809.71	210,126.82	16,810.15	226,936.96	
1	24	TBD	TBD	0.609	20.590	169,468.43		14,299.33	7,314.37	9,568.08	3,271.96	34,453.73	24,354.53	45,807.13	70,161.66	300.00	1,000.00	18,810.90	20,110.90	294,194.73	23,535.58	317,730.30	
1	27	TBD	TBD	0.607	53.690	169,033.38		37,286.58	19,072.77	9,536.66	8,531.89	74,427.91	24,274.55	45,656.69	69,931.24	300.00	1,000.00	18,749.12	20,049.12	333,441.65	26,675.33	360,116.98	
				6.076	526.560	1,839,616.955		365,684.93	187,054.56	95,460.82	83,675.82	731,876.13	242,985.45	457,018.22	700,003.67	4,200.00	14,000.00	187,676.55	205,876.55	3,477,373.31	278,189.86	3,755,563.18	250135.35
Lot Held for City Use																							
1	26	TBD	TBD	4.050	348.090	-	917,978.77	241,741.24	123,655.09	63,630.07	55,315.09	484,341.49	161,963.64	304,628.67	466,592.31	-	-	-	-	1,868,912.58	-	1,868,912.58	
				4.050	348.090	-	917,978.77	241,741.24	123,655.09	63,630.07	55,315.09	484,341.49	161,963.64	304,628.67	466,592.31	-	-	-	-	1,868,912.58	-	1,868,912.58	
Statutory Lots Retained by City																							
1	25 MR	TBD	TBD	1.920	51.190		404,949.09		-	-	-	-	-	404,949.09	-	-	-	-	-	-	-	-	
1	28ER	TBD	TBD	1.630	-		362,416.64		-	-	-	-	-	-	-	-	-	-	-	362,416.64	-	362,416.64	
1	29 PUL	TBD	TBD	0.452	-		71,934.58		-	-	-	-	-	-	-	-	-	-	-	71,934.58	-	71,934.58	
Road R/W	n/a	n/a	n/a	0.952	-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(Separate Subdivision)						48,462.87		-	-	-	-	-	-	-	-	-	-	-	48,462.87	-	48,462.87	
				4.954	51.190		887,763.17		-	-	-	-	-	404,949.09	-	-	-	-	-	482,814.08	-	482,814.08	
				15.08	925.84	1,839,616.96	1,805,741.94	607,426.17	310,709.65	159,090.90	138,990.91	1,216,217.62	-	761,646.90	761,646.90	4,200.00	14,000.00	187,676.55	205,876.55	5,829,099.97	278,189.86	6,107,289.83	

Len Thompson Industrial Park - Phase II - Opinion of Probable Cost

Last Updated 18-Dec-12

Item No.	Item of Work	Measurement Unit	Est. Quantity	Unit Price	Amount
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A. MISCELLANEOUS

0.1	Clearing and grubbing (allowance)	ha	12.7	\$ 7,500.00	\$ 95,250.00
0.2	Stripping topsoil and dispose offsite (Assumed 0.4m)	m ³	55,000	\$ 10.00	\$ 550,000.00
0.3	Mobilization	lump sum	1	\$ 100,000.00	\$ 100,000.00
0.4	Traffic accommodation	lump sum	1	\$ 5,000.00	\$ 5,000.00
0.5	ATCO gas line removal	lump sum	1	\$ 110,000.00	\$ 110,000.00
TOTAL ITEM A					<u>\$860,250.00</u>

B. SITE GRADING

0.1	Common excavation and place on site (including lotgrading, road, pond and swales)	m ³	55,000	\$ 5.00	\$ 275,000.00
0.2	Pond outlet structure and piping	lump sum	1	\$ 90,000.00	\$ 90,000.00
0.3	Pond landscaping (topsoil and seeding)	m ²	13,000	\$ 2.50	\$ 32,500.00
TOTAL ITEM B					<u>\$397,500.00</u>

Len Thompson Industrial Park - Phase II - Opinion of Probable Cost

Last Updated 18-Dec-12

Item No.	Item of Work	Measurement Unit	Est. Quantity	Unit Price	Amount
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C. SANITARY SEWER

0.1	Trench excavation, bedding, backfill & compaction a) 3.0m - 5.0m Depth	lin.m.	420	\$ 120.00	\$ 50,400.00
0.2	Supply and Installation of 200mm PVC DR-35	lin.m.	420	\$ 60.00	\$ 25,200.00
0.3	Standard 1200mm Manhole	vert.m.	20	\$ 1,150.00	\$ 23,000.00
0.4	MH Frame and Cover	each	4	\$ 330.00	\$ 1,320.00
0.5	Connect to Existing	each	1	\$ 2,000.00	\$ 2,000.00
0.6	Screened gravel bedding (allowance)	m ³	100	\$ 45.00	\$ 4,500.00
TOTAL ITEM C					<u>\$106,420.00</u>

D. WATER MAINS

0.1	Trench excavation, bedding, backfill & compaction a) 3.0m - 5.0m Depth	lin.m.	780	\$ 120.00	\$ 93,600.00
0.2	Supply and Install 200mm PVC DR-18	lin.m.	300	\$ 75.00	\$ 22,500.00
0.3	Supply and Install 250mm PVC DR-18 (including water looping to Wolf Creek Drive)	lin.m.	480	\$ 95.00	\$ 45,600.00
0.4	Supply and Install valves and fittings:				
	a) 200mm Gate Valve	each	2	\$ 2,000.00	\$ 4,000.00
	b) 250mm Gate Valve	each	2	\$ 2,700.00	\$ 5,400.00
	c) 150x200x200mm Tee	each	3	\$ 950.00	\$ 6,000.00
	d) 150x250x250mm Tee	each	1	\$ 1,050.00	\$ 6,000.00
	e) Fire hydrant	each	4	\$ 4,500.00	\$ 18,000.00
	f) 150mm Hydrant Valve	each	4	\$ 1,250.00	\$ 5,000.00
	g) 150x200 Reducer	each	3	\$ 240.00	\$ 720.00
	h) 150x250 Reducer	each	1	\$ 275.00	\$ 275.00

Len Thompson Industrial Park - Phase II - Opinion of Probable Cost

Last Updated 18-Dec-12

Item No.	Item of Work	Measurement Unit	Est. Quantity	Unit Price	Amount
0.5	Connect to existing	each	1	\$ 2,200.00	\$ 2,200.00
0.6	Hot tap at Wolf Creek Drive	each	1	\$ 5,000.00	\$ 5,000.00
0.7	Screened gravel bedding (allowance)	m ³	100	\$ 45.00	\$ 4,500.00
0.8	Wolf Creek Crossing	ls	1	\$ 25,000.00	\$ 25,000.00
TOTAL ITEM D					\$ 243,795.00

E. SERVICE CONNECTIONS (15 Lots)

0.1	Trench excavation, bedding, backfill & compaction (both services)	lin.m.	180	\$ 215.00	\$ 38,700.00
0.2	150mm PVC DR-28 Sanitary service includes all fittings	each	15	\$ 250.00	\$ 3,750.00
0.3	50mm 160 P.E water service and all fittings	each	15	\$ 300.00	\$ 4,500.00
0.4	Screened gravel bedding (allowance)	m ³	50	\$ 45.00	\$ 2,250.00
TOTAL ITEM E					\$49,200.00

F. ROADWAYS

0.1	Roadway geotextile	m ²	5,500	\$ 2.50	\$ 13,750.00
0.2	Supply and Install Granular Sub base Course (300mm)	m ²	5,200	\$ 15.10	\$ 78,520.00
0.3	Supply and install granular base course (150mm)	m ²	5,000	\$ 10.00	\$ 50,000.00
0.4	Topsoil placement and seeding	m ²	13,000	\$ 3.50	\$ 45,500.00
0.5	Supply and Installation of Culvert including rip rap end treatments a) 800mm CSP	lin.m.	16	\$ 250.00	\$ 4,000.00
TOTAL ITEM F					\$191,770.00

Len Thompson Industrial Park - Phase II - Opinion of Probable Cost

Last Updated 18-Dec-12

Item No.	Item of Work	Measurement Unit	Est. Quantity	Unit Price	Amount
G. PAVING					
0.1	Asphalt hot-mix surface a) 90mm (11m wide)	m ²	5,000	\$ 27.00	\$ 135,000.00
TOTAL ITEM G					\$ 135,000.00

H. SITE SERVICING

0.1	Telephone, Electrical & Natural Gas Street Lighting	lump sum	1	200,000.00	200,000.00
TOTAL ITEM H					\$ 200,000.00

COST ESTIMATE SUMMARY

ITEM A	EARTHWORK	\$860,250.00
ITEM B	GRADING	\$397,500.00
ITEM C	SANITARY SEWER	\$106,420.00
ITEM D	WATER MAIN	\$243,795.00
ITEM E	SERVICE CONNECTIONS	\$49,200.00
ITEM F	ROADWAYS	\$191,770.00
ITEM G	PAVING	\$135,000.00
ITEM H	SITE SERVICING	\$200,000.00
Subtotal		\$2,183,935.00
Contingency and Engineering 25%		\$545,983.75
Total		\$2,729,918.75

CITY OF LACOMBE

OPINION OF PROBABLE COST - Len Thompson Industrial - September 10 Outline Plan Option

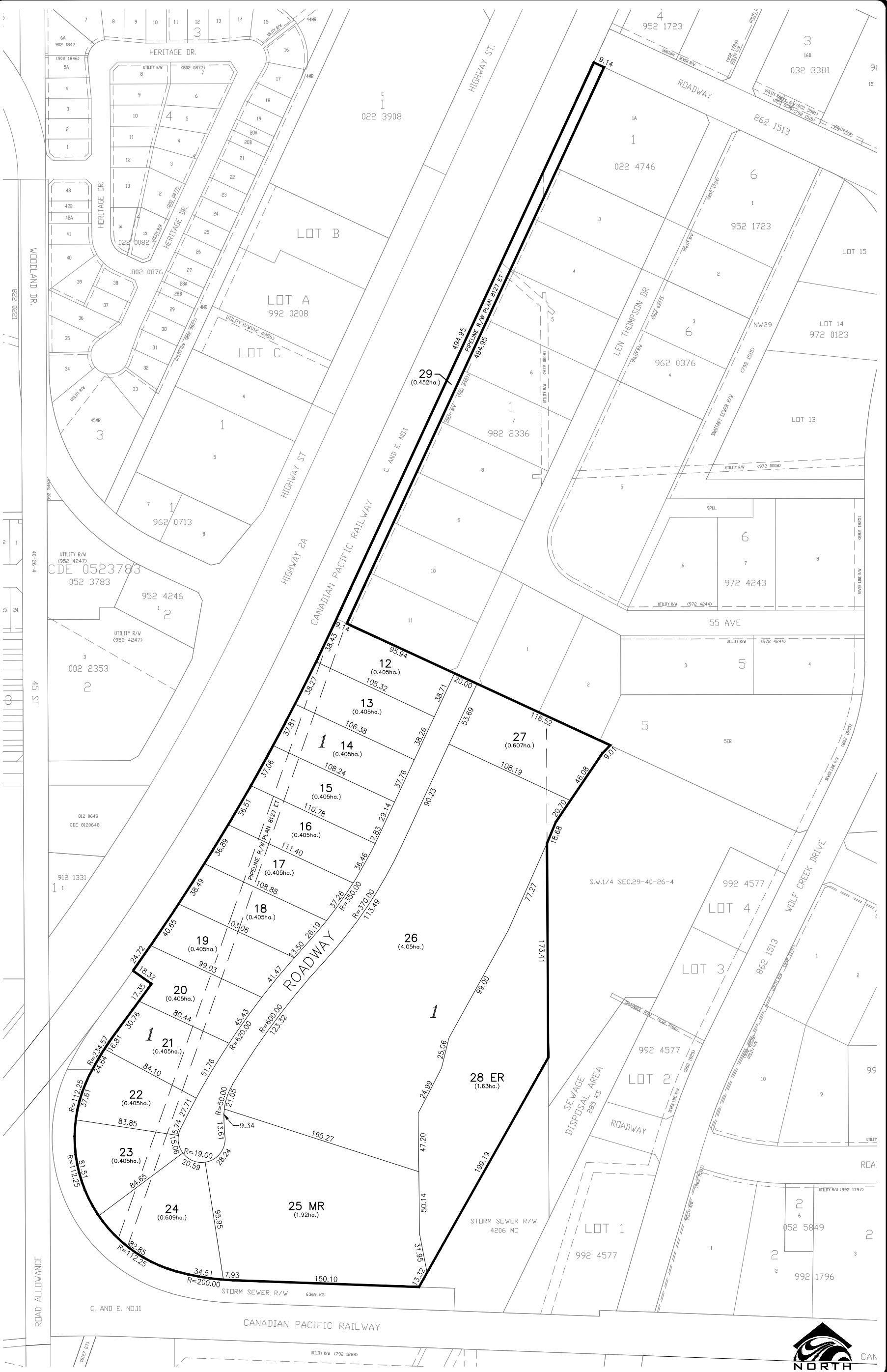
Estimate includes an allowance for clearing and grubbing, road and general lot grading, pond construction and general landscaping, watermain looping to Wolf Creek Drive

Estimate does not include pathways, pathway landscaping, existing facility removals, upgrading of existing Len Thompson Road, lot accesses, (street lighting & shallow utilities - Use \$200,000 for budgetting purposes). Item included in item H

Local Industrial Town Standards for Cul de Sac calls for 10.5m road, used 11m herein estimate

Updated 12/10/04, 10:08 AM;By: SSTAFFORD

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Len Thompson Industrial
 Tentative Plan of Subdivision
 1128

Notes:
 Area to be subdivided contains 15.08 ha.
 -0.097 within the N.W. 1/4 Sec. 29-40-26-4
 -14.98 within the S.W. 1/4 Sec. 29-40-26-4
 Area to be subdivided is outlined thus: _____

Prepared for:
 City of Lacombe
 Lacombe, Alberta

DRAWN BY: SAS
 CHECKED BY: GCL
 SCALE: 1:3000
 PROJECT #: 1128

Stantec
 #1100, 4900-50th Street, Red Deer, AB T4N1X7
 Ph:(403) 341-3320 Fx:(403) 342-0969

October, 2012