

## COST ESTIMATES COMPARISON – LITTLE CANOE CREEK SITE

<u>Estimated up-front costs to enable marketing of the site</u>	<u>Industrial Megasite</u>	<u>Industrial Park</u>	<u>High-Impact Commercial Project</u>	<u>Low-Impact Project Such As Sports Complex</u>
Purchase additional land (minimum amount to reach 1,000 acres for a megasite)	\$450,000	-0-	-0-	-0-
Geotechnical study (initial)	40,000	40,000	40,000	-0-
Additional environmental studies	14,000	-0-	-0-	-0-
Environmental remediation	Unknown <sup>(1)</sup>	-0-	-0-	-0-
Site documentation for sales presentations	10,000	10,000	10,000	10,000
Engineering plans to four-lane Highway 11 from the access road to I-59 in Steele	750,000	750,000	750,000	-0-
New access road construction from U.S. Highway 11 to the railroad bordering the site	Bid amount	Bid amount	Bid amount	Bid amount
Engineering plans to extend water line	500,000 <sup>(2)</sup>	500,000 <sup>(2)</sup>	500,000 <sup>(2)</sup>	60,000 <sup>(3)</sup>
Paying for water line ROW and environmental studies	Unknown <sup>(2)</sup>	Unknown <sup>(2)</sup>	Unknown <sup>(2)</sup>	-0- <sup>(3)</sup>
Engineering plans to provide sewer service	500,000 <sup>(2)</sup>	500,000 <sup>(2)</sup>	500,000 <sup>(2)</sup>	100,000
Paying for sewer line ROW and environmental studies	Unknown <sup>(2)</sup>	Unknown <sup>(2)</sup>	Unknown <sup>(2)</sup>	-0-
<b>Minimum total:</b>	<b>\$2,264,000</b>	<b>\$1,800,000</b>	<b>\$1,800,000</b>	<b>\$170,000</b>
<u>Estimated development costs once a project commits to locate on the site</u>				
Site grading (this is a typical requirement of an industrial megaproject and is costly)	Unknown	-0-	-0-	-0-
Four-lane Highway 11 from the new access road to I-59	8,500,000	8,500,000	8,500,000	Might not be needed
Paved access road extension into the site itself (this will be costly, too)	Unknown	Unknown	Unknown	Unknown
Water line extension	5,000,000 <sup>(2)</sup>	5,000,000 <sup>(2)</sup>	5,000,000 <sup>(2)</sup>	600,000 <sup>(3)</sup>
Elevated water tank	2,500,000	2,500,000	2,500,000	Might not be needed
Sewer line extension	5,000,000 <sup>(2)</sup>	5,000,000 <sup>(2)</sup>	5,000,000 <sup>(2)</sup>	-0-
Construct package wastewater treatment plant	-0-	-0-	-0-	2,500,000
Electric power service	Major work is needed <sup>(4)</sup>	Major work is needed <sup>(4)</sup>	Minor work is needed <sup>(4)</sup>	Minor work is needed <sup>(4)</sup>
Rail spur track extension	-0-	1,000,000 <sup>(5)</sup>	-0-	-0-
<b>Minimum total:</b>	<b>\$21,000,000</b>	<b>\$22,000,000</b>	<b>\$21,000,000</b>	<b>\$3,100,000</b>

### Notes

- (1) This could be very expensive for a megaproject. However, jurisdictional wetlands, critical habitats, and historic artifacts might not impede industrial park development and non-industrial projects, which often can be configured so as to avoid them.
- (2) These costs can't be ascertained for certain until the water and sewer service providers are chosen, and the distance from their treatment plants to the site are known.
- (3) The West Etowah County Water Authority can't meet the large water requirements of an industrial megaproject, a fully occupied large industrial park, or a big commercial development, while meeting the needs of its residential customers. It might be able to serve a low-impact project such as a sports complex that has a less demanding need, but the existing water line would most likely have to be extended further into the site.
- (4) The existing line has sufficient capacity to serve several medium-sized industries now. A new, larger capacity transmission line is scheduled to be available to serve this area by 2018-2019.
- (5) Companies locating in an industrial park will expect rail service to be at the property lines of the parcels they choose. (A megaproject would pay for the extension of a spur track to its plant, because it will receive rail car usage rebates from Norfolk Southern.)

### Conclusions

**Megasite:** Developing this property as a megasite is feasible, but the return on the county's up-front investment to be able to market the site could be lengthy. Once a megaproject commits to locate on it, substantial grant money would be available to help provide the infrastructure to it, due to the huge economic benefits. Although megaprojects are rare, this is the only chance Etowah County has to be able to compete for a project the size of a Mercedes or a Honda when such an opportunity does arise.

**Industrial park:** Developing the site as an industrial park is not economically feasible. The most likely first occupant would be a medium-sized manufacturer employing a maximum of 200-250, which has insufficient economic benefits to qualify for large amounts of grant money to pay for infrastructure improvements. (Such money is available only for a "bird in hand" project.) Also, the time to extend the infrastructure is at least 2 years. This is not a problem for a megaproject, which has a construction time of 2-3 years. However, a typical medium-sized industry has a construction time of 9 months, and few (if any) will wait for more than a year for the site it purchases to be readied for use. Therefore, the county would have to pay for most of these costs up-front and on its own. Selling parcels in the park at a price that would allow the county to eventually recover its money would result in a high cost per acre that would be non-competitive with other industrial parks in the region.

**High-impact project such as a commercial development:** This is not an ideal option under present circumstances. Even assuming that a developer would consider this location to be competitive based on population demographics, (1) a developer will likely require more than one ingress and egress to the property, (2) the cost of other infrastructure improvements will be high as well, (3) grant funding for this kind of project will not be significant, and (4) a developer invariably will require sales tax rebates from the county to help defray project costs. However, if state gambling laws are changed, and an electronic bingo or similar facility were to be developed on this property as had been considered in the past, the economic benefits to the county should exceed these costs.

**Low-impact project such as a sports complex:** This option would have the lowest up-front costs and the lowest development costs by far. It also would have the lowest economic impact.