

**To: HONORABLE MAYOR AND CITY COUNCIL.**

**FROM: Dave Maroney, Director of Economic Development and Planning.**

**SUBJECT: Welcome Center Development Plan Financing Outline.**

**DATE: February 2, 2016.**

**Federal Recreational Trail Program (F RTP) Application**

The initial development phase (2016-2017) proposes: (a) completion of a *Phase I Environmental Assessment* and soil borings financed by the Economic Development Authority – the EDA budget for this work is \$8,500; (b) demolition of the former Lee Chevrolet building (cost estimate pending completion of environmental/soils evaluation); (c) construction of approximately 36 parking stalls; and (d) trail extension from the Cannon Valley Trailhead structure to Mill Street. Further evaluation is necessary to determine opportunities to provide sanitary sewer and water services to the proposed location of the *Welcome Center-Restrooms-Farmers Market* building. The estimated cost to construct the parking lot and trail extension only is currently \$225,000.

The preliminary financing plan for this project follows:

**A. City of Cannon Falls**

\$160.0 Reserves/Bond Proceeds

\$ 65.0 Park Fund – Acquisition (west 30-feet of the property)

\$ 37.5 Park Fund – Development

**\$262.5 Total Sources**

Of the \$262,500 of City funding, approximately \$225,000 would be paid to the EDA to reimburse their purchase of the property and \$37,500 would pay initial development phase project costs.

**B. Economic Development Authority**

\$187.5 City Payment – Reserved for Future Phase

\$ 37.5 City Payment - Demolition/Development (2016 – 2017)

\$ 8.5 EDA Site Evaluation Budget (2016 – 2017)

**\$233.5 Total Sources**

The EDA has not yet been requested to pledge and reserve the approximately \$225,000 of funds received from the City to assist with financing of development-related costs (demolition, utilities, Welcome Center, public plaza, etc.).

**C. Federal Recreation Trail Program (F RTP) Grant**

**\$150.0 Parking Lot and Trail Extension**

**D. Combined Sources for Initial Development Phase (2016 – 2017)**

\$150.0 FRTP Grant (66%)

\$ 37.5 Park Fund (17%)

\$ 37.5 EDA (17%)

**\$225.0 Total Sources      \$225.0 Total Uses (Parking Lot and Trail Extension)**

**Note:** the application to FRTP will emphasize that the City/EDA have already invested more than \$233,500 to acquire and evaluate the property that is now proposed to be redeveloped to provide public parking, facilities and amenities to serve users of the Mill Towns Trail, Cannon Valley Trail and others.

**E. Sources for Future Phase - Welcome Center/Restrooms/Farmers Market/Plaza (2017 – 2019)**

\$187.5 EDA

\$ ? FRTP

\$ ? Local Trail Connections (Minnesota)

\$ ? Minnesota Department of Agriculture Grants

\$ ? USDA – Rural Development Grants

\$ ? Park Fund

\$ ? Local Donations

**REQUESTED COUNCIL ACTION.**

The Council is asked to review and discuss the financing outline and then decide whether to have Staff prepare the FRTP grant application for submission on February 29, 2016.

# WELCOME CENTER DEVELOPMENT PLAN

**SEH**  
 Project: (001) 440-0000  
 3000 W. Main, MN 55110

CANNON FALLS, MINNESOTA

FILE NO.  
 123363  
 DATE  
 12/29/15

