
MEMORANDUM



TO: City Council
FROM: Stephanie Hillesheim, Community Development
Manager

SUBJECT: Industrial Land Pricing

DATE: March 23, 2021

Background:

The City of Princeton recently purchased 42 acres adjacent to the Aero Business Park land. The plan is to combine the properties and re-plot to create room for new and expanding industrial businesses. The property has been officially purchased by the City, and the final Public Hearing for the Annexation of the 42 acres was held March 11, 2021.

Analysis:

To keep the process moving forward, city staff researched pricing scenarios for the property; comparing local industrial site listings with the City of Princeton's current investment and interest costs. The estimated cost per acre must include all of the costs for the Aero Business Park property including infrastructure and interest costs, along with all fees associated with the newly purchased 42 acres.

The newly acquired property is still in need of infrastructure improvements including road, sewer, water and storm water at an overall estimated cost of \$1.4 million to service all sites. We are looking for ways, outside of property fees to pay for these costs including economic development tools and possibly future grants.

This information was presented at the EDA meeting in February and their recommendation to the City Council is to set the price of the property at \$50,000 per acre.

Recommendation:

City Staff endorse the recommendation made by the EDA Board and requests the City Council's approval to set the price for the property at \$50,000 an acre to remain competitive in our local market, as well as to ensure recouping costs associated with the overall investment in the land.