



## Legislation Text

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**File #:** 17-333, **Version:** 1

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*Report Prepared by: Frank Quintero, Director of Economic Development*

**SUBJECT:** Merced Industrial Park Land Assessment

### REPORT IN BRIEF

Staff is requesting the City Council to select either Area 6 or Area 7 for further investigation as the City's future industrial park.

### RECOMMENDATION

**City Council** - Adopt a motion directing staff to proceed moving forward with Industrial Park Study Area #6 or Industrial Park Study Area #7.

### ALTERNATIVES

1. Select Industrial Park Study Area #6; or,
2. Select Industrial Park Study Area #7; or,
3. Refer back to staff for consideration of specific items as requested by Council; or,
4. Continue to a future meeting.

### AUTHORITY

Merced City Charter, Section 200

### CITY COUNCIL PRIORITIES

City of Merced Budget FY 16-17, Section 7 - Economic Development Objective #1, "Investigate through a feasibility study the opportunities to develop new local and/or regional industrial parks."

### DISCUSSION

The City and County of Merced have experienced steady growth in the manufacturing sector over the past years including expansions such as O'Keefes', Label Technology, Rotoplas, Scholle Corporation, and Olam Spices and Vegetables. Merced's manufacturing sector was named the fastest growing in the nation in May 2015. A number of the companies expanded into existing facilities vacated by other industries during the recession. The stock of useable grade existing buildings has dwindled considerably.

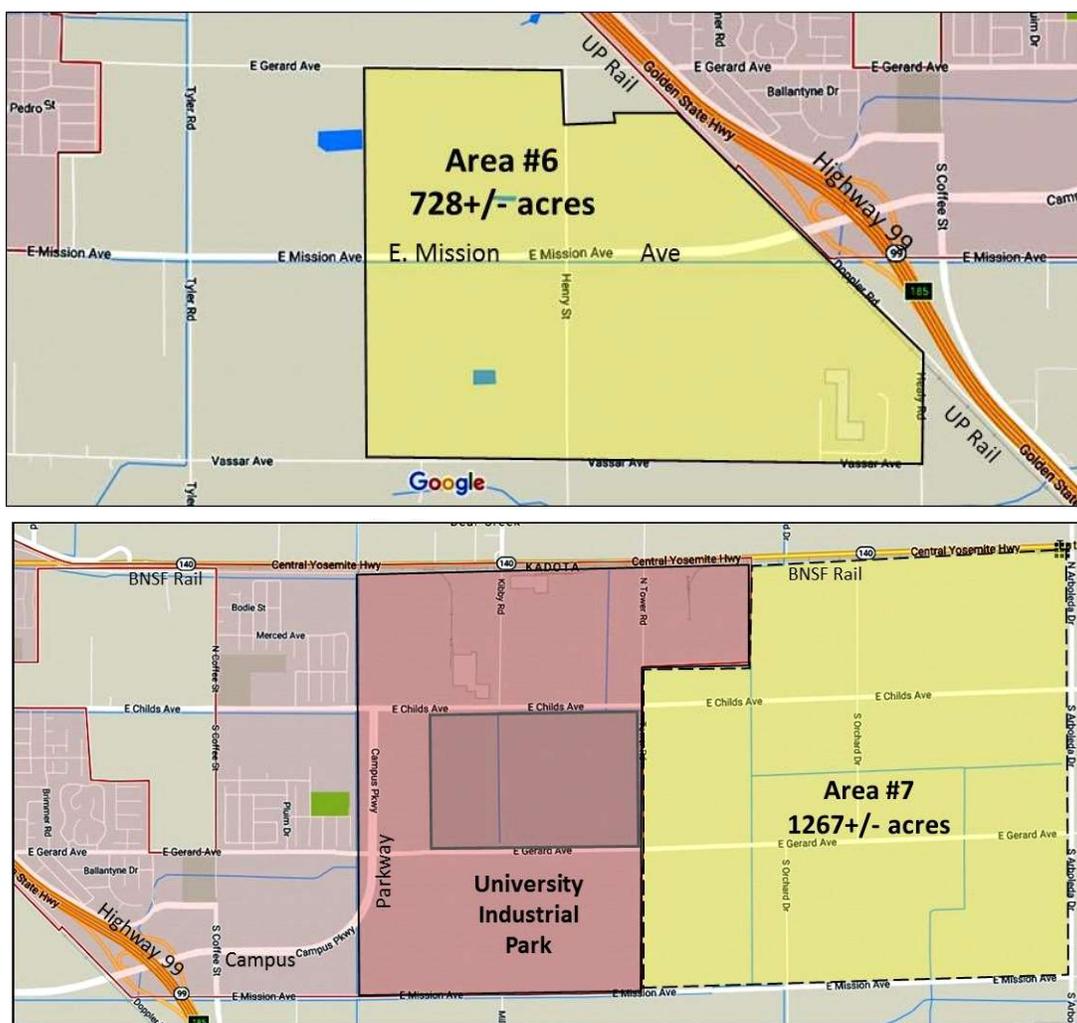
Merced's industrial land base is anchored by three major industrial parks, the Western Industrial Park, University Industrial Park, and Airport Industrial Park. Generally speaking, the industrial parks are well suited for users seeking 1-acre to 25-acres. For industrial users needing parcels of 50-acres or more, the inventory of available property is limited to lots in the University Industrial Park.

The City Council and staff agree that planning needs to take place now to secure a suitable area for

industrial park land development. Users are seeking larger sites to locate projects including warehouse and distribution centers, fulfillment centers, and knowledge based industries. A number of Cities such as Stockton and Tracy are developing industrial parks of 1200-acres and greater. Developing an industrial park of 1200 acres or larger is essential to remain competitive with neighboring communities for industrial projects and to expand Merced’s economic base.

**The Investigation Starts:** As part of the Economic Development Action Plan update, the City of Merced brought on board Audrey Taylor, CEO of Chabin Concepts, and international industrial Site Consultant, Don Schjeldahl, CEO of DSG Advisors, to conduct a feasibility of study of where to site the next future industrial park. Five locations were considered for future industrial park development. The Areas making the final cut are Area 6, situated south of the Mission Avenue/Campus Parkway Interchange, and Area 7, located north of the Mission Avenue/Campus Parkway Interchange and east of the University Industrial Park (Figure 1).

**FIGURE 1 Area #6 and Area #7 Location and Configuration**



Upon completion of the investigation of Industrial Park Study Area #6 and Industrial Park Study Area

#7, the consultants recommended pursuing Industrial Park Study Area #7 as the future site for an industrial park. Figure 2 illustrates the property characteristics evaluated for the respective study areas.

**FIGURE 2: Property Evaluation Criteria**

Evaluation Category		Property Characteristic	
1	Water	<ul style="list-style-type: none"> <li>Location and size of lines</li> </ul>	<ul style="list-style-type: none"> <li>Distance from wells/source</li> </ul>
2	Wastewater	<ul style="list-style-type: none"> <li>Location and size of lines</li> <li>Lift station location, capacity</li> </ul>	<ul style="list-style-type: none"> <li>Distance to wastewater plant</li> </ul>
3	Storm Water	<ul style="list-style-type: none"> <li>Flood plains</li> <li>Irrigation canals</li> </ul>	<ul style="list-style-type: none"> <li>Waterways</li> </ul>
4	Electric	<ul style="list-style-type: none"> <li>Location and voltage of lines</li> <li>Location of substation(s)</li> </ul>	<ul style="list-style-type: none"> <li>Substation capacity</li> </ul>
5	Natural Gas	<ul style="list-style-type: none"> <li>Location and size of gas lines</li> </ul>	<ul style="list-style-type: none"> <li>Line pressure</li> </ul>
6	Safety – Police & Fire	<ul style="list-style-type: none"> <li>Distance to closest station</li> </ul>	
7	Roads	<ul style="list-style-type: none"> <li>Road classification, quality</li> </ul>	<ul style="list-style-type: none"> <li>Highway access</li> </ul>
8	Rail	<ul style="list-style-type: none"> <li>Routing for High Speed Rail</li> </ul>	<ul style="list-style-type: none"> <li>Existing rail lines</li> </ul>
9	Zoning	<ul style="list-style-type: none"> <li>City and county zoning</li> <li>City sphere of influence</li> </ul>	<ul style="list-style-type: none"> <li>Proposed zoning change</li> </ul>
10	General Plan	<ul style="list-style-type: none"> <li>City and county general plans</li> </ul>	
11	Merced Loop	<ul style="list-style-type: none"> <li>Community plans</li> </ul>	<ul style="list-style-type: none"> <li>Road network plans</li> </ul>
12	Impact	<ul style="list-style-type: none"> <li>Impact on agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Land ownership</li> </ul>

At the City Council meeting of February 6, 2017, Chabin Concepts CEO Audrey Taylor presented the preliminary findings of the investigation conducted by the consultants. The consultants completed the study and concluded Area #7 is best suited for achieving a diversified and sustainable economy. More details and findings on the comparison of the two Industrial Park Study Areas are available in the report, The Industrial Park Land Assessment for Future Planning/Economic Growth. The Industrial Park Land Assessment for Future Planning/Economic Growth report is available on the City’s website at [www.cityofmerced.org](http://www.cityofmerced.org), or a copy may be acquired from the City Clerk’s Office for the cost of reproduction.

**Next Steps:** Staff is requesting direction from the City Council on which Industrial Study Area to pursue, Area #6 or Area #7. Once an Area is selected, staff will proceed with outreach efforts to the property owners, meeting with City and County Planning Divisions to discuss annexation, and prepare cost estimates for additional studies including an environmental impact report, engineering, market analysis, and industrial cluster/target study. Staff will also seek collaborating with industrial developers and funding from the Economic Development Administration.

### **IMPACT ON CITY RESOURCES**

At this point, no appropriation of funds is needed. However, moving forward with the items identified under the heading of Next Steps will require the use of consultants and appropriation of funds.