

COST - BENEFIT STUDY Of An Obsolete Commercial Center

Cities faced with an obsolete commercial center and potential for redevelopment might ask, “What are the redevelopment options and the city’s cost-benefits associated with each?”

This summary looks at an obsolete center. The study is based on data from sites in Plymouth, Minnetonka, St. Louis Park, Burnsville and Wyoming. Contact Thibault Associates for the spread sheet which includes costs, other revenue, and methodology.

Obsolete Commercial Center



New Big Box



New Housing



New Mixed Use Retail/Housing



COST-BENEFIT MATRIX*

	Existing Obsolete Commercial Center	Redevelopment Options		
		New Big Box	New Housing (Market Rate)	New Mixed Use Retail/ Housing
Site Size Acres	20	20	20	20
Market Value				
Land	\$8,000,000	\$14,000,000	\$11,000,000	\$17,000,000
Building	\$3,000,000	\$10,000,000	\$25,000,000	\$75,000,000
Total	\$11,000,000	\$24,000,000	\$36,000,000	\$92,000,000
Tax				
Tax/Sq. Ft. of land	\$0.382	\$1.000	\$1.033	\$2.000
Tax/Acre	\$16,650	\$43,560	\$45,000	\$87,120
Total Tax	\$333,000	\$871,200	\$900,000	\$1,742,000

*The complete matrix includes costs (to serve the area), revenues (from the area--real estate tax and other revenue) and the net difference between costs and revenues.

PLANNING BY THE BLOCK

For some under-utilized commercial and mixed use areas, it makes sense to plan at the block level. Planning at the block level has several advantages:

- **Graspable.** The Block Plan is “graspable”, it is easily understood by city officials, the public, and developers.
- **Bridge.** The Block Plan bridges the gap between a too general comprehensive plan (or community-wide plan) and development at the individual site level.
- **Specificity.** The Block Plan provides more specificity about what the city wants at both the private and public levels.
- **Potential.** The Block Plan can show potentials and opportunities for both private and public parties. Leveraging and tools/incentives to make the plan

implementable can be included.

- **Marketing.** The Block Plan is an effective marketing tool.



ABOUT US

Thibault Planning Development Associates LLC counsels public and private clients in matters of community planning, development and redevelopment. The firm provides innovative, creative solutions to achieve desired, yet practical, results in a cost-effective manner.

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