



City of Broken Arrow

Request for Action

File #: 17-2465, **Version:** 1

Broken Arrow City Council
Meeting of: 08-01-2017

To: Mayor and City Council
From: Information Services Department
Title:

Consideration, discussion, and possible approval of Resolution No. 1038, a Resolution of the Broken Arrow City Council approving and authorizing execution of a certain Economic Development Agreement by and among the City of Broken Arrow and Alfa Laval, Inc.; and other provisions relating thereto

Background:

Alpha Laval is a corporation organized under the laws of New Jersey and headquartered in Richmond, Virginia, which specializes in the development of heat exchangers and presently employees 114 individuals at their Broken Arrow, Ok plant. Alfa Laval is interested in expanding its industrial manufacturing operations presently located on 17.5 acres of land generally located at 1201 South 9th Street. The expansion will include a total development of 21 acres of land east of their current location. They intend to create a United States of America competence center in the City with a greater critical mass of welded heat exchanger expertise.

The expansion will be accomplished in two phases, with the first phase adding an additional footage of 68,500 square feet for manufacturing, warehouse, office and other related uses. In this phase, Alpha Laval will hire 120 new full time employees, for a total of 234 employees.

The second phase of expansion of the Project includes the planning for the potential construction and operation of about 220,000 square feet of additional space for manufacturing, warehouse, office and other related uses. It is estimated the Second Phase will result in the hiring of 147 new full time employees for a total of 381 employees.

The City has appropriated and is prepared to encumber the sum of \$500,000 for engineering and construction of an industrial access road, to be located on the south end of Alpha Laval's current location. Representatives of the State of Oklahoma's Department of Transportation have committed to contribute the remainder of the costs for engineering and construction of this access road.

Pending approval of the Economic Development Agreement by Broken Arrow City Council, the construction start date for the first phase is January 1, 2018 with the

completion date June 30, 2019. Phase Two construction start date is May 30, 2023 with a completion date of July 30, 2024.

At its sole cost, Alfa Laval will dedicate right-of-way, including the access road, utility easements and necessary easements within the site in accordance with the Master Site Plan and the City's Zoning, Building, Land Subdivision Code and Engineering Design Criteria Manual.

Cost: \$500,000 to be paid out of Sales Tax Capital Improvement

Prepared By: Norman Stephens, Assistant to the City Manager / Economic Development

Coordinator

Reviewed By: Legal Department

Assistant City Manager

Approved By: Michael L. Spurgeon, City Manager

Attachments: Resolution No. 1038

Economic Development Agreement by and between The City of Broken Arrow, Oklahoma, and Alfa Laval Inc.

Recommendation:

Approve Resolution No. 1038 and authorize its execution.