

PROJECT SCOPING and DEVELOPMENT FORM

This form is to be used to document project planning and approval in order to assure that: project options are well-considered; the best option is put forward; initial and continuing costs and funding are addressed; and that Council approval has been given for implementation. Use this project scoping form with the Project Planning and Approval Process Flow Chart.

Answer the questions that pertain to your proposed project. Attach additional narrative pages if necessary. Type in the electronic form using as much space as you feel is necessary.

Part 1. Project Identification

Name of project: [Gustavus Gravel Extraction Improvement Project](#)

Department: [Lands](#)

Contact: [Tom Williams](#)

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Part 2. Project Scope refers to a project's size, goals, and requirements. It identifies what the project is supposed to accomplish and the estimated budget (of time and money) necessary to achieve these goals. Changes in scope will need Council approval.

1. What is the project? [Extending the life of the Gustavus gravel pit operation by implementing an alternative system, such as a drag-line or dredge.](#)
Specifically:
 - [purchase an alternative extraction method](#)
 - [purchase a portable scale to weigh gravel for sale or use](#)
 - [acquire training/staff/operator for the first year of operation](#)
 - [purchase any consumables for the first year](#)
- What are its goals and objectives?
[Goal: provide a system for gravel extraction that will extend the usefulness of the existing gravel ponds until a new location is secured.](#)
- Who/what will be aided by this project? Who are the targeted stakeholders/customers?
[The primary beneficiaries of this project will be the City gravel needs \(i.e. roads, construction, etc.\), residents and visitors of Gustavus.](#)
- Is a preliminary survey necessary to identify the number of potential customers/users? How will you design and conduct the survey?
[No.](#)
- What is NOT covered by this project? What are its boundaries?
[The annual operation and maintenance of the drag-line or dredge.](#)

2. Why is the project needed?

The project is needed to continue providing gravel for the multiple uses and users of Gustavus.

- What community problem, need, or opportunity will it address?
The problem this project addresses is the pending loss of gravel from the City's gravel pits. Given the current rate of extraction, using the current method, the City will soon run out of gravel.
- The project will provide a method to extract gravel for approximately 20 years IF the preliminary evaluation of material is accurate. However, the serviceable material supply could be much less. Currently, it is estimated that the City's gravel pit will be exhausted within 24-36 months. This project will ensure that gravel will be available for development, road construction and maintenance, and other miscellaneous uses necessary for the City.
- Opportunity: The project provides the opportunity to continue providing gravel for the community and for the operation of City responsibilities such as roads.
- What health, safety, environmental, compliance, infrastructure, or economic problems or opportunities does it address?
The project addresses infrastructure concerns as gravel is frequently necessary for construction. Also, gravel is needed to comply with City requirements for road maintenance and repair. In addition, without adequate and affordable gravel, the businesses and residents will experience economic difficulties caused from a lack of supply and increased demand for gravel. The recent flooding disaster illustrated the need to have material available to protect life and property, repair and recovery of roads, and future road and stormwater improvement projects.

3. Where did the idea for this project originate? (Public comments, Council direction, committee work?)

The project originated through discussions with community businesses and contractors notifying the City that the gravel was running out.

4. Is this project part of a larger plan? (For example, the Gustavus Community Strategic Plan, or committee Annual Work Plan?)

Not at this time.

5. What is your timeline for project planning?

- By when do you hope to implement the project?
The project should be implemented for Spring/Summer of 2021.
- Will the planning or final project occur in phases or stages?
The project will be final upon the receipt, site planning, staffing, training, and operation of the equipment.

6. What is your budget for the planning process? Will you be using a consultant?

The budget for the project is \$500,000 to cover purchase of the drag-line or dredge, site preparation, and identifying an operation plan. The operation plan

includes staffing, training, storage of gravel, selling of gravel, and other project related components.

7. What is your rough estimate of the total cost of the planning and final product? At the least, please list cost categories. See Part 4. (Ques. 4-8) and Part 5 (Budget) for guidance.

\$500,000

Parts 3., 4., 5., 6. Project Investigation and Development

Parts 3.—6. refer to social, environmental, and financial impacts of various options. These questions will help you document your consideration of alternatives and your choice of the option providing the best value for the community. Your goal is to generate alternatives and make a recommendation from among them. Return to Part 3., “Summary” after applying Parts 4.—6.

Summary:

1. What alternative approaches or solutions were considered? Make a business case for your top two or three options by discussing how effectively each would fulfill the project goals, and by comparing the economic, social, and environmental costs vs. benefits of each one.

The alternatives include:

- not to do the project
- purchase land adjoining the hydro facility, procure a lease with DNR, submit a scoping document for the procurement of equipment (i.e. trucks, rock crusher, etc.) or a lease/rent alternative, to acquire rock and gravel.
- Lease land from DNR for new gravel pits.
- Purchase gravel from other sources.

2. What solution was chosen as the best and why is it the best?

The most cost-effective method for extending the gravel extraction and supply will be determined, drag-line or dredge. The equipment purchased should last in excess of 20 years, depending on the new gravel source/land lease or purchase.

3. Identify your funding source(s).
 - How will the project be funded initially, and for its operating life?
 - Is there a matching fund requirement? Please provide details.

This is envisioned as a City-funded project. However, alternate funding and partnerships will be pursued.

Part 4. Environmental, Social, Financial Impacts

1. Project Impacts Checklist

Will this project affect:	No	Yes (+/-)	Maybe
Environmental quality? (+ = impact is beneficial; - = harmful)			
• Climate change	X		
• Streams/groundwater quality	X		
• Air quality	X		
• Soils/land quality		x	
• Fish/wildlife habitat, populations		x	
• Plant Resources (timber, firewood, berries, etc)		x	
• Invasive or pest species		x	
• Natural beauty of landscape or neighborhoods		x	
• Neighborhood character		x	
• Noise or other environmental impacts			
• Environmental sustainability		x	
• Hazardous substances use	X		
• Community waste stream	X		
• Light pollution at night	X		
Recreational opportunities?			
• Public land use and access	x		
• Trails/waterways	X		
• Parks	X		
• Public assembly/activities	X		
Education/training/knowledge & skill development?	X		
Public safety?		X	
Public health?	X		
Medical services?	X		
Emergency response?		X	
Economic performance & sustainability?		X	
• Employment of residents		X	
◦ Short-term (i.e. construction)		X	
◦ Long-term (operating and maintenance)		X	
• Cost of living reduction		X	
• Return on investment		X	
• Visitor opportunities/impressions/stays/purchases	x		
• Competitive business environment		X	
• Support for existing businesses		X	
• New business opportunities		X	
• Economic sustainability		X	
• Attractiveness of City to new residents/businesses		X	

City government performance?			
• Infrastructure quality/effectiveness/reach (more people)		X	
• Existing services		X	
• New services		X	
• Cost of City services		X	
• Tax income to City		x	
Transportation?			
• Air	X		
• Water	X		
• Roads		X	
Communications?			
• Internet	X		
• Phone	X		
• TV/radio	X		
Other? (type in)			

2. How does this project provide benefits or add value in multiple areas? (E.g., benefits both to the environment and to business performance.)

- This project has multiple benefits:
 - The City can build and maintain roads
 - Contractors will have a local source of gravel for projects
 - Gravel will generate funds for the City through gravel sales
 - Safe roads, through proper maintenance, will provide for transportation safety
 - Provide material for response to emergencies such as floods
 - The gravel operations will employ several residents and assist businesses in generating funds
 - Continued use of the existing gravel pits will limit the need to expand to other areas to begin new gravel extraction operations
 - Using a local source for gravel will reduce the carbon footprint of the City by not needing to ship gravel in from other locations

3. Are other projects related to or dependent on this project? **Yes, as explained above.**

- Is this project dependent on other activities or actions? **No**
- If yes, describe projects, action or activities specifying phases where appropriate. **N/A**

4. Will the project require additional infrastructure, activity, or staffing outside the immediate department or activity? (E.g., will the construction of a new facility require additional roads or road maintenance or more internal City staffing?)

Possibly. If the City operates the gravel operations, then it will need to train an existing staff member or use a temporary hire seasonally. As an alternative, the Could hire an operator from another business.

5. What regulatory permits will be required and how will they be obtained?

None

6. What are the estimated initial (e.g., construction or purchase) and continuing operational costs of the project?

\$500,000 for the purchase of the project items. Costs of operations are not yet identified but are expected to be paid for by the profits of the gravel sales.

7. Is an engineering design or construction estimate necessary? No.

8. Will operation of the project generate any revenue for the City such as sales, user fees, or new taxes? If so, how will the new revenue be collected?

Yes, through the sale of gravel.

Part 5. Project Budget

Proposed Budget Line Items

Construction project Budget estimate	Cost	Operational budget estimate (annual)	Cost
Administrative	\$	Personnel	\$
Project management	\$	Benefits	\$
Land, structures, ROW, easements	\$	Training	\$
Engineering work	\$	Travel	\$
Permitting, inspection		Equipment: drag line, portable scale, miscellaneous	\$450,000
Site work	\$10,000	Contractual	\$
Construction	\$	Supplies	\$
Waste disposal	\$	Utilities	\$
Equipment	\$	Insurance	\$
Freight	\$	Repair & maintenance	\$
Contingencies	\$40,000	Other (list)	\$
Other (list)	\$	Other (list)	\$
Other (list)		Total direct costs	\$
		Indirect costs	\$
		Income (fees, taxes)	\$
		Balance: costs- income	\$

Updated Latest Estimate Budget Line Items if Changed Date: N/A

Construction project Budget estimate	Cost	Operational budget estimate (annual)	Cost
Administrative	\$	Personnel	\$
Project management	\$	Benefits	\$
Land, structures, ROW, easements	\$	Training	\$
Engineering work	\$	Travel	\$
Permitting; inspection		Equipment	\$
Site work	\$	Contractual	\$
Demolition and construction	\$	Supplies	\$
Waste disposal	\$	Utilities	\$
Equipment	\$	Insurance	\$
Freight	\$	Repair & maintenance	\$
Contingencies	\$	Other (list)	\$
Other (list)	\$	Total direct costs	
		Indirect costs	
		Income (fees, taxes))	\$
		Balance: costs-income	\$

Part 6. Jobs and Training (required by some granting agencies)

1. What service jobs will be needed for operation and maintenance?
There will need to be an operator.
2. How many full-time, permanent jobs will this project create or retain? None
_____ Create/retain in 1-3 years
_____ Create/retain in 3-5 years
3. What training is necessary to prepare local residents for jobs on this project? N/A
4. How many local businesses will be affected by this project and how? There are 3 gravel pit leases. However, many businesses will be affected to the availability of local gravel.

Part 7. Business Plan (Upon Council request)

Upon Council request, please prepare a business plan for the operating phase of your leading option(s). Plans will differ according to the nature of the project.

There are a number of good Internet sites that will assist you in developing a business plan. One example (12/2010): is http://www.va-interactive.com/inbusiness/editorial/bizdev/ibt/business_plan.html

Basic components of a business plan:

- The Product/Service
- The Market
- The Marketing Plan
- The Competition
- Operations
- The Management Team
- Personnel

Part 8. Record of Project Planning and Development Meetings

1. Please document the manner in which public input was received.
 - Public comment on agenda item at committee or Council meeting
 - Special public hearing
 - Dates and attendance for the above.
 - Written comment from the public (please attach)

The Mayor, Council member Taylor, City Administrator, and current gravel pit contractors have discussed the issue and alternatives on multiple occasions.

2. Please use the following chart to document committee meetings, Council reports, and so on. Did the committee make recommendations or requests? Did the Council make requests of the committee? N/A

Meeting Record

Event (Meeting of committee, Council report, public hearing, etc.	Date	Agenda Posted (date)	Minutes or record Attached? (yes/no)	Outcome Rec to Council, requested action of Council, etc.	No. of attendees
May GM work session	May 6, 2019		No	Moved to GM	