

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**98-316**

**SYNOPSIS –**

**AGENDA:**

JULY 27, 1998

**SUBJECT:**

ACQUISITION OF  
PROPERTIES FOR  
NEW AIRPORT FUEL  
STORAGE FACILITY

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**SUBMITTED BY:**

WILLIAM  
FLANNERY  
AVIATION  
DIRECTOR

The Department of Aviation is finalizing a long-term lease and a private construction agreement with Signatory Airlines currently serving the Airport, and a City Building Permit for the construction of a consolidated aircraft fuel facility on a 1.9± acre parcel of land currently owned by the Airport. That parcel is located immediately west of 3090 Army Post Road.

Construction of the facility at this location requires that the property be rezoned from R1-80 to M-3; that the Zoning Board of Adjustment grant exceptions from set back requirements and maximum fence height; that all federal, state, and local regulations be met to qualify for a building permit; and that the property immediately adjacent the site be acquired to establish a buffer between the storage site and land currently zoned and used as residential property.

On July 13, 1998, by Roll Call No. 98-2240, the City Council found the proposed amendment to the Zoning Ordinance to be in conformance with Des Moines 2000 Plan, that the City intends to acquire all the property between relocated Army Post Road and the existing Army Post Road for airport related uses and expressed its support for the application to the Zoning Board of Adjustment for the necessary relief to construct the fuel storage facility on the proposed site. By Roll Call No. 98-2241, the City Council gave the first vote for passage of the amendment to change the zoning of the site to M-3. By Roll Call No. 98-2242, the City Council further directed staff to pursue voluntary acquisition of the property at 3090 Army Post Road and to pursue voluntary acquisition of a fee interest or Building Setback Easement with the property owners at 3060 Army Post Road and 6560 SW 30th Street. The Council further directed that the owners be fully appraised of the various steps in the acquisition process and that the owners be treated in an equitable manner throughout the acquisition process.

On July 22, 1998, the Zoning Board of Adjustment granted approval of the required exceptions subject to a condition that

the City Council take the necessary action to promptly acquire the residential property adjoining the proposed fuel storage facility on a voluntary basis; and that if the City Manager has not succeeded in reaching agreement with the owners of any of the parcels within 60 days, then City Council authorize the use of eminent domain to acquire the property as expeditiously as possible.

The Aviation Director and other staff members have met with each of the property owners and their legal counsels to inform and appraise them of the acquisition process and solicit their cooperation in the voluntary acquisition of their property and their prompt relocation. All of the owners have agreed to participate in the voluntary acquisition process. They have also expressed the desire to transfer a fee interest in their property, in an expeditious manner, allowing adequate time to find and relocate to a new home.

#### **FISCAL IMPACT –**

Funding for land acquisition is provided for in the Capital Improvement Budget under Account Code 319566 - Land Acquisition and Development - Future Expansion. Funds for the purchase of property for Airport expansion are available from the recently issued Aviation System Revenue Bonds, Series 1998. Revenue generated from the redevelopment of the property used for airport purposes will be used to pay off the revenue bonds and support airport operations and development. It is anticipated that the privately owned improvements made on land leased from the airport will generate property tax revenue.

#### **RECOMMENDATION –**

**It is recommended that the subject properties be acquired voluntarily if possible; however, if after 60 days voluntary agreements have not been reached, the City Council authorize the use of eminent domain to the acquire the necessary property interests. This action would satisfy the condition of the exceptions granted by the Zoning Board of Adjustment.**

#### **BACKGROUND –**

On March 7, 1995, by Resolution No. A95-51, the Airport Board approved a Revised Airport Master Plan. On July 10, 1995, by Roll Call No. 95-2666, the City Council, upon the recommendation of the City Plan and Zoning Commission, approved the new Airport Master Plan and adopted it as an element of the City Comprehensive Plan known as the “ Des Moines 2000 Land Use Plan” . The Airport Master Plan details the land and facilities currently known as the Des Moines International Airport and projected the additional land and facilities that will be needed by the Airport over the next 20 years. One specific element of the Master Plan, land acquisition, calls for the Airport to purchase and own all the land north of relocated Army Post Road, west of Fleur Drive, and east of existing Southwest 42nd Street (IA Highway 28). The Master Plan recommended the Airport acquire property in this area under a voluntary hardship acquisition program. The Airport has made considerable progress in acquiring properties in this area. On June 9, 1998, by Resolution No. A98-221, the Board authorized the implementation of a program which would allow all remaining properties in this area to become eligible for acquisition on a voluntary basis, instead of hardship only, which will further expedite the Airport’ s ultimate ownership of the entire area. Currently 24 property owners of the 32 remaining eligible properties have requested participation in the voluntary acquisition program.

For a number of years, the Airport’ s approved Capital Improvement Program has included a project for the acquisition of land and the development of a consolidated fuel storage facility. However, it has always been envisioned that the construction of the facility would be carried out by a consortium of the airlines. The construction of the consolidated fuel storage facility has been discussed with the air carriers serving Des Moines for quite some time. The project has recently been pushed forward because of a requirement under federal environmental law which requires the removal of current storage tanks (at Signature Flight Support and United Air Lines) by December 22, 1998. In order to move ahead with this project, a land lease must be developed which allows for the construction of the airline-owned and operated fuel storage facility. Aircraft fueling is a critical part of each airline’ s operation and profitability. Without the consolidated fuel facility (or some other cost effective alternative), the operations of our air carriers (both passenger and cargo) could be materially impacted.

On July 13, 1998, by Roll Call No. 98-2242, the City Council approved the first reading of an ordinance to change approximately 227 acres of land, including the 1.9 acres for the fuel storage facility, to M-3 zoning. The M-3, Light Industrial Zoning, includes Airport and airport related uses as approved uses in the classification. The City Council also directed that staff attempt to acquire, through voluntary acquisition, three residential properties adjacent to the fuel storage site. On July 22, 1998, the Zoning Board of Adjustment approved temporary exceptions to set back requirements and fence heights to accommodate the construction of the facility. These exceptions were conditioned on the City Council approving the acquisition of the properties through the use of eminent domain if voluntary acquisitions are not successful within 60 days.