

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-072

SYNOPSIS -

AGENDA:

FEBRUARY 22, 1999

SUBJECT:

LAND ACQUISITION
IN THE PROPOSED
DES MOINES
AGRIBUSINESS PARK

On the February 22, 1999 Council agenda is a roll call to authorize acquisition by negotiation or condemnation of approximately 166 acres in the proposed Des Moines Agribusiness Park located in the SE Agribusiness Urban Renewal Area. This vacant land is located south of Vandalia Road and west of SE 43rd Street. It is currently owned by the Archer Daniels Midland Co. (ADM) of Decatur, Illinois. Dwayne Andreas is Chairman of the Board and John McNamara is President of ADM. A Phase I environmental assessment was completed for the site in April 1998, which indicated that no further investigation is warranted.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

The City has an opportunity to begin redevelopment of the Agribusiness Park in coordination with both public and private sector interests. This action is consistent with Governor Vilsack's emphasis on value-added agriculture and positioning Iowa as the Food Capital of the World. It is projected that within 20 years, development of vacant and underutilized land in the Agribusiness Park will add approximately \$250 million to the tax base and create about 7,000 new jobs. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

FISCAL IMPACT -

Private and public sector funds will be used for acquisition. Precise funding sources for land acquisition will be identified before action is taken to acquire.

RECOMMENDATION -

Approve acquisition by negotiation or condemnation of approximately 166 acres in the proposed Des Moines

Agribusiness Park located in the SE Agribusiness Urban Renewal Area.

BACKGROUND -

Within the past two years, the City has taken several actions leading to the development of the proposed Des Moines Agribusiness Park. The City has conducted a land development assessment to understand its development opportunities and challenges. In July, 1997 the City designated this area and additional acres as an enterprise zone, which was subsequently certified by the Iowa Department of Economic Development. In September 1997 and in August 1998, the City was awarded a total of \$200,000 to conduct environmental testing in the Agribusiness Park. This work is underway. Staff is also in the process of preparing a grant application to access up to \$500,000 of EPA grant funds for environmental remediation. These efforts are important to the ultimate redevelopment of the area; however, much more can be done to secure development in a more aggressive timeframe. The City has had several inquiries to conduct projects in the Agribusiness Park over the last few years but cannot respond because it does not have site control over large acreages that agribusinesses need.

There is great interest by both the public and private sectors in developing the Des Moines Agribusiness Park. Partners in this project include the State of Iowa, Iowa State University, Polk County, Greater Des Moines Chamber of Commerce Federation, MidAmerican Energy, Des Moines Water Works, Farm Bureau Federation, the SE Des Moines Agribusiness Zone Association and others. In addition, the opportunity exists now to attract and expand value-added agricultural ventures.

The City must demonstrate its commitment to facilitating quality, value-added agribusiness projects in the Agribusiness Park by securing title to and developing large acreages. The City is working with a prospect who needs assurance that we can deliver land in a timely manner. A national meat processing corporation of good repute has expressed interest in developing a plant on the property to be acquired in the Agribusiness Park. The facility will not have a slaughter operation/kill floor.

Throughout negotiations with this company, the City will uphold its adopted policy of ensuring that (1) there will be no objectionable odor off-site from the facility, (2) the operation will comply with all environmental regulations, (3) the company will pay good wages, (4) safe working conditions will be established and maintained, and (5) residential areas will be protected from any potential negative effects from the operation. City staff will meet with neighborhood groups in affected areas to solicit their input regarding this project so that the goal of maintaining effective good neighbor relationships between businesses and residents can be achieved. We remain committed to good neighbor agreements for new industrial projects.
