

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-095

SYNOPSIS -

AGENDA:

MARCH 15, 1999

SUBJECT:

FIRST AMENDMENT
TO SE
AGRIBUSINESS
URBAN RENEWAL
PLAN

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

On the March 15, 1999 Council agenda, there is a roll call to adopt the First Amendment to the Urban Renewal Plan for the SE Agribusiness Urban Renewal Project. The purpose of the First Amendment is to designate approximately 166 acres in the proposed Des Moines Agribusiness Park for acquisition and disposition. 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. Adoption of the First Amendment is one of the steps required for the City eventually to obtain site control of this land and ultimately encourage new development. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

FISCAL IMPACT -

Approval of the First Amendment to the Urban Renewal Plan does not, in itself, constitute approval by Council of the purchase of property. When Council is asked to approve acquisition of the property, a detailed funding plan will be presented.

RECOMMENDATION -

Approve the First Amendment to the Urban Renewal Plan for the SE Agribusiness Urban Renewal Project.

BACKGROUND -

On January 26, 1998, by Roll Call No. 98-275, the City Council adopted the Urban Renewal Plan for the SE Agribusiness Urban Renewal Project. The purpose of the Plan is to encourage new investment with an emphasis on attracting and expanding value-added agribusinesses while protecting existing residentially-zoned areas from negative impacts. At that time, no property was designated for acquisition or disposition.

On February 22, 1999, by Roll Call No. 99-536, Council set March 15, 1999 as the date of public hearing to consider the proposed First Amendment. On March 2, 1999, the Urban Renewal Board recommended approval of the First Amendment but encouraged that best faith efforts be made to negotiate land acquisition rather than use condemnation. On March 4, 1999, the Plan & Zoning Commission found the First Amendment to be in conformance with the City's Comprehensive Plan.

In addition, on February 22, 1999, by Roll Call No. 99-537, Council authorized acquisition of the ADM land by gift, negotiation, or condemnation. This action is subject to staff providing progress reports at each Council meeting, holding a public hearing before final action is taken to acquire, and keeping the neighborhood associations informed. The property was appraised, and an Offer to Purchase, subject to Council approval, was sent to ADM. The company is in the process of considering the Offer and has indicated that it will respond to the City by March 17, 1999.

The meat processing prospect that was very interested in acquiring a portion of the ADM land has indicated that it does not intend to proceed with its project in Des Moines at this time. Regardless, in order to demonstrate its commitment to facilitating quality, value-added agribusiness projects in the proposed Agribusiness Park and respond to businesses in a timely manner, the City must secure title to large acreages that agribusinesses need. On March 4, 1999, neighborhood leaders who are members of the Ad Hoc Agribusiness Enterprise Zone Task Force concurred that the City needs site control to obtain the type of quality development that will support an effective good neighbor policy.

It is anticipated that on April 5, 1999, the Ad Hoc Agribusiness Enterprise Zone Task Force will propose a good neighbor policy and a process for implementing good neighbor

agreements to the City Council for adoption. Subsequently, the Enterprise Zone Commission will also be requested to adopt the proposal. Site control as well as enterprise zone benefits and other economic development assistance are important tools that can be used to effect quality, long-term economic growth.

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