

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

01-227

SYNOPSIS -

AGENDA:

MAY 7, 2001

SUBJECT:

AGREEMENT FOR
PROFESSIONAL
SERVICES-
PROPOSED DES
MOINES
AGRIBUSINESS
PARK

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

On the May 7, 2001 Council agenda is an Agreement for Professional Services with SRI International of Arlington, Virginia, to assist in the Des Moines Agribusiness Park project. The purpose of the Agreement is to obtain recommendations regarding: (1) the specific target industries for the Park that have excellent potential to contribute significantly to the economic growth of Des Moines; (2) the physical environment of the Park that will allow the target industries to thrive; and (3) the economic and other incentives needed to attract the target industries to the Park from a regional, national and international perspective. These recommendations will be used to assist in designing redevelopment plans for the Park and to market the area effectively in order to encourage business retention, expansion, and new development. The Des Moines Agribusiness Park is bounded generally by Scott Avenue to Burlington-Northern rail line between SE 30th and SE 43rd Streets. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

FISCAL IMPACT -

SRI International will be paid \$15,000 on a firm, fixed-price basis. The City will have the option to invite SRI to travel to Des Moines for up to two additional visits. If the City exercises this option, SRI will be paid a negotiated amount to participate in the required meetings. Funds are available from the Office of Economic Development Operating Budget.

RECOMMENDATION -

Approval.

BACKGROUND -

On October 2, 2000, by Roll Call No. 00-3948, the City Council adopted the Preliminary Development Plan for the Proposed Des Moines Agribusiness Park. The Park is recognized as an area of focused redevelopment activity in the SE Agribusiness Urban Renewal Plan that the Council adopted on January 26, 1998, by Roll Call No. 98-275, and subsequently amended on March 15, 1999, by Roll Call No. 99-756. A final detailed Park plan is necessary to enable the project.

The purpose of developing the Park is to build the property tax base, to increase the use of dense infrastructure and to develop value-added agribusiness-related uses. It is important to refine the purpose consistent with Council-adopted development principles for the area, the City's agreement with the Des Moines Water Works in acquiring 166 acres at SE 43rd Street and Vandalia Road, and an understanding of the high-value growth industries that will have a competitive advantage for locating in the Park.

The Preliminary Development Plan for the Park identified a process to develop the final plan. Progress made to date includes the following.

• In November 2000, the City surveyed agribusinesses located within a 40-mile radius of Des Moines and all biotechnology companies in Iowa to determine future land use needs.

• In January 2001, the City secured land use planning services for the Park project. The U.S. Environmental Protection Agency has granted funds to the U.S. Army Corps of Engineers in Rock Island, Illinois, under an interagency agreement. The Corps hired Stanley Consultants Inc., who is subcontracting part of the work with RDG Crose Gardner Shukert. Both firms are located in Des Moines.

• From February to May 2001, the City facilitated discussions with agribusinesses, potential investors, Iowa State University, Des Moines Area Community College, and various business community representatives to target the market appropriately and to develop the physical environment in which these industries may thrive.

The Park has the potential to offer tremendous local, regional, national, and international business growth opportunities for the City. A well-conceived strategy must be developed that capitalizes on this vision. Consequently, additional research is needed to further identify the appropriate business mix for the Park. In April 2000, SRI International of Arlington, Virginia, completed a report entitled "Iowa Target Industry Cluster Analysis" for the Iowa Department of

Economic Development. This report provided recommendations regarding the targeted industries the state should pursue based on Iowa's existing competitive advantages. SRI stated that Life Sciences, Information Solutions, and Advanced Manufacturing should be targeted from a statewide perspective. Based on its understanding of the Iowa economy and its extensive research experience and capability, SRI is well qualified to conduct the market analyses needed to create an effective development strategy for the Park.

SRI will provide the City with the following recommendations:

“ Identify the specific target industries for the Park that have excellent potential to contribute significantly to the economic growth of Des Moines. It will discuss the best strategies for targeting these high-growth markets, given the Park's advantages and constraints, Des Moines' policy considerations, and the fit with Iowa's agricultural strengths, as well as SRI's industrial cluster strategy for the state.

“ Describe the physical environment of the Park that will allow the target industries to thrive. It will discuss the optimum lot sizes; infrastructure and amenities needed; and how regional, national, and international industrial parks have addressed these issues.

“ State what economic and other incentives are needed to attract the target industries to the Park. It will assess whether Des Moines' existing incentives are adequate and how they compare to other parks.

It is anticipated that in June, SRI will produce a 10-15 page report that will present best practices, success factors, and strategic recommendations. This information will be synthesized with other community-wide research. It will provide the global perspective required for developing the Park. The final detailed Park plan will be completed in September/October 2001.
