

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-478

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

AGENDA:

SEPTEMBER 21, 2001

SYNOPSIS -

SUBJECT:

GRANT
APPLICATION FOR
LAND
ASSEMBLAGE IN
THE PROPOSED DES
MOINES
AGRIMERGENT
TECHNOLOGY
PARK

On the September 21, 2001 Council agenda is an application for a \$750,000 grant from the Iowa Department of Economic Development (IDED) to assemble land in the proposed Des Moines Agrimergent Technology Park. This project involves acquiring approximately 30 acres north of Vandalia Road between SE 34th and SE 38th Streets to create developable parcels when combined with 38 acres that the City currently owns in a checkerboard pattern in this area. The main Beals Bros. Manufacturing Co. operation at 1615 SE 35th Street is excluded from this stage of land acquisition for budgetary purposes. Grant funds will also cover relocation, demolition, and administrative costs. Additional federal funds committed to this project will be used to assist in land assemblage. After acquisition of this land, the City will own approximately 265 acres. Investor confidence will be promoted by creating additional developable parcels and minimizing area dumping. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

FISCAL IMPACT -

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

State financial assistance is limited to 25 percent of the estimated total cost of eligible activities, which will be determined by IDED. The City, Des Moines Water Works, U.S. Department of Commerce Economic Development Administration (EDA), U.S. Department of Housing and Urban Development (HUD), and the U.S. Environmental Protection Agency (EPA) have invested nearly \$5.3 million into this project. No additional City funds are required to obtain the state grant.

RECOMMENDATION -

Approval.

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, which was designed to encourage new investment with an emphasis on attracting and expanding value-added agricultural and related uses. Through time, the City has taken several steps leading to the development of an agribusiness park generally located between Scott Avenue and the Burlington-Northern rail line and SE 30th to SE 43rd Streets. Actions have included:

- “ Obtaining \$700,000 from EPA for environmental assessment and remediation activities, conducting Phase I and II environmental studies;
- “ Collaborating with the Des Moines Water Works to acquire 166 acres of land located at the southwest corner of SE 43rd Street and Vandalia Road;
- “ Pursuing a \$1 million grant from EDA for design and installation of storm sewer and authorizing matching funds;
- “ Allocating \$200,000 of Community Development Block Grant (CDBG) funds for land assemblage;
- “ Securing a \$500,000 Congressional earmark through the assistance of Senator Harkin for land assemblage;
- “ Competing successfully as a national Brownfields Showcase Community in order to obtain priority for federal funding; and
- “ Adopting the preliminary development plan and authorizing completion of the final plan for the Des Moines Agrimergent Technology Park.

On September 5, 2001, City staff presented the Des Moines Agrimergent Technology Park plan to the public. Initial comments were favorable. A formal public comment period is in effect until October 8, 2001. It is anticipated that Council will be requested to review and adopt the Park plan in fall 2001.

IDED is accepting applications for funding assistance until September 24, 2001. The Iowa General Assembly has appropriated \$2 million for Fiscal Year (FY) 2001 to provide resources for the acquisition, remediation, and redevelopment of brownfield sites statewide. This is \$1 million less than was allocated in FY2000. It is

essential that the City pursue state funding to maintain project momentum and to leverage future federal and private sector funding to implement this project successfully.

The Des Moines Agrimergent Technology Park is a very complex project that must be completed in stages. It has remarkable potential to increase the City's tax base, create jobs, and significantly improve the community's quality of life. When completed, the Park is expected to generate \$420.4 million in net additional tax base, which will yield \$16.6 million annually to be reinvested into the community. About 6,500 jobs will be created. The project will have far-ranging impacts not only locally, but also statewide, nationally, and internationally. By creating inter-industry linkages, agribusinesses and related industries will be enabled to compete more effectively in the world economy.
