

**CITY COUNCIL
COMMUNICATION:**

03-002

AGENDA:

JANUARY 6, 2003

SUBJECT:

PHYSICAL
INFRASTRUCTURE
ASSISTANCE
PROGRAM
AGREEMENT

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM _____

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

SYNOPSIS —

On the January 6, 2003, Council agenda is a roll call approving a Physical Infrastructure Assistance Program Agreement with the Iowa Department of Economic Development (IDED). On April 21, 2000, IDED approved the City's application for a forgivable loan up to \$750,000 to pay for environmental and hazardous contaminant remediation costs associated with the Allied Gateway Campus project and development in the Western Gateway. The contract is now ready for approval and execution.

FISCAL IMPACT —

Environmental and hazardous material testing and remediation for the Allied Gateway Campus Project totaled about \$550,000, of which 50% will be reimbursed under the program. The reimbursement of funds was included in the original Allied Gateway Campus Project budget. It is anticipated that additional environmental remediation costs will be incurred as land acquisitions and development goes forward within the Western Gateway. The state forgivable funds will be available to assist in payment of these costs up to the remaining balance of the grant limit.

RECOMMENDATION —

Approve the roll call approving the Physical Infrastructure Assistance Program Agreement.

BACKGROUND —

By Roll Call No. 00-796, dated March 20, 2000, City Council approved the Contract for Sale of Land for Private Redevelopment Metro Center Urban Renewal Project by and between the City and Nationwide Mutual Insurance Company. Under the contract, the City is responsible for the cost of environmental testing and environmental and hazardous containment remediation existing on the site, including the costs of any required ongoing monitoring.

