



**Council
Communication**
Office of the City Manager

Date

May 17, 2006

Agenda Item No.

Roll Call No. 06-

Communication No. 06-279

Submitted by: Richard A. Clark, City Manager

AGENDA HEADING:

Resolution Authorizing the Retention of Attorneys Jane McAllister and Elizabeth Grob for Specialized Legal Assistance in the Environmental Remediation of the Pittsburgh-Des Moines Steel Site.

SYNOPSIS:

Recommend approval for the Legal Department to retain Jane McAllister and Elizabeth Grob for professional legal services. Attorneys will assist the City in working with the Hubbell Realty Company and the Hubbell Terminal Corporation (Rick Tollakson, President, 6900 Westown Parkway, West Des Moines, IA 50266) to demonstrate compliance with federal requirements in order to obtain a release of approximately \$1,007,800 of Environmental Protection Agency (EPA) brownfield grant funds. Hubbell will borrow these funds to remediate contamination at the Pittsburgh-Des Moines Steel site in Riverpoint West.

FISCAL IMPACT:

The City and Hubbell will cost-share fees for legal services equally.

Amount: The City's expense will not exceed \$25,000.

Funding Source: Operating Budget – Economic Development Enterprise Fund (CMO980717 SP743) – Page 310.

ADDITIONAL INFORMATION:

On May 23, 2005 by Roll Call No. 05-1331, Council entered into a Preliminary Agreement with the Hubbell Realty Company and the Hubbell Terminal Corporation as well as River Point West, LLC (George Sherman, managing member and President of Sherman Associates, Minneapolis, MN 55415). The purpose of the Agreement was to define responsibilities for redeveloping the former Pittsburgh-Des Moines Steel site located west of SW 9th Street along Tuttle and Murphy Streets in the Riverpoint West area. Hubbell will clean up the Pittsburgh-Des Moines Steel site and deed the north and west portions of the property to River Point West, LLC for development of commercial and residential uses respectively.

River Point West, LLC will acquire the Stetson site and deed it to Hubbell for development of flex space. The City will provide a 0.5% interest loan in the amount of up to \$1,007,800 from the EPA Brownfields Cleanup Revolving Loan Fund.

On November 21, 2005 by Roll Call No. 05-2793, the City conditionally approved the Brownfields Cleanup Revolving Loan Fund Agreement with Hubbell in the amount and terms described above. Hubbell must demonstrate compliance with Federal requirements in order to access loan funds. In addition, funds can only be used for qualifying expenses.

In order to protect the City's and Hubbell's interests and to allow EPA to release loan funds, it is necessary to hire Jane McAllister and Elizabeth Grob of the Ahlers & Cooney law firm to compile sufficient documentation regarding Hubbell's contractor selection process and compliance with Davis-Bacon legislation and other federal requirements. Hubbell has agreed to pay one-half of the costs for legal services.

In the future, the City will establish its own Brownfields Cleanup Revolving Loan Fund as loan proceeds are repaid. Subsequently, these funds can be lent to assist in remediating other sites in the City in order to encourage new development.

PREVIOUS COUNCIL ACTION(S):

Date: November 21, 2005

Roll Call Number: 05-2793

Action: Urban Renewal Development Agreement and Brownfields Cleanup Revolving Loan Fund ("BCRLF") Agreement with Hubbell Realty Company and Hubbell Terminal Corporation for the redevelopment of a portion of the Riverpoint West area. (Council Communication No. 05-674). Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 23, 2005

Roll Call Number: 05-1331

Action: Preliminary Agreement with Hubbell Realty Company and Hubbell Terminal Corporation (Rick Tollakson, President & CEO) and Riverpoint West LLC (George Sherman, President) for redevelopment of parcels west of SW 9th along Tuttle and Murphy Streets. (Council Communication No. 05-305). Moved by Hensley to adopt. Motion Carried 6-1. Absent: Vlassis.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

