



Council Communication

Office of the City Manager

Date April 9, 2007

Agenda Item No. 29
Roll Call No. 07-
Communication No. 07-181
Submitted by: Matthew A. Anderson,
Economic Development Administrator

AGENDA HEADING:

Resolution Approving Applications to obtain \$640,280 in Federal Grants from the FY 2005 and FY 2006 HUD Economic Development Initiatives for Redevelopment of the Des Moines Agrimergent Technology Park

SYNOPSIS:

Authorizes the Mayor to execute the HUD applications to obtain \$640,280 in federal grants to assemble land for redevelopment in the Des Moines Agrimergent Technology Park. Funds will be used to continue to acquire land, relocate property owners, demolish structures and address solid waste and any environmental issues east of SE 34th Street and north of Vandalia Road. Iowa's Congressional delegation was instrumental in securing the above-referenced grants.

FISCAL IMPACT:

Amount: \$640,280

Funding Source: Various funding sources are as follows:

- \$120,280 – FY 2005 HUD Economic Development Initiative Grant.
- \$124,000 – FY 2005 HUD Economic Development Initiative Grant.
- \$396,000 – FY 2006 HUD Economic Development Initiative Grant.

ADDITIONAL INFORMATION:

On December 3, 2001 by Roll Call No. 01-3577, the City Council adopted the Des Moines Agrimergent Technology Park Plan. The Agrimergent Technology Park (“Park”) offers an exciting opportunity to create an environment specifically designed to enhance the competitive advantages for agribusinesses and related industries in order to strengthen and diversify the area economy.

Private interest in investing in the Park has accelerated within the last six months. On January 22, 2007 by Roll Call No. 07-145, the City entered into an agreement with Vision Fuels, which plans to construct a 110-million gallon, dry mill fuel ethanol production facility in the Park south of Vandalia Road. The City continues to court and to respond to inquiries from other companies that are exploring the potential to locate in the Park.

To date, the City has acquired approximately 80 acres between SE 34th and SE 38th Street north of Vandalia Road and 166 acres in the vicinity of SE 43rd Street south of Vandalia Road. It intends to sell 129 acres to Vision Fuels in fall 2007 upon receiving evidence of project financing. In spring 2007, it will clear 27 acres of salvage and other uses and reclaim the land. The City has previously used federal and state grants to acquire land and eliminate blight in the Park.

The City plans to use these federal funds to continue to acquire and clear land east of SE 34th Street and north of Vandalia Road. Subsequently, the land will be farmed until sold for redevelopment.

PREVIOUS COUNCIL ACTION(S):

Date: December 3, 2001

Roll Call Number: 01-3577

Action: On proposed Des Moines Agrimergent Technology Park Plan, generally between SE 30th and SE 43rd Streets in vicinity of Vandalia Road. ([Council Communication No. 01-599](#)) Moved by Brooks to adopt. Motion Carried 6-1. Absent: McPherson.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The City will continue to assemble land in the Agrimergent Technology Park in summer/fall 2007.