

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 10, 2014
	Agenda Item No.	39
	Roll Call No.	<u>14-0436</u>
	Communication No.	<u>14-100</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Public Hearing on proposed Sixth Amendment to the SE AgriBusiness Urban Renewal Plan.

SYNOPSIS:

This roll call opens and closes the public hearing on the Sixth Amendment to the SE Agribusiness Urban Renewal Plan. The proposed Sixth Amendment updates the urban renewal plan with information, as required by state law, relating to the provision of tax increment financial assistance approved by the City Council and designates property located at 1422 Scott Avenue as blighted for acquisition and disposition by the City of Des Moines.

FISCAL IMPACT:

Amount: \$550,000

Funding Source:

- \$250,000 from the SE AgriBusiness tax increment revenues to undertake acquisition, abatement and related activities to remediate this site which will then be sold for redevelopment. Sales proceeds will be receipted to the SE AgriBusiness account.
- \$300,000 grant from the State of Iowa Department of Natural Resources (IDNR).

ADDITIONAL INFORMATION:

The City Council previously directed an amendment be prepared to the SE AgriBusiness Urban Renewal Plan to provide funding and authorization to undertake actions necessary to remove the public health hazard presented by the abandoned construction debris recycling facility and surrounding property located at 1422 Scott Avenue, owned by Regency Capital Fund I LLC.

This structure was severely fire damaged in August 2013 in a fire that lasted for three (3) days. Costs for environmental testing to identify specific hazardous materials and removal of the building and contents is about \$550,000. The extensive building damage and approximate 6,700 cubic yards of mixed material construction debris, including hazardous materials, stored inside the building are responsible for the high costs.

The building and grounds constitute an ongoing nuisance and blighted condition and a threat to life and property and the public health, safety, and welfare of the community. IDNR and the City desire that the facility be demolished and removal of concrete and metals for recycling and the removal of other materials for disposal. IDNR efforts to have the responsible parties undertake the site cleanup have not

been successful. The responsible parties have declared bankruptcy and have no known assets that could be levied to collect a judgment.



1422 Scott Avenue After Fire – September 2013

The City Manager has recommended the most effective and cost efficient way to remedy this nuisance without substantial additional delay is to have the City acquire the property, subject to results of environmental testing, and abate the nuisance. Designation of the property for acquisition will permit the City to acquire the property through condemnation.

The required consultation meeting with representatives from Polk County, Des Moines Public Schools, and Des Moines Area Community College was held on February 12, 2014 and no comments have been received.

PREVIOUS COUNCIL ACTION(S):

Date: January 27, 2014

Roll Call Number: [14-0143](#)

Action: [On](#) Sixth Amendment to the SE Agribusiness Urban Renewal Plan, (3-10-14). ([Council Communication No. 14-028](#)) Moved by Mahaffey to adopt. Motion Carried 5-2.

Date: December 23, 2013

Roll Call Number: [13-2018](#)

Action: [Authorizing](#) the City Manager to initiate actions for Iowa Department of Natural Resources funding for environmental cleanup and building removal relating to the fire damaged warehouse at 1422 Scott Avenue. ([Council Communication No. 13-623](#)) Moved by Voss to adopt. Motion Carried 7-0.

Date: February 11, 2013

Roll Call Number: [13-0240](#)

Action: [On](#) Proposed Fifth Amendment to the SE Agribusiness Urban Renewal Plan. ([Council Communication No. 13-047](#)) Moved by Meyer to adopt. Motion Carried 7-0.

Date: January 14, 2013

Roll Call Number: [13-0033](#)

Action: [On](#) Proposed Fifth Amendment to the SE Agribusiness Urban Renewal Plan, (2-11-13). ([Council Communication No. 13-004](#)) Moved by Moore to adopt. Motion Carried 7-0

Date: December 17, 2012

Roll Call Number: [12-1968](#)

Action: [On](#) proposed Urban Renewal Agreement for the sale and redevelopment of 30 acres south of the 3600 block of Vandalia Road to Helena Industries, Inc. ([Council Communication No. 12-624](#)) Moved by Meyer to continue the public hearing until January 14, 2013 at 5:00 PM. Motion Carried 7-0.

Date: November 21, 2011

Roll Call Number: [11-2005](#), [11-2006](#), [11-2007](#) and [11-2008](#)

Action: Items regarding SE Agribusiness Urban Renewal Area:

- (A) [Plan](#) and Zoning Commission recommendation. Moved by Meyer to receive and file. Motion Carried 7-0.
- (B) [Resolution](#) of Necessity. Moved by Meyer to adopt. Motion Carried 7-0.
- (C) [Hearing](#) on 4th Amendment. ([Council Communication No. 11-720](#)) Moved by Meyer to adopt. Motion Carried 7-0.
- (D) [First](#) consideration of ordinance to amend the TIF. Moved by Meyer that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

Date: June 13, 2011

Roll Call Number: [11-1048](#)

Action: [Urban](#) Renewal Development Agreement with Kemin Industries, Inc. for expansion of world-wide corporate headquarters and corporate campus, 2100 Maury Street. ([Council Communication No. 11-391](#)) Moved by Meyer to adopt. Motion carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: February 18, 2014

Resolution Number: N/A

Action: Recommendation (by consensus action due to lack of quorum) to recommend approval of proposed Sixth Amendment to the City Council.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Pending the results of environmental testing, it is anticipated that Engineering Department will request authorization to acquire this property by eminent domain action in May 2014.

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