

★ **Roll Call Number**

Agenda Item Number

48

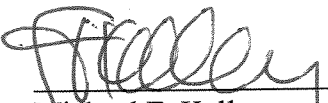
Date April 24, 2006

Communication from Lincolnway Energy, LLC regarding a proposed ethanol facility in the Des Moines Agrimergent Technology Park.

(Council Communication No. 06- 214 attached)

MOVED by _____ to receive and file letter and refer to the City Manager for further action.

APPROVED AS TO FORM:


 Michael F. Kelley
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BROOKS				
COLEMAN				
HENSLEY				
MAHAFFEY				
KIERNAN				
VLASSIS				
TOTAL				
MOTION CARRIED			APPROVED	
<p>.....Mayor</p>				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 City Clerk



Lincolnway Energy, LLC

59511 W. Lincoln Highway
Nevada, IA 50201-0433

Phone: (515) 382-8899 Fax: (515) 382-2417

www.lincolnwayenergy.com or e-mail info@lincolnwayenergy.com

48

April 14, 2006

Honorable Mayor and Members of the City Council
City Hall
400 Robert D. Ray Drive
Des Moines, IA 50309

RE: *Proposed Ethanol Facility in the Des Moines Agrimergent Technology Park*

Honorable Mayor and Members of the City Council:

The Board of Directors of Lincolnway Energy, LLC is interested in working with the City of Des Moines to potentially acquire land to construct a dry mill fuel ethanol production facility in the Des Moines Agrimergent Technology Park.

Lincolnway Energy, LLC, an energy company based in Nevada, Iowa, was founded in 2004 for the purpose of building a 50-million gallon dry mill fuel ethanol production facility. Our first ethanol production facility is scheduled to commence operations in Nevada, Iowa on May 22, 2006. Lincolnway Energy's mission statement is to produce clean renewable energy, maintain a safe and rewarding place to work, and maximize shareholder value. There are 942 Iowans who own the company; over 40% reside in Polk and Story Counties. A nine-member Board of Directors, elected by our shareholders, governs business operations.

Our Board of Directors has determined that it is in our shareholders' best interests to expand operations by building a second dry mill fuel ethanol production facility in Polk County with a capacity of 100 million gallons per year. The estimated cost of this facility is \$225,000,000. It will be financed by a combination of member equity and debt financing. One of the sites in which we are interested in to accommodate this facility and the rail siding it will require is the entire 160-acre parcel located south of Vandalia Road and west of SE 43rd Street in the Agrimergent Technology Park.

We believe an ethanol production facility is an excellent choice for the Agrimergent Technology Park. There are several benefits. We anticipate the proposed facility will have approximately 60 employees at an average wage of \$21.75/hour. Most of these employees will be hired from the Des Moines area. Our ethanol production facility will be state-of-the-art with no environmental drawbacks. Air emissions will be well within State-mandated levels. Only non-contact water for cooling will be discharged. The ethanol we produce will be used to replace MTBE as an oxygen additive in gasoline. MTBE is a carcinogen with a half-life of 500 years. Ethanol is a renewable fuel with a 24-hour half-life. Ethanol will also be used to help reduce our dependence on foreign oil. Iowa is now the leading state in ethanol production. In addition to job creation, our Polk County facility will purchase 36 million bushels of Iowa corn grown by local producers.

48

Honorable Mayor and Members of the City Council
Page 2
April 14, 2006

We believe Lincolnway Energy will be a valuable addition to the Des Moines community. We look forward to discussing our future with you. Thank you for your consideration.

Sincerely,

LINCOLNWAY ENERGY, LLC

A handwritten signature in black ink, appearing to read "Tim Fevold", written in a cursive style.

Timothy E. Fevold, Secretary