

★ Roll Call Number

Agenda Item Number

61


Date July 10, 2006

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

(Council Communication No. 06- 401 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				

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.

MOTION CARRIED

APPROVED

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

61

# VISION FUELS L.L.C.

2641 86<sup>TH</sup> STREET  
URBANDALE, IA 50322  
515-243-1516

Wednesday, June 28, 2006

*Via Hand Delivery*

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

**Re: Proposed Ethanol Plant - Des Moines Agrimergent Technology Park**

To The Honorable Mayor and Members of the City Council:

This letter is intended to formally express the interest and desire of Vision Fuels, LLC to purchase land in the Des Moines Agrimergent Technology Park for the purpose of developing a 100 million gallon dry mill ethanol production plant.

Vision Fuels, LLC is an Iowa limited liability company, based in Polk County, Iowa. The majority of founding members of Vision Fuels are all from the Des Moines Metro area and either run, own or oversee businesses contributing to the local economy. The founding members include David W. Walters, John W. Grubb, Kevin Kinzler, Richard Hurd, Steve Gillotti and Doug Dieck.

The ethanol produced at our plant will have two primary uses. First, it will be used as a gasoline additive, replacing the harmful additive MTBE. As of 2006, seventeen states have banned or drastically limited the use of MTBE due to the discovery of groundwater and soil contamination. Iowa is one such state. Ethanol, by comparison, is completely water soluble, non-toxic and biodegradable. Second, the ethanol we produce will be mixed in larger quantities to create E10 and E85 ethanol/gasoline blends. A new bill just signed by Governor Vilsack mandates an increase in the supply and availability of E85 fuel, and our proposed plant will significantly help meet this new directive. Additionally, President Bush signed the federal Energy Policy Act of 2005 setting forth a renewable fuel standard (RFS) requiring ethanol production to reach 7.5 billion gallons per year by 2012, nearly two times the current production levels. The RFS ensures a secure future for continued growth in the ethanol and renewable fuel industry.

We have determined that a 100-million-gallon per year facility is appropriate to meet current market demand. We are in the initial phases of estimating the cost of the facility but expect the plant will, at a minimum, cost \$140,000,000. Vision Fuels is dedicated to building the most technologically advanced, environmentally-friendly plant possible. Environmentally, our plant will operate well below State-mandated levels for air emissions, and the only discharge will be non-contact cooling water. Additionally, we are interested in exploring the possible use of wind energy and biomass gasification to power the plant with clean, renewable energy.

The plant will also bring an economic benefit to the City. We expect to employ around 45-65 full-time employees at an average wage of \$23.00/hr, most of which will be Des Moines area residents. In addition, our plant will purchase between 35 and 40 million bushels of corn per year, increasing the demand and market price for corn grown by local Iowa farmers. Ultimately, the biggest effect may be seen at the gas pump, in the form of lower prices for citizens burdened by high gasoline prices.

The plant will be financed by a mix of private equity and debt financing. To accommodate this facility, we are specifically interested in a portion of the 160-acre parcel located west of SE 43<sup>rd</sup> Street and south of Vandalia Road and in the Des Moines Agrimergent Technology Park. We believe it will take 60-70 acres to house the facility. The exact acreage required will depend upon the actual site plan that is approved and developed.

We truly believe this will be a unique and positive addition to the City of Des Moines. Des Moines is our home town and we look forward to being a part of its tremendously exciting future. We look forward to discussing this matter further with you.

Thank you for your consideration.

Very truly yours,

VISION FUELS, LLC



David W. Walters  
Chairman of the Board