

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-116

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

MARCH 4, 2002

SUBJECT:

\$990,000 FEDERAL
GRANT TO
DEVELOP THE DES
MOINES
AGRIMERGENT
TECHNOLOGY
PARK

SYNOPSIS -

On the March 4, 2002 Council agenda is a roll call to authorize submitting applications to obtain total grant funds of \$990,000 from the Fiscal Year (FY) 2002 United States Department of Housing and Urban Development (HUD) Economic Development Initiative for development of the Des Moines Agrimergent Technology Park ("Park"). The 1,100-acre Park is located in the vicinity of SE 43rd Street and Vandalia Road, one-half mile west of Relocated 65. It is bounded by the former Norfolk-Southern Railroad right-of-way between SE 30th and SE 32nd Streets, by approximately 310 feet south of Scott Avenue between SE 32nd and SE 34th Streets and by Scott Avenue to the north; the Burlington-Northern Railroad right-of-way to the south; SE 43rd Street to the east; and SE 30th Street to the west. Iowa's Congressional delegation was instrumental in securing the above-referenced grants.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

Funds are proposed to be used to conduct an area-wide archaeological investigation and acquire land, relocate property owners, demolish structures, address solid waste and environmental remediation issues, and perform site preparation generally between SE 34th to SE 38th Streets north of Vandalia Road. This work is essential to enable development of the Park. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

FISCAL IMPACT -

No additional funds are required to obtain the HUD grants. These resources may be used to match other federal and state funding.

RECOMMENDATION -

Approval.

BACKGROUND -

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

The City has conducted Phase II environmental testing in the Park with the assistance of a \$200,000 grant from the U.S. Environmental Protection Agency (EPA). Initial results of the limited Phase II work indicate that to date, there are no systemic problems in the groundwater and soils are not required to be remediated. The City will perform additional Phase II testing as needed prior to acquiring land in the Park.

On October 11, 2000, EPA designated Des Moines as a national Brownfields Showcase Community, which provides priority for federal funding to assist in brownfields redevelopment projects such as the Park. Des Moines' Congressional delegation has secured a total of \$990,000 of federal funds for development of the Park. Most of the funds will be used to acquire and clear land as well as make it ready for new development.

It is anticipated that HUD will forward a grant agreement to the City in spring 2002 upon environmental review of the project. This is required to draw down the \$990,000, which will be available on a cost reimbursement basis. Grant funds must be spent within five years from the effective date of signing the agreement. Land assemblage and site preparation activities are projected to be completed by spring 2003.

The Park project is projected to create 6,500 jobs. The new development is anticipated to add \$420.4 million to the area's existing tax base of \$12.7 million. This will generate \$16.9 million annually to be reinvested into the community. The project will provide additional financial and other benefits. It will also create a positive national identity for Des Moines and Iowa, which may attract further investment.
