

ITEM # 24
DATE 01-27-09

COUNCIL ACTION FORM

**SUBJECT: PROPERTY ACQUISITION FOR THE RESOURCE RECOVERY
RECYCLABLES BUILDING AND STAGING AREA**

BACKGROUND:

Activities at the Resource Recovery Plant (RRP) have demonstrated the need for more usable space. The first need is for an area to stage and park semitrailers that are used in the transfer of recovered metals to market and for the transfer of rejected material to the Boone County Landfill. This space would require a concrete parking area directly to the east of the processing area in order to enhance the movement of semitrailers. The second need has developed from the collecting, processing, and transferring of recyclables. These recyclables are primarily composed of metals (both ferrous and non-ferrous), appliances, and glass. This need will eventually be fulfilled by a cold storage building with customer access to the street and close proximity to the Plant. This building will provide storage space for recyclable materials along with some equipment storage.

Staff has been contacted by the owners of the three different properties to the east of the plant (across Borne Avenue) with an interest to sell these properties to the City. Phase I and Phase II environmental assessments on the commercial property at 503 E. Lincoln Way have been performed, and all three properties have been appraised. The combined appraised value of the three properties totals \$298,000, while the combined assessed values total \$315,900. These three properties include: 122 Borne Avenue, 116 Borne Avenue, and 503 E. Lincoln Way. The current estimated balance in the Resource Recovery Fund at the end of 2008/09 is \$2,578,053.

Development of this project is proposed to begin in the 2009/10 Capital Improvements Plan (CIP, p. 29). The first phase would include engineering and site planning, site clearing, and staging area construction for semitrailers. It is also anticipated that environmental and landscaping experts from Iowa State University (ISU) will be engaged to incorporate a storm water quality feature at the southern edge of the site. This would be used to collect and enhance the quality of the storm water generated on the site and could also potentially be used as a site demonstration showcase for the community and ISU classes. There is also the potential that some of the storm water from the current RRP site may be diverted into this feature. The second phase, scheduled for the 2010/11 CIP, would include the construction of the recyclables storage building.

In determining whether to buy these parcels, a careful review of applicable land use and zoning designations is in order. The current zoning designation for the RRP is General Industrial (GI). The current zoning designation for the subject parcels is Highway

Oriented Commercial (HOC). The land use designation is HOC for both the subject parcels and the RRP site. If the City were to purchase the subject parcels, it would be exempt from most zoning and land use regulations; however, the City has consistently attempted to comply with the same zoning regulations it otherwise imposes on the private sector. Although the proposed uses of the subject parcels are components of a Waste Processing and Transfer operation (which is only allowed in Industrial zones), the components themselves are allowed in the HOC zone provided that: (a) the uses are limited to display and retail/wholesale sales of the by-products and not the processing or manufacturing of the products; (b) the parking is limited to the parking of vehicles and not the storage or transfer of semi-truck containers; and (c) the parking is associated with a remote parking agreement as defined in Section 29.406(18).

If the City wishes to expand or intensify the use beyond that described above, the site should be redesignated to reflect an industrial rather than commercial use. This would entail amending the Land Use Policy Plan (LUPP) map to apply an industrial use category to the site, and consideration should be given to apply the industrial land use designation more broadly to reflect those surrounding properties that already have industrial characteristics. This would include the RRP site, the City's coal yard to the north of the RRP, and Electric Services' storage yard lying south of the railroad tracks and east of Borne Avenue. Alternatively, the same sites could simply be designated as government/airport on the LUPP map, which may be preferable if the City anticipates that these uses will be permanently retained on these sites.

The land use designation on the RRP site was not considered during the Government Lands Update because we only looked at applying an underlying land use to properties already designated as Government/Airport. We did not consider the reverse situation, such as changing properties already having an underlying land use designation to Government/Airport. However, applying the Government/Airport designation would be consistent with Council's previous action to retain the Government/Airport designation (with no underlying land use indicated) on those parcels that were determined to be developed and likely retained for government use.

ALTERNATIVES:

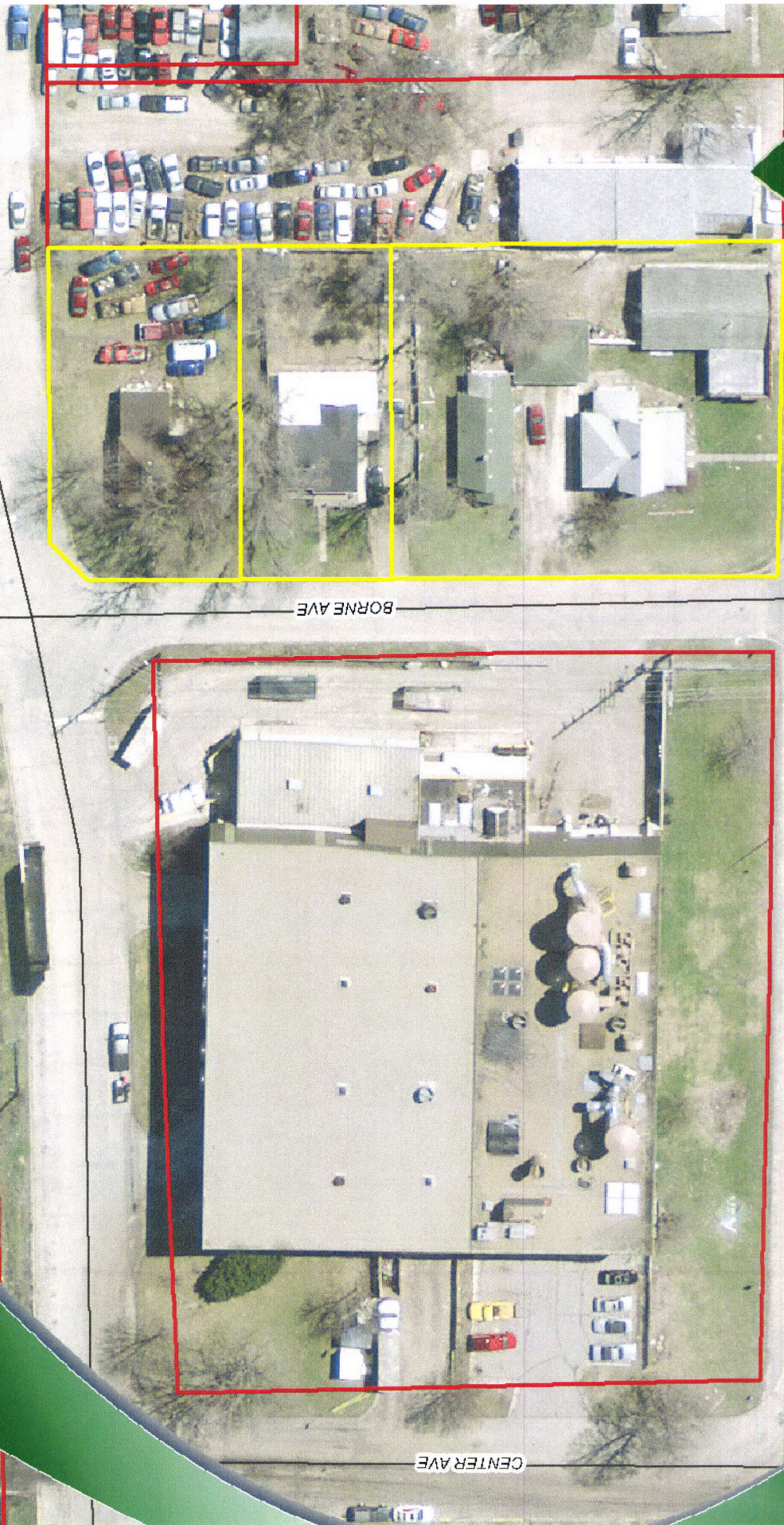
1. Authorize staff to negotiate with the owners to purchase the three properties (122 Borne Avenue, 116 Borne Avenue, and 503 E. Lincoln Way) in an amount not to exceed \$298,000, from the available balance in the Resource Recovery Fund.
2. Reject the purchase of these properties.

MANAGER'S RECOMMENDED ACTION:

These three property owners have offered the purchase of their properties to the City. Moving ahead with the purchase could position the RRP to begin meeting the material recovery and logistical needs of the system.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing staff to move ahead with the purchase of the three properties (122 Borne Avenue, 116 Borne Avenue, and 503 E. Lincoln Way) in an amount not to exceed \$298,000, from the available balance in the Resource Recovery Fund.

Resource Recovery Recyclables Building and Staging Area (Land Purchase)



East Side of Borne Ave (Lincoln Way to 2nd Street)