

ITEM # 23
DATE: 12-17-13

COUNCIL ACTION FORM

SUBJECT: RESOLUTION SUPPORTING AN APPLICATION BY KINGLAND SYSTEMS FOR A BROWNFIELD/GRAYFIELD TAX CREDIT APPLICATION

BACKGROUND:

Kingland Systems intends to redevelop their property along the 2400 block of Lincoln Way and has identified that the site contains environmental contamination. The Iowa Economic Development Authority (IEDA) has a Brownfield/Grayfield Tax Credit program to provide financial assistance for the redevelopment of sites and removal of environmental contamination. Kingland Systems intends to prepare an application seeking these state tax credits. One of the application requirements is a resolution of support for the application from the local government. **The Brownfield Tax Credit program does not require financial participation by a sponsoring local government and there is no additional administration requirement for the City if Kingland Systems is awarded the tax credits.**

ALTERNATIVES:

1. The City Council can authorize the Mayor to sign the resolution for sponsorship of the Brownfield Tax Credit application.
2. The City Council can deny the request to sponsor the Brownfield Tax Credit application.

MANAGER'S RECOMMENDED ACTION:

Based upon the City's interest in the redevelopment of the site and the property owner's findings of environmental contaminants, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will authorize the Mayor to sign the resolution for use by Kingland Systems in the application for Brownfield Tax Credits.

RESOLUTION_____

A RESOLUTION BY THE CITY OF AMES, IOWA, APPROVING SPONSORSHIP OF THE
IOWA ECONOMIC DEVELOPMENT AUTHORITY BROWNFIELD/GRAYFIELD TAX
CREDIT PROGRAM FOR
KINGLAND SYSTEMS CORPORATION/KINGLAND CAMPUS PROPERTIES

WHEREAS, Kingland Systems Corporation has requested City sponsorship of an application to the Iowa Economic Development Authority for a Brownfield/Grayfield Tax Credit for the redevelopment site it owns east of Welch Avenue on Lincoln Way, for the purpose of improving the efficient use of the property; and

WHEREAS, Iowa Code Section 15.291 defines a brownfield site as an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination and a brownfield site includes property contiguous with the property on which the facility is located but does not include property which has been placed, or is proposed for placement, on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act; and

WHEREAS, studies by Terracon, Inc., have found environmental contamination that complicates redevelopment; and

WHEREAS, it is in the best interests of the City to sponsor this application and encourage redevelopment of underutilized properties that are complicated by real or perceived environmental contamination.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AMES, IOWA, THAT:

1. The requested application sponsorship described above is hereby approved and accepted and shall be filed with the county recorder, if appropriate.

PASSED AND ADOPTED this 10th day of December, 2013.

Ann H. Campbell, Mayor

Attest: _____
Diane Voss, City Clerk



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December 5, 2013

Mr. Kelly Diekmann
Director of Planning and Housing
City of Ames
515 Clark Ave.
Ames, IA 50010

RE: Brownfield Tax Credits Sponsorship Resolution – Kingland Redevelopment Project, Ames, IA

Dear Kelly:

Environmental analysis of the existing buildings on the Kingland redevelopment site has found the existence of hazardous materials, including lead-based paint and asbestos. The existence of these materials, and the characteristics of the buildings and their use make the project eligible for the Brownfield tax credit program through the Iowa Economic Development Authority (IEDA). The program has been well used by redevelopers in numerous communities. In fact, in the most recent round of funding awards, many applications went unfunded due to the popularity of the program and the inadequacy of the funds available.

The only responsibility of a community in which a project is located is sponsorship of the application to IEDA. All the responsibilities for preparation and submittal of the application, agreements with IEDA, reporting and eventual use of the tax credits are those of the developer. It is proposed that the application will be submitted now to IEDA with the sponsorship resolution of the City, but awards of the tax credits won't be conferred until an anticipated Autumn, 2014, award date. Only the eligible costs incurred by the project after the award date can be counted for the tax credit.

We respectfully request approval of the sponsorship resolution by the City Council. We have attached a copy of the sponsorship resolution in the format recommended by IEDA, and a draft of the application that will be submitted.

Thank you.

Sincerely,

PLANSCAPE PARTNERS

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