

CITY OF MADISON
Common Council
INTER-DEPARTMENTAL
CORRESPONDENCE
210 Martin Luther King, Jr. Blvd., Rm. 417
266-4071

DATE: October 29, 2008

TO: Nan Fey, Chair, Plan Commission
Members of the Plan Commission

FROM: Ald. Larry Palm, District 15

SUBJECT: **Royster-Clark Demolition Permit**

First, I would like to respectfully ask that you delay any decision on the request for partial demolition of the Royster-Clark facility at 902 Dempsey Road. I know that many different viewpoints will be represented at the November 3 Plan Commission meeting, and many options and opinions will be suggested. At this point, no clear answer presents itself, and I would appreciate the additional time to hear, digest and understand the various options.

Second, I would like to present a condensed review of how we got here. As I suspect you already know, Agrium acquired Royster-Clark in February 2006. That summer, a decision was made to close the Madison facility and sell the site. Soon after, I began to host a series of informal neighborhood meetings where residents could come and express their concerns, hopes and opinions about the future of the site. Admittedly, this was a different time: Property sales were brisk, and our economic future looked rosy.

In January 2007, I hosted a much larger public meeting to learn about the Union Corners site and their redevelopment process. Throughout this time, Agrium continued its search for a potential buyer for the site. In late 2007, it was announced that Urban Solutions had an accepted offer on the site. However, Urban Solutions and Agrium could not come to a final agreement, and the offer was pulled in early 2008.

Meanwhile, the neighborhood continued to develop a special area plan. The informal neighborhood meetings evolved into the quasi-structured Royster-Clark Neighborhood Planning Team (RC-NPT) that has specific representatives of each of the neighborhoods – Eastmorland and Lake Edge – as well as business representatives and elected officials, including myself. Together with City Planning staff, the RC-NPT has conducted an extensive neighborhood survey, hosted two large public forums and, with the assistance of a Dane County BUILD grant, conducted a market study to fully understand the current market conditions as well as the desirability of the land.

In my opinion, while the group is significantly behind in actually creating the details of the special area plan, all of the elements are firmly established. Until the request for demolition from Agrium was received, we planned to host a public meeting in November to present specifics on different plan options and to receive public input. This meeting is now scheduled to be held in January. As you can see, these neighborhoods and adjacent residents have not put the future of the Royster-Clark site out of mind. Much activity and effort have been conducted to ensure the right future for this site and the adjoining neighborhoods.

Third, I would like to go into more detail about what prompted Agrium's application and the neighborhood discussion that has followed. I assume that originally there was no plan to demolish the building; any potential buyer would undertake this significant task. But as the selling process dragged on, numerous building inspection and safety issues arose. We suspect that it would cost a significant amount of money to repair a building that everyone is in agreement should eventually be fully demolished.

When Agrium first asked about demolition, City staff and I informed them that the only possible way for anyone to be sure if demolition would or would not be approved was to actually submit an application and go through the process. However, we did warn them that based upon the existing underlying zoning (manufacturing and commercial), the ability to issue a demolition permit was one of the only ways that the City could actually control what would happen on the site. Once the building was demolished, if a plan would be put forward for an accepted use, it could be constructed without the review of the neighborhood.

It was suggested at the time that a potential compromise was to change the zoning to something that would clearly require the participation of the City of Madison, the Plan Commission and the neighborhood. A designation such as agricultural would force any future developer to come back to us if they wanted to do anything other than a farm. Agrium consistently balked at this suggestion.

At a meeting between City staff, Agrium and myself, Agrium again brought up demolition of the building. A new plan was worked out, much of which you see before you today. By using a *partial* demolition (for the building's superstructures), we could require Agrium or the subsequent purchaser to come back and seek a final demolition permit that would have to meet *all* the requirements of the demolition ordinance, including having an actual plan for what will happen at the site. At the time, I certainly anticipated that the Royster-Clark Special Area Plan would have been completed and adopted by the City of Madison to guide the neighborhood, City staff and yourselves in determining the fate of this very large site.

Agrium did put forward an actual application for demolition, and then the real work began. I appreciate that City staff asked the state environmental regulatory authorities for their opinion of the partial demolition plan. What came back truly surprised us. I can't imagine that anyone on the Plan Commission would approve this partial demolition without assurances that the environmental impact of such an action will be mitigated; therefore, this will not be the basis of my decision.

Fourth, and finally, is my request and recommendation to the Plan Commission. I hope I have been able to illustrate for you the complex and involved process that these neighborhoods have embarked on. I am proud of the engagement of these committed residents, the strength and skills of the Eastmorland and Lake Edge Neighborhoods, and the positive and respectful communications between them. As each new piece of information is revealed, these residents and the RC-NPT have rolled with the punches, which brings me to my recommendations.

Certainly, whatever the Plan Commission decides, the City of Madison must retain its ability to help decide the outcome of this site. When the Royster Guano operations were first built, this was the edge of town. That is no longer the case. What happens here affects hundreds of nearby residents, businesses and employees. What happens here affects the larger east side of Madison as well as the city as a whole.

I'm concerned about how complex this partial demolition has become. With all the very necessary stipulations, this has become as confusing as the sub-prime mortgage market or derivatives. What we learned there is if you don't understand it, don't play it. If you don't understand what is happening here, don't approve it.

Originally, the City of Madison's position was to take down the building completely, mitigate the environmental impact caused by the operations of this plant, re-zone to a benign zoning condition and seed the site. We've developed a very intricate substitute, one with which I have become increasingly uncomfortable.

While you're listening to the speakers at Monday's Plan Commission meeting, I expect that there will be many different points of view. Aside from the environmental impacts, I suspect that the neighborhood will not be speaking in one voice. It's not because we do not support the demolition of this decrepit plant or that we oppose the potential re-use of the site. It's the mystery of this partial demolition permit. You have the power to make this simple, something that is clear and understandable to all who are involved. And if you can't, please say no.

Stouder, Heather

From: Palm, Larry
Sent: Monday, December 01, 2008 9:30 AM
To: Stouder, Heather; Cnare, Lauren
Cc: Murphy, Brad; Firchow, Kevin; Parks, Timothy
Subject: RE: Agrium demo discussed delayed

Hi Heather-

My only concern is on #12... with Agrium's proposal they would demolish the building, but there would be no underlying change to the zoning that would permit the development of another industrial use. If the property hasn't sold in another 24 months, this would be a big incentive for Agrium to just dump the property to anybody who wanted to use the site for any sort of use...

Larry

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-----Original Message-----

From: Stouder, Heather
Sent: Mon 12/01/08 9:20 AM
To: Palm, Larry; Gruber, Timothy; Cnare, Lauren; Kerr, Julia; Nan Fey; 'jolson@operationfreshstart.org'; 'jball@mge.com'; 'jabowser@facstaff.wisc.edu'; 'mabasford@charter.net'; 'bethawhitaker@yahoo.com'; 'michael.heifetz@deancare.com'; 'erics@cows.org'
Cc: Murphy, Brad; Firchow, Kevin; Parks, Timothy
Subject: Agrium demo discussed delayed

Good morning, Alder Palm and Plan Commissioners:

As you know, the Agrium demolition request was scheduled to be discussed this evening as old business prior to the 6:00 public hearing.

I arrived this morning to a call from Daren Couture, who's flight from Calgary has been delayed and rerouted through Denver today due to cancellations to O'Hare. He is scheduled to arrive in Madison at 6:45 PM, and will arrive at the meeting as soon as possible. He plans to update me if there are any further delays.

At his request, we will be asking that the Plan Commission table the item until the end of the public hearing.

2 Late Handouts Expected on this item:

1) With regard to progress being made to the site (building and fence repairs), Building Inspection staff will be making a site visit today at 1:00, and will be submitting a brief memorandum based on their findings to be submitted to the Plan Commission as a late handout this evening.

2) Agrium has concerns regarding staff's suggested conditions #8 and #12, and Mr. Couture would like to be sure these are discussed this evening. He has submitted a revised staff addendum (attached, hardcopy to be distributed as a late handout) with Agrium's suggested changes to conditions #8 and #12 in bold print.

Thank you very much, and I'll see most of you this evening.

Sincerely,

Heather Stouder, AICP
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