



Report to the Plan Commission

October 3, 2011

Legistar I.D. #24015
902 Dempsey Road
Demolition Request

Report Prepared By:
Heather Stouder, AICP
Planning Division Staff

Requested Action: Approval of the demolition of vacant industrial buildings associated with the Royster-Clark Fertilizer Plant in the M2 (General Manufacturing) and M1 (Limited Manufacturing) Districts.

Applicable Regulations & Standards: Section 28.12(12) provides the guidelines and regulations for the approval of demolition permits.

Summary Recommendation: The Planning Division recommends that the Plan Commission find that the proposal meets all applicable demolition standards and **approve** the request for demolition at 902 Dempsey Road, subject to the recommended conditions and input provided at the public hearing.

Background Information

Applicant: David Nelsen; Ruedebusch Development and Construction, Inc.; 4605 Dovetail Dr.; Madison, WI, 53704

Project Contact: Greg Manzetti; Ruedebusch Development and Construction, Inc.; 4605 Dovetail Dr.; Madison, WI, 53704

Property Owner: Agrium U.S. Inc. 13131 Lake Fraser Dr. S.; Calgary, AB, T2J728

Proposal: The applicant proposes the demolition and removal of all existing structures, foundations, concrete, asphalt, and railroad spurs for future development consistent with the Royster-Clark Special Area Plan. The applicant intends to initiate demolition after all approvals are obtained.

Parcel Location: 902 Dempsey Road is located on the northwest corner of Dempsey Road and Cottage Grove Road; Aldermanic District 15 (Palm); Madison Metropolitan School District.

Existing Conditions: The property is currently occupied by vacant industrial buildings and other infrastructure associated with the Royster-Clark fertilizer plant, which operated at this location until August 2006.

Surrounding Land Use and Zoning:

North: Across the railroad tracks and Capital City Trail, single-family homes in the R2 (Single-family Residence) District.

South: Small multifamily residential buildings in the R4 (General Residence) District, and small mixed-use buildings, offices, automobile-related uses, and restaurants in the C1 (Limited Commercial) and C2 (General Commercial) Districts.

East: Across Dempsey Road to the east, Light industrial, warehousing, and fast food restaurant businesses in the M1 (Limited Manufacturing) District.

West: MG & E training facility and substation in the C3 (Highway Commercial) and M1 (Limited Manufacturing) Districts, vacant land along Royster Avenue in the R3 (Single and Two-family Residence) District.

Adopted Land Use Plan: The Comprehensive Plan when adopted in 2006, included a map note for this property as follows: *"If in the future, the current industrial use no longer operates on this site, alternative residential and mixed-use developments are recommended as more appropriate uses for the property than another industrial use. Redevelopment of the site should be consistent with a City-adopted neighborhood or special area plan which ensures that development on this site is coordinated with uses in the surrounding neighborhood."*

In May 2011, an amendment to the Comprehensive Plan revised the land use recommendation for the property to a mix of employment, residential, mixed-use, and open space uses consistent with the recommendations in the 2009 Royster-Clark Special Area Plan, and the map note was removed.

The Royster-Clark Special Area Plan (2009) recommends a mix of uses on the property including employment uses on the eastern portion, low-density and medium-density residential uses on the northwestern and central portions, and commercial and mixed-use development along Cottage Grove Road in the southern portion. Future development of the property will require approval of a land division and rezoning of the property consistent with this adopted plan.

Environmental Corridor Status: This property is not located within a mapped environmental corridor.

Public Utilities and Services: The property is served by basic urban services, including Metro Transit routes 38 and 39. A full spectrum of public infrastructure (streets, water, stormwater, sanitary sewer, etc.) would need to be extended into the site consistent with any future land division.

Zoning Summary: The property is in the M1 (Limited Manufacturing) and M2 (General Manufacturing) Districts.

Project Description

The applicant is requesting approval to demolish all existing structures on the property and remove over 3,000 linear feet of rail spurs. All asphalt and concrete on the site will be ground on-site and removed. Materials will be reused or recycled when possible, and a reuse and recycling plan will be prepared and approved prior to the start of demolition activities. As indicated in the letter of intent, the applicant will remove any contaminated soil from the site following demolition, and replace with clean fill as needed. Finally, the site will be graded and seeded as an interim condition prior to future redevelopment consistent with the Royster-Clark Special Area Plan (2009).

Site History - The Royster-Clark property is a vacant industrial facility used from 1952 to August 2006 for production of granular agricultural fertilizer. The site consists of four parcels with a total area of approximately 26.6 acres. The main building, which was used for product blending, and most of the ancillary structures were constructed in the late 1940's. The two large bulk material storage domes were constructed in 1985.

Until 2006, the plant was operated by Royster-Clark, Incorporated, a national manufacturer and distributor of fertilizer products. In February of 2006, Royster-Clark, Incorporated was acquired by Agrium, Incorporated, a Canadian company with headquarters in Calgary, Alberta. Agrium determined that the Madison production plant is not needed for their operations, and manufacturing of fertilizer on the site ceased in August 2006.

Beginning in the early 1990's, the site has undergone a series of environmental remediation activities under the oversight of the Wisconsin Department of Natural Resources (DNR) and the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP). These include the remediation of contaminants from leaky underground storage tanks (LUST) in the southeastern portion of the site and the removal and replacement of soils with high concentrations of nitrates and other fertilizer ingredients from specific areas.

At the time of this report, the applicant has an offer to purchase the property from Agrium, Inc., and intends to do so subject to approval of the demolition and adequate fundraising to cover costs of demolition and remediation of the property.

Existing Conditions – Subsequent to a recently approved Certified Survey Map, the 26.6-acre Agrium property consists of two lots. The buildings proposed for demolition are located on the 21.3 acre subject property, Lot 1. Lot 2, a 5.4-acre property, is currently leased by Agrium, Inc. to MG&E for training purposes, and is intended to be sold to the applicant in the future.

The most significant structure on the site is the manufacturing building, also known as the “granulation building”. Constructed in the late 1940s, this steel and concrete structure covers 1.75 acres, is 96 feet tall, and has a 125-foot smoke stack. The principal feature of the granulation building is a 300-foot by 96-foot pit which is approximately 16 feet deep from the top of the loading dock, located four feet above grade. The pit is lined with wooden slats and has a concrete floor. The exterior of the building is clad with yellow metal siding.

Directly east of the granulation building across a rail spur is a smaller but similarly constructed “storage building” covering 22,052 square feet. Two identical storage domes are located west of the granulation building across a rail spur. Constructed in 1985, the domes each cover 14,559 square feet and are 62 feet tall at their peaks. They are connected to the granulation building by an overhead conveyor apparatus formerly used to transport finished product to be stored in the domes and eventually loaded onto rail cars. The four other small buildings on the site include a 6,706 square-foot concrete block “shop building” in the north central portion, a 4,845 square-foot one story wood-framed “office building” northeast of the storage building, an 875 square-foot electrical building just west of the granulation building, and a 146 square-foot concrete building in the northwest corner.

Two rail spurs run from the main railroad tracks north of the Agrium property to the southern portion of the site on both sides of the granulation building. Other improvements on the site include a large propane tank located northwest of the granulation building, overhead conveyors linking the storage domes and the granulation building, and a canopy-covered scale between the two domes. The collection of buildings is largely surrounded by asphalt and a large concrete surface parking lot located in the southeastern corner of the site, which has gated entrances from Cottage Grove Road to the south and Dempsey Road to the east. All but the westernmost part of the property, including the rail spurs and all the buildings, is enclosed by a chain link fence.

Public Input- At the time of this report, staff is unaware of any public input on the demolition proposal.

Evaluation and Conclusion

This application is subject to the demolition standards of Section 28.12 (12). Demolition requests are generally made in conjunction with a proposal for redevelopment of property. In this case, it is the intent of the applicant to move forward with demolition and remediation of the property in advance of submitting and obtaining approvals for a plat and rezoning of the property consistent with the Royster-Clark Special Area Plan (2009). Thus, this demolition application has been submitted with no proposed use to be reviewed at this time.

This application is similar to the demolition approved by the Plan Commission in 2009 in that it is not accompanied with detailed plans for future redevelopment of the property. However, circumstances differ in several important ways as follows:

1. The applicant has proposed removal of all buildings, foundations, and other materials from the site, along with the remediation, regrading, and reseeding the property as an interim condition. (In 2009, the then applicant proposed removal of above ground structures but would have left all at-grade and below-grade infrastructure in place. No soil remediation was proposed.)
2. The Royster-Clark Special Area Plan has been completed and was adopted in October 2009, setting parameters for future development of the property.

3. The applicant has agreed to place a restrictive covenant on the property so that no future use is allowed prior to review and approval by the Plan Commission. This protects the site from being developed with uses permitted in the existing zoning districts that might be inconsistent with the adopted Royster-Clark Special Area Plan.
4. The applicant is currently working closely with state agencies to ensure that demolition and remediation of the property meet all necessary environmental standards. The applicant has been awarded a 15-year, 0% interest "Ready for Reuse" loan from the Wisconsin DNR to assist with the completion of demolition and remediation activities.
5. The applicant has been awarded a grant of up to \$425,000 in BREWD (Brownfields Remediation/Elimination and Workforce Development) funds from the State of Wisconsin, to be administered by the Economic Development Division.

Specific standards in MGO Section 28.12 (12)(c)2 state that applications for demolition or removal permits *with no proposed use* shall not be approved, unless the following standards are met:

- a. The Plan Commission finds that, based on evidence from the Madison Fire Department, Police Department, and/or Neighborhood Preservation and Inspection Division, a potential fire hazard, potential unlawful use of the property, potential public nuisance, or other public health and safety concern supports demolition or removal before a future use is proposed, or
- b. For a non-residential building, the Plan Commission finds that the use, bulk, and design requirements of the existing zoning district designation are adequate to ensure that development will conform to existing adopted City plans.

Over the course of the past two to three years, there have been several minor code violations including graffiti, weeds, loose siding, and similar items. Enforcement of more serious deficiencies has been deferred with the expectation that the structures would be razed in the reasonably near term. The current property owner, Agrium, Inc. has responded quickly to each order from the Building Inspection Division. The buildings and chain link fence surrounding the site have been maintained by the property owner to attempt to limit unlawful entrance and activity on the property. However, the buildings on the site, and especially the granulation building, clearly present an "attractive nuisance", and the graffiti alone is strong evidence that unauthorized unsafe use of the property by trespassers continues. The Building Inspection Division supports a demolition of the buildings for public safety reasons (see attached memorandum dated September 26). Thus, the proposal likely meets standard "a." above.

In this case, staff also believes that the willingness of the applicant to place a restrictive covenant on the property will satisfy standard "b." above. While the very permissive M1 and M2 zoning on the property would remain in the short term, no future use of the property will be allowed without review and approval by the Plan Commission, which will assure that no reuse of the site can occur until it is subdivided and rezoned to support a redevelopment consistent with the adopted Royster-Clark Special Area Plan. It is the intent of the applicant to begin work on subdivision and rezoning requests consistent with the adopted plan once demolition of the structures has commenced.

With these circumstances in mind, staff believes that the demolition standards can be met, and strongly supports the demolition of the structures and associated infrastructure on the property. The demolition of these buildings at this time appears to be in the best interest of the City, neighborhood residents, and the prospective buyer of the property, who has demonstrated a willingness to work closely with staff and neighbors and to provide a restrictive covenant to ensure that further public review will be required prior to any redevelopment or reuse of the site.

The Planning Division believes that the demolition standards can be met with this proposal, and recommends that the Plan Commission **approve** the request subject to input at the public hearing and comments and conditions from reviewing agencies.

Recommendations and Proposed Conditions of Approval

Major/Non-Standard Conditions are shaded

Planning Division Recommendation (Contact Heather Stouder, 266-5974)

The Planning Division recommends that the Plan Commission find that the demolition standards can be met and **approve** the request subject to input at the public hearing and the following conditions:

Planning Division (Contact Heather Stouder, 266-5974)

1. A restrictive covenant shall be prepared and placed on the subject property which ensures that any new use of the property or redevelopment of the property shall be subject to review and approval by the Plan Commission. This document shall be reviewed by staff in the Planning Division and the City Attorney's Office prior to issuance of a demolition permit
2. The applicant shall provide written assurances from the Wisconsin Department of Natural Resources (DNR) and the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) that all necessary environmental protections for the demolition are in place prior to the City's issuance of a demolition permit.

The following conditions have been submitted by reviewing agencies:

City Engineering Division (Contact Janet Dailey, 261-9688)

3. There are significant MMSD fees due for this property which will be delayed until the site redevelops. For reference, the 2011 fee rate is \$15.71 per 1,000 sq. ft.
4. It is very likely that future redevelopment of the property will require offsite stormwater improvements to get adequate capacity to the site.
5. Provide proof of DNR approval for the removal of any caps used to close portions of the site. Written approval from DNR will be required prior to sign-off on the demolition permit.
6. The applicant shall close all abandoned driveways by replacing the curb in front of the driveways and restoring the terrace with grass (POLICY).
7. The applicant shall replace all sidewalk and curb and gutter which abuts the property which is damaged by the construction or any sidewalk and curb and gutter which the City Engineer determines needs to be replaced because it is not at a desirable grade regardless of whether the condition existing prior to beginning construction (POLICY).
8. All work in the public right-of-way shall be performed by a City licensed contractor (MGO 16.23(9)(c)5 and MGO 23.01).
9. All damage to the pavement on Cottage Grove Road and Dempsey Road, adjacent to this development shall be restored in accordance with the City of Madison's Pavement Patching Criteria. For additional information please see the following link:
<http://www.cityofmadison.com/engineering/patchingCriteria.cfm> (POLICY).
10. The applicant shall demonstrate compliance with MGO Section 37.07 and 37.08 regarding permissible soil loss rates. The erosion control plan shall include Universal Soil Loss Equation (USLE) computations for the construction period. Measures shall be implemented in order to maintain a soil loss rate below 7.5-tons per acre per year.
11. Prior to approval, this project shall comply with MGO Chapter 37 regarding stormwater management. Specifically, this development is required to complete an erosion control plan and

complete weekly self-inspection of the erosion control practices and post these inspections to the City of Madison website – as required by MGO Chapter 37.

Stormwater management plans shall be submitted and approved by City Engineering prior to signoff.

12. Prior to approval of the conditional use application, the owner shall obtain a permit to plug each existing sanitary sewer lateral that serves a building that is proposed for demolition. For each lateral to be plugged the owner shall deposit \$1,000 with the City Engineer in two separate checks in the following amounts: (1). \$100 non-refundable deposit for the cost of inspection of the plugging by City staff; and (2). \$900 for the cost of City crews to perform the plugging. If the owner elects to complete the plugging of a lateral by private contractor and the plugging is inspected and approved by the City Engineer, the \$900 fee shall be refunded to the owner (POLICY).

This permit application is available on line at: <http://www.cityofmadison.com/engineering/permits.cfm>.

Zoning Administrator (Contact Pat Anderson, 266-5978)

13. Provide a reuse/recycling plan, to be reviewed and approved by the City's Recycling Coordinator, Mr. George Dreckmann, prior to a demolition permit being issued.

NOTE: MGO Section 28.12(12)(e) requires the submittal of documentation demonstrating compliance with the approved reuse and recycling plan. Please note, the owner must submit documentation of recycling and reuse within 60 days of completion of demolition.

14. All driveways shall be closed and all improvements shall be removed. The site shall be graded, seeded, and maintained until future development is approved.

Fire Department (Contact Bill Sullivan, 266-4420)

15. Please consider allowing Madison Fire Department to conduct training sequences prior to demolition. Contact MFD Training Division to discuss possibilities at (608) 246-4587.

Water Utility (Contact Dennis Cawley, 261-9243)

16. The Madison Water Utility shall be notified to remove the water meters prior to demolition. This property is not in a Wellhead Protection District. All wells located on this property shall be abandoned if no valid well operation permit has been obtained from the Madison Water Utility.

Traffic Engineering (Contact Bryan Walker, 267-8754)

This agency submitted a report with no conditions of approval for this proposal.

Metro Transit (Contact Tim Sobota, 261-4289)

This agency did not submit a response for this request.