

PROGRESS REPORT 2012

FORMER FARMLAND INDUSTRIES NITROGEN PLANT
1608 N. 1400 Road
Lawrence, KS



City of Lawrence

INITIAL STEPS

The City of Lawrence took possession of the former Farmland Industries Nitrogen Plant (the **Site**) located at 1608 N. 1400 Road on September 29, 2010. A condition of the property transfer included the execution of Consent Order No. 10-E-94 BER. This is an agreement between the Kansas Department of Health and Environment (KDHE) and the City of Lawrence establishing the conditions under which the City agrees to complete the required remediation of the **Site**.

Prior to the acquisition of the **Site** the City of Lawrence began preparations for future development and implementing the necessary steps for the **Sites** environmental remediation and cleanup. Initial actions included the retention of an engineering consultant (URS Corporation) to complete the Transition Plan. The Transition Plan was to be completed and submitted within 30 days of the execution of the consent order. Therefore it was necessary to retain a consulting firm prior to the properties acquisition.

DEMOLITION

An early start on the demolition of the existing structures was initiated with authorization from the Lawrence City Commission on September 28, 2010 to distribute a request for demolition services. R.D. Johnson Excavating was awarded the demolition services contract out of a pool of sixteen bid submittals. The demolition associated with this contract began on January 19, 2011 and was completed on October 15, 2011. All of the existing structures with the following exceptions; the laboratory (building #2), the parts maintenance warehouse (#55), the bulk warehouse (#100), the bag warehouse (#124) and both above ground storage tanks (#5 & #6) were demolished at a total cost of \$299,552.92. Of this total amount \$33,000 was financed from the Remediation Fund Balance for the asbestos abatement of the Administration Building.

LAND DEVELOPMENT

Upon the acquisition of the **Site** the City of Lawrence's Land Development Code triggered the necessity to annex, zone and plat the property on which it was located. These requirements made it necessary to develop a master plan for the property which included a plan for infrastructure for the site. This infrastructure includes streets, sidewalks, storm sewer, sanitary sewer and water lines. The process of platting includes the development of not only a master plan but a preliminary plat and a final plat. During this detailed platting process several blanket utility easements were identified and then assigned definitive boundaries. The master planning process evaluated numerous infrastructure alignments and their relationship to existing areas of environmental concern on site. Careful thought was use to determine how best to parcel the property and remain sensitive to areas of concern and still delineate developable tracts of ground. The final plat was recorded with the Register of Deeds office on January 29, 2013.

As part of the redevelopment a new gateway into the property will be constructed at the intersection of 23rd Street & O'Connell Road. This intersection will be signalized and will include street and storm sewer improvements totaling \$571,459.05 to be paid from City Funds. This project was awarded by the City Commission at its December 11, 2012 meeting.

ENVIRONMENTAL REMEDIATION

As noted above, URS Corporation was contracted to complete the Transition Plan as called out in the Consent Order (CO). In an effort to save environmental engineering fees the City of Lawrence chose to complete the required Remedial Design Remedial Action (RD/RA) Plan internally and saved approximately \$200,000 on engineering fees. The completion of the this plan by City Staff saved Remediation Funds for actual construction costs and implementation. The City also signed a Long Term Care Agreement (LTCA) as part of its application for entry into the Environmental Use Control (EUC) Program.

SITE MAINTENANCE

In addition to all of the categories listed above the City of Lawrence has continually provided basic site maintenance to the property. This includes basic tasks such as mowing, clearing and grubbing of vegetation and infrastructure maintenance. In an effort to save money on the original demolition contract only structures higher than 18" in height were removed. If a foundation structure doubled as an retaining wall it was also left undisturbed. Recently in preparation for the pending infrastructure project city crews have been tasked with removing these remaining concrete foundations.

NEXT STEPS

There are a number of projects that are scheduled to begin on the **Site** for the coming calendar year 2013. Each of these projects will need prior approval from the Kansas Department of Health & Environment (KDHE) and are detailed in the bullet points below.

- Relocation of power lines to feed ground water remediation pumps - Westar Energy
The development of a new main entrance into the Site involves moving the existing electrical substation. Prior to the substation being moved to the northwest of its existing site an alternative power supply will need to be operational in order for the ground water monitoring pumps to remain in operation. The estimated cost for this construction is \$165,000.
- Well plugging & site cleanup
There are seven existing ground water supply wells off **Site** east of the plant. Refer to Figure 1 for the location of the well sites. These wells were used to supply process water for the production of fertilizer and are not currently in operation. Currently a recently advertised well plugging and well site cleanup bid is pending the execution of a land access permit for both properties involved. The low bid was submitted at a cost of \$73,182.00.
- Regional Detention
The redevelopment of the site dictates a regional storm water detention basin. The west and east effluent ponds will be combined into an area suitable for regional detention. This area was identified in the Corrective Action Decision (CAD) to be used for this very purpose. Both the cost of design and construction need approval. Currently the City has a proposed cost of \$59,960.10 from the consultant on contract.
- RCRA Permit - Chrome Reduction System Site
The ultimate goal for the RCRA permitted site is to bring the pH levels back into compliance. This will be done by over excavating the source area and mixing it with a neutralizing agent and placing the mixture back in the excavation. City staff believes the

original estimated cost listed within the CAD is too low. Staff believes the cost associated with this remediation will be closer to \$1,200,000.00.

- East - West Road

This project which will connect the intersection of 23rd Street & O'Connell to the East Hills Business Park. This contract will construct the street, storm sewer, water lines, sidewalks and sanitary sewer and will be paid from special assessment property taxes.

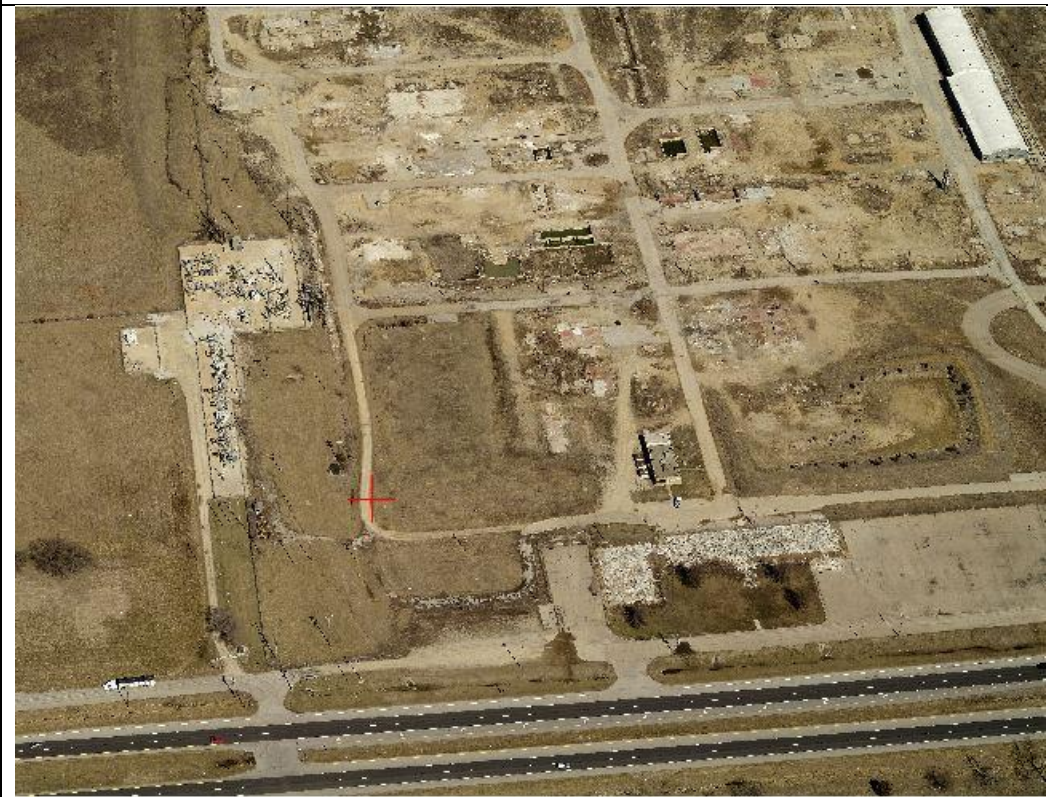
PHOTOS



Plant circa 1967



Summer 2011



March 2012

CHRONOLOGY OF LAWRENCE CITY COMMISSION MEETINGS & SUBSEQUENT ACTIONS

[September 14, 2010](#) City Commission Meeting

Authorized staff to negotiate an engineering services agreement with URS Corporation for transitional engineering services to assist upon transfer of the former Farmland Industries Plant from the Farmland Trust Fund to the City of Lawrence, Project No. PW1015. [Staff Memo](#)

[September 28, 2010](#) City Commission Meeting

Authorized distribution of request for proposals for Demolition Services for the former Farmland Industries Plant, Project PW1015, Farmland Transitional Services. [Staff Memo](#)

[October 5, 2010](#) City Commission Meeting

Authorized City Manager to enter into an Engineering Services Agreement with URS Corporation for transitional engineering services for Project No. PW1015, Farmland Transitional Services, in an amount of \$29,827. [Staff Memo](#)

[December 21, 2010](#) City Commission Meeting

Awarded Farmland demolition, Project No. PW1015, Farmland Transitional Services, to R. D. Johnson Excavating in an amount of \$432,000 to be paid from the Farmland Remediation Fund (not to exceed \$213,000), and GO Bonds (\$219,000). [Staff Memo and Attachments](#)

ACTION: Award Farmland demolition, Project No. PW1015, Farmland Transitional Services, to R. D. Johnson Excavating in an amount of \$432,000, if appropriate.
Due to changes in the projects overall scope the amount listed in the chronology below differs from the actual costs paid.

[January 11, 2011](#) City Commission Meeting

Adopted on first reading, [Ordinance No. 8609](#), authorizing the issuance of general obligation bonds in an amount not to exceed \$220,000, plus costs of issuance and interest, for the cost of demolition and environmental remediation at the former Farmland property, as authorized by the City Commission on December 21, 2010.

[January 18, 2011](#) City Commission Meeting

Adopted the following ordinance(s) on second and final reading:

- a) [Ordinance No. 8609](#), authorizing the issuance of general obligation bonds in an amount not to exceed \$220,000, plus costs of issuance and interest, for the cost of demolition and environmental remediation at the former Farmland property, as authorized by the City Commission on December 21, 2010.

[May 17, 2011](#) City Commission Meeting

Authorized staff to apply for an EPA Re-Powering Feasibility Study for the former Farmland property. [Staff Memo](#)

ACTION: Direct staff to submit application, if appropriate.

[August 16, 2011](#) City Commission Meeting

Received update on next steps for Farmland Property and consider adopting on first reading, [Ordinance No. 8659](#), a Home Rule Ordinance of the City of Lawrence, Kansas authorizing the financing of the costs of a master plan and certain infrastructure development for the former Farmland Industries property for Economic Development purposes, and authorizing the issuance of general obligation bonds of the City to pay the costs thereof; and [Ordinance No. 8660 \(Revised 08/15/11\)](#), designating Delaware Street from 8th Street to ~~11th Street~~ **22nd Terrace** and a street to be named, located north of the northern terminus of O'Connell Road at 23rd Street, north to an intersection with 19th Street, as main traffic ways. [Staff Memo & Attachments](#)

ACTION: Adopt on first reading, Ordinance No. 8659 and Ordinance no. 8660, if appropriate.

Authorize staff to distribute a request for proposals for planning and engineering services associated with the master planning of the former Farmland property, and design of necessary public improvements to the property, if appropriate.

Authorize staff to distribute a request for proposals for planning and analysis of the City water right, if appropriate.

[August 23, 2011](#) City Commission Meeting

Adopted on second and final reading the following ordinance

[Ordinance No. 8659](#), a Home Rule Ordinance of the City of Lawrence, Kansas authorizing the financing of the costs of a master plan and certain infrastructure development for the former Farmland Industries property for Economic Development purposes, and authorizing the issuance of general obligation bonds of the City to pay the costs thereof

[September 6, 2011](#) City Commission Meeting

Adopted the following resolution

[Resolution No. 6940](#), authorizing the issuance of general obligation bonds for the financing of improvements including 23rd and O'Connell traffic signalization and construction of a new north/south street (Farmland Redevelopment).

[December 6, 2011](#) City Commission Meeting

Approved selection and authorize staff to negotiate a scope of services with the team of Bartlett & West/CDM for the Farmland Master Plan. [Staff Memo](#) [Proposal](#)

[February 7, 2012](#) City Commission Meeting

Authorized City Manager to enter into an agreement with Bartlett & West Engineering in the amount of \$299,860 for the development of the Farmland Industrial Business Park Master Plan, K-10 and O'Connell intersection/signalization design, and evaluation of sustainable energy options and green infrastructure. [Staff Memo & Attachments](#)

Received requests from: Paul Werner Architects, representing the former Don's Steak House Property, Pat Slimmer (Slimmer Automotive) and Mike Hultine (on behalf of SurePoint Medical) requesting property purchase or option to purchase certain portions of the former Farmland tract property, and table requests pending completion of the Farmland Master Plan Study. [Staff Memo & Attachments](#)

Authorized the City Manager to enter into a Land Lease Agreement and Option to Purchase with Cornerstone Plaza, LLC, for parking facilities on the Farmland tract property. [Staff Memo & Attachments](#)

[April 24, 2012](#) City Commission Meeting

Authorized final payment and change order in the amount of \$11,552.92 to R.D. Johnson Excavating Co., Inc. for the Farmland Demolition project. [Staff Memo](#) [Photos](#)

[July 10, 2012](#) City Commission Meeting

Authorized City Manager to execute engineering service agreements for infrastructure design and final platting with Bartlett & West Engineering for Farmland Business Park in the amounts of \$69,150 for Sanitary Sewer, \$304,565 for streets, \$43,050 for water, and \$21,591.62 for final plat. [Staff Memo & Attachments](#)

[August 7, 2012](#) City Commission Meeting

Initiated the following rezonings for the former Farmland Industries property, north of K-10 between Greenway Circle & E 1575 Rd: [Staff Memo & Attachments](#)

- a) Approximately 31.7 acres (and adjacent railroad right-of-way) from I-4 (Heavy Industrial) and VC (Valley Channel) Districts to UR-FP (Urban Reserve – Floodplain Overlay) District, located in the NE1/4 & NW1/4 Sec 4-13-20;
- b) Approximately 170.4 acres (and adjacent railroad right-of-way) from I-4 (Heavy Industrial) District to UR (Urban Reserve) District, located in the NE1/4 & NW1/4 Sec 4-13-20;
- c) Approximately 170.7 acres (and adjacent highway right-of-way) from I-4 (Heavy Industrial), I-1 (Limited Industrial), A (Agricultural) County Districts and CC200 (Community Commercial Center) City District to IG (General Industrial) District, located in the NW1/4 & SW1/4 Sec 4-13-20; and
- d) Approximately 59.0 acres (and adjacent highway right-of-way) from I-1 (Limited Industrial), B-1 (Neighborhood Business) and A (Agricultural) County Districts to IM (Medium Industrial) District, located in the SE1/4 Sec 5-13-20 & SW1/4 Sec 4-13-20.

[October 2, 2012](#) City Commission Meeting

Authorized the City Manager to execute an agreement with Westar to relocate the substation on the Farmland property. [Staff Memo & Attachments](#)

[October 23, 2012](#) City Commission Meeting

Approved the following items related to the City owned former Farmland property:

[City Manager Staff Memo](#)

- a) Approve rezoning, Z-12-00119, of approximately 31.7 acres (and adjacent railroad right-of-way) from I-4 (Heavy Industrial) and VC (Valley Channel) Districts to UR-FP (Urban Reserve – Floodplain Overlay) District, located in the NE1/4 & NW1/4 Sec 4-13-20 (Former Farmland Industries property, N of K-10 between Greenway Circle & E 1575 Rd). *Initiated by City Commission on 8/7/12.* Adopt on first reading, [Ordinance No. 8805](#), to rezone (Z-12-00119) approximately 31.7 acres (and adjacent railroad right-of-way) from I-4 (Heavy Industrial) and VC (Valley Channel) Districts to UR-FP (Urban Reserve – Floodplain Overlay) District, located in the former Farmland Industries property, N of K-10 between Greenway Circle & E 1575 Rd). (PC Item 4A; approved 6-0-1 on 9/24/12) [Staff Report](#) [Proposed Rezoning](#) [Map of Area](#) [PC Minutes](#)