



Council Communication No. 97-334

SYNOPSIS –

In order to expedite the construction of Relocated Iowa 5 from SW 9th Street west to Iowa Highway 28 and beyond to I-35, the City and Polk County have cooperated on a Revitalize Iowa's Sound Economy (RISE) agreement with the Iowa Department of Transportation (IDOT). This agreement would provide a total of \$22,000,000 of funding for construction of the segment of the south beltway (Relocated Iowa 5) between SW 9th Street and Iowa 28.

FISCAL IMPACT –

The RISE agreement provides a total of \$22,000,000 of funding for construction of the project. Of the total funds necessary, the RISE grant to the City of Des Moines is to be \$4,000,000; while Polk County will provide the remainder of the funds in the amount of \$18,000,000.

RECOMMENDATION –

Approval of the Intergovernmental Agreement.

BACKGROUND –

IDOT has planned for a beltway on the east (Relocated US 65) and south (Relocated Iowa 5) sides of the Des Moines metropolitan area since the 1970s. At the urging of the metropolitan area, the first phases of the overall project were initiated on the east segments of the project (Relocated US 65). Currently, the section from I-80 near the Hubbell Avenue interchange south to University Avenue (Iowa Highway 163) near Pleasant Hill is completed and open to traffic. Additional sections from Pleasant Hill south and west to present US 65/69 just south of the Des Moines City Limits in Warren County are under construction and are scheduled for completion in 1997.

On April 15, 1996, by Roll Call No. 96-1400, the City Council approved the predesign project agreement with IDOT for the design and construction of Relocated Iowa 5 from US 65/69 west to I-35. On July 30, 1996, IDOT held a public hearing on the proposed relocation of Iowa 5 (South Beltway) along the south side of Des Moines between US 65/69 and SW 9th Street. On August 5, 1996, by Roll Call No. 96-2793, the City Council supported the design and construction of this portion of Relocated Iowa 5, and encouraged IDOT to expedite the construction of the remainder of this facility west to Iowa 28 and beyond to I-35.

In order to expedite the construction of Relocated Iowa 5 from SW 9th Street west to Iowa 28 and beyond to I-35, the City and Polk County have cooperated on a (RISE) agreement with IDOT. This agreement provides a total of \$22,000,000 of funding for construction of the project between SW 9th Street and Iowa 28. Of the total funds necessary, the RISE grant to the City of Des Moines amounts to \$4,000,000. Polk County will provide the remainder of the funds in the amount of \$18,000,000. The agreement further provides that:

- IDOT will be responsible for the development and completion of the project.
- IDOT will complete construction of the remaining segment of Relocated Iowa 5 from Iowa 28 to I-35 to be open for traffic in 2002.
- The SW 50th Street interchange will be constructed as part of the Relocated Iowa 5 Project at IDOT' s cost.
- Polk County' s cost for the portion of Relocated Iowa 5 between SW 9th Street and Iowa 28 will not exceed \$18,000,000. Any reduction in project costs will be used on the construction of Relocated Iowa 5 extending west from Iowa 28 to I-35.

DEVELOPMENT POTENTIAL AND JOB CREATION

The Airport Business Park is expected to reach a total value over \$128,000,000 when fully developed. Based on the planned Business Park zoning requirements, the area' s attributes, and market potential, it is generally expected that the majority of land within the Airport Business Park will be developed for commercial/office and warehouse/wholesale/distribution uses. Although the ultimate mix is difficult to predict, it is projected that 65 percent of the usable acreage will be developed with the above-mentioned uses, and the remaining 35 percent of the land will be developed for light industrial/ manufacturing uses.

Based on analysis of similar development projects, it is reasonable to assume the creation of 15 to 25 direct jobs per usable acre. Following the above assumptions, it is estimated that between 3,465 to 5,775 direct jobs will be created within 10 years after completion of the Relocated Iowa 5 project in the Airport Business Park alone. Under the projected buildout for the Park, between 690 to 1,150 direct jobs will be created in the first two years.

Even though it appears that the level of public and private financial commitment to the Relocated Iowa 5 project, combined with the job creation expected in the Airport Business Park, is more than sufficient to warrant award of the RISE grant, it should be remembered that the “ real” total benefits are much greater. As a major regional transportation facility, the proposed project will spur economic development growth over a wide geographic area, causing the creation of substantially more direct jobs than expected from the Airport Business Park alone.