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CITY COUNCIL COMMUNICATION:

ITEM

OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

98-361

SYNOPSIS -

AGENDA:

AUGUST 24, 1998

SUBJECT:
RISE GRANT
APPLICATION FOR
WIDENING AND
PAVING FLEUR DRIVE
FROM ARMY POST
ROAD TO RELOCATED
IOWA 5

TYPE: RESOLUTIONORDINANCE
RECEIVE/FILE

SUBMITTED BY: HAROLD SMITH CITY ENGINEER In order to complete the widening and paving of Fleur Drive from Army Post Road to Relocated Iowa Highway 5 (IA 5), City staff prepared a Revitalize Iowa's Sound Economy (RISE) Grant application for submittal to the Iowa Department of Transportation (IDOT) for consideration. The application requests a total of \$1,630,000 in RISE funds.

FISCAL IMPACT -

The total project cost is estimated at \$3,260,000, of which \$1,630,000 (50%) is requested to be funded through the RISE Grant. The remaining \$1,630,000 is proposed to be funded through a combination of City General Obligation (G.O.) bonds (\$730,000), RISE loan (\$500,000), and Warren County funds (\$400,000). This project is included in the 1998-99/2003-04 Capital Improvements Program (CIP) Index Code 481242. However, this project does not include current City funding, as it was anticipated that the phase two work would be funded with all RISE Grant funds. It is proposed to shift \$730,000 of G.O. bonds programmed for the Merle Hay Road– Douglas Avenue to Aurora Avenue (East Side) Project- Index Code 480947. to provide the City matching funds. It is further proposed to repay the RISE loan by adding \$120,000 G.O. bonds per year for five years, beginning in FY 2001-02. The Merle Hay Widening project would be delayed, with an application for partial project funding from IDOT and consideration of local matching funds in future years' CIP prioritization process.

RECOMMENDATION –

Approve the RISE Grant application, authorize the

Mayor to execute the application, and direct the City Manager to submit the application to the IDOT.

BACKGROUND -

The IDOT has planned for a beltway on the east (Relocated US 65) and south (Relocated IA 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). Relocated US 65 from I-80 near the Hubbell Avenue interchange south and west to present US 65/69 just south of the Des Moines City Limits in Warren County is completed and open to traffic in late 1997.

On April 15, 1996, by Roll Call Number 96-1400, the City Council approved the predesign project agreement with the IDOT for the design and construction of Relocated IA 5 from US 65/69 west to I-35. The section from US 65/69 to Iowa 28 is scheduled to be completed in 2000, and the section from IA 28 west to I-35 is scheduled to be completed by 2002. As part of the Relocated IA 5 project, IDOT will construct an interchange at Fleur Drive, to be completed in 2000.

Because of the importance of Fleur Drive to serve traffic in this area, it is a requirement of the Relocated IA 5 Predesign Project Agreement that the local jurisdictions (City of Des Moines and Warren County) improve Fleur Drive and 85th Avenue by widening and paving from existing IA 5 (Army Post Road) to Relocated IA 5. In addition, in accordance with the current Memorandum of Understanding for Urban Primary Road Service between the Des Moines Area Metropolitan Planning Organization and the IDOT, "Fleur Drive shall be designated a Primary Road from Relocated IA 5 to the proposed Martin Luther King Jr. Parkway, immediately south of the Des Moines Central Business District (CBD)." This transfer to State jurisdiction will take place upon: (1) the completion of Relocated IA 5; (2) the extension of Fleur Drive from Army Post Road to Relocated IA 5; and (3) the completion of Martin Luther King Jr. Parkway from Fleur Drive east to US 69 (E 15th Street) or north to the interchange with I-235.

The City is currently completing phase one of the Fleur Drive widening and paving south of Army Post Road. This phase will include widening and paving to the full fourlane divided roadway from Army Post Road south approximately 600 feet to a new signalized intersection with relocated Army Post Road, and also will include widening and paving to a three-lane cross-section (one lane each direction with raised median and left-turn lanes at median openings) from this point south to a point approximately 3,400 feet south of Army Post Road.

To complete phase two of the project, City staff prepared a RISE Grant application to be submitted to the IDOT for consideration. On August 25, 1997, by Roll Call Number 97-2975, the City Council authorized the City Manager to submit the application requesting a total of \$3,300,000 in RISE funds. The IDOT advised that this project was not selected for funding because the local share did not constitute 50 percent of the project funding. City staff has now prepared a revised RISE Grant application, in conjunction with Warren County, that does provide for 50 percent local funding and 50 percent RISE Grant.

This RISE project will involve widening the three-lane section constructed during phase one to the full four-lane divided roadway, including paved shoulders and curb and gutter storm drainage, and widening and paving of the full four-lane divided roadway from the south end of the phase one section south to Relocated IA 5. RISE grant funding is requested for the entire roadway, with the City providing matching funds for the section north of County Line Road, including repayment of a requested \$500,000 RISE loan, while Warren County will fund the section from County Line Road south to Relocated IA 5. The IDOT will include the section of Fleur Drive within the interchange area as part of the Relocated IA 5 construction, using previously approved RISE (\$4 million) and Polk County matching funds (\$18 million).

DEVELOPMENT POTENTIAL AND JOB CREATION:

The Des Moines International Airport is the largest and most heavily used Airport in the State, both for passenger and freight operations. The area to the south of the Airport presents a unique opportunity within the Metropolitan Area for the development of a premiere business center, with the potential to employ thousands of Iowans in quality jobs and to significantly enhance the area's tax base. Although the Airport is a tremendous asset for attracting new development and business growth, the absence of direct freeway type access has severely hindered the area's potential growth. The widening and paving of Fleur Drive and the completion of Relocated IA 5 will provide that transportation access, with direct links from the business center to I-35 and I-80.

The Airport Commerce Park South is expected to reach a total value over \$60 million 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 Commerce Park South will be developed for commercial/office, hotel 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 1,710 to 2,850 direct jobs will be created within 10 years after completion of the Fleur Drive improvement project in the Airport Commerce Park South alone. Under the projected build-out for the park, between 240 to 400 direct jobs will be created in the first two years.

The Airport is currently conducting negotiations with the United Parcel Service (UPS) to lease over 40 acres in the southeast quadrant of the Airport complex for a new Air and Ground Sort Facility. This \$40 million project will include a 290,000 square foot facility and provide over 180 jobs.

Even though it appears that the level of public and private financial commitment to the Fleur Drive Improvement project, combined with the job creation expected in the Airport Commerce Park South, is more than sufficient to warrant award of the requested RISE grant, the real total benefits are much greater. As a major regional transportation facility connecting the new Relocated IA 5 beltway with the Airport, Downtown, and I-235, the Fleur Drive improvement project will help spur economic development over a wide geographic area, causing the creation of substantially more direct jobs than expected from the Airport Commerce Park South alone.

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