

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-150

SYNOPSIS -

AGENDA:

APRIL 17, 2000

SUBJECT:

INITIATIVES FOR
REDEVELOPING
RIVERPOINT WEST

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

On the April 17, 2000, Council agenda is a roll call to authorize staff to send a Request for Proposals (RFP) to consultants for Phase II environmental assessment work, pursue U.S. Environmental Protection Agency (EPA) Showcase Community designation, strengthen existing and develop new partnerships to assist in redeveloping Riverpoint West. The 300-acre Riverpoint West area is located directly south of the Central Business District, north of Gray's Lake and east of Water Works Park. It is bounded by the new Martin Luther King Jr. Parkway (currently Market Street) to the north, SW 9th Street to the east and the Raccoon River to the south and west. Results of the Phase II will assist in understanding the nature and extent of the area's environmental challenges. This information is essential to ascertain the economic feasibility of redeveloping Riverpoint West. Showcase Community designation will allow the City to position itself to obtain priority for Federal grants for brownfields redevelopment. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

FISCAL IMPACT -

The EPA recently awarded the City a \$150,000 Supplemental Brownfields Assessment grant to conduct environmental testing in Riverpoint West. No additional funds are required to pursue Showcase Community designation.

RECOMMENDATION -

Approval.

BACKGROUND -

The new Martin Luther King Jr. Parkway, constructed along the northern edge of Riverpoint West, presents an excellent development opportunity by providing new access to the area. It is proposed to revitalize Riverpoint West by developing a mixed-use urban village with approximately 1,000 residential units, 850,000 square feet of low-rise office and retail space, and environmental and recreational enhancements. By creating interdependency with the Central Business District, Riverpoint West can enhance the success of downtown redevelopment initiatives by meeting its need for new workers and consumers, providing parking, and offering support services.

On April 26, 1999, by Roll Call No. 99-1293, Council requested review of the economic development potential created by completing the Martin Luther King Jr. Parkway. On May 24, 1999, by Roll Call No. 99-1694, Council received the City Manager's report and approved proceeding with the recommendation to hire an environmental consultant to study the area. In November 1999, Barker, Lemar & Associates completed the Phase I environmental assessment. These results indicate that 175 acres must be tested, excluding the DICO Superfund site that the EPA has studied extensively.

A RFP to conduct Phase II work is anticipated to be sent to consultants in April/May 2000 based on Council's direction. The RFP will require the consultant to determine the nature and extent of environmental contamination, as well as recommend potential remediation alternatives and their cost. In addition, EPA is amenable to changing use of the DICO Superfund site into a parking area to support growth of the Central Business District.

Results of the Phase II will assist in structuring an economically feasible redevelopment project. Future uses of the site will be determined by the cost to remediate environmental contamination and allow for a reasonable return on investment both to the taxpayers and to private developers.

Extensive partnerships have formed to address issues involved in redeveloping the Riverpoint West area successfully, which include land assemblage, environmental remediation, and public infrastructure. The Greater Des Moines Partnership will conduct land assemblage. It will be responsible for obtaining financing (\$25 to \$30 million), land acquisition, relocation, demolition, and site-specific infrastructure and developer

attraction. The City will be responsible for conducting environmental assessments, working with the EPA, Iowa Department of Natural Resources, private property owners and others to resolve environmental concerns and installing areawide public infrastructure. Other partners include the U.S. Army Corps of Engineers, Federal Emergency Management Agency, Federal Highway Administration, Iowa Department of Transportation, U.S. Department of Housing and Urban Development, Economic Development Administration, Iowa Department of Economic Development, Federal Home Loan Bank, Iowa Finance Authority, U.S. Small Business Administration, Polk County, Des Moines Water Works, MidAmerican Energy, Knapp Properties Inc., and Hubbell Realty Company.

To date, the City has obtained nearly \$1.2 million in federal funds for environmental assessment and remediation activities in Riverpoint West. The Showcase Community designation will allow the City to leverage additional resources. Financial advantage is evident. As one of only 16 Showcase Communities nationwide, Kansas City has leveraged \$38 million for various projects. The EPA anticipates selecting an additional 10 Showcase Communities in October 2000.

When completed, the Riverpoint West project is expected to create 1,000 jobs and increase the tax base twelve-fold from approximately \$12 million to more than \$140 million. The project will contribute to the long-term economic viability of the downtown core.



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