

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-334

SYNOPSIS -

AGENDA:

An analysis of the progress made within five Designated Neighborhoods and recommendation on continuation of Designation Status.

JULY 24, 2000

SUBJECT:

FISCAL IMPACT -

DESIGNATION
STATUS OF FIVE
CURRENTLY
DESIGNATED
NEIGHBORHOODS

<u>Project</u>	<u>Cost</u>
Neighborhood Infrastructure Rehabilitation Program (Revisit neighborhoods in which not all work was completed)	\$770,000
6th and College Redevelopment	\$634,000-\$1.2 Million
6th and University Grocery Store	\$765,000
6th and University House Moving	\$1.6 Million
Highland Park Streetscape Design	\$1.3 Million
East Grand Commercial Corridor	Study is needed to determine
21st Street Rehabilitation Project	Study is needed to determine

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

RECOMMENDATION -

Receive and forward to the Office of the City Manager to facilitate input from the Polk County Board of Supervisors on the status of the evaluated neighborhoods.

BACKGROUND -

Since the fall of 1999, City staff has been meeting with representatives of both the Charter and Designated Neighborhoods (with the exception of the 4 recently Designated Neighborhoods) and a Subcommittee of the Neighborhood Revitalization Board (NRB) in accordance with the Neighborhood Selection Policy. Meetings were held to discuss the health of the Charter Neighborhoods as well as the progress being made on each of the Designated Neighborhood's Neighborhood Action Plan. The Charter Evaluation has been completed and was approved by the City Council by Roll Call No. 00-507 on February 21, 2000.

The most recent portion of the evaluation process looked at five of the nine neighborhoods currently taking part in the City's Neighborhood Revitalization Program. The NRB voted at their June 21, 2000 meeting to approve a recommendation that would graduate the Capitol Park and Capitol East neighborhoods into Charter Designation effective December 31, 2000 and July 1, 2001 respectively. The remaining three neighborhoods (Carpenter/Drake Park, Highland Park and River Bend) will be re-evaluated in 2001 to examine if they have accomplished their milestones as described in the letter from Bob King, NRB chairperson.

This evaluation has identified projects within the evaluated neighborhoods that will impact the fiscal expenditures of the City over the next several years. It is assumed that funding for these items will be programmed and decided on a yearly basis. The following is a breakdown of these programs as well as their funding sources:

Neighborhood Infrastructure Rehabilitation Program (NIRP) - During the evaluation process it was discovered that certain planned infrastructure improvements within neighborhoods had not been completed. The recommendation from the NRB is to devote funding for NIRP over the next three years to complete these improvements. The funding for NIRP is a combination of Capital Improvement, Operating, and Community Development Block Grant (CDBG) monies. The overall expected expenditure is estimated to be approximately \$770,000.

6th and College Redevelopment - The items in the redevelopment of the commercial block located on the northwest portion of the intersection of 6th Avenue and College Avenue include the redevelopment of the City-Owned properties facing 6th Avenue. Possible uses of the properties include commercial and multi-family. The estimated project costs were developed by a report from the National Trust for Historic Preservation. These costs are associated with the market gap financing and range from \$634,000 to \$1.2

Million for a total project cost of \$998,000 to \$1.8 Million.

6th and University Grocery Store - City staff is working with a developer and operator to develop both a 35,000 square foot grocery store and a 15,000 square foot retail outlet. The project costs for the grocery store component are estimated at about \$7 million, which is approximately \$3.2 million higher than the store's projected sales and profits can support. City staff is working to identify an additional \$765,000 in needed funding to assist the grocery store component of this proposed project.

6th and University House Moving - The second project taking place at the intersection of 6th and University involves moving and rehabilitating 12 structures in the area. Six structures will be moved out of the project area of the grocery store and will also be allocated rehabilitation money. Six other structures in the area will remain at their current location but will still receive rehabilitation funds. The project cost is estimated to be approximately \$1.6 million. Funding sources for this project have been identified as CDBG, HOME, Neighborhood Finance Corporation (NFC), and Social Services Block Grant (SSBG).

Highland Park Streetscape Design - The Highland Park Streetscape Design will require approximately \$1.3 Million for full implementation. Associated with this plan are streetscape improvements at the intersection of 6th Avenue and Euclid Avenue in the historic Highland Park neighborhood. The implemented plan will feature street tree plantings, site furnishings and traffic signalization standards. Project funding can be accomplished with the development of a Self Supporting Municipal Improvement District, CDBG funds. However, the full funding for this project has not been found and may require funding through other City sources.

East Grand Commercial Corridor - The East Grand Commercial Corridor located between East 15th Street and East 18th Street in the Capitol East Neighborhood was identified as needing to be studied in the Capitol East Neighborhood Action Plan that was adopted by the City Council in 1991. The first step is the creation of a plan that would include input from the neighborhood and residents and would focus on developing an identity for the East Grand Corridor. Work has only just begun on this project and time is needed before a detailed cost estimate can be created.

21st Street Rehabilitation Project - The project located on 21st Street is planned to rehabilitate at least 10 rental or owner-occupied structures. Staff is now contacting property owners to develop a list

of possible participants in this program. Once staff has found willing participants, a detailed cost estimate can be created. It is planned that the project will be funded through the Polk County Housing Trust Fund, CDBG, and HOME funds.

Given the importance of the partnership with Polk County in the selection and implementation of the activities listed in the Neighborhood Action Plans, it is important to obtain their input on the status of these neighborhoods. As part of this resolution, staff will be facilitating a discussion with the Polk County Board of Supervisors concerning the status of the currently designated neighborhoods. After this discussion is held, staff will bring this item back to the City Council in August for final consideration.