

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

01-034

SYNOPSIS -

AGENDA:

JANUARY 22, 2001

SUBJECT:

**\$1.5 MILLION
FEDERAL GRANT
TO REVITALIZE
RIVERPOINT WEST**

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:

**ERIC A. ANDERSON
CITY MANAGER**

On the January 22, 2001 Council agenda is a roll call to authorize submitting applications to obtain a total of \$1.5 million from the Fiscal Year (FY) 2000 U.S. Department of Housing and Urban Development (HUD) Economic Development Initiative and FY 2001 HUD Neighborhood Initiative grants for redevelopment of 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. Senator Harkin was instrumental in securing the above-referenced grants. Funds are proposed to be used to complete environmental and geotechnical assessment work; analyze remedial alternatives; participate in cost-sharing an evaluation of the area flood protection system; conduct appropriate environmental remediation; address geotechnical issues; and design, construct, and inspect infrastructure improvements. This work is essential to enable redevelopment of Riverpoint West. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

FISCAL IMPACT -

No additional funds are required to obtain the HUD grants. These resources may be used to match other federal funding. Recently, the U.S. Army Corps of Engineers allocated an additional \$200,000 for environmental assessment, geotechnical analysis, and an evaluation of the flood protection system in Riverpoint West. The City must invest one dollar for every dollar of Corps' funds. Consequently, \$200,000 of the HUD grants rather than Capital Improvement Program (CIP) funds will be provided as match to conduct the necessary analyses.

RECOMMENDATION -

Approval.

BACKGROUND -

The Riverpoint West project involves an exciting opportunity to develop a vibrant, 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 12, 2000, the U.S. Environmental Protection Agency (EPA) awarded the City a \$150,000 Brownfields Supplemental Assistance grant to conduct a Phase II environmental assessment in Riverpoint West. On July 24, 2000, by Roll Call No. 00-3200, Council authorized hiring the Lenz Environmental Inc. team to conduct the Phase II work.

Initial results of the limited Phase II environmental assessment indicate that to date, there are no systemic problems in the groundwater and soils are not required to be remediated. Continued study is needed in order to complete the redevelopment feasibility study.

Results of the comprehensive Phase II environmental assessment 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.

On October 11, 2000, EPA designated Des Moines as a national Brownfields Showcase Community, which will provide priority for Federal funding to assist in brownfields redevelopment projects such as Riverpoint West. Senator Harkin's efforts are to be commended for securing a total of \$1.5 million of federal funds for redevelopment of Riverpoint West. The funds will be allocated as follows: 13 percent (\$200,000) for environmental, geotechnical, remedial alternative, and flood protection system analyses; 33 percent (\$500,000) for environmental remediation and geotechnical work; 11 percent (\$160,000) for design of infrastructure improvements; and 43 percent (\$640,000) for installation of infrastructure, including but not limited to water, sanitary sewer, and an associated pump station, storm sewer, and enhanced flood protection improvements. As studies are

completed, funds may be reallocated among categories to meet project needs.

It is anticipated that HUD will forward a grant agreement to the City in spring 2001 upon completing its environmental review of the project. This is required to draw down the \$1.5 million, which will be available on a cost reimbursement basis. Grant funds must be spent within five years from the effective date of signing the agreement. Work is projected to be completed within three years by spring 2004.

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 and serve as a national model of effective public/private cooperation.