



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**02-362**

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

**AGENDA:**

JULY 8, 2002

**SYNOPSIS -**

On the May 22, 2000, by Roll Call No. 00-1495, the City Council received and filed the Eastern Gateway Study Block Final Report and Recommendations. The report was referred to the Architectural Advisory Committee, the Plan and Zoning Commission, the Urban Renewal Board, the Historic District Commission, the Park and Recreation Board, and the Traffic Safety Board for review and comment.

**SUBJECT:**

EAST VILLAGE  
STUDY BLOCK  
DEVELOPMENT  
PLAN AND  
GUIDELINES

Council is asked to:

- a. Approve, in concept, the Development Plan as recommended by the consultant with the exceptions noted below.
- b. Approve an Implementation Timeline for Phase I and Phase II of the project. July 1, 2002 shall be established as the project start date.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

Phase I will be implemented utilizing an initial allocation of \$500,000 in funding already programmed for the Eastern Gateway and funding through City of Des Moines small business loan programs. Phase II funding options will be reviewed in approximately two years when a portion of the Phase I projects are in process or nearing completion.

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

**RECOMMENDATION -**

**• Concept approval of the Development Plan as recommended by the consultant except that the redevelopment parcel identified at the corner of East 4th and East Locust shall include all of the Betts Hardware property, not just the parking lot as recommended in the Plan. It is recognized that implementation of the Development Plan, and various elements thereof, will require further action by Council including appropriation of funding for specific Plan elements.**

**The Development Plan is comprised of two phases of investment activity. During Phase I, owners will be encouraged to invest in their properties to a level that will insure long-term viability and sustainability. The City is already investing in new streetscape improvements and a new parking lot as suggested by the Plan. If existing owners are unwilling or unable to make the necessary improvements, they will be encouraged to sell or lease to others that will.**

**Phase II is marked by the construction of two major infill projects. The first is a public parking garage at the location of the surface parking lot. The timing of construction of a new public parking garage will depend on market demand and funding availability. The second is a new multi-story residential/commercial project, to be constructed on the Betts Hardware property at the corner of East 4th and East Locust. The timing of the new residential/commercial project will depend on developer interest, the quality of the proposal, and funding.**

**• Approval of an Implementation Timeline for Phase I and Phase II of the project. July 1, 2002 shall be established as the project start date.**

**Year One: Beginning at the point of City adoption of this report's finding and recommendation (July, 2002), property owners will be required within one year to demonstrate substantial progress toward rehabilitation and improved occupancy of existing buildings.**

**Year Two: Beginning July 2003, the owners of properties not making progress toward rehabilitation will be encouraged to sell the property to a developer for rehabilitation. The City may assist in this process. If the sale of the property has not occurred or is not underway by December 2003, the City may begin acquisition of the property on a voluntary basis if sufficient funding is available.**

**Year Three: By July 2004, all feasible rehabilitation activity should be substantially underway with a realistic completion date. If rehabilitation projects are not completed by December 2004, the City will complete property acquisition through eminent domain (July 1, 2004-June 30, 2005), if sufficient funding is available.**

**The above dates and timelines may vary based on actual progress.**

## **BACKGROUND -**

The Eastern Village Study Block Development Plan and Guidelines is consistent with the "catalytic initiatives" identified in the Capitol Gateway East Urban Design Plan that was approved by City Council on May 4, 1998, by Roll Call No. 98-1468. The design plan encourages rehabilitation and compatible redevelopment of the blocks bounding the East 5th and East Locust intersection.

The East Village Study Block is one of the key blocks in this area. A feasibility study on this specific block was initiated in order to develop an acceptable strategy for improving the block. A consultant team composed of Development Strategies, Inc. (10 South Broadway, Suite 1640, St. Louis, Missouri) and Brooks Borg Skiles Architecture Engineering (Bank of America Building, Des Moines, Iowa) was selected to complete a development plan for the selected area.

The consultant team utilized an open process with public participation to ensure that the recommendations included the interests and ideas of the community. The consultant team facilitated three town hall meetings that averaged 75-80 people. Presentations were made to the Plan and Zoning Commission, the Architectural Advisory Committee, the Urban Renewal Board, the Park and Recreation Board, the Historic District Commission, and the Traffic Safety Board. The report and recommendations were generally well received and supported with only minor issues raised.

Staff has moved forward with activities that support this plan. A summary of these activities follows:

- a. Acquisition of 425 East Grand. The property at 425 East Grand contained two cinder block buildings occupied by an ambulance service. The property has been purchased by the City of Des Moines and construction of the surface parking lot is underway.
- b. Urban Restoration Pre-development Loan Program. One of the biggest obstacles to the rehabilitation of the late-19th century commercial buildings in the study block is inadequate information. A pre-development loan program has been established to assist owners in conducting a feasibility analysis for their buildings. Up to \$30,000 is available for structural, architectural, market feasibility, and financial analysis. The funds are in the form of a deferred-payment loan that is repaid at the time of construction financing. If the project is not feasible, the loan is forgiven.

c. Property Acquisition: The Development Plan identifies the unpaved parking lot at the northeast corner of East 4th and East Locust as a redevelopment parcel. This parcel, as well as the adjacent structure, Betts Hardware, is for sale. The Council has approved an amendment to the Metro Center Urban Renewal Plan that designates this property as an acquisition parcel. Council will decide whether or not to purchase the property upon establishment of fair market value.

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