

**CITY COUNCIL  
COMMUNICATION:**

**03-495**

**AGENDA:**

OCTOBER 6, 2003

**SUBJECT:**

EAST VILLAGE STUDY  
BLOCK DEVELOPMENT  
PLAN AND GUIDELINES

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

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

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

**SYNOPSIS —**

On July 8, 2002, by Roll Call No. 02-1762, Council approved the East Village Development Plan as amended and approved an implementation timeline for Phase I and Phase II of the project.

On September 22, 2003, by Roll Call No. 03-2206, Council approved an amendment to the implementation timeline.

Council is asked to further amend the Development Plan by designating 411-423 East Grand as a redevelopment parcel. The plan currently identifies the structure as a candidate for rehabilitation.

**FISCAL IMPACT —**

This amendment has no fiscal impact.

**RECOMMENDATION —**

**Approve an amendment to East Village Development Plan by designating 411-423 East Grand (formerly occupied by the Thai Grocery Store) as a redevelopment parcel.**

**BACKGROUND —**

On 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.

On July 8, 2002, by Roll Call No. 02-1762, Council approved the Development Plan as recommended by the consultant except for one change. The Council amended the redevelopment parcel identified at the corner of East 4<sup>th</sup> and East Locust to include all of the Betts Hardware property, not just the parking lot as recommended in the plan. Council also approved an Implementation Timeline for Phase I and Phase II of the project. July 1, 2002 was established as the project start date. By Roll Call No. 03-2206, approved September 22, 2003, Council amended the implementation timeline.

The subject property is located in the Study Block. In 2002, the former

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owner approached Neighborhood Improvement Corporation (NIC) regarding the sale of the property. In order to ensure high-quality redevelopment of the block, NIC proceeded with the purchase of the building. The City subsequently purchased the property from NIC and relocated the commercial tenant and the nine residential tenants. Because of the condition of the building and its economic obsolescence, it is appropriate that the current structure be removed and that the parcel be redeveloped to support and complement the other remaining structures in the block.

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 5<sup>th</sup> 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.

Since the completion of the plan, 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 and a surface parking lot constructed.
- b. Urban Restoration Pre-development Loan Program. One of the biggest obstacles to the rehabilitation of the late-19<sup>th</sup> 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: Staff is in the final stages of negotiation to purchase three parcels formerly occupied by Dewey Ford—the former showroom, the used car lot, and the collision center property. The used car lot and the collision center properties will be used in the short-term as surface parking to support redevelopment activities in the Eastern Gateway, including the Study Block. The former Dewey Ford showroom property will be redeveloped as a mixed-use development.
- d. Preliminary Terms of Agreement, Soho Development, Betts Hardware

Site: On May 19, 2003, Council accepted and approved the preliminary terms of agreement with Soho Development, L.L.C. (Tony DeAngelo, Chief Executive Officer, 5813 Waterbury Circle, Des Moines, Iowa). The City will provide up to \$1,398,780 (net present value of \$980,000) over 12 years to the developer. The developer will construct a mixed-use development containing 31 condominium units and retail and restaurant space on the ground floor.

- e. Redevelopment of Former Dewey Ford Showroom: At their September 8, 2003 meeting, Council directed staff to work with East Village Square Development (Knapp Properties, Inc., Neighborhood Investment Corporation, and Hatch Development Group) to negotiate the urban renewal contract and prepare a developer-initiated urban renewal proposal for the former Dewey Ford showroom site. Council also directed staff to work with East Village LLC (John Burgeson and Doug Wells) in finding an alternative location.

