



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 05/23/2005
306

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No.:

Roll Call

Submitted by: Richard A. Clark, Deputy City Manager

SUBJECT—

Status report on The Principal Riverwalk project, including an update on related items such as private donations, naming of project elements, project cost estimates, and further actions on the Ice Skating Rink.

SYNOPSIS—

- The scope of the Riverwalk project has expanded significantly due to inclusion of added elements such as the Hansen Company Triangle, the Meredith Trail, Principal (baseball) Park improvements, playground, and public art. This expansion has been enabled in large part because of increased private donations and additional Federal funding. In addition, the Phase I cost estimate now includes maintenance, in-kind contributions, and an increased contingency budget. As design of The Principal Riverwalk has progressed, updated cost estimates have been provided that bring the estimated total project cost to approximately \$55-57 million. Attached is a letter from Mary O'Keefe, Senior Vice President and Chief Marketing Officer, the Principal Financial Group, which provides further information on the expanded project components, budget estimates, and funding.
- Principal Financial Group is discussing private donations from the Brenton Family Foundation, Pioneer Hi-Bred International and Hansen Company. In recognition of these contributions, naming of the following project components has been proposed: Brenton Ice Skating Plaza, Long Look Gardens (fka as the Civic Gardens) and the Hansen Company Triangle (fka as the MidAmerican Plaza).

- The plaza planned near the MidAmerican River Hills Substation, previously included in a future phase, will be moved to Phase 1, as a result of both efficiency of construction and the private donation for this improvement by the Hansen Company.
- With design and construction of the Ice Skating Plaza proceeding on an expedited schedule, it is desirable that we begin to explore the feasibility of using a portion of the Armory Building for supportive uses such as restrooms and a restaurant. This feasibility study would include preliminary architecture, cost estimates, and analysis of the impact on existing City operations. This work would be undertaken in conjunction with The Principal and the Ice Skating Plaza designers. Further Council review and direction will be requested before any changes or final plans for the Armory building are initiated.
- With the Ice Skating Plaza planned to open later this year, it is essential that we proceed immediately to develop a detailed plan for the operation and maintenance of the facility, including a formal funding agreement based. Park and Recreation staff will be preparing the “O&M” plan in conjunction with The Principal and Downtown Community Alliance (the other O&M funding sources). This work will proceed quickly so that an operating plan is ready well before the rink opens.

FISCAL IMPACT—

The current estimated project cost is \$55 – 57 million. However, the City’s financial commitment to the project remains at \$4.535 million based on actions to date. This includes:

- \$655,000 – Meredith Trail
- \$880,000 – Utility Enhancement (to be TIF)
- \$1,000,000 – City share to match Vision Iowa
- \$2,000,000 – Principal Park Improvements.

Despite the increase in project scope and cost, the City financial commitment remains at \$4.535 million.

RECOMMENDATION—

Receive and file this communication and authorize the City Manager to proceed as outlined herein.

BACKGROUND—

The current estimated project cost is \$55-\$57 million. As provided in the attached letter from The Principal Financial Group, the project has prompted additional projects and development. This has resulted in significant increases in project estimated costs and committed funding. In addition to project construction costs, the increased amount includes donations, maintenance, in-kind contributions and additional project components.

Estimated Project Expenses	Funding Sources
\$55-57 million	
Riverwalk – East & West sides Center Street Bridge	\$10 million – Principal \$4.5 million – City of Des Moines

Des Moines Union Railway Bridge	\$4 million – Vision Iowa
Principal Park	\$1.6 million – Corps of Engineers
Ice Skating/Fountain Plaza	\$3 million – DOT earmarks
Maintenance	\$1.3 million – DOT & MPO enhancement
Meredith Trail	\$300,000 – DNR REAP
Long Look Gardens	\$5 million – Private donations
Hansen Company Triangle	\$5 million – anticipated DOT earmark
Public Art	\$2 million – Meredith Foundation
	\$1.7 million – private art contributions
	\$3.2 million – in-kind contributions
	\$3 million – SSMID
	\$8.4 to 10.4 million – Anticipated federal transportation and Greenbelt, as well as additional private investment

The City’s current commitment to Riverwalk is \$4.535 million. On August 25, 2003, by Roll Call 03-2011, City Council took several actions related to The Principal Riverwalk, including reaffirming its financial commitment to the Phase I Principal Riverwalk project to include \$375,000 for the Riverpoint Trail and approximately \$880,000 for utility enhancements. The City’s commitment has increased by \$280,000 to cover property acquisition expenses and additional work on the trail. Funds for this increase are available from the Recreation Trails budget. The City’s Capital budget will be modified to reflect this amount. The \$880,000 for utility enhancement will be addressed as costs for the Des Moines River Sewer Outfall – Stage 2 become further developed. Due to the governance change to the Wastewater Reclamation Authority (WRA), these costs will need to be shifted to future TIF allocations. Council has since approved \$3 million in the City’s CIP for Riverwalk. Of the \$3 million, \$1 million was to match the Vision Iowa grant and \$2 million has been allocated to improvements at Principal Park (March 31, 2005, Roll Call 05-805).

The Principal has been very successful in bringing additional donor partners to this project. Those developing relationships are allowing the project to add amenities. With some of these gifts comes a desire to have a naming right for certain public areas. In the case of Crivaro Park, the Brenton family is interested in making a significant gift, but would like the opportunity to name the ice skating plaza. As this facility sits in Crivaro Park, the opportunity for confusion will result. Staff met with the Crivaro family to discuss the matter and there is general agreement to proceed with removing the Crivaro name from this Park in favor of renaming Hawthorne Park, on the south side. Hawthorne is about to undergo significant improvements and there are not any restrictions as to the name. That action is proceeding to Park and Recreation Board on May 25. The proposed name of the ice skating plaza is the **Brenton Ice Skating Plaza**. The Principal is negotiating an agreement with the Brenton family.

Additionally, Pioneer Hi-Bred International has contributed \$500,000 for the construction of the Civic Gardens. The donors have expressed a desire to name these gardens west of City Hall the **Long Look Gardens**, in honor of Henry A. Wallace. The proposed naming for “Long Look

Gardens” will be reviewed by the Park and Recreation Board on May 25, with a recommendation to Council shortly thereafter.

Hansen Company Triangle is the name proposed for the plaza planned for the area at MidAmerican River Hills Substation as the corner of 2nd and Grand Avenue. This plaza was originally a part of future phase work. With the contribution from the Hansen Company, this project will be moved to Phase 1. With the exception of the Watson Powell Jr. right-of-way, MidAmerican Energy owns the property. The City and WRA will retain easements for the utilities through this area. Principal is coordinating this project with MidAmerican Energy. There is no City action required for the naming of this improvement.

The City Manager will be authorized to explore options on partial use of the Armory for activities that would support the Ice Skating Plaza, such as restaurant and restrooms. The current agreement with The Principal for the construction of the Ice Skating and Fountain Plaza does not address use of the Armory. Staff will explore these options and report back to Council for further direction before any changes to the Armory are initiated.

It is anticipated that the Ice Skating Plaza will be completed for operation late in 2005. In conjunction with Principal Financial Group, the Parks and Recreation Department will be developing an “Operations and Maintenance Plan” for the Ice Skating Plaza, including finalization of the funding plan and budget. It has previously been agreed and reported to City Council that the City, The Principal and the Downtown Community Alliance (DCA) will share the costs of operation in thirds. The Parks and Recreation Department will proceed to prepare a plan for facility management and operations that will be ready for the upcoming season. That report will be prepared in coordination with The Principal, the donor and the DCA, and will be presented by mid summer.



May 17, 2005

Mr. Eric Anderson, City Manager
City Hall
400 Robert D. Ray Drive
Des Moines, IA 50392-1891

Dear Eric

I'm pleased to provide a report and update on The Principal Riverwalk and its expanded project components, budget estimates and funding. As you'll recall, our hope when we began planning for riverfront development was that building the 1.2-mile looping trail would prompt additional projects, development and ideas. (The Des Moines Riverfront Master Plan, of which The Principal Riverwalk is a part, envisioned many ideas for additional development.) I'm happy to report that this has, in fact, happened and much ahead of any schedule we anticipated. In the information provided in this letter, we've tried to be inclusive of all costs in the project, including maintenance, to understand the full impact. Recent cost estimates included construction of the 1.2-mile trail only.

Including these additional components, the project now has an estimated cost of \$55-57 million. In addition to components originally included in Phase 1 of The Principal Riverwalk project, this figure includes the following new components (or components moved from Des Moines Master Plan Phase 2 to Phase 1):

- A west side plaza originally planned for Phase 2, moved up to Phase 1 for efficiency reasons
- Public art
- Meredith Trail upgrade
- Principal Park upgrade
- A playground
- In-kind work to upgrade the site and utilities
- Project maintenance

There are also related projects not included in the new estimate, such as the World Food Prize and Robert D. Ray Asian Gardens.

Keep in mind when reviewing updated budget estimates that these figures are just that -- estimates. With a project involving the amount of lead-time we have in working through the Army Corps of Engineers process, costs will change over time. Just in the past two years, we've seen significant inflation related to steel, concrete and glass costs. We've enhanced the contingency budget for this reason.

Mr. Eric Anderson

May 17, 2005

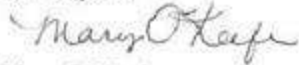
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I'm also happy to report that funding is progressing well. Including the Department of Transportation Re-authorization funding currently pending, we have raised \$44 million. Of this, \$24.7 million comes from the private sector. The city's commitment of \$4.535 million, including maintenance, is unchanged. We anticipate closing the funding gap with federal transportation and Greenbelt dollars, as well as additional private investment.

Project construction begins shortly with three amenities planned for completion over the next year: the skating plaza; civic gardens; and railroad pedestrian bridge.

Please let me know if anyone on the project team can provide additional information.

Best regards



Mary O'Keefe
Senior Vice President and Chief Marketing Officer
The Principal Financial Group

