



Agenda Item:

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## **COUNCIL COMMUNICATION**

### **City Manager's Office**

#### **GENERAL INFORMATION**

Agenda Date: 9/12/05  
Agenda Item Type: Resolution

Communication No.: 05-501  
Roll Call No.:

Submitted by: Richard A. Clark, Acting City Manager

#### **SUBJECT—**

Resolution Approving Revitalize Iowa's Sound Economy (RISE) Application to Construct and Reconstruct Roadways in the Riverpoint West Area (SW 11<sup>th</sup> Street from Martin Luther King, Jr. Parkway to MTA Lane, Murphy Street from SW 9<sup>th</sup> to SW 11<sup>th</sup> Streets and Tuttle Street from SW 11<sup>th</sup> Street to 300' East)

#### **SYNOPSIS—**

Council is requested to approve and ratify submission of the Riverpoint West RISE grant application and authorize the Mayor to sign its Certification. Furthermore, the City endorses the roadway project identified in the application and states that all land for such roadways shall be dedicated for public use. The City shall assume jurisdictional responsibility for the roadways and shall adequately maintain them.

#### **FISCAL IMPACT—**

The total project cost is \$1,750,000 for roadway construction (excluding right-of-way). The City is requesting an \$875,000 grant from the Iowa Department of Transportation. The Hubbell Terminal Corporation will donate the right-of-way, estimated at \$425,000, and will contribute \$325,000. Riverpoint West, LLC will provide \$108,000. The City will invest approximately \$442,000. In-house design work is projected to begin in April 2006 and be completed by January 2007. City funds will need to be available when the roadway is bid in March 2007.

#### **RECOMMENDATION—**

Approval.

## **BACKGROUND—**

On May 23, 2005 by Roll Call No. 05-1331, the City Council entered into a Preliminary Agreement with the Hubbell Realty Company, the Hubbell Terminal Corporation and Riverpoint West, LLC for redevelopment of land west of SW 9<sup>th</sup> Street in the vicinity of Tuttle and Murphy Streets, commonly referred to as Riverpoint West. The City agreed to seek a RISE grant to pay for the construction of streets to facilitate redevelopment in the area. On August 31, 2005, City staff submitted an application to the Iowa Department of Transportation by the deadline that requested an \$875,000 grant for RISE-eligible costs to construct and reconstruct SW 11<sup>th</sup> Street from Martin Luther King, Jr. Parkway to MTA Lane, Murphy Street from SW 9<sup>th</sup> to SW 11<sup>th</sup> Streets and Tuttle Street from SW 11<sup>th</sup> Street to 300' east.

The RISE-funded roadways will be a catalyst to redeveloping part of the blighted 125 developable acres of the Riverpoint West district located directly south of downtown Des Moines in the Metro Center Urban Renewal Area. Riverpoint West has been besieged by innumerable challenges that consist of major flooding, environmental contamination, and widespread geotechnical constraints from prior land filling activities, multiple ownerships, lack of infrastructure and other issues. Significant public investment is needed to redevelop the area to include office and flex space development.

The Hubbell Terminal Corporation intends to construct nearly 143,000 sf of flex space in three buildings west of SW 9<sup>th</sup> Street north of MTA Lane in Riverpoint West. Structures will be built of masonry, densely landscaped and arranged in a business park-like setting. Approximately 108,000 sf will be used for offices and 36,000 sf will be for distribution. The total capital investment in the project is anticipated to be \$16.6 million, which includes about \$1.3 million of environmental remediation work and excludes RISE funding. Approximately 288-270 permanent jobs will be created, depending on tenant mix. Riverpoint West, LLC is also considering developing office space south of Martin Luther King, Jr. Parkway.

Two roadways must be built to support the new office and flex space development. SW 11<sup>th</sup> Street, from Martin Luther King, Jr. Parkway to Tuttle Street, has a steep and uneven grade, especially at its intersection with Tuttle Street, because of a former railroad crossing. It will not be able to accommodate the employee and semi-truck traffic associated with the new development. The street will need to be reconstructed and its 15% grade adjusted. Tuttle Street from SW 11<sup>th</sup> Street to approximately 300' east will need to be redone. Furthermore, SW 11<sup>th</sup> Street dead-ends at Tuttle Street into the former Pittsburgh-Des Moines Steel site. It will need to be extended to MTA Lane to provide access to the west side of the development.

Murphy Street exists for only approximately 100' west of SW 9<sup>th</sup> Street and has very limited use currently. It will need to be widened and extended to SW 11<sup>th</sup> Street in order to allow the flow of traffic from SW 9<sup>th</sup> Street westward to accommodate the new, denser development.

The City of Des Moines is competing with communities across the state for limited grant funds. The Iowa Department of Transportation will review all applications within the next two months and make awards in November 2005.