



# Council Communication

Office of the City Manager

Date

February 26, 2007

Agenda Item No. 36  
Roll Call No. 07-  
Communication No. 07-092  
Submitted by: Matthew A. Anderson,  
Economic Development Administrator

## AGENDA HEADING:

Resolution Approving Revitalize Iowa's Sound Economy (RISE) Grant Agreement to Construct and Reconstruct a Roadway in the Riverpoint West Area (SW 11<sup>th</sup> Street from Martin Luther King, Jr. Parkway to Dart Way).

## SYNOPSIS:

Recommend approval of the agreement and authorize the Mayor to sign it and direct the Office of Economic Development to send two executed copies to the Iowa Department of Transportation.

## FISCAL IMPACT:

Amount: The total project cost for roadway construction is estimated at \$1,750,000. Of this amount, the cost to construct and reconstruct SW 11<sup>th</sup> Street from Martin Luther King, Jr. Parkway to Dart Way is \$1,042,580. In addition, the cost to construct and reconstruct Tuttle Street from SW 11<sup>th</sup> Street to 300 feet east in order to address a significant grade change as well as to install Murphy Street from SW 9<sup>th</sup> to SW 11<sup>th</sup> Streets is \$707,420.

Funding Source: Various funding sources as follows:

- \$795,710 - 2007-08 Recommended CIP, Page Street-37, Riverpoint West Street Improvements, STR227, TIF.
- \$521,290 - Iowa Department of Transportation RISE Grant.
- \$325,000 – Hubbell Realty Company and Hubbell Terminal Corporation (25% of the cost of SW 11<sup>th</sup> Street from Murphy Street to Dart Way and 50% of the cost of Murphy Street from SW 9<sup>th</sup> to SW 11<sup>th</sup> Streets) as well as donated right-of-way.
- \$108,000 - River Point West, LLC (25% of the cost of SW 11<sup>th</sup> Street from Murphy Street to Dart Way).

## ADDITIONAL INFORMATION:

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 River Point 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 September 12, 2005 by Roll Call No. 05-2217, the City approved a RISE grant application for \$875,000 to construct and reconstruct SW 11<sup>th</sup> Street from Martin

Luther King, Jr. Parkway to Dart Way (f/k/a 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 feet east.

The Iowa Department of Transportation (IDOT) has approved a grant of up to \$521,290 for RISE-eligible costs to construct and reconstruct SW 11<sup>th</sup> Street from Martin Luther King, Jr. Parkway to Dart Way. IDOT requires the City to enter into the grant agreement.

The RISE-funded roadways will be a catalyst to redeveloping part of the blighted 125 developable acres of Riverpoint West located directly south of Central Business District in the Metro Center Urban Renewal Area. Riverpoint West has been besieged by innumerable challenges that consist of major flooding, environmental contamination, widespread geotechnical constraints from prior landfilling 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 s.f. of flex space in three buildings west of SW 9<sup>th</sup> Street and north of Dart Way. Structures will be built of masonry, densely landscaped and arranged in a business park-like setting. Approximately 108,000 s.f. will be used for offices and 35,000 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. The total number of permanent direct jobs to be created will be approximately 288-720, depending on tenant mix. River Point West, LLC is also working to develop office space south of Martin Luther King, Jr. Parkway.

The City is in process of designing the roadway needed to support the new office and flex space development. Roadway construction is anticipated to commence in April 2008 after the former Pittsburgh-Des Moines Steel site has been cleaned up, and to be completed in November 2008.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: September 12, 2005

Roll Call Number: 05-2217

Action: Revitalize Iowa's Sound Economy (RISE) Grant Application to construct and reconstruct roadways in 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. (Council Communication No. 05-501). Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 23, 2005

Roll Call Number: 05-1331

Action: Preliminary Agreement with Hubbell Realty Company and Hubbell Terminal Corporation (Rick Tollakson, President & CEO) and Riverpoint West LLC (George Sherman, President) for redevelopment of parcels west of SW 9<sup>th</sup> along Tuttle and Murphy Streets. (Council Communication No. 05-305), Moved by Hensley to adopt. Motion Carried 6-1. Absent: Vlassis.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Roadway design is underway. Construction is anticipated to start in April 2008.