

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 29, 2013
	Agenda Item No. 49 Roll Call No. <u>13-1235</u> Communication No. <u>13-391</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Communication presenting the City Manager's recommended development teams for the 7th & Grand parking garage redevelopment project and authorizing the City Manager to proceed to the next stage of the process with the selected developers.

SYNOPSIS:

On June 4, 2013, a Request for Qualifications (RFQ) was issued to solicit developer qualifications for the redevelopment of the current 7th & Grand parking garage site and former YWCA site in downtown Des Moines. Five (5) responses were received. A staff selection committee recommends moving forward with formal project solicitation with three (3) potential development teams:

- Hubbell Realty Company, The Weitz Company, BNIM
Steve Niebuhr, Senior Vice President, 6900 Westown Parkway, West Des Moines, IA 50266
- The Opus Group
Jeff Smith, Director, 1200 35th Street, Suite 206-11, West Des Moines, IA 50266
- Ryan Companies, OPN Architects, The Excelsior Group
Brad Schoenfelder, Vice President Development, 14001 University Avenue, Suite 300, Clive IA 50325

FISCAL IMPACT:

There is no fiscal impact associated with proceeding to the next phase with these three (3) development teams. A detailed fiscal analysis will be conducted when final development proposals are received.

ADDITIONAL INFORMATION:

The purpose and process for the 7th & Grand redevelopment was presented to the City Council at a Council Workshop on May 20, 2013. Engineering has estimated the garage to be at the end of its useful life in 2019. At the request of Principal Financial Group, the City Council has agreed to explore accelerating the replacement of this garage to better match Principal's \$238 million campus redevelopment project.

Due to the strategic nature of this site, the RFQ was issued to solicit interest and qualifications for the development of a mixed use project on the site. The development is envisioned to include replacement public parking, street and skywalk retail or restaurant uses, and potential housing or commercial uses.

The RFQ was distributed to approximately 75 developers, contractors, architects, real estate brokers, attorneys, and architects. The RFQ was designed to identify developers with a strong track record of developing and financing complicated, infill, mixed-use projects. A total of five (5) proposals were received. A staff team consisting of representatives from the City Manager's Office, Office of Economic Development, Legal, Engineering, Community Development, and Finance reviewed the proposals and based on considerations of development teams' prior experiences with similar projects, review of financial capacity, initial thoughts on development mix for the site, and references, recommends moving forward with three (3) of the five (5) teams.

Proceed to the next round:

- Hubbell Realty Company, The Weitz Company, BNIM
Steve Niebuhr, Senior Vice President, 6900 Westown Parkway, West Des Moines, IA 50266
- The Opus Group
Jeff Smith, Director, 1200 35th Street, Suite 206-11, West Des Moines, IA 50266
- Ryan Companies, OPN Architects, The Excelsior Group
Brad Schoenfelder, Vice President Development, 14001 University Avenue, Suite 300, Clive IA 50325

Not selected to proceed to the next round:

- Baker Group, Interstate Parking
B.J. Baker, Chairman and CEO, 4224 Hubbell Avenue, Des Moines, IA 50317
- Oppidan, Christensen Development
Shannon Rusk, 5125 County Road 101, Minnetonka, MN 55345

The next round of the process will include a formal proposal solicitation. A RFP will be presented to the City Council at a later date. This RFP will be drafted to satisfy State of Iowa Urban Renewal disposition procedures. This next stage will include conceptual architectural renderings, use analysis, skywalk solutions, and financial analysis.

PREVIOUS COUNCIL ACTION(S):

Date: February 11, 2013

Roll Call Number: [13-0255](#)

Action: [Communication](#) presenting a Conceptual Assistance package with Principal Financial Group for campus-wide renovations and approving submittal of an Iowa Economic Development Authority Business Financial Assistance Application on behalf of Principal Financial Group. ([Council Communication No. 13-070](#)) Moved by Hensley to receive and file the accompanying Council Communication; to direct the City Manager and staff to proceed with negotiation of preliminary terms of agreement consistent with the proposed conceptual assistance package; and to authorize the Mayor to sign Principal's Business Financial Assistance Application on behalf of the City as the sponsoring entity. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of a RFP document and other development-related steps as necessary.

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