

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 21, 2013
	<b>Agenda Item No.</b> 50 <b>Roll Call No.</b> <u>13-1684</u> <b>Communication No.</b> <u>13-520</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Approving issuance of a Request for Proposals (RFP) for redevelopment of the current 7th & Grand parking garage site and former YWCA site.

**SYNOPSIS:**

On July 29, 2013, City Council received a communication from the City Manager presenting the results of a Request for Qualifications (RFQ) issued to solicit developer qualifications for the redevelopment of the current 7<sup>th</sup> & Grand parking garage site and former YWCA site in downtown Des Moines. A staff selection committee recommended moving forward with formal project solicitation with three (3) potential development teams and City Council recommended issuing a RFP to the following 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

The RFP document is now complete and the City Council is asked to direct staff to proceed with issuing the RFP to the three (3) above development teams.

**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 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.

The RFP will build upon the RFQ and asks the developers to further detail their development plans. The responses will include a detailed presentation of the proposed uses, site plans, floor plans, building elevations and skywalk integration. Developers are asked to present complete financial proposals including proposed property tax generation and financial gap analysis. The RFP requests that approximately 600 public parking spaces be built on the site, although that exact number is expected to be refined in the coming months.

A staff team consisting of representatives from the City Manager's Office, Office of Economic Development, Legal, Engineering, Community Development, and Finance will review the proposals, conduct developer interviews and make a final recommendation to the City Council on a preferred redeveloper and proposal. At that time, the City Council will be asked to declare its intent to approve the sale of the property to the preferred developer for redevelopment in conformance with that developer's proposal at a future public hearing, unless a competing proposal that exceeds the standards established by the preferred developer's proposal is received within 30 days after publication of notice of the public hearing. Unless a competing proposal which exceeds the standards established by the preferred developer's proposal is received within 30 days after publication of such notice, the City Council would be asked to take action at the public hearing to approve the sale to the preferred developer.

The anticipated project timeline is as follows:

- December 20, 2013: RFP responses due
- January 2014: Evaluation of proposals by City of Des Moines
- Week of January 27, 2014: Interview finalists (as needed)
- February 2014: Recommendation to City Council and selection of preferred developer
- Early 2014: Competitive land disposition per urban renewal requirements
- 2014: Project design, development agreement with selected developer
- Early 2015: Transfer site ownership (including existing parking structure for demolition)
- 2015 - 2017: Project construction
- 2017: Project completion

A copy of the Request for Proposals is on file with the City Clerk's Office.

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

Date: July 29, 2013

Roll Call Number: [13-1235](#)

Action: [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. ([Council Communication No. 13-391](#)) Moved by Hensley to receive and file, and to authorize and direct the City Manager to proceed to the next stage of the process with selected developers and to prepare a Request for Proposals for future consideration by the City Council. Motion Carried 7-0.

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:**

Final developer selection will be recommended for City Council review in February, 2014.

Multiple actions will follow to proceed with development of the project.

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