

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: November 18, 2013
	Agenda Item No. 57 Roll Call No. <u>13-1850</u> Communication No. <u>13-567</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Communication from the City Manager regarding development of two (2) City-owned East Village parcels.

SYNOPSIS:

The City of Des Moines owns two (2) surface parking lots in the East Village on East Grand Avenue. Two (2) developers have approached the City Manager’s Office with interest in developing the respective lots.

- SE Corner of East 4th and East Grand: Heart of America Group (Mike Whalen, President, 1501 River Drive, Moline, IL 61265) wishes to pursue development of a boutique hotel on the site.
- SE Corner East 5th and East Grand: Christensen Development (Jake Christensen, President, 506 Third Street, Suite 200, Des Moines, IA 50309) wishes to pursue development of a 4-story, mixed-use project with 9,000 square feet of street level retail space and 36 market rate apartments.

The City Council is asked to direct City staff to take the following actions:

- Work with each developer to refine the projects’ programming, design, and financial proposals and present preliminary terms of developer-initiated proposals to the City Council at a later date; and
- Initiate a parking study of this sub-area of the East Village to determine the impact of removing these two (2) surface parking lots and present recommendations to address retail and residential parking needs.

FISCAL IMPACT:

The financial proposals for each project will be negotiated with the developers and presented to the City Council at a later date.

ADDITIONAL INFORMATION:

The supply of commercial and residential development in the East Village is currently not keeping pace with market demand. Both retail/restaurant space and residential units are nearly 100% occupied and those seeking new opportunities must delay their decisions or seek space elsewhere in the market.

While the City does have the option to issue a Request for Proposals (RFP) for these sites, staff is eager to pursue the proposals presented by these two (2) established, qualified developers. The proposed uses are complementary with existing neighborhood development and both developers are committed to working collaboratively with the Historic East Village neighborhood association.

The impact of removing two (2) surface parking lots within one (1) block of each other will need to be studied in greater detail. While there is an adequate supply of available parking to address this loss, the exact location of this parking can oftentimes be a concern for retail and restaurant patrons. It is unlikely replacement parking will need to be built at this time, however, improved signage, marketing, and pricing strategies should be pursued with Historic East Village residents and businesses.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Preliminary terms of agreement will be negotiated with each developer and presented to the City Council. The deadline for Council approval of preliminary terms of agreement will be March 31, 2014. If the projects have not advanced by this date, staff will analyze the market and may recommend issuing an RFP for the sites or begin preliminary negotiations with alternate developers.

Urban Design Review Board review and recommendation regarding project design and financial assistance, if needed.

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