 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	August 8, 2016
	Agenda Item No.	42
	Roll Call No.	<u>16-1339</u>
	Communication No.	<u>16-449</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving joint response to the General Services Administration’s (GSA) Request for Expression of Interest (REOI) for a new federal courthouse site.

SYNOPSIS:

The General Services Administration (GSA) of the federal government recently released a solicitation for sites in downtown Des Moines for a new \$136.6M federal courthouse. In collaboration with the local contingent of federal judges, a site area along the east side of the Des Moines River and north of the new Martin Luther King Jr. bridge crossing was identified as the locally preferred location several years ago and is depicted in the City’s plan for the Market District (2010).

The City of Des Moines owns approximately seven (7) blocks in the Market District area; MidAmerican Energy owns approximately five (5) blocks in this District. A developer group led by JSC Properties (James Cownie, chairman, Paul Hayes, president, with Sloan Cownie and Tim Rypma) approached the City with a request to jointly submit a proposal to utilize the MidAmerican site and three (3) blocks of the City-owned property at 212, 223, and 310 Raccoon Street currently utilized for Fleet Services and Public Works in response to the GSA’s solicitation. MidAmerican is willing to have discussions directly with GSA for use as a courthouse location in exchange for certain relocation support. The developer’s proposal includes purchase and redevelopment of any City-owned property west of E. 4th Street unused by the courthouse into mixed-use development complementary to the new federal courthouse. Similarly, JSC Properties and MidAmerican are discussing options and opportunities for JSC to purchase and redevelop any remaining MidAmerican property not purchased directly by the GSA for private mixed-use redevelopment.

Maps on the following page depict the area intended for submission to the GSA’s solicitation for courthouse sites. It is anticipated that approximately two (2) blocks will be required for the 229,000-square-foot building. The GSA’s preference for a specific site and building orientation within this area is unknown; however, it is anticipated that approximately three (3) blocks would be available for private redevelopment after the GSA identifies their preferred area and configuration. The City will propose that the conveyance price for the courthouse site be based on an appraised fair market value and an agreed amount for recovery of certain relocation costs. A portion of the delineated site area along the Des Moines River will be retained by MidAmerican who will consider repurposing this area for a public open space and provide visual easement protecting views of the river and the downtown Des Moines skyline.

Site submissions are due to the GSA by August 16, 2016.

Ownership Map

Property Ownership

- City ownership comprises a large portion of the area providing a rare opportunity to influence the development of the area
- Mid American is next largest owner located on a brownfield site
- Railroad ownership exerts significant influence on the area





Jeffrey Morgan Architecture Studio | Conference

City of Des Moines
Map 2019 - Market Context of Landings - Urban Design Study
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2014 Aerial Map



KEY:

-  Area offered for federal courthouse/private redevelopment
-  Area retained by MidAmerican; buildings demolished and converted to open space

FISCAL IMPACT:

Amount: Further analysis is required to determine the fiscal impact of relocation and installation of any new facilities for City Fleet Services and Public Works operations, installation of required infrastructure and/or capital improvements and other costs related to development.

Funding Source: N/A

ADDITIONAL INFORMATION:

The present U.S. Courthouse in Des Moines is more than 80 years old. GSA's feasibility studies over the past decade recognize that construction of a new federal courthouse was warranted, due to security and space shortages in their existing facility. The expansion is needed to meet the need for additional space, and to comply with the more stringent security requirements noted in the U.S. Marshals' design guidelines that reflect how contemporary courts should operate. Among the space problems are the entrance, which presents a formidable barrier to the disabled and is poorly designed for modern security requirements, and the overall functionality of buildings that were not designed to house the 10 district and bankruptcy judges that currently reside in Des Moines.

In analyzing options for the courthouse in Des Moines, the GSA completed facilities studies in 2006 and 2010. The City has actively worked with the GSA to provide background information to these efforts and with the local judicial contingent to identify suitable locations for a new federal courthouse. The Market District was identified with the local judges as the preferred site area that will create a hallmark project, demonstrate "green building" principles and serve as a catalyst for revitalization and substantial economic development opportunities for this area of downtown Des Moines. The Judicial Conference of the United States updated its Courthouse Project Plan in 2014, moving the Des Moines Courthouse from 13th to 4th place on the courthouse replacement priority list. At the end of 2015, federal appropriations included \$950M funding for eight (8) federal courthouses across the country, including the Southern District of Iowa in Des Moines. This site in the Market District is consistent with the GSA's current Economic Catalyst Initiative by utilizing its facilities as redevelopment tools to reinvigorate downtown communities and playing a role in community development and planning while fulfilling its mission to provide a quality working environment for federal employees.

The Request for Expression of Interest (REOI) for a site to be used for the development of a new federal courthouse in Des Moines was released on July 19, 2016 and lists the following minimum requirements:

- Location in the Central Business District of Des Moines;
- Sized to accommodate 230,000 gross square feet including interior parking for approximately 40 vehicles and security requirements related to a federal courthouse; and
- Located outside of the 100-year floodplain.

Additional criteria includes: site development flexibility, proximity to amenities, proximity to public transportation, proximity to hazards (environmental contaminants and railroads are specifically noted), proximity to noise pollution, environmental impacts, floodplain (preference noted for sites not within the 500-year floodplain), zoning, acquisition and development cost, and historic resource impacts.

Simultaneous to the request for sites, the GSA is also advertising for "the nation's most talented architects, landscape architects, interior designers, and engineers to design [a] federal building of outstanding quality and value...for the next 50-100 years of service" through their Design Excellence

Program. The two-stage Request for Qualifications process will identify the lead designer and team that will be responsible for designing the courthouse from conceptual design through post construction services.

The following schedule has been communicated by regional GSA representatives:

- September 2016: preferred sites identified by GSA
- October 2016 – March 2017: National Environmental Policy Act (NEPA) review of GSA-preferred sites
- Mid- 2017: Negotiate purchase agreement for preferred site
- Mid- 2017-early 2019: courthouse design w/ GSA-selected design team
- Early 2019: site available for construction
- 2019-2022: disposition process for existing courthouse
- Early-mid-2022: new courthouse construction complete
- Mid-2022: existing courthouse available for redevelopment

The existing historic federal courthouse located on the south side of East Walnut Street along the east side of the Des Moines River will be offered for disposition in accordance with statutory procedures governing the disposal of excess federal property. It is likely that the City will have the opportunity to purchase the building and/or facilitate private reuse and redevelopment of this key asset and contributing building to the riverfront Civic Center Historic District.

City staff has already begun exploring permanent and/or temporary relocation of Fleet Services and Public Works facilities should the GSA select the City and MidAmerican sites as their preferred sites. We will continue to explore those alternatives and present options to the City Council after the September site identification is complete.

JSC Properties has been active in East Village redevelopment, undertaking approximately \$75M in mixed-use development over the past several years. Since 2013 the group has been active in planning and land acquisitions in the Market District.

PREVIOUS COUNCIL ACTION(S):

Date: October 22, 2012

Roll Call Number: [12-1639](#)

Action: [Communication](#) from Council Member Brian Meyer regarding Market District redevelopment and Municipal Services Center Phase 2. Moved by Meyer to receive and file, and to direct the City Manager to recommend an implementation strategy to relocate the Public Works facilities to the Municipal Services Center and to monitor the availability of other critical development parcels, consistent with available funding. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: January 10, 2011

Resolution Number: N/A

Action: Recommend that the City Council initiate the following:

- A. Amendment to the Des Moines 2020 Community Character Plan and rezoning of property in the Market District. Any proposed changes the Des Moines 2020 Community Character Plan and zoning will be subject to a neighborhood meeting and future public hearings by the Plan and Zoning Commission and the City Council.
- B. Evaluation of view corridors and possible regulations that preserve views to the State Capitol.
- C. Consultation with other planning efforts including the consolidation of City municipal services and relocation of the Public Works Fleet Services Center and other existing uses incompatible with the plan.
- D. Collaboration with the District Court of Southern Iowa on relocation of the Federal Courthouse.
- E. Potential acquisition of the railroad R.O.W. to create the open space framework in the plan.
- F. Study of public investments in the Market District -- incentive structures and infrastructure investments -- that support sustainability initiatives.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If selected by GSA as the preferred courthouse site:

- City Council – consideration of purchase agreement from GSA for conveyance of any City-owned property for the federal courthouse.
- City Council – Consideration of a master conceptual plan for the development of the area offered for the federal courthouse and complementary private redevelopment.
- City Council and Plan and Zoning Commission – subdivision of City-owned property.
- City Council and Plan and Zoning Commission – consideration of vacation and conveyance requests of rights-of-way needed to facilitate federal courthouse.
- City Council – permanent and/or temporary relocation and installation of any new facilities for Fleet Services and Public Works facilities located at 212, 223, and 310 Raccoon Street.
- City Council – any infrastructure and/or capital improvements needed to implement federal courthouse and/or private redevelopment.
- City Council – consideration of development agreement and sale of City-owned property to JSC Properties for private redevelopment.
- Urban Design Review Board – financial review/recommendation and preliminary and final design reviews/recommendation of private, mixed-use redevelopment.
- City Council and Plan and Zoning Commission – rezone areas not currently in D-R district.
- City Council and Plan and Zoning Commission – review of redevelopment in D-R zones and any right-of-way actions.
- City Council – considerations related to GSA disposition of the existing historic federal courthouse.

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