

COUNCIL COMMUNICATION

	Number:	19-554	Meeting:	December 16, 2019
	Agenda Item:	59	Roll Call:	[]
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Receive and file proposal from JSC Properties, LLC to redevelop the City-owned properties located within the Market District, and directing staff to negotiate details of a redevelopment proposal.

SYNOPSIS:

JSC Properties, LLC (Jim Cownie, Chairman, 350 East Locust Street, Suite 500, Des Moines, IA) has presented information depicting a concept for redevelopment of City-owned properties that are currently utilized as the City's Public Works and Fleet facilities, for the purposes of a large-scale master planned, mixed-use urban redevelopment within the Market District.

The City-owned properties are intended to be a part of a larger redevelopment proposal on a total of 39-acres of land, anchored by a proposed 8-acre park along the riverfront.

FISCAL IMPACT:

Amount: Unknown at this time.

Funding Source: N/A

ADDITIONAL INFORMATION:

- JSC Properties, LLC has a successful track record of high quality development in the East Village and has constructed nearly 230,000 square feet in developed building area with an estimated construction value of over \$80 million spread between four (4) projects since 2014.
- JSC Properties has a history of interest in the Market District, and in conjunction with MidAmerican Energy, approached the City with a request to jointly submit a proposal to utilize a portion of property in the Market District as the home for the new federal courthouse in 2016. While the riverfront site 101 Locust Street was ultimately selected for the courthouse, the opportunity for redevelopment of the largely industrial and under-utilized area was evident.
- JSC Properties purchased the Scrap Processors Inc. (SPI) site at 306 East 5th Street in 2018 to incorporate into larger future redevelopment holdings, and has successfully brokered a deal that allows SPI to grow their business at a new location at 804 SE 30th Street.

- High quality, urban mixed-use development that could span the range of uses from residential to office to hotel to retail and entertainment is envisioned on the City-owned and MidAmerican Energy-owned sites.
- On November 4, 2019 by Roll Call No. 19-1761, the City Council approved the Market District of the East Village Master Plan, which contemplates the significant redevelopment of the area that is proximate to the downtown riverfront and the heart of the East Village Neighborhood. Staff will continue to work with the developer to ensure that the redevelopment respects the planning and vision outlined in the master plan.
- Once a detailed redevelopment proposal has been received, staff anticipates commencing negotiations on the terms of an Urban Renewal Economic Development Agreement and land sale in 2020. Staff will commit to providing the City Council with periodic updates on the status of the project, including progress on the relocation of Public Works facilities, if adopted in the upcoming Capital Improvements Program (CIP). It is anticipated the ultimate buildout of the project may span eight (8) to 10 years.
- Land sale and Urban Renewal Economic Development will be in compliance with Iowa Code section 403.8(2).

Map of City-owned Property in Proposal



PREVIOUS COUNCIL ACTION(S):

Date: November 4, 2019

Roll Call Number: [19-1761](#)

Action: [Market](#) District of the East Village Master Plan as an element of the PlanDSM: Creating Our Tomorrow Plan. ([Council Communication No. 19-481](#)) Moved by Gatto to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Board and Commission reviews will be needed for right-of-way vacation and conveyance and various approvals of financial incentives, conceptual development plans, site acquisition, and other items to accommodate the development.
- The City will execute a development agreement which requires the Developer to submit final design plans and evidence of financing to the Council prior to approval of the property transfer.
- City staff will commit to having quarterly City Council workshops until the development agreement can be brought.
- Approval of a future Capital Improvements Plan and other pertinent design and construction contracts that would provide funding to construct the Municipal Services Center Phase II and allow the Public Works Department to relocate to the new facility.

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