
THE SIXTH AVENUE REVITALIZATION PLAN



Prepared for
The Neighborhood Development Corporation
Des Moines, Iowa

Prepared by
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in association with
Economics Research Associates
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INTRODUCTION



The Des Moines Sixth Avenue Revitalization Plan was prepared in 1995 by RDG Martin Shukert, in collaboration with Crose-Gardner Associates and Applied Real Estate Analysis, for the City of Des Moines. The Sixth Avenue Plan consisted of an analysis of existing conditions and opportunities, a market assessment and identification of marketing strategies, and a block-by-block revitalization plan for the Sixth Avenue Corridor.

Introduction

Much has occurred in implementation of the Sixth Avenue Plan in the intervening seven years. Most of those accomplishments have been in the area of housing rehabilitation and new construction, generally consistent with the recommendations of the 1995 Plan. Projects such as the rehabilitation of the Good Samaritan Housing, the Drummond, the Newlawn, the Ayrshire and the construction of the River Trace senior housing project stand out as major housing accomplishments along the corridor. Many additional, although smaller in scope, housing rehabilitation and new construction projects have occurred along Sixth Avenue and in the immediately adjacent neighborhood.

The focus of the commercial revitalization activity in the years since the previous plan have been on constructing an inner city grocery store at the intersection of Sixth and University. The grocery store was finally opened to great neighborhood and City anticipation, in March of 2003. A McDonald's restaurant is currently under review for the remainder of this key site at the southern gateway to the Riverbend Neighborhood.

And yet, with all these accomplishments, there is the clear understanding by those involved in revitalization activities that there is still much to do before this corridor can reclaim its once-proud status as a vital mixed-use street serving a stable residential neighborhood. In 2002, the



Neighborhood Development Corporation engaged RDG Crose Gardner Shukert to update the 1995 Plan. The Sixth Avenue Plan Update was undertaken to accomplish the following objectives:

Document Plan Area Accomplishments. This Plan Update documents the many successful projects completed in support of revitalization of the Sixth Avenue corridor. Chapter 3, Plan Accomplishments and Chapter 4, Housing Issues, document these accomplishments.

Revise and Update the “Existing Conditions” Section of the 1995 Plan. With the completion of the 2000 Census, there is now the opportunity to look at how the Riverbend neighborhood has changed in the past decade, as compared to the longer historical trends. In general, it can be said that the neighborhood is “looking up” in terms of most of the census statistics used to monitor neighborhood stability. Population is growing, disparities between median incomes of this neighborhood and the City as a whole are declining, property values are increasing, and vacancy rates are declining. More specific descriptions of these trends are included in the “Key Study Findings” subsection below and in the relevant Plan Chapters.

Market Assessment. RDG engaged Economics Research Associates to conduct a market assessment for the area. This component was not an update of the previous market analysis, but rather a new look at the market potential for retail uses along the corridor. In addition to quantifying the market potential, the analysis included a detailed look at the feasibility of a retail development on a specific Sixth Avenue site. Major conclusions included the determination that there is market demand for an additional 38,000 square feet of retail space along the corridor. Also, the study determined the amount of subsidy needed to make a 30,000 sq. ft. retail development feasible is \$160,000, in addition to the retail tax abatement that is currently available.

In addition to the retail market assessment, a housing market assessment was included to provide information on the need for additional housing development and the feasibility of new apartment construction.

Revise and Update the Revitalization Plan. The 1995 Plan identified the importance of a “triad” approach to revitalization of the Sixth Avenue corridor. The three vital components identified were:

1. *Housing Development.* The 1995 Plan indicated that: “A prerequisite for economic rebirth in the corridor is an effort to rebuild the residential base of the River Bend neighborhood and the Sixth Avenue corridor. A repopulation strategy will provide additional support for commercial development and will create a stronger constituency for additional public support.”

As indicated, much progress has been made in accomplishing this goal of the 1995 Plan. In fact, well over \$14 million has been invested in housing rehabilitation and construction on property fronting the Sixth Avenue Corridor since 1995.

2. *Environmental Improvement.* Improving the visual appearance of the corridor and immediate surroundings was identified in the 1995 Plan as an important component of corridor revitalization. The need to work in cooperation with the nonprofit institutions along the corridor to upgrade the appearance of their properties was noted. The plan also recommended the development of a program of improvements to the public environment, which would upgrade the investment climate along the corridor.

This is perhaps the component of revitalization that has seen the least activity and improvement since 1995. Based upon plans for the redirecting of arterial traffic that were prevalent at the time, the previous plan took an ambitious approach to streetscape improvements that called for the narrowing of the existing street pavement width to increase the public sidewalk area. Because those



alternative arterial plans appear to be, at best, in the distant future, this Plan Update takes a more realistic approach to improving the public street environment without reducing the traffic-handling capacity of the street. However, because the sidewalk width is clearly inadequate along the corridor, there is an identified need to secure additional right-of-way to make necessary sidewalk improvements. Chapter Seven presents this streetscape proposal in concept form.

3. *Commercial Development.* The 1995 Plan recommended fostering the development of restaurants, other specialty businesses and neighborhood services along the corridor, in addition to the development of a grocery at the Sixth and University site. As mentioned, almost all the focus has been on the construction of the grocery store, which is now a reality. Because of the importance of now focusing on neighborhood commercial redevelopment along the corridor, a major component of the Plan Update was the preparation of alternative Redevelopment Concepts for specific identified redevelopment sites. These Redevelopment Concepts, presented in Chapter Six, represent practical site development layouts intended to be used to promote the redevelopment of the parcels in the private development market. The ERA market assessment and feasibility analysis is intended to support the marketing of these parcels.



The 1995 Plan described Sixth Avenue as “a corridor with multiple problems and opportunities. It has a relatively strategic location, a core of strong businesses and institutions, committed neighbors, and a generally intact housing stock. Yet it suffers from significant problems, including disinvestment, a relatively high degree of building vacancy and deterioration, and a population with challenging housing and economic needs. Perhaps most importantly, it suffers from a lack of investment confidence and a negative perception on the part of developers, investors, and decision-makers in the Des Moines area. This crisis discourages future investment on the part of both existing businesses and property owners and potential developers of new projects.” The Plan identified the need for a comprehensive, multi-year investment program to revitalize the corridor.

As recommended by the 1995 Plan, the initial focus on housing has occurred and is ongoing. The need now is to broaden that focus to include commercial development and enhancement of the public environment. This plan is intended to provide guidance for these ongoing revitalization efforts.

SUMMARY OF STUDY FINDINGS

Chapter 1: Demographic Trends

- *After sustaining a substantial loss in population during the 1980’s, the Sixth Avenue market area experienced a slight gain during the 1990’s.*
- *Despite an increase in population in the market area during the 1990’s, the number of households in the area declined.*
- *The Sixth Avenue market area is very racially and ethnically diverse and has become more diverse since 1990.*
- *The market area has experienced an influx of foreign-born residents since 1990.*
- *Although some Census tracts within the market area have a large number of children and young people of family-formation age, a significant number of elderly people reside within the market area.*
- *When compared with the City of Des Moines as a whole, the Sixth Avenue market area has low median household incomes and high poverty and unemployment rates. However, these disparities became less substantial during the 1990’s.*
- *The market area contains a wide array of business types, including a notably high concentration of human service offices.*
- *Although Sixth Avenue contains a variety of business activities, the corridor has only a small number of “basic needs” commercial services. However, the recent opening of a supermarket suggests an increase in this business type.*
- *Although Sixth Avenue continues to see a fair amount of business turnover, the average life span of businesses along the corridor is longer than it was ten years ago. In addition, the corridor experienced an upswing in its number of new businesses during 2001.*

Chapter 2: Existing Conditions and Opportunities

- *The southern portion of the corridor contains predominantly commercial land uses oriented toward University Avenue and the mercy Medical Center.*
- *Several changes occurred in the nature of the neighborhood-oriented commercial activity on Sixth Avenue during the 1990's.*
- *The number of major social service agencies located along the corridor has continued to increase.*
- *The number of multi-family buildings has increased along Sixth Avenue during the past ten years, including several recently rehabilitated structures.*
- *The corridor's adjacent parallel streets remain predominantly residential in character and have experienced considerable housing redevelopment since 1995.*
- *The Sixth Avenue corridor includes a number of historic resources that are listed on the National Register of Historic Places and several others that are historically or architecturally significant.*
- *Sixth Avenue's existing street environment has several negative impacts on the quality and character of the corridor, including impacts on pedestrian activity.*

Chapter 3: Plan Accomplishments

- *While several recommendations addressed in the 1995 Plan, particularly those involving housing redevelopment, have been implemented, several recommendations regarding commercial development and physical improvements have not.*

Chapter 4: Housing Issues

- *Des Moines has a surplus of dwelling units affordable to middle-income households and a notable deficit of units affordable to lower-income households.*



- *The Sixth Avenue area contains a relatively high number of rental units and a high vacancy rate, particularly in the tracts which abut the Sixth Avenue corridor. However, the percentage of owner-occupied units increased considerably during the 1990's and the vacancy rate decreased.*
- *Although the rate of owner-occupancy in the market area falls below citywide figures, it increased considerably during the 1990's.*
- *Housing values and rents are relatively moderate in the Sixth Avenue market area and correspond to income levels of residents.*
- *The Sixth Avenue market area has experienced a considerable increase in the sale price of homes.*
- *An apparent shortage of family-size rental units exists within the market area.*
- *The Sixth Avenue market area has a relatively high percentage of elderly homeowners, which suggests a demand for additional senior housing.*
- *Rental property managers in the Sixth Avenue area indicated that second-floor apartments in structures with commercial or office uses on the first floor would likely be viable. This type of development could stimulate further redevelopment in the area and*

Introduction

demand could be generated for rental units that compete with the Downtown housing market.

Chapter 5: Retail Market Issues

- *Although incomes in the Sixth Avenue market areas are relatively low, aggregate spending power per square mile is relatively high.*
- *Retail expenditures among primary market residents are projected to increase from \$22.1 million in 2001 to \$26.3 million in 2007. Significant demand exists in the categories of food and grocery, eating and drinking places, apparel, and miscellaneous retail.*
- *The primary market area experiences significant sales leakages in the categories of apparel and housewares, while it experiences notable surpluses in household furnishings and miscellaneous retail. Overall retail sales levels in the primary market area are slightly more than half of what its population could support.*
- *By 2007, a demand will exist for an additional 38,904 square feet of commercial space along the Sixth Avenue Corridor. This space demand may be augmented by new retail facilities and opportunities that can increase market share, such as additional housing and office development.*
- *Commercial redevelopment may be further stimulated by: streetscape and landscaping, establishment of a business improvement district, financial assistance for development of a neighborhood shopping center to spur additional investment, tax incentives, grants, and a marketing campaign based on ethnic diversity.*
- *A financial analysis for the hypothetical construction of a 30,000 square foot neighborhood shopping indicates a need for about \$160,000 in public sector support in order to make the project feasible for the developer.*

DEMOGRAPHIC TRENDS



Development plans for the Sixth Avenue corridor must consider the historically difficult competitive position of the market. Strategies should be developed to build demand from both inside and outside the neighborhood for new retail businesses. Key to success will be improving and increasing the housing stock and developing new retail uses which do not already exist within the market area.

Demographic Issues

MARKET AREA DEFINITION

The current distribution of retail competition within the City of Des Moines suggests a market area which consists of a 2-mile radius centered at the intersection of Sixth and Forest Avenues. This area corresponds to census tracts 12, 15, 48, 49, and 50. The Sixth Avenue market area is roughly bounded by Sheridan Avenue on the north, East 14th Street on the east, Interstate 235 on the south, and Martin Luther King Jr. Parkway on the west. Map 1.1 illustrates the location of the market area.

POPULATION AND HOUSEHOLD CHARACTERISTICS

- *After sustaining a substantial loss in population during the 1980's, the Sixth Avenue market area experienced a slight population gain during the 1990's.*

The market area was home to 15,187 people in 1990, or 7.9% of the City population. In the five census tracts comprising the area, the market area's population declined by over 9% between 1980 and 1990. During the same period, the City of Des Moines grew by just over 1%. By 2000, however, the market area's population increased to 15,578, representing about 7.8% of the City population. This corresponds to a 2.6% gain between 1990 and 2000. Des Moines as a whole grew by 2.8% during the decade. Within the market area, tract 12 experienced virtually all the growth with an almost 9% increase between 1990 and 2000. This represents a substantial improvement over the 19% population loss experienced in the Census tract during the 1980's. These trends were largely mirrored in the other tracts, except for tract 15, which gained population between 1980 and 1990 and lost population between 1990 and 2000. Tract 48 experienced a 2.4% gain during the 1980's and a 1.9% gain during the 1990's. Tracts 49 and 50 experienced a 14% loss during the 1980's and a 4% increase during the 1990's. Table 1.1 presents the

TABLE 1.1: Population Change, 1980-2000

Census Tract	1980	1990	2000	% Change '80-'90	% Change '90-'00
12	3,570	2,891	3,149	-19.0%	8.9%
15	2,881	2,902	2,737	0.7%	-5.7%
48	3,373	3,455	3,521	2.4%	1.9%
49/50*	6,920	5,939	6,171	-14.2%	3.9%
Market Area Total	16,744	15,187	15,578	-9.3%	2.6%
Des Moines	191,003	193,187	198,682	1.1%	2.8%

Source: U.S. Census Bureau

*Tracts 13, 14, and 24 were combined between 1980 and 1990 to create Tracts 49 and 50.

TABLE 1.2: Household Change, 1980-2000

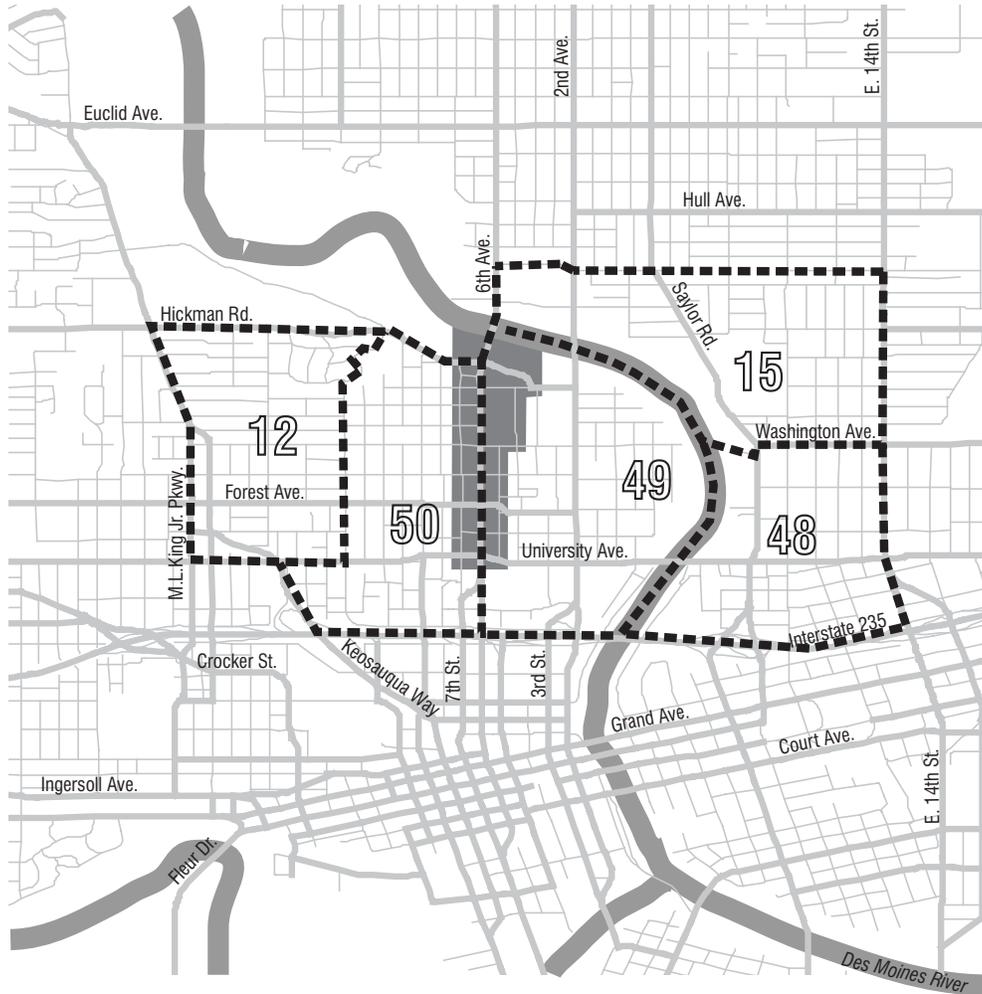
Census Tract	1980	1990	2000	% Change 80-'90	% Change '90-'00
12	1,157	1,019	1,004	-11.9%	-1.5%
15	1,107	1,030	1,012	-7.0%	-1.7%
48	1,273	1,217	1,124	-4.4%	-7.6%
49/50	2,681	2,291	2,065	-14.5%	-9.9%
Market Area Total	6,218	5,557	5,205	-10.6%	-6.3%

Source: U.S. Census Bureau

twenty-year population trends in the Sixth Avenue market area.

- *Despite an increase in population in the market area during the 1990's, the number of households in the area declined.*

The change in the number of households in a market area has a large effect on demand for all types of development, but especially on housing and retail development. The Sixth Avenue market area experienced a significant 10.6% decline in its number of households between 1980 and 1990, and a 6.3% decline between 1990 and 2000. Tracts 49 and 50 experienced the greatest decreases in number of households during both periods. However, the decreases experienced during the 1990's were substantially less than those experienced during the 1980's. This suggests that the amount of housing demolition activity and vacation of existing housing has declined since 1990. An increase in total population and a decrease in number of households suggest a loss of some



Sixth Avenue Corridor

Map 1.1: Market Area Definition



-  Census Tract Boundaries
-  Sixth Avenue Corridor

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Chapter One

housing stock and an increase in average household size. The average household size in the market area increased from 2.73 in 1990 to 2.83 in 2000. Table 1.2 illustrates changes in the number of households between 1980 and 2000.

The increase in household size is likely attributable to an influx of racial and ethnic minorities in the Sixth Avenue market area. Table 1.3 presents average household size by race and ethnicity of the householder for the market area Census tracts. Hispanic households have particularly large household sizes. The average size of households with a Hispanic householder ranges from 3.71 in tract 49 to 5.04 in tract 12. The average size of white households ranges from 1.91 in tract 49 to 2.86 in tract 50.

POPULATION COMPOSITION AND MIGRATION PATTERNS

- *The Sixth Avenue market area is very racially and ethnically diverse and has become more diverse since 1990.*

The percentage of white residents in the market area dropped from 60% in 1990 to 51% in 2000. The area's Hispanic population jumped from only 3% of the total population in 1990 to 17% in 2000. Asian-American residents comprised 8% of the area's population in 1990 and 10% in 2000. The market area's African-American population

comprised 28% of the total population in 1990 and just less than 29% in 2000. Although it has become more diverse since 1990, the City of Des Moines as a whole is considerably less racially and ethnically diverse than the Sixth Avenue market area. Table 1.4 illustrates changes in the racial and ethnic composition of the market area and City populations.

- *The market area has experienced an influx of foreign-born residents since 1990.*

A critical factor in population change in the market area has been the influx of new immigrants. Table 1.5 indicates the mobility of the population within the market area. In most census tracts, less than half of the population resided in the same house in 1995 and 2000. In Des Moines as a whole, 51% of residents resided in the same house in both 1995 and 2000. In tracts 49 and 50, more than 20% of the population in 2000 was foreign-born, compared with only about 8% of the City's population. However, the market area has a smaller proportion

TABLE 1.3: Average Household Size by Race and Ethnicity of Householder, 2000

Census Tract	Asian	Black	White	Hispanic	All Households
12	3.83	2.89	2.71	5.04	3.00
15	3.74	2.98	2.51	4.10	2.62
48	4.18	3.26	2.62	4.70	3.03
49	3.26	2.92	1.91	3.71	2.42
50	3.87	2.78	2.86	4.48	3.11
Des Moines	3.46	2.61	2.29	3.67	2.39

Source: U.S. Census Bureau

TABLE 1.4: Racial and Ethnic Makeup of Population, 1990-2000

Census Tract	Asian		Black		Hispanic		White	
	1990	2000	1990	2000	1990	2000	1990	2000
12	3.4%	9.3%	60.4%	51.7%	1.9%	12.6%	33.3%	33.8%
15	4.2%	5.6%	3.1%	7.0%	2.8%	6.6%	89.5%	85.1%
48	6.2%	11.6%	10.2%	14.8%	4.6%	21.4%	77.7%	60.9%
49	9.5%	10.3%	17.4%	21.5%	3.1%	24.2%	69.3%	54.0%
50	16.3%	13.3%	44.0%	41.1%	2.4%	20.7%	36.3%	31.7%
Market Area Total	8.2%	10.3%	27.5%	28.6%	3.0%	17.2%	60.4%	51.2%
Des Moines	2.4%	3.9%	7.1%	8.7%	2.4%	6.9%	89.2%	82.2%

Source: U.S. Census Bureau

of foreign-born residents who entered the country after 1990 than the City as a whole. Finally, a significant proportion of market area residents reside in households that do not speak English at home.

This new population base and increasing diversity presents important opportunities and challenges. Significant challenges include providing employment to residents, some of whom face language barriers; and the tension produced by rapid changes in the racial makeup of a community. On the other hand, ethnic diversity can help produce an economic opportunity for the Sixth Avenue corridor by establishing a retail area capitalizing on its diversity. Such an area could be a commercial magnet, drawing a customer base from throughout the metro area.

AGE COMPOSITION

- Although some Census tracts within the market area have a large number of children and young people of

family-formation age, a significant number of elderly people reside within the area.

Median age figures for the market area show a wide variation by tract. Except for tract 15, the median age in each tract decreased slightly between 1990 and 2000. The median age in tracts 12, 48, and 50 is notably less than the citywide median of 33.8, indicating a large number of children young families. This is a positive indicator for retail development, especially for basic services such as food stores.

The percentage of residents aged 65 and over in all tracts has dropped since 1990 at a faster rate than the percentage of elderly residents in the City at-large. However, median age in tracts 15 and 49 continues to be greater than the citywide median of 33.8. This suggests a significant elderly population in these areas. The percentage of elderly residents is relatively large in these tracts when compared with the other tracts within the market area. A particularly large number of elderly residents live in an institutional setting in tract 49. This population will have a relatively high reliance

TABLE 1.5: Mobility and New Resident Status of the Population

Census Tract	% Same House 1995-2000	% Born Outside USA, 1990	% Born Outside USA, 2000	% of Foreign-Born who Entered USA after 1990
12	48.5%	5.6%	14.2%	56.4%
15	56.9%	2.7%	8.5%	19.3%
48	37.6%	8.2%	18.4%	51.9%
49	40.4%	8.7%	24.2%	48.9%
50	49.6%	14.4%	22.6%	67.7%
Des Moines	50.9%	3.1%	7.9%	64.1%

Source: U.S. Census Bureau

TABLE 1.6: Age Characteristics of the Population

Census Tract	Median Age		% Age 65 or over		Elderly Homeowners as a % of Owner-Occupied HH's	
	1990	2000	1990	2000	1990	2000
12	30.8	29.1	11.0%	8.8%	29.5%	24.5%
15	33.9	36.4	15.6%	12.6%	29.0%	20.4%
48	28.4	28.1	13.1%	8.0%	28.2%	16.5%
49	38.9	34.9	24.8%	18.8%	32.8%	24.3%
50	29.7	28.6	11.0%	7.9%	34.2%	21.3%
Des Moines	-	33.8	13.3%	12.0%	25.5%	15.4%

Source: U.S. Census Bureau

TABLE 1.7: Economic Characteristics of the Population

Census Tract	Median Income		% of City Median		% HH's Below Poverty		Unemployment Rate	
	1989	1999	1989	1999	1989	1999	1990	2000
12	\$20,156	\$26,436	74.2%	68.8%	19.5%	25.7%	9.7%	9.6%
15	\$29,323	\$42,353	108.0%	110.3%	8.1%	8.1%	3.2%	5.3%
48	\$19,033	\$28,333	70.1%	73.8%	29.6%	22.0%	7.2%	7.9%
49	\$17,825	\$26,849	65.6%	69.9%	28.0%	19.0%	12.7%	9.7%
50	\$12,219	\$22,711	45.0%	59.1%	39.5%	37.8%	14.9%	9.4%
Market Area Total	-	-	-	-	25.9%	24.0%	9.3%	8.4%
Des Moines	\$26,703	\$38,408	100.0%	100.0%	12.9%	10.4%	3.6%	4.7%

Source: U.S. Census Bureau

on public transportation and local services. The elderly population in the market area is disproportionately likely to be homeowners. The proportion of elderly homeowners to all homeowners is larger in all tracts located within the market area than in the City as a whole. Although this proportion has decreased since 1990, it continues to suggest a potential need for elderly housing and is evidence that younger, larger families in the area are likely to be renters. The development of more elderly housing might provide a housing supply that meets the demands of the area's population more appropriately and frees some larger units for occupancy by families. Table 1.6 displays key characteristics of median age and the elderly population.

INCOME CHARACTERISTICS

- *When compared with the City of Des Moines as a whole, the Sixth Avenue market area has low median household incomes and high poverty and unemployment rates. However, these disparities became less substantial during the 1990's.*

Perhaps the most important determinant of demand for retail development is household income. In addition household income distributions help to spotlight specific development need in the area, including required housing pricing.

The Sixth Avenue market area tracts have median household incomes which are much lower than those of the City as a whole. Census tracts 12 and 50, which include the Sixth Avenue corridor, display the lowest median incomes, at 69% and 59% of the citywide median respectively. However, the median income figures for the market area in 1999 were slightly closer to the City's median income than they were in 1989. In fact, the median income in tract 15 is slightly above the City median.

A large number of households in the market area have incomes below poverty levels. About 24% of households in the market area earned incomes below poverty level, compared with 10% of households in Des Moines at-large. In tract 50, a significant 38% of households earned incomes below the poverty level. Tract 15, however, has a smaller percentage of households below poverty level than the City overall. The percentage of households below poverty level decreased in both the Sixth Avenue market area and the City during the 1990's.

The nominal unemployment rate in the market area is twice that of Des Moines as a whole (8.4% compared to 4.7%). Tracts 12, 49, and 50 have unemployment rates of over 9%. However, the market area's unemployment rate decreased slightly during the 1990's, while in the City overall unemployment increased. Table 1.7 summarizes these economic issues.

A related social and economic variable is the proportion of single-parent households in the market area. Indeed, the Sixth Avenue market area contains a significantly higher percentage of single-parent households than the City overall. In the five-tract area, 17.6% of households were headed by a single-parent, compared with 10.2% of households citywide. In tract 50, this percentage is 23%.

Single-parent households tend to be low-income, un- or under-employed, and often require social services for economic and other support. Further, the number of single-parent households in the market emphasizes that new development should, if possible, be linked with the available labor pool; and that potential employees may require day care services, education, and employment training in order to take advantage of employment opportunities. These services may help to encourage employers to locate, and in some cases remain, in the area. Table 1.8 shows the number and percentage of single-parent households in the market area.

SUMMARY

- The Sixth Avenue corridor is surrounded by an ethnically diverse neighborhood that has experienced a slight increase in population over the last ten years.
- The area is characterized by an increasingly younger population with some evidence of moderately increasing household size.
- Although the area displays evidence of economic and social distress among some parts of its population, the extent of this distress has lessened slightly since 1990.

On the surface, major retailers and developers, who make location decisions based on household incomes and demographic features, would tend to view the market area as at best a difficult retail challenge. In addition, the survival rate of small

TABLE 1.8: Single-Parent Households, 2000

Census Tract	#	% of all Households
12	195	19.4%
15	105	10.4%
48	215	19.1%
49	114	14.1%
50	289	23.0%
Market Area Total	918	17.6%
Des Moines	8,201	10.2%

Source: U.S. Census Bureau

locally-owned retail establishments is challenged in this type of area. However, the aggregate annual income of the area in 1999 remains in excess of \$181 million, a still formidable market. The area's profile suggests an economic development strategy based on:

- Basic retail services, addressing the inelastic demand of all households.
- Specialty development, such as ethnic restaurants and grocery stores, which might draw customers from a wide area, bringing consumer dollars into the area and producing a more positive balance of trade.
- Reinforcement of existing non-retail job producers in the district who produce local employment opportunities and bring in consumers of local services.

Market Issues: The Supply of Commercial Space

The Sixth Avenue corridor contains a mixture of retail, service, office, and light industrial uses, along with single- and multi-family property. In the past, the corridor has lacked clearly defined commercial areas, which impeded the street's attractiveness for commercial development. However, this trend has begun to change, with the emergence of commercial nodes at the corridor's major intersections. Despite some increase in commercial activity along Sixth Avenue, several locations within the corridor's broader market area boast greater appeal for commercial development, with

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better traffic patterns, easier access to commercial uses, and better perceptions regarding crime. For instance, Second Avenue has a large number of successful small businesses. Although these factors have placed Sixth Avenue in a difficult market position, it has become a more viable commercial corridor in recent years.

This section will summarize the supply of retail and other commercial property in the Sixth Avenue market area. A historical analysis of business successes and failures on the street will illustrate some of the difficulties experienced in the corridor in maintaining a consistent, positive image for new business in past years. However, changing demographics in the area have caused some reversal of this trend.

SUPPLY OF COMMERCIAL SPACE IN THE MARKET AREA

- *The market area contains a wide array of business types, including a notably high concentration of human service offices.*

The inventory of the supply of business types and locations was compiled using Des Moines City Directories. While City Directory information is generally reliable, it may not include all businesses.

The Sixth Avenue market area, which essentially includes areas within a two-mile radius of the intersection of Sixth and Forest Avenues, contains a wide range of commercial activities. Specifically, according to City Directory listings, 22 consumer commercial businesses exist in the area. These include hardware stores, food stores, and other retail establishments. The area includes 61 service retail establishments, which include offices, banks, day care facilities, laundries, and barber shops.

The market area has a considerably large number of human service, nonprofit, medical, and other types of offices, in relation to its amount of retail activity. The area also has a notable amount of industrial activity. The retail market appears to be

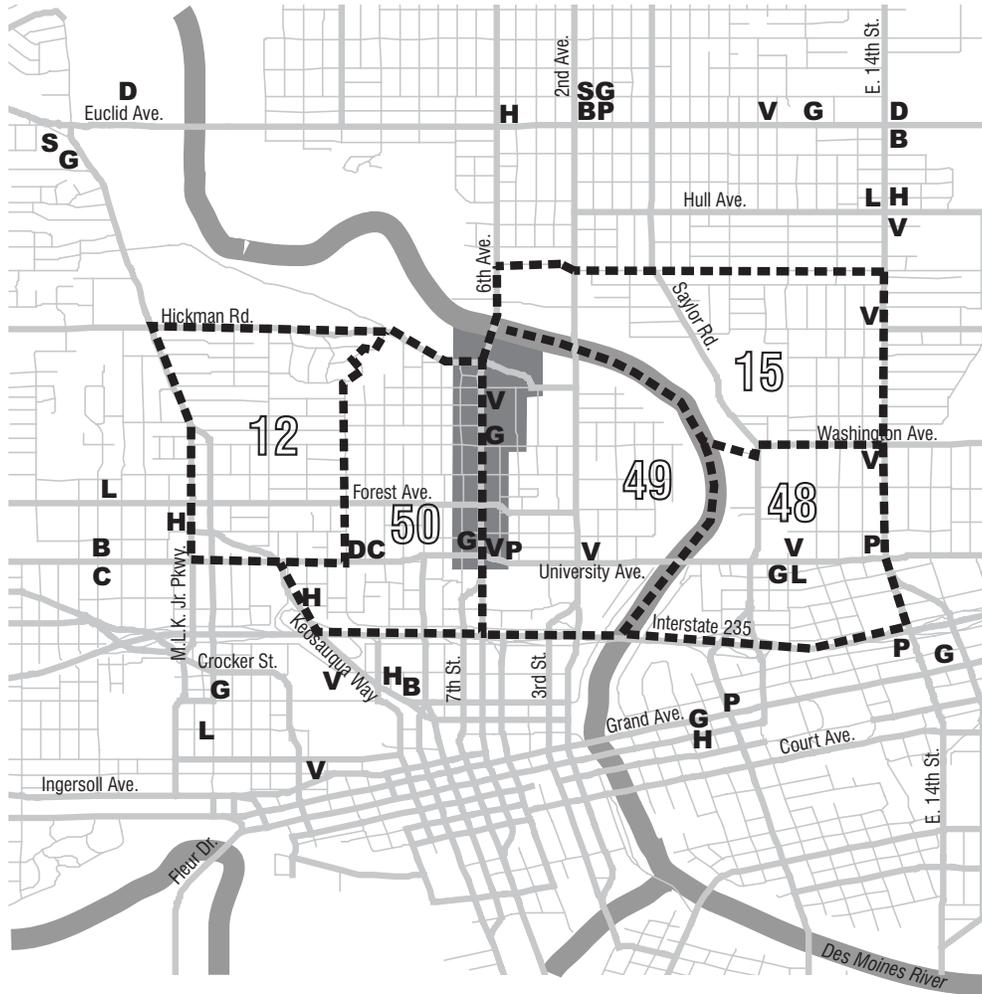
comprised primarily of small, locally-oriented retailers.

Map 1.2 illustrates the locations of selected basic commercial services within the Sixth Avenue market area, as well as neighboring areas on Des Moines' north side. By and large, a wide array of successful businesses exist within the market area, including hardware stores, clothing stores, laundries, convenience stores, and a discount store. Overall, the number of "basic needs" businesses has increased over the past 10 years. Specifically, a discount store and clothing store began operation on University Avenue near 13th Street. In addition, a general supermarket was recently constructed at the intersection of Sixth and University Avenues. Previously, the nearest general supermarkets to the Sixth Avenue corridor were located outside of the market area.

SUPPLY OF COMMERCIAL SPACE ALONG THE SIXTH AVENUE CORRIDOR

- *Although Sixth Avenue contains a variety of business activities, the corridor has only a small number of "basic needs" commercial services. However, the recent opening of a supermarket along the corridor suggests an increase in this business type.*





Sixth Avenue Corridor

Map 1.2: Business Types



- Census Tract Boundaries
- Sixth Avenue Corridor

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- G** Grocery Stores
- H** Hardware Stores
- P** Pharmacies
- L** Laundries
- D** Department/Discount Stores
- C** Clothing Stores
- S** Shopping Centers
- B** Banks
- V** Convenience Stores

Chapter One

Along Sixth Avenue between University Avenue and the Des Moines River, there are a significant number of commercial properties, with uses varying from industrial to entertainment. The largest category on Sixth Avenue is nonprofit and human service businesses, with 12 locations. The immediate Sixth Avenue area currently contains only a few basic services, including two convenience stores, a pharmacy, and a food store. The addition of a supermarket at the intersection of Sixth and University Avenues will help offset the lack of these types of businesses along the corridor. Table 1.9 presents the distribution of businesses on Sixth Avenue as well as the in broader market area.

- *Although Sixth Avenue continues to see a fair amount of business turnover, the average life span of businesses along the corridor is longer than it was ten years ago. In addition, the corridor experienced an upswing in its number of new businesses during 2001.*

The history of business starts and failures along Sixth Avenue is instructive of the business character of a neighborhood. Between 1991 and 2001, a total of 23 new businesses began operation on Sixth Avenue between University Avenue and the Des Moines River. A total of 21 businesses failed or relocated. Thus, the number of businesses along the corridor increased by 2 during the ten-year period. An even more positive statistic regarding Sixth Avenue businesses is that 6 new businesses were started along the corridor in 2001 alone, and only 1 business failed. Table 1.10 illustrates the ten-year history of business starts and failures along the corridor.

Table 1.11 lists the life spans for several businesses along Sixth Avenue. Although only 5 of the current businesses on the corridor between University Avenue and the Des Moines River have existed for at least 20 years, a total of 12 businesses have existed on the corridor for at least 10 years. This information indicates a great deal of new commercial activity along the corridor over the past

20 years, an encouraging pattern which indicates a high degree of entrepreneurial activity in the neighborhood. Unfortunately, many businesses were not able to survive long-term. While this is not unusual (Small Business Administration statistics report that 80% of all new businesses will not succeed), these figures suggest that the Sixth Avenue corridor has been a difficult place to maintain a business over time. Restaurants and lounges make up the majority of businesses that have not succeeded in the long-term. This is fairly typical, as eating establishments in any market are considered among the riskiest types of startup businesses. In addition to several restaurants and lounges, the corridor lost two barber and beauty shops, an Aldi supermarket, and an ethnic food store during the 1990's. Despite these losses, it appears that overall, businesses along the corridor tended to survive longer during the 1990's than during the 1980's. Just under half of the businesses currently located on Sixth Avenue were located along the corridor ten years ago. In 1992, only about

TABLE 1.9: Commercial Properties, 2001

Category	Sixth Avenue Corridor	Tracts 12, 15, 48, 49, and 50
Consumer Commercial	7	22
Business Services	6	61
Automotive	3	29
Restaurant/Entertainment	2	17
Medical	2	18
Nonprofit/Human Services	12	61
Industrial	0	54
Total	32	262

Source: Des Moines City Directory

TABLE 1.10: History of Business Starts, Sixth Avenue, 1991-2001

Years	# Business Starts	# Business Failures and Relocations	Net Change
1991-1992	6	3	3
1993-1994	3	2	1
1995-1996	1	6	-5
1997-1998	2	2	0
1999-2000	5	7	-2
2001	6	1	5
Total	23	21	2

Source: Des Moines City Directory

TABLE 1.11: Business History, Sixth Avenue

Existing Businesses which have remained on Sixth Avenue since 1992		Existing Businesses which have remained on Sixth Avenue since 1982	
Street #	Business	Street #	Business
1215	Quik Trip	1244	Sandler Medical Services
1244	Sandler Medical Services	1326	Salvation Army
1310	Bethel Mission	1412	G & R Bookkeeping
1326	Salvation Army	1426	St. Vincent de Paul Used Merchandise
1410	Urban Dreams	1829	Git n Go
1412	G & R Bookkeeping		
1413	Family Discount Store		
1426	St. Vincent de Paul Used Merchandise		
1501	Auto Service		
1530	Bruce Janitorial Service		
1829	Git n Go		

Source: Des Moines City Directory

address strategies for redevelopment of the Sixth Avenue corridor, taking into account these challenges.

one-quarter of the businesses located on Sixth Avenue existed ten years prior.

SUMMARY

Although the Sixth Avenue corridor presently contains only a few “basic needs” businesses, the construction of a new supermarket indicates a gradual change in this trend. An increase in the typical life span of businesses during the 1990’s also suggests increasing strength in the corridor’s business activity. The addition of 6 new businesses and a loss of only 1 business during 2001 also signifies improvement. Population gains, housing redevelopment projects, and increases in income levels during the 1990’s also insinuate promise for the corridor’s retail potential. However, Sixth Avenue continues to face challenges in sustaining a strong retail community. Most notably, strong retail competition from other neighborhoods in Des Moines presents a significant challenge for the corridor. Subsequent chapters of this document

EXISTING CONDITIONS AND OPPORTUNITIES



This section summarizes existing conditions and opportunities along the Sixth Avenue corridor. It examines land use, building condition, transportation, and other physical development issues along the corridor.

SIXTH AVENUE IN ITS URBAN CONTEXT

Sixth Avenue is an important mixed use corridor linking Downtown Des Moines with neighborhoods north of the Des Moines River. Traditionally, the street provided a transit connection (including streetcar transit) north from the city center. As such, it displays characteristics of a “streetcar strip,” with a relatively high-density, mixed use pattern of land development; and the traffic characteristics of a connecting route to other residential areas north of the Des Moines River. This dual role in the context of settlement in Des Moines creates distinct conflicts between the local needs of the surrounding community and the demands of traffic movement created by the street’s traditional role in the city’s transportation system.

As it developed, Sixth Avenue took on a character in its immediate neighborhood distinct from other paralleling north-south through streets. To the east, Second Avenue provided access to both industrial development along the Des Moines River and linear commercial development. Ninth Street to the west functioned primarily as a residential collector street. Later development tended to cluster along this street, which does not provide access across the River to the north. Sixth Avenue developed as the central street of its surrounding residential neighborhood, noted for a combination of residential and commercial uses.



While the street acts as a principal north-south conduit to Highland Park and other Des Moines neighborhoods, it is also linked in an east-west direction to its surrounding neighborhood. The principal local streets in this network are Forest and College Avenues. Commercial nodes developed at both streets’ intersections with Sixth Avenue. In addition, University Avenue is a major arterial that forms a distinct boundary line between the Sixth Avenue districts and Downtown. This boundary was reinforced with the development of Interstate 235.

LAND USE

The overall mixed use character of the Sixth Avenue corridor includes some more specific, fine-grained features. Map 2.1 displays land uses along the corridor and adjacent parallel streets. Table 2.1 lists the specific nonresidential land uses located along Sixth Avenue.

- *The southern portion of the corridor contains predominantly commercial uses oriented toward University Avenue and the Mercy Medical Center.*

The commercial development along Sixth Avenue just north of its intersection with University Avenue includes a convenience store, a pharmacy, a restaurant, and medical-related businesses. A general grocery store is currently under construction west of the Sixth and University intersection. The addition of this grocery store signifies resurgence in commercial activity along this portion of the corridor.

- *Several changes occurred in the nature of the neighborhood-oriented commercial activity on Sixth Avenue during the 1990’s.*

In addition to the emerging commercial node at the intersection of Sixth and University, smaller commercial nodes exist at Sixth Avenue’s intersections with Forest and College Avenues. These two intersections have been characterized by declining commercial activity in the past,



Sixth Avenue Corridor

Map 2.1: Existing Land Uses



- Single-Family Residential
- Two-Family Residential
- Multi-Family Residential
- Consumer Commercial
- Business Services
- Automotive
- Civic
- Vacant
- Light Industrial

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TABLE 2.1: Nonresidential Uses Fronting Sixth Avenue, 2002

Name	Land Use
Quik Trip	Automotive
Aventis Bio Services	Medical
Sandler Medical Services	Medical
Soul African Café	Restaurant
Bethel Mission	Civic
Salvation Army	Civic/Retail
Urban Dreams	Civic
G & R Bookkeeping	Service
Family Discount Store	Retail
St. Vincent de Paul	Civic/Retail
Economic Auto Repair	Automotive
Hansen House of Hospitality	Civic
Handy Man Service	Service
Kim Anh Restaurant	Restaurant
Than Thuy Fashion and Jewelry	Retail
Independent Lodge #4	Civic
Hoang Video	Retail
Des Moines Asian Foods	Retail
Knights of Pythias	Civic
Mid City Vision Coalition	Civic
Git n Go	Automotive
Neighborhood Finance Corporation	Civic

Source: RDG Crose Gardner Shukert

containing several vacant buildings. However, some dilapidated vacant buildings have been removed since 1995, thereby setting the stage for redevelopment. Furthermore, some former commercial spaces have been adapted to nonprofit or service uses. Although a clothing store opened at the intersection of Sixth and College during the 1990's, vacant spaces continue to remain in commercial buildings at both the Forest and College nodes. Elsewhere along the corridor, commercial activity has remained relatively stagnant over the past 10 years; a convenience store is located at the intersection of Sixth and Franklin, an ethnic grocery store near Sixth and Washington, and the Salvation Army and St. Vincent de Paul near Sixth and Forest. The recently expanded Nite Owl Printing Company remains at the intersection of Seventh and College.

- *The number of major social service agencies located along the corridor has continued to increase.*



The Newlawn building at Sixth and Indiana is one of several recently rehabilitated multi-family structures along the corridor.

Social service agencies located along Sixth Avenue include Bethel Mission, the Salvation Army, the St. Vincent de Paul Society store, Urban Dreams, and the Neighborhood Finance Corporation. The number of these types of agencies along the corridor has increased since 1995. Such agencies are likely attracted to the area by their service constituencies and low rent costs.

- *The number of multi-family buildings has increased along Sixth Avenue during the past ten years, including several recently rehabilitated structures.*

Several historic apartment buildings exist along the corridor. These include the Newlawn, Drummond, and Ayrshire buildings. These substantial structures, built in an era of high transit use, have experienced high vacancy rates in the past. However, recent rehabilitations have led to the reoccupation of several apartment buildings on Sixth Avenue. Furthermore, a new apartment building is currently under construction on a formerly vacant parcel on the east side of Sixth Avenue on a long block between College and Franklin. In addition, a considerable number of houses converted into multiple dwelling units exist along the corridor. A few new duplexes have recently been constructed near the intersection of

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Sixth and Indiana. This too has contributed to the recent revival of multi-family residential activity on Sixth Avenue.

- *The corridor's adjacent parallel streets remain predominantly residential in character and have experienced considerable housing redevelopment since 1995.*

In contrast to Sixth Avenue's mixed use character, the paralleling north-south streets (Seventh Street to the west and Fifth Avenue and Oakland Avenue to the east) are principally residential in character. Single-family residential uses are predominant along Fifth Avenue, while Seventh Street and Oakland Avenue contain several multi-family units in addition to single-family. This pattern is typical of streetcar strip platting practices. This pattern applied to the study area resulted in 130-foot lot depths oriented to Sixth Avenue and limited commercial development to those sites bounded by parallel alleys.

During the past ten years, several dilapidated residential units have been removed, allowing for redevelopment. While a considerable amount of demolition of substandard units occurred along Fifth Avenue between University and Indiana, some demolition occurred on Seventh Street as well. Both Fifth and Seventh have experienced construction of new single-family homes in the recent past. This new construction reduced the number of vacant lots in the area. In addition, it has likely contributed to the population increase experienced in the Sixth Avenue study area during the 1990's. Such residential redevelopment signifies improvement in the economic stability of the neighborhood. However, the study area continues to contain several vacant lots, particularly along Fifth Avenue between University and Indiana. These lots are key locations for additional infill residential development.

HISTORIC PRESERVATION ISSUES

To a significant degree, the future of Sixth Avenue will depend on a sympathetic and productive merging of traditional development patterns with new development. As a result, the historic character of the street and the unique architectural resources of the study area represent a major component of a revitalization program.

The Sixth Avenue corridor includes a number of historic resources that are listed on the National Register of Historic Places and several others that are historically or architecturally significant. Four designated historic districts listed on the National Register lie along the Sixth Avenue corridor, all of which were designated during the 1990's. Map 2.3 illustrates the historic and architectural resources in the study area, including those listed on the National Register, as well as other contributing resources.

Table 2.2 lists the historic districts located within the Sixth Avenue study area.

Riverview Park Plat. Listed on the National Register of Historic Places, this district includes areas east of Sixth Avenue and north of Franklin Avenue. The district contains large houses and significant multi-family development, developed along a curvilinear avenue paralleling the Des Moines River. Many

TABLE 2.2: Historic Districts Listed on the National Register of Historic Places, Sixth Avenue Corridor, 2002

District	Location
The Oaklands	Oakland and Arlington Avenues between Franklin and College Avenues
Prospect Park Second Plat	Along the Des Moines River, south to Franklin Avenue between Sixth Avenue and Ninth Street
Riverview Park Plat	Arlington Avenue between Franklin and Sixth Avenues
Sixth and Forest	Northeast and northwest corners of the intersection of Sixth and Forest Avenues

Source: National Park Service

TABLE 2.3: Buildings Individually Eligible for National Register of Historic Places, Sixth Avenue Corridor Historic Districts

#	Street	District
601-611	Forest	Sixth and Forest
1617	Oakland	The Oaklands
1618	Oakland	The Oaklands
1624	Oakland	The Oaklands
1634	Oakland	The Oaklands
1701	Oakland	The Oaklands
1815	Oakland	The Oaklands
1920	Arlington	Riverview Park Plat
1934	Arlington	Riverview Park Plat
1948	Arlington	Riverview Park Plat
1951	Arlington	Riverview Park Plat
1961	Arlington	Riverview Park Plat
410	Franklin	The Oaklands
509	Franklin	Riverview Park Plat
517	Franklin	Riverview Park Plat

Source: National Park Service

TABLE 2.4: Buildings Listed on National Register of Historic Places, Sixth Avenue Corridor, 2002

#	Street
1424	Fifth
1241	Sixth
1245	Sixth
1416	Sixth
1433	Sixth
1600	Sixth
1601	Sixth
1700	Sixth
1802	Sixth
1810	Sixth
1811	Sixth
1815	Sixth
1233	Seventh
1310	Seventh
1730	Seventh
1813	Seventh

Source: National Park Service

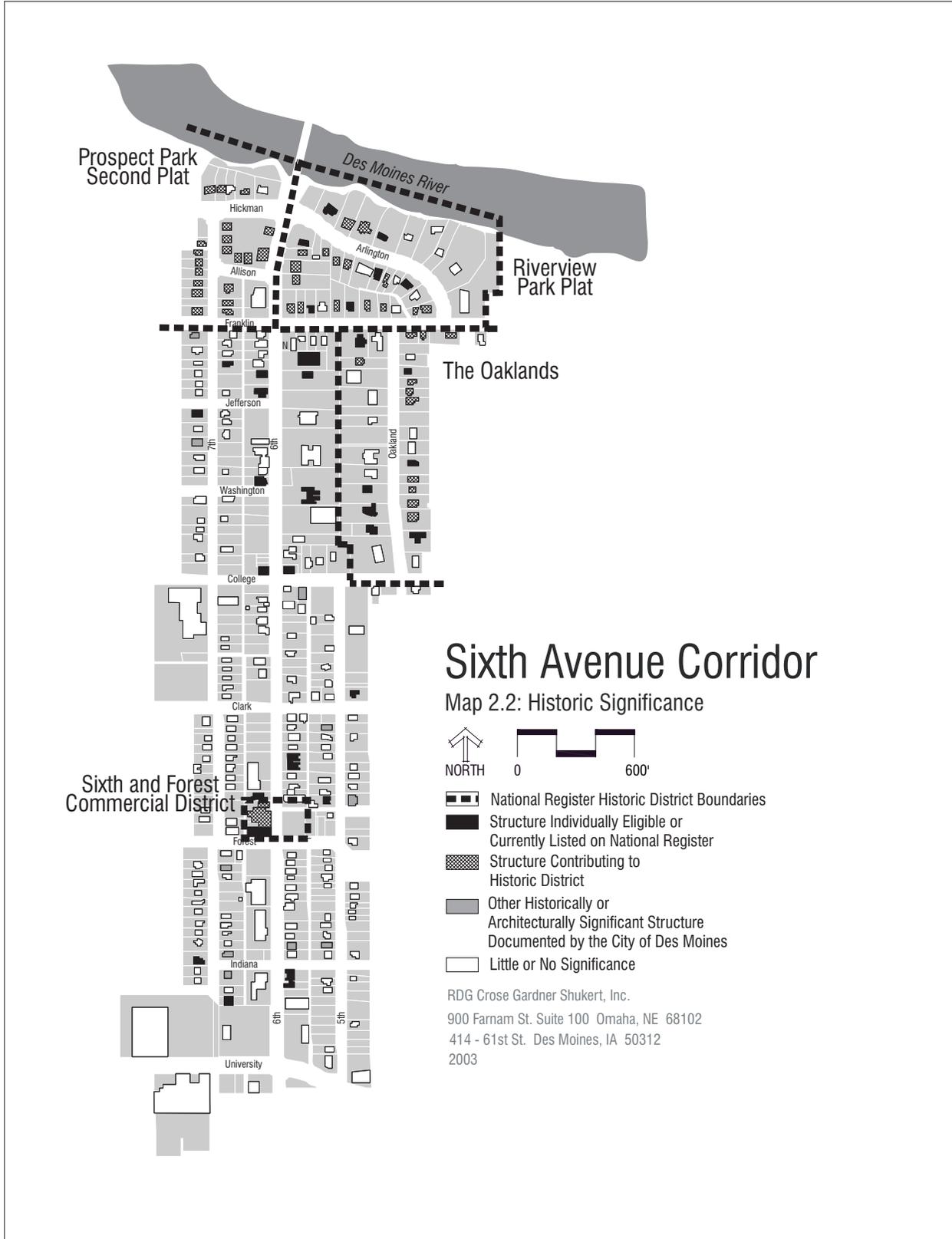
properties within the district have been recently rehabilitated.

Prospect Park Second Plat. This district contains several historically significant single-family homes along Seventh Avenue and Hickman Road. The Good Samaritan project at the southwest corner of Sixth and Hickman also lies within the area. The recent rehabilitation of this complex demonstrates reinvestment in the area.

The Oaklands Historic District. This district, which includes properties on both sides of Oakland Avenue between College and Franklin, contains predominantly single-family homes.

Sixth and Forest District. While this district initially included masonry commercial structures on both sides of Sixth Avenue, the building on the northeast corner of Sixth and Forest has been demolished. The remaining masonry commercial structure on





the northwest corner of this intersection has contextual significance. Rehabilitation of the structure and incorporation of street level commercial or civic uses and upper level residential or office use may be assisted by historic or low-income tax credits.

Although the majority of structures located within each of these districts contribute to the historic quality of the area, several properties within these districts are also individually eligible for listing on the National Register of Historic Places. Table 2.3 lists these properties.

In addition to those located within historic districts, several other properties along the Sixth Avenue corridor are listed on the National Register of Historic Places. Table 2.4 lists these structures.

Other historically and architecturally significant structures along the corridor include the following:

Occupied Historic Structures. The study area includes a number of individual structures in a variety of historic styles (including classical revival and Victorian styles). Although several derelict structures have been demolished in recent years, a large number of older residential structures along the corridor are inhabitable. However, many of these structures, primarily single-family properties, require rehabilitation. Rental rehabilitation and

single-family rehabilitation loans should be focused on rehabilitation of these important buildings.

Other Historic Structures. The district includes other historically significant structures, some of which are vacant and in poor exterior condition. Some of these structures are significant enough to require a concerted rehabilitation strategy. In other cases, rehabilitation may be cost-prohibitive, in view of other priorities and investment potentials on the street.

The inventory of the dispersion and character of historic resources along Sixth Avenue strongly suggests that the most appropriate strategy involves an integration of historic preservation with new development. Preservation should be viewed as a foundation for the corridor's future. However, a successful strategy for the street must include both components. A policy that relies solely on preservation activities or attempts to preserve structures that are either not feasible for rehabilitation or diverts resources that can be used more successfully for other projects will not work successfully.

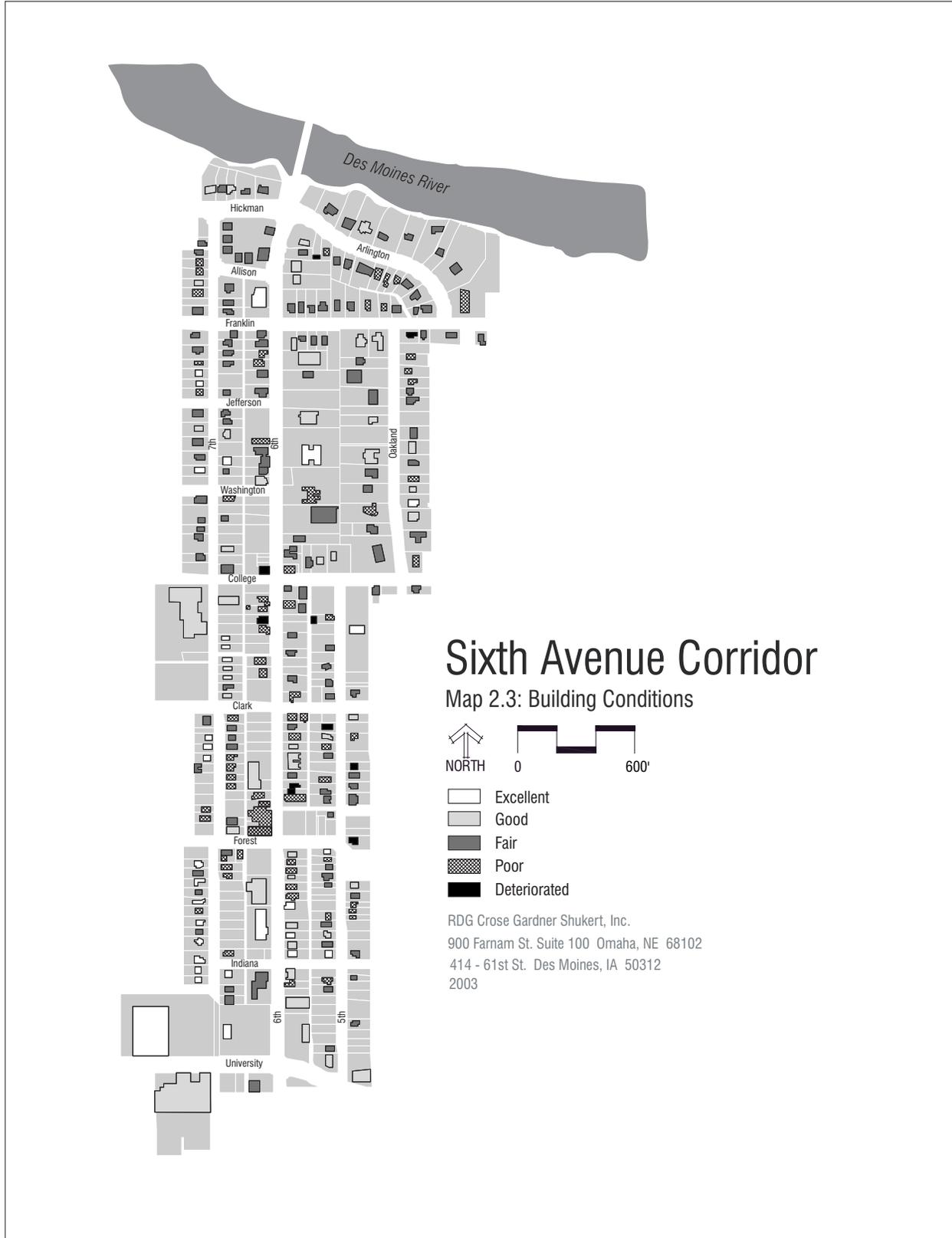
BUILDING CONDITIONS

The building inventory included in this scan of existing conditions represents an exterior inspection and judgment on the condition of structures in the study area. It does not include interior inspections or assessments of the structural integrity or soundness of individual buildings. Map 2.4 displays the results of the building inventory conducted in November 2002 by RDG Crose Gardner Shukert.

The condition inventory leads to the following conclusions:

- Several multi-family residential buildings and social service buildings along Sixth Avenue are in good or excellent condition. However, several one, two, and three-family dwellings are in fair or poor condition and need either





moderate or major rehabilitation. Several commercial buildings along the corridor are also in fair or poor condition. Rehabilitation for both of these categories of rehabilitation need is generally considered to be an economically viable investment, that is, rehabilitation costs per unit are a reasonable fraction of replacement costs.

- At least 7 buildings in the study area are considered to be in poor or dilapidated condition. Such structures should be rehabilitated only if they are of sufficient historical or contextual merit (as three of these structures are) and a more detailed inspection reveals that the buildings are structurally sound. In most cases, demolition and reuse of their sites is a far more economical approach to comprehensive revitalization.
- Several deteriorated buildings facing Seventh Street have been demolished over the past decade. New single-family dwelling units have been constructed on many of these sites. Despite successful revitalization efforts in this area, several of the existing structures along Seventh Street will require moderate rehabilitation. However, it is expected that demolition of structures will not be necessary.
- The Fifth/Oakland Avenue corridor has also experienced some demolition of deteriorated structures in recent years. However, several residential structures in need of significant rehabilitation remain. Some of these structures are of historic or architectural significance, which reinforces the need to preserve them. Several of the historically significant residential structures facing Arlington Avenue are also in need of rehabilitation.

STREET ENVIRONMENT

The analysis in this section has concentrated on the nature of buildings and land uses within the Sixth Avenue district. As such, it has focused on the



Narrow sidewalks that abut the curb contribute to a poor pedestrian environment along much of Sixth Avenue.

private environment of the street. This discussion will outline important issues in the public environment that have an impact upon the quality and character of this street.

Sixth Avenue provides a traffic environment with two relatively narrow lanes in each direction as well as a center left-turn lane. The street, along with the more completely commercial and industrial Second Avenue to the east, provides a river crossing and links to North Des Moines neighborhoods to Downtown. The presence of a bridge, the relatively high lane capacity of 26,100 vehicles per day, and the street's location as a connector to Downtown generates relatively high through traffic loads. In 2000, the street carried an average of 16,000 vehicles per day between University and Franklin Avenues. Although the street's volume-to-capacity ratio represents an acceptable level of service, these significant traffic loads generate several adverse impacts.

The accommodation of this through traffic has taken its toll on the pedestrian and neighborhood environment presented by Sixth Avenue. Along most of the street, sidewalks abut the curb and exhibit minimum widths of 4 to 5 feet. In addition, the "streetcar strip" pattern of development includes relatively shallow property setbacks along much of the street's length. These features together

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produce a relatively unfriendly environment for pedestrians and a noisy, hard setting for adjacent properties.

Unlike many urban corridors, Sixth Avenue is not plagued with an overabundance of utility poles. With major power lines located along the parallel north-south alleys, the only poles along Sixth Avenue are for street lights. This provides an opportunity to upgrade the appearance of the corridor at a relatively low cost when compared to corridors lined with power line poles.

Sixth Avenue includes signalized intersections at Arlington, College, Forest, and University Avenues. While this is a relatively frequent spacing of signals, traffic flow characteristics and the width of the street tend to make crossing a difficult experience. As such, the street tends to act as a harsh division between its two sides. As a result, the traditional commercial clusters at the Forest and College Avenue intersections have experienced difficulty in succeeding as viable commercial nodes.

LINKS TO OTHER NEIGHBORHOODS

Substantial civic development has taken place in the River Bend neighborhood to the immediate west, as well as in other areas near the Sixth Avenue corridor. Map 2.5 depicts these features, which include:

- *Intersection of Ninth and Forest.* The Variety Club Children's Center, Mt. Hebron Baptist Church, and recent apartment rehabilitation characterize this node, which has a strong pedestrian connection to the intersection of Sixth and Forest.
- *Intersection of 13th and Forest.* This area includes a public library, a city park, and a residential project developed by the Good Samaritan association.
- *Greenway Triangle.* A greenway triangle exists near the intersection of Fifth and Forest, where

the street alignment shifts to the south. A neighborhood park also lies east of Fourth Street along Forest.

- *Civic Campus at Ninth and College.* This project, developed as a part of the Model Cities program, includes a community center, park, and playground, and the Fifth Judicial District corrections and parole services. This link between this campus and the Sixth Avenue corridor is strengthened by Moulton Elementary School, bordered by College on the north between Seventh and Eighth, and Trinity United Methodist Church at Eighth and College.

These links, if reinforced, provide the possibility of civic corridors that connect the adjacent neighborhood to potential commercial clusters on Sixth Avenue by way of important neighborhood resources.



Sixth Avenue Corridor

Map 2.5: Neighborhood Context



■ Sixth Avenue Corridor

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PLAN ACCOMPLISHMENTS



While several of the policy and capital improvement recommendations addressed in the initial Sixth Avenue Revitalization Plan have been implemented in recent years, others have not. This section reviews the block-by-block revitalization components addressed in the initial Plan and updates the recommended improvements to reflect changes that have occurred since the 1995 Plan.

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The initial Sixth Avenue Revitalization Plan included detailed recommendations for redevelopment on a block-by-block basis. These recommendations were centered around four basic principles:

1. **A Multi-Year Commitment**, providing a stable and reliable commitment to an incremental revitalization process.
2. **Housing as a Cornerstone**, using housing development as a first step toward revitalization as well as meeting the specific needs of the area's population for affordable, large-unit housing, and additional homeownership opportunities.
3. **Appropriate Commercial Development**, focusing on retail and service development strategies which improve the neighborhood's balance of trade by providing basic goods and services locally and imports consumer spending by capitalizing on the area's diversity; and improves the business environment for both non-retail service anchors and for prospective new business.
4. **A Change in the Street Environment**, permitting the flexibility to create a public



The recent construction of a grocery store at Sixth and University represents a significant accomplishment toward the corridor's revitalization.



Vacant lots along Fifth Avenue between University and Indiana offer a prime opportunity for further residential redevelopment.

environment that supports revitalization efforts.

More detailed redevelopment concepts are provided in subsequent chapters of this document.

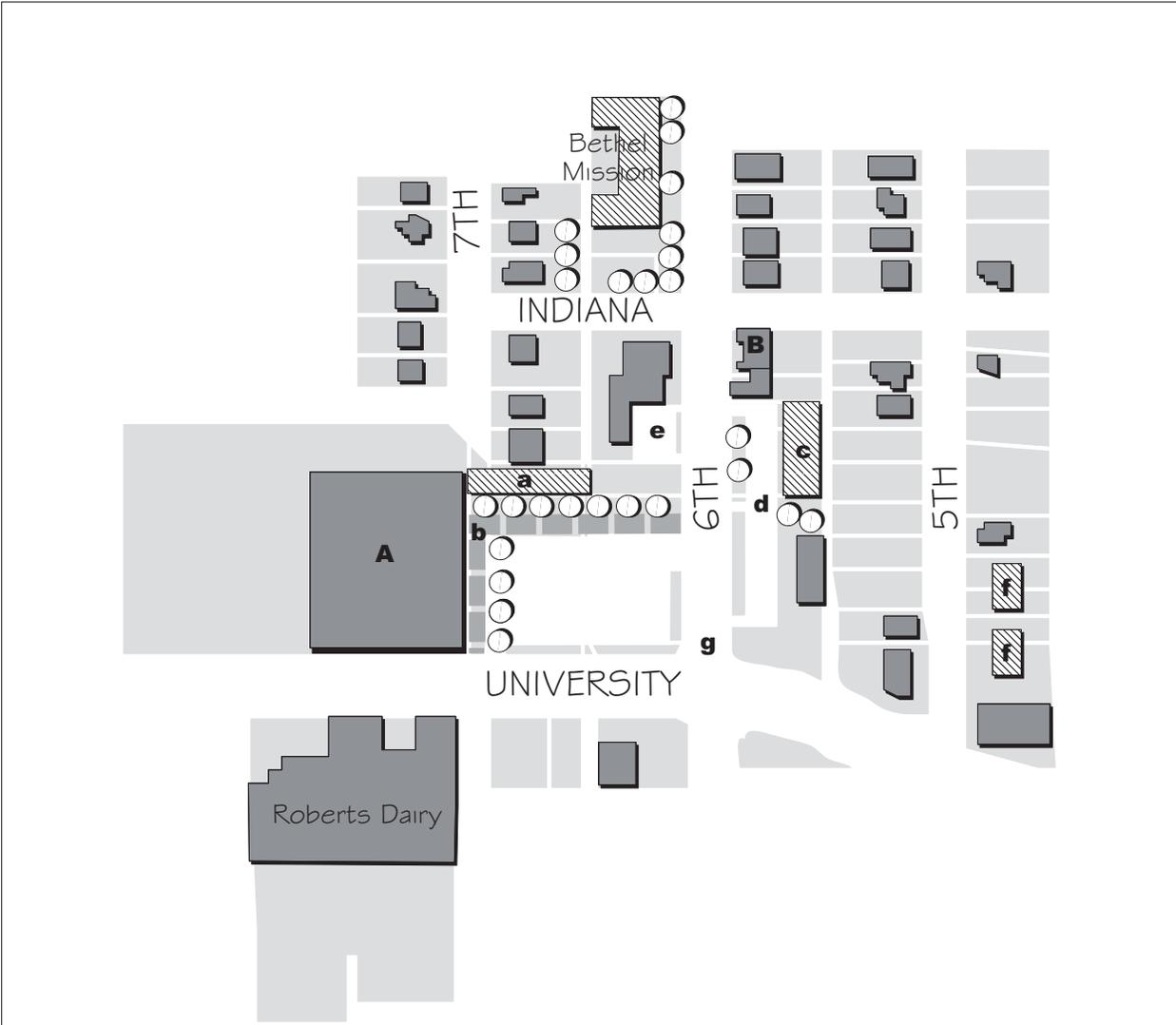
UNIVERSITY TO INDIANA

The southernmost block of the Sixth Avenue Corridor is the most logical site for major commercial development because of its accessibility from surrounding neighborhoods. Map 3.1 illustrates the recommendations for this block.

The most notable improvement to this block since the adoption of the initial Revitalization Plan is the construction of a grocery store near the northwest corner of Sixth and University. Rehabilitation of the Newlawn apartment building, which was also recommended in the Plan, was recently completed.

Plan elements for this block that have not yet been implemented include:

- a. Construction of a 10,000 square foot commercial building immediately east of the new grocery store. *The development of the parcel east of the*



Sixth Avenue Corridor

Map 3.1: University to Indiana



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Plan Elements Implemented

- A** Grocery Store
- B** Newlawn Rehabilitation

Plan Elements Not Yet Implemented

- a** Commercial Shops
- b** Pedestrian Link to Sixth Avenue
- c** New Commercial
- d** Common Parking
- e** Sandler Parking
- f** Infill Housing
- g** Entrance Feature

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grocery store is now scheduled to become a McDonald's Restaurant.

- b. Construction of a direct, landscaped pedestrian link from the commercial area to Sixth Avenue. *This connection is proposed as part of the grocery store project.*
- c. Acquisition of the Aventis building on the east side of Sixth Avenue and development of a neighborhood commercial building with up to 5,000 square feet of retail space between the Quik Trip and the Newlawn building. *With recent improvements to the Blood Center site, this redevelopment is no longer recommended.*
- d. Reconfiguration and landscaping of parking into a common facility with consolidated access points onto Sixth Avenue. *This is no longer applicable.*
- e. Improving and expanding the parking facility at Sandler Medical Supply in conjunction with improving the alley between Sixth Avenue and the new grocery store. *This is still recommended.*
- f. Acquisition of four lots along Fifth Avenue and redevelopment of four single-family infill units. *This is still recommended.*
- g. Development of a vertical entrance feature with special lighting and graphics at the University Avenue entrance to the Corridor. Installation of a crosswalk with a contrasting paving surface, such as brick, to reinforce pedestrian movement across Sixth Avenue at University. *This is still recommended.*

INDIANA TO FOREST

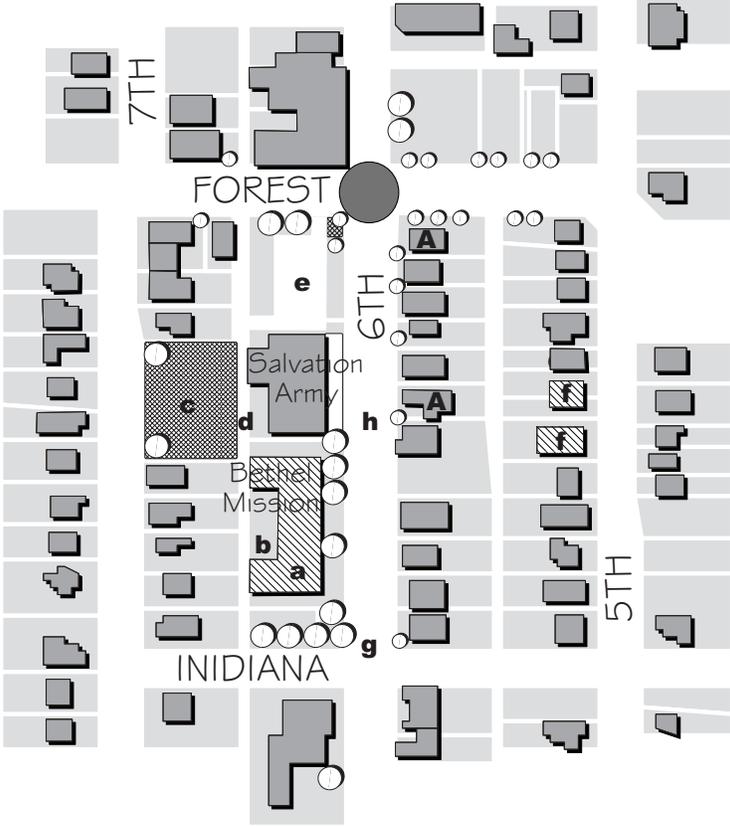
This block includes some of the major institutional and human service uses along Sixth Avenue. Map 3.2 presents recommendations for this block, which focus on enhancing growth of a human services campus.

Considerable rehabilitation of single- and multi-family properties has occurred along the east side of Sixth Avenue. In addition, infill housing units were constructed in this block in recent years, contributing to a fairly substantial revitalization of the immediate area.

However, several Plan recommendations addressing the area's growth as a human services campus have not yet taken place. These include:

- a. Expansion of the Bethel Mission building.
- b. Development of a client staging entrance and service court by the Mission facing west toward Seventh Avenue, improving accommodations for clients.
- c. Development by the Salvation Army of three vacant lots along Seventh Avenue as a playground. *This ground is now proposed as a parking lot.*
- d. Improvement of the alley between Indiana and Forest Avenues as a parking and service area. This includes paving the alley and providing parking aprons opening from it. The alley should include a marked pedestrian crossing between the Salvation Army building and the playground. *This is still recommended.*
- e. Improvement of a site owned by the Salvation Army at Sixth and Forest as shared use parking





Sixth Avenue Corridor

Map 3.2: Indiana to Forest



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Plan Elements Implemented

A Rental Rehabilitation

Plan Elements Not Yet Implemented

- a** Bethel Mission Expansion
- b** Service Court
- c** Salvation Army Playground
- d** Improved Alley
- e** Joint Use Parking
- f** Infill Housing
- g** Corner Nodes
- h** Mid-Block Node/Street Narrowing

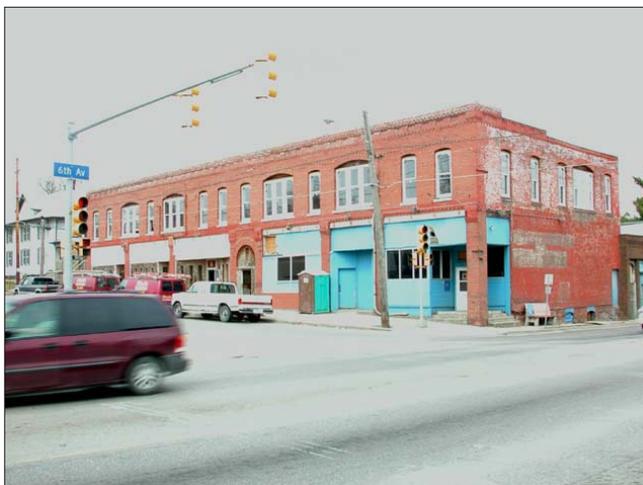
Chapter Three

for the Salvation Army, Bethel Mission employees, and businesses and buildings at the Sixth and Forest intersection. Development should include appropriate landscaping. *This is still recommended.*

- f. Acquisition of three lots along Fifth Avenue and redeveloping them with two single-family infill units. *This is still recommended.*
- g. Construction of corner nodes with landscaping and lighting at Sixth and Indiana. *This is still recommended.*
- h. Development of a mid-block node between Indiana and Forest and removal of the parking lane on the east side of Sixth Avenue north to Forest to provide additional separation between houses and vehicles. The greenway strip created by this narrowing should receive street trees. *This is no longer recommended.*

SIXTH AND FOREST COMMERCIAL NODE

Revitalization efforts for this intersection should facilitate the creation of a commercial cluster with an emphasis on neighborhood commercial goods, services, and offices. Map 3.3 presents redevelopment opportunities for the intersection. Although none of the specific recommendations have been implemented, acquisition and



rehabilitation of the commercial structure on the intersection's northwest corner has begun.

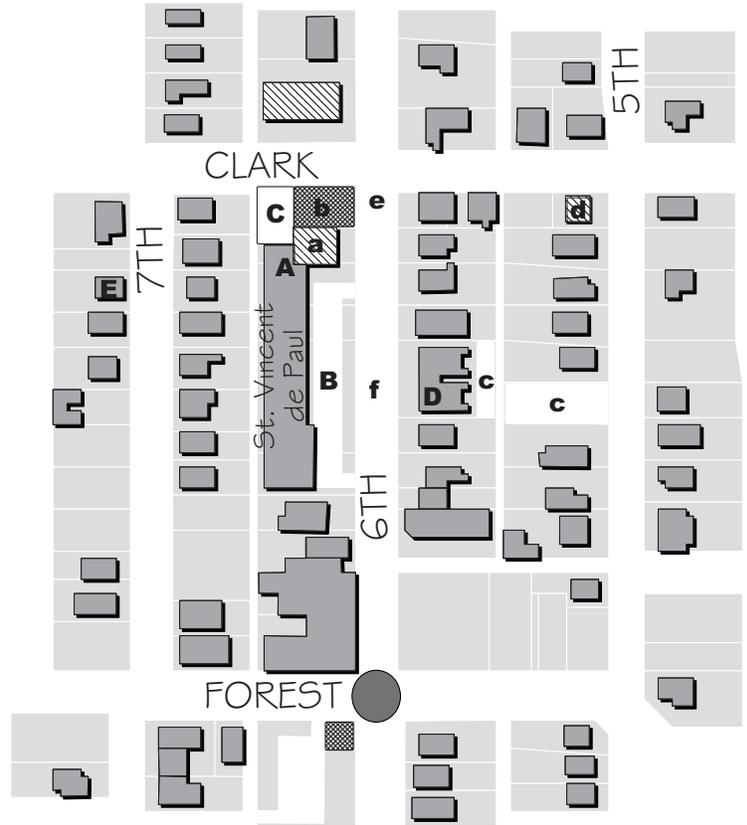
Additional recommendations for stimulating commercial redevelopment include:

- a. Development of a joint-use parking facility for commercial development and the Salvation Army on the southwest corner of the intersection.
- b. Development of a parking area along the alley between Fifth and Sixth and north of Forest. *This is no longer recommended (see Chapter 6, Redevelopment Concepts).*
- c. Construction of corner nodes to reduce the distance for pedestrians across Sixth Avenue and provide a location for street landscaping and furniture. *This is still recommended.*
- d. Development of crosswalk paving using a contrasting surface, such as brick. *This is still recommended.*
- e. Construction of a small seating plaza on the southwest corner to be developed in association with parking on the Salvation Army site. *This is no longer recommended (see Chapter 6, Redevelopment Concepts).*
- f. Addition of community street design treatment defining Forest Avenue as a major link to other community features and an approach route from adjacent neighborhoods to Sixth Avenue. Elements of the community street treatment include street trees; graphics such as banners, and lighting to match lighting themes established along Sixth Avenue. *This is still recommended.*

FOREST TO CLARK

Major projects on this block, illustrated by Map 3.4, are largely geared toward residential and civic improvements. Several Plan recommendations





Sixth Avenue Corridor

Map 3.4: Forest to Clark



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Plan Elements Implemented

- A** St. Vincent de Paul Expansion
- B** Improved Parking
- C** Loading Area
- D** Drummond Apartments Rehabilitation
- E** Infill Housing

Plan Elements Not Yet Implemented

- a** St. Vincent de Paul Education Center
- b** Landscaped Mini-Park
- c** Off-Street Parking
- d** Infill Housing
- e** Corner Nodes
- f** Mid-Block Node

have been implemented, including expansion of the St. Vincent de Paul building and addition of a loading area, improvements to the St. Vincent de Paul parking lot, rehabilitation of the Drummond Apartments, and construction of infill housing along Seventh Street.

Plan elements that have not yet been implemented include:

- a. Construction of a St. Vincent de Paul education Center. *Storage building constructed at this location.*
- b. Development of a landscaped area of the southwest corner of Sixth and Clark. *This is still recommended.*
- c. Construction of additional parking for St. Vincent de Paul south of Clark Street. *A drive was constructed at this location.*
- d. Construction of corner nodes with landscaping and lighting at Sixth and Clark. *This is still recommended.*
- e. Development of an infill single-family house on the southwest corner of Fifth and Clark. *This area is now used as a parking lot.*
- f. Development of a mid-block node between Forest and Clark on both sides of the street. *This is no longer recommended.*

CLARK TO COLLEGE

This block is one of the Corridor's chief centers for housing redevelopment. As shown on map 3.5, several single-family infill units have been constructed on the east side of Seventh Street over the past few years. In addition, Nite Owl Printing expanded its production facility.

Recommendations for this block that have not yet been adopted include:



- a. Rehabilitation of Lane Xeng Village, including reconfiguring the existing buildings for larger units, incorporating vacant lots at Sixth and Clark as a townhouse structure, and landscaping improvements. The alley behind the buildings could also be improved and reconfigured to provide parking for residents. *This is no longer recommended.*
- b. Development of a new townhouse structure on the northwest corner of the intersection of Sixth and College (see Chapter 6, *Redevelopment Concepts*).
- c. Construction of off-street parking behind infill houses on Seventh Street. *This is no longer recommended.*
- d. Improvement of the alley between Sixth and Seventh north of Clark. *This is no longer recommended (see Chapter 6, Redevelopment Concepts).*
- e. Expansion of Bruce Security building and construction of parking. *This business is no longer located in this location.*
- f. Development of an open space corridor between Clark and College from Fifth Avenue to Seventh Street, providing a visual and pedestrian link to Moulton School. *This is no longer recommended.*



Sixth Avenue Corridor

Map 3.5: Clark to College



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Plan Elements Implemented

- A** Nite Owl Printing Expansion
- B** Infill Housing Development

Plan Elements Not Yet Implemented

- a** Lane Xeng Village Improvements
- b** New Townhouse Structure
- c** Off-Street Parking
- d** Improved Alley
- e** Bruce Security Expansion and Parking
- f** Moulton Greenway
- g** Neighborhood Park
- h** Rental Rehabilitation
- i** Curb Realignment/Street Narrowing
- j** Infill Housing Development

- g. Development of a neighborhood open space on three vacant lots on the east side of Sixth Avenue at 1511-21 Sixth Avenue, which would incorporate landscaping, seating areas, thematic lighting, and a special design feature. *This is no longer recommended.*
- h. Rehabilitation of rental properties on the west side of Sixth Avenue. *This is no longer recommended (see Chapter 6, Redevelopment Concepts).*
- i. Narrowing the street throughout the block on both sides, producing a 36-foot street channel without on-street parking. This is designed to provide a greater separation between moving traffic and building facades. Off-street parking would be supplied to substitute for current on-street parking. *This is no longer recommended.*
- j. Construction of infill duplex housing along Fifth Avenue. *This is still recommended.*

SIXTH AND COLLEGE COMMERCIAL NODE

This intersection should develop as a commercial cluster with an emphasis on ethnic goods and services. As indicated on Map 3.6, adaptive reuse of some of the intersection's commercial building

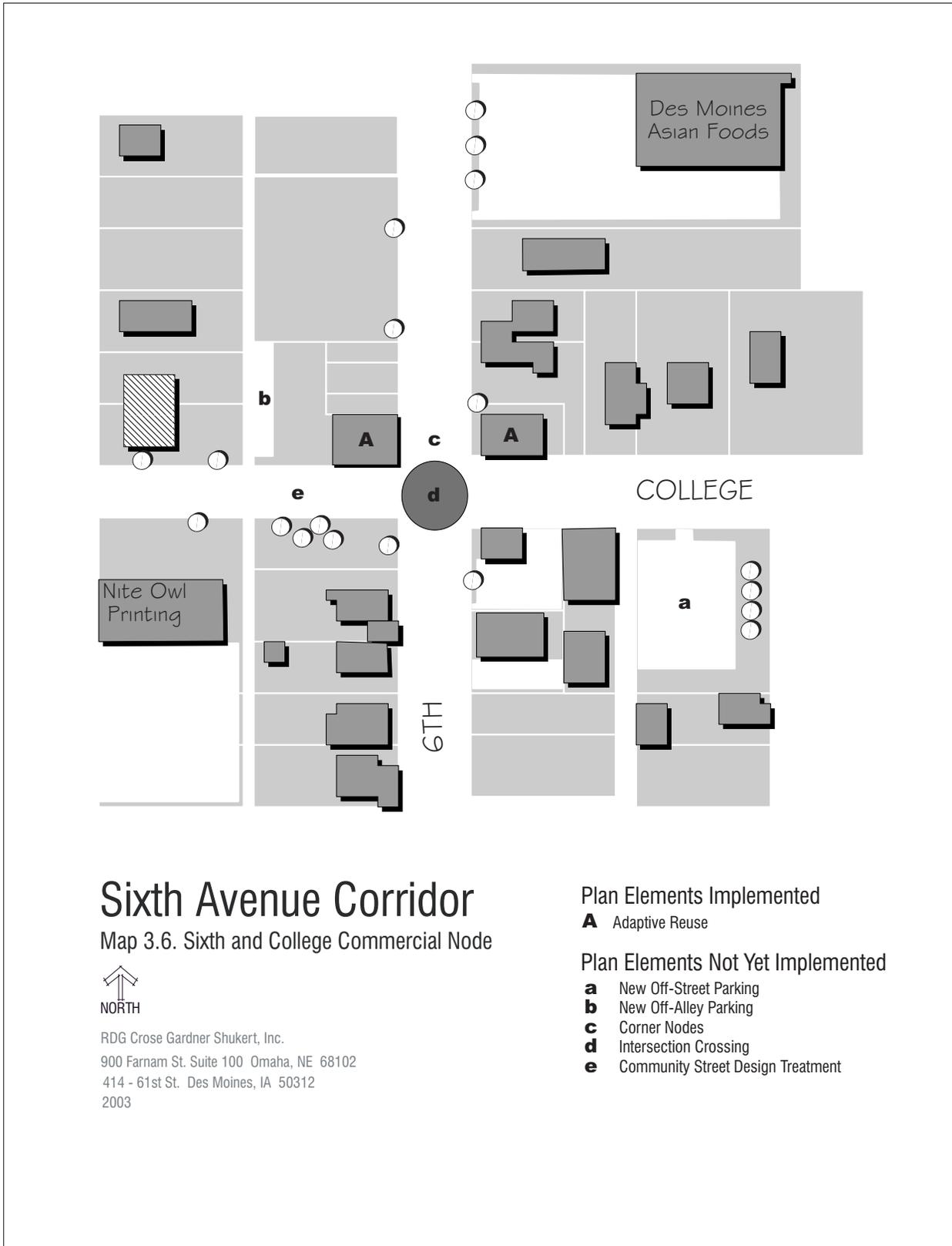


stock has already begun. However, a few Plan recommendations have not yet been implemented:

- a. Construction of off-street parking areas, including a public lot south of College between Fifth and Sixth incorporating an improved alley adjacent to the lot. This facility would provide parking relief for the existing Kim Anh Food Store.
- b. Additional parking should be developed north of College behind commercial buildings on the west side of Sixth Avenue. These lots together would provide 50 additional stalls to serve the cluster (*see Chapter 6, Redevelopment Concepts*).
- c. Construction of corner nodes to reduce the crossing distance for pedestrians across Sixth Avenue and provide a location for street landscaping and furniture. *This is still recommended.*
- d. Construction of crosswalk paving using a contrasting surface, such as brick. *This is still recommended.*
- e. Development of community street design treatment along College Avenue, defining the street as a major link between community features. Elements include street trees, graphics, such as banners, and lighting to match lighting themes established along Sixth Avenue. This treatment is proposed for the street between Second Avenue and Tenth Street. *This is still recommended.*

COLLEGE TO FRANKLIN

This multiple-block area contains the Corridor's major residential redevelopment opportunity. In recent years, the rehabilitation of a multi-family structure and the construction of a new senior housing facility have substantially aided revitalization of the area. Despite these major redevelopment efforts, a few initial Plan





recommendations have yet to be implemented along these blocks, including:

- a. Creation of an internal circulation system providing a local loop east of Sixth Avenue. This loop extends north to serve apartment buildings on the block. This internal circulation system is necessary to serve the deep site, with a 300-foot lot depth (*see Chapter 6, Redevelopment Concepts*).
- b. Upgrading of parking for rehabilitated multi-family structures (*see Chapter 6, Redevelopment Concepts*).
- c. Rehabilitation of several multi-family structures along both Sixth and Oakland Avenues. *This is still recommended.*
- d. Construction of infill single-family and duplex units along both Seventh Street and Oakland Avenue. *This is still recommended.*
- e. Construction of corner nodes at the Corridor's intersections with Washington, Jefferson, and Franklin Avenues. *This is still recommended.*
- f. Realignment of the curb to remove on-street parking on the east side of the street from Washington to Jefferson. This would provide

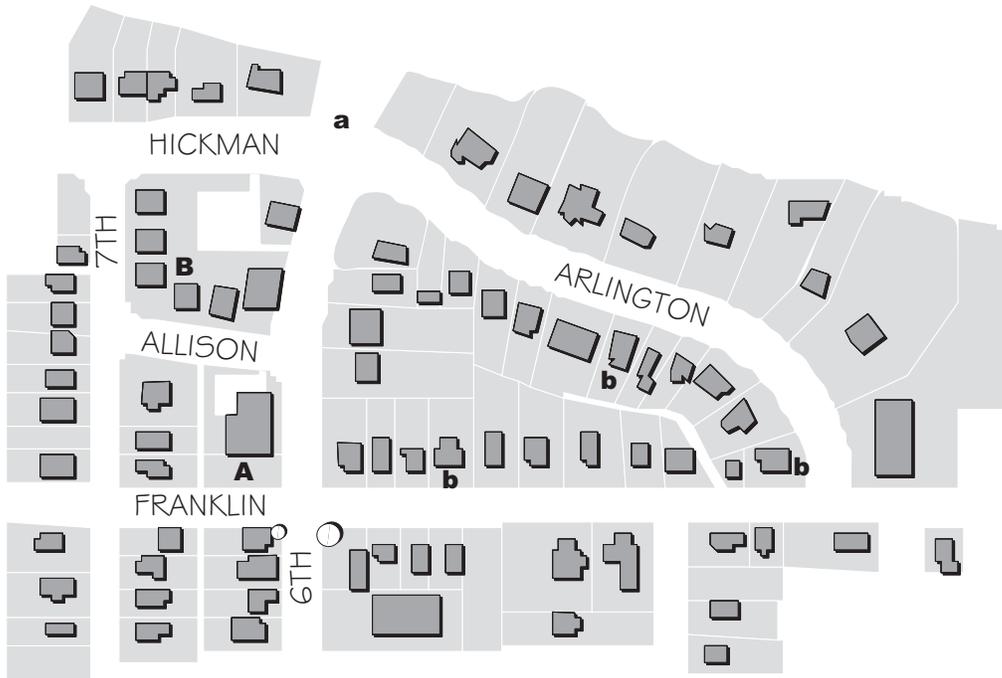
an improved street exposure for new and existing housing development. *This is no longer recommended.*

FRANKLIN TO DES MOINES RIVER

This area is residential in character and contains some of the neighborhood's most distinctive housing. As shown on Map 3.7, the Good Samaritan Apartments have undergone rehabilitation. The rehabilitation of the Neighborhood Finance Corporation office, construction of a parking lot, and relocation of a duplex from the parking lot location to a vacant lot on the east side of Sixth Avenue represent additional major improvements that have taken place in this subarea. The following recommendations for this area have not yet been implemented:

- a. Construction of an entrance feature, consistent in design with the concept at the University Avenue end of the Corridor, at the south approach of the Sixth Avenue bridge. *This is still recommended.*
- b. Rehabilitation of rental properties north of Franklin Avenue. *This is still recommended.*

Subsequent chapters of this Revitalization Plan address additional strategies for implementing these recommendations, as well as suggest further redevelopment opportunities that strive to achieve the Plan's goals.



Sixth Avenue Corridor

Map 3.8: Franklin to Des Moines River



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Plan Elements Implemented

- A** Rental Rehabilitation
- B** Good Samaritan Rehabilitation

Plan Elements Not Yet Implemented

- a** Entrance Feature
- b** Rental Rehabilitation

HOUSING ISSUES



The provision of a variety of housing types is crucial to the Sixth Avenue Corridor's success as both a desirable neighborhood environment and an economically viable mixed-use corridor. This chapter inventories the existing characteristics of housing in areas surrounding the Sixth Avenue corridor, identifies the current demand for various housing types, and examines gaps between demand and supply.

Chapter Four

The principal goals of a housing program for the Sixth Avenue Corridor should be to:

- Make a substantial contribution to the revitalization of the corridor.
- Provide an interesting urban environment that improves the overall quality of life and housing choice on Des Moines' near north side, including preservation of historically significant buildings and addition of second-floor apartments in commercial buildings.
- Encourage the provision of housing that is affordable to households of all income levels and corresponds to wide-ranging demands.
- Include incentives necessary to allow housing development to fulfill its potential.

CENSUS ANALYSIS

For purposes of evaluating Sixth Avenue housing, that market area, illustrated by Map 4.1, has been defined as Census tracts 12, 15, 48, 49, and 50. Census data relating to housing in the Sixth Avenue market area is evaluated below. While the 2000 Census data is now four years old, it is still viewed as worthy of consideration, particularly when used to identify trends, with comparison to the 1990 Census.

Housing Affordability

The City of Des Moines and Polk County have substantial unmet housing affordability needs, as documented in the report "Polk County Housing Business Case", April 2002, prepared for the Human Services Planning Alliance. The report indicates that a well-balanced continuum of housing options are needed to adequately address affordable housing needs. This continuum must include housing development and housing support services in each of four areas: market housing, assisted housing, transitional housing and shelters.

The report further documents the assisted housing annual unmet needs as: 298 units of multi-family rental per year; 307 units of homeownership assistance per year, and 316 units of homeowner repair services per year.

Clearly, substantial unmet housing needs exist. As documented later in this section, the 6th Avenue corridor, and Riverbend neighborhood in general, has served as a location for some of the City and County efforts to address these needs. Because this plan is a corridor revitalization plan and not a housing assistance plan, the issue of concentration of assisted housing and its impact on revitalization should be considered.

The City of Des Moines has a policy in its Housing Plan against the over-concentration of subsidized housing in any neighborhood subarea. The presumption is that a healthy neighborhood will contain a mixture of housing types and affordability and the concentration of too many subsidized units in one place to the exclusion of market-rate housing is therefore not healthy. While this City policy technically does not apply to most of the 6th Avenue corridor housing projects, the issue nonetheless warrants discussion. The identification of this issue is not a finding that the 6th Avenue corridor has been overly-impacted by subsidized housing or that these housing efforts of existing non-profit organizations should not continue along the corridor. Rather, it is raised to identify that the corridor goal of a mixture of housing types, including market housing is also important to achieve. A realistic first step would be the support of a mixed-income development combining some tax credit or otherwise subsidized housing with a predominantly market-rate apartment development. With the proximity of the Mercy medical complex and the downtown office market, the completion of such a project would constitute an important milestone in the revitalization of the 6th Avenue corridor and the Riverbend neighborhood.



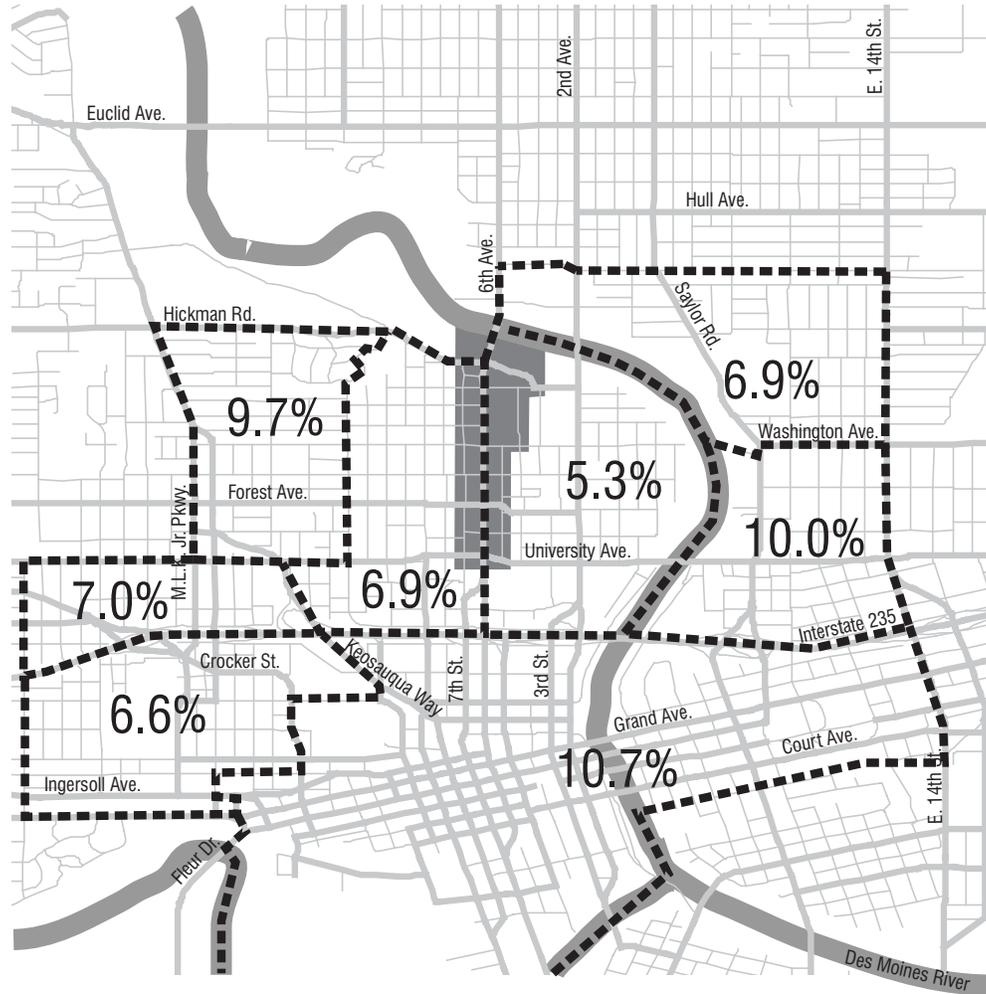
Sixth Avenue Corridor

Map 4.1: Market Area Definition



-  Census Tract Boundaries
-  Sixth Avenue Corridor

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Sixth Avenue Corridor

Map 4.2: Rental Vacancy, 2000



- Census Tract Boundaries
- Sixth Avenue Corridor

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TABLE 4.1: Housing Occupancy Characteristics, 1990 and 2000

Census Tract	Total Units		% Owner Units		% Renter Units		% Vacant Units	
	1990	2000	1990	2000	1990	2000	1990	2000
12	1,220	1,136	50.3%	59.6%	33.0%	28.8%	16.7%	11.6%
15	1,070	1,058	73.1%	82.8%	21.1%	12.9%	5.8%	4.3%
48	1,325	1,244	35.6%	41.9%	55.8%	48.5%	8.7%	9.6%
49	1,058	909	19.8%	20.4%	63.9%	68.9%	16.4%	10.8%
50	1,641	1,445	27.5%	38.8%	51.3%	48.0%	21.2%	13.2%
Market Area Total	6,314	5,792	40.0%	48.7%	45.7%	41.2%	14.3%	10.1%
City of Des Moines	83,289	85,105	58.4%	61.2%	35.8%	33.4%	5.8%	5.4%

Source: U.S. Census Bureau

Occupancy Characteristics

- *The Sixth Avenue market area contains a relatively high number of rental units and a high vacancy rate, particularly in the tracts which abut the Sixth Avenue corridor. However, the percentage of owner-occupied units increased considerably during the 1990's and the vacancy rate decreased.*

The Sixth Avenue market area exhibits a relatively high degree of rental occupancy and housing vacancy. In the entire study area, about 49% of all units are owner-occupied and about 10% of all units are vacant. In the City of Des Moines at-large, 61% of dwelling units are owner units and the vacancy rate is just over 5%. However, the percentage of owner units has increased considerably from 40% in 1990 to 49% in 2000. The vacancy rate in the market area decreased from 14% to 10% during the ten-year period. Table 4.1 displays these occupancy characteristics.

- *The vacancy rate of rental units in the Sixth Avenue market area is less than that of Downtown Des Moines and has decreased since 1990.*

Map 4.2 presents the vacancy rate of rental units by Census tract based on 2000 Census data. Tracts 49 and 50, which contain the Sixth Avenue corridor, have rental vacancy rates of 5.3% and 6.9% respectively. Tract 51, which includes much of Downtown Des Moines, has a particularly high rental vacancy rate of 10.7%. Thus, despite high overall vacancy rates, the Sixth Avenue area experiences relatively low rental vacancy rates,

indicating a functional rental market along the corridor.

- *Although the rate of owner-occupancy in the Sixth Avenue market area falls below citywide figures, it increased considerably during the 1990's.*

The rate of owner-occupancy tended to decrease in the market area between 1980 and 1990 and increase between 1990 and 2000. Despite the recent increase, only about 54% of occupied housing units in the Sixth Avenue market area are owner occupied, thereby indicating a high number of renter-occupied units. The presence of a large number of rental units can have a negative effect on retail demand for a variety of household goods from hardware to furnishings, as renters are less likely to invest in and improve their residences. However, an increasing number of owner units in the market area will strengthen demand for these types of services. Table 4.2 illustrates trends in



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owner-occupancy. During the 1990's the neighborhood experienced a general turnaround in the trend of declining owner-occupancy, which essentially bottomed out in about 1990. It should be noted that a study completed by the City of Des Moines indicates that contract home sales are prevalent in central parts of the City.

Housing Costs and Values

- *Housing values and rents are relatively moderate in the Sixth Avenue market area and correspond to income levels of residents.*

Predictably, housing costs are relatively moderate within the market area. Median gross rent ranges from \$404 in tract 50 to \$586 in tract 15. The figure for Des Moines as a whole is \$532. Renters in the area pay about 25% of their income in rent (excluding utilities) on average, which is comparable to the figure for Des Moines overall. The median percentage of income used for rent has decreased by about 5% since 1990. This is likely attributable to an increase in household incomes in the area.

Housing costs for owner-occupants are similar to those for renters. Median housing values range from \$46,400 in tract 49 to \$67,600 in tract 15. These figures are notably lower than those for the City as a whole. However, they largely match the income distribution in the area. The average homeowner with a mortgage pays about 23% of income for housing, representing a 5% increase since 1990. Table 4.3 presents these housing value and rental cost figures.

- *The Sixth Avenue market area has experienced a considerable increase in the sale price of homes.*

Table 4.4 displays data regarding the assessed values and sale prices of homes. The median sale

TABLE 4.2: Ownership Rates, 1980-2000

Census Tract	% of Occupied Units in Owner-Occupancy		
	1980	1990	2000
12	66.4%	60.3%	67.4%
15	80.4%	77.6%	86.6%
48	42.3%	38.9%	46.4%
49*		23.6%	22.8%
50*	31.8%	25.0%	44.7%
Market Area Total	49.0%	46.7%	54.2%
Des Moines	-	62.0%	64.7%

Source: U.S. Census Bureau

*Tracts 13, 14, and 24 were combined between 1980 and 1990 to create Tracts 49 and 50.

TABLE 4.3: Housing Costs and Values in Relation to Income, 2000

Census Tract	Renter Units		Owner Units		
	Median Rent	% of Income	Median Value	Cost as a % of Income w/ Mortgage	Cost as a % of Income w/o Mortgage
12	\$562	27.0	\$49,200	23.4	17.5
15	\$586	22.9	\$67,600	20.3	11.2
48	\$496	23.8	\$53,800	22.8	12.8
49	\$479	25.3	\$46,400	23.2	10.0
50	\$404	24.9	\$48,300	27.0	12.6
Des Moines	\$532	24.6	\$79,900	20.9	11.9

Source: U.S. Census Bureau

TABLE 4.4: Sale Price of Residential Units

	1997		2002	
	DM 79	City of Des Moines	DM 79	City of Des Moines
Median Assessed Value	\$20,480	\$67,130	\$32,395 (2001)	\$81,295 (2001)
Median Sale Price	\$30,000	\$72,900	\$58,750	\$95,995
Median Sales Ratio	77.2	94.1	47.5	85.8

Source: Polk County Assessor

price of owner-occupied dwelling units in Polk County assessment district DM 79, which contains the Sixth Avenue corridor, increased from \$30,000 in 1997 to \$58,750 in 2002, which represents an increase of 37%. Citywide, these figures were \$72,900 and \$95,995 respectively, representing an increase of 32%. In 2002, the median sale price of homes in district DM 79 was nearly twice the median assessed value of units that were sold



The recent construction of the River Trace apartments will accommodate for some of the demand for senior housing in River Bend.

during that year. Because general assessments are conducted during odd-numbered years in Polk County, 2001 assessment data was utilized for the analysis. The substantial increase in sale price in district DM 79, along with the large disparity between assessed value and sale price, suggests a rise in property values in the area.

Demand for Large Rental Units

- An apparent shortage of family-size rental units exists within the market area.

There is evidence that large rental housing units are most in demand in the market area. The combination of factors described above – loss of units to demolition and vacancy, increased household size, and low incomes – suggests a need to increase the supply of affordable family-size rental units. Table 4.5 shows the degree of mismatch between unit size and family size by tract. A total deficit of 146 family-size rental units exists in the market area. Tract 50 has deficit of 86 units, while tract 12 has a surplus of 15.

Demand for Senior Housing

- The Sixth Avenue market area has a relatively high percentage of elderly homeowners, which suggests a demand for additional senior housing.

Table 4.6 presents the number of elderly residents in tracts 12, 15, 48, 49, and 50, as well as the number of elderly homeowners. Although only two of the market area Census tracts have percentages of elderly residents greater than the City at-large, the market area's senior population is disproportionately likely to be homeowners. The proportion of elderly homeowners to all homeowners is larger in all tracts located within the market area than in the City as a whole. This suggests a potential need for additional elderly housing and is further evidence that younger, larger families in the area are likely to be renters. The development of more elderly housing might provide a housing supply that meets the demands of the area's population that wants to transition from single-family home-ownership while staying

TABLE 4.5: Demand for Large Rental Units, 2000

Tract	# HH's w/ 4 or more Persons		# Occupied Units w/3 or More Bedrooms		Disparity
	Total	Rental	Total	Rental	
12	329	171	606	186	15
15	254	71	528	43	-28
48	375	179	245	128	-51
49	152	98	245	102	4
50	498	226	532	140	-86
Market Area Total	1,608	745	2,156	599	-146

Source: U.S. Census Bureau

TABLE 4.6: Demand for Senior Housing, 2000

Tract	Population Age 65 or over		Elderly Homeowners	
	#	% of Total Population	#	% of All Homeowners
12	277	8.8%	30	24.5%
15	344	12.6%	13	20.4%
48	283	8.0%	60	16.5%
49	400	18.8%	191	24.3%
50	319	7.9%	97	21.3%
Des Moines	24,559	12.0%	4,234	15.4%

Source: U.S. Census Bureau

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in the neighborhood. This would also free up some larger units for occupancy by families.

RECENT HOUSING REDEVELOPMENT

A considerable amount of housing redevelopment has occurred along the Sixth Avenue corridor in recent years. This amounts to an estimated \$19 million in housing investment. The Community Housing Development Corporation (CHDC), Neighborhood Finance Corporation (NFC), HOME Inc., Metropolitan Properties, Kinter Construction, and ANAWIM have facilitated both the rehabilitation of existing housing structures and the construction of new structures on vacant lots. Map 4.3 illustrates the location of housing redevelopment projects undertaken along the corridor since 1995. Table 4.7 details these projects, including the sources of funding for several projects.

ANAWIM has rehabilitated several older, previously vacant multi-family structures along the east side of Sixth Avenue. These include the Newlawn and Drummond buildings. In addition, south of the intersection of Seventh and Indiana. ANAWIM also facilitated the construction of new single-family homes north of the intersection of Sixth and Indiana, as well as a few single-family structures in the area.

CHDC has facilitated the construction of a substantial number of single-family homes on lots that were previously vacant or contained an uninhabitable structure. The majority of these dwelling units are located on Seventh and Eighth Streets. CHDC also organized the rehabilitation of several single-family structures in the neighborhood, primarily along Seventh and Eighth Streets.

NFC has substantially rehabilitated several older structures, primarily along Sixth Avenue. HOME Inc. has engaged in the rehabilitation of single-family homes along Eighth and Ninth Streets.



Multi-family rehabilitation along Sixth Avenue and single-family construction along Seventh Street have greatly improved the overall quality of the housing stock in River Bend.

TABLE 4.7: Housing Redevelopment Projects, 1995-2002

Agency	#	Street	Type of Project	Types of Units	Estimated Total Cost	Sources of Funds
ANAWIM	1300	5th	New	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1245	6th	Rehab	1 - 1 BR, 1 - 2 BR, 6 - 3 BR	\$760,125	HOME - Grant, TIF Grant, PCHTF Grant, HOME Loan, FHLB Grant, IFA Loan
NFC	1245	6th	Rehab	-	\$200,000	-
ANAWIM	1303	6th	New	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1305	6th	Rehab	7 - 3 BR	\$700,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1307	6th	Rehab	6 - 4 BR	\$600,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1315	6th	Rehab	1 - 2 BR	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1319	6th	New	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1443	6th	Rehab	1 - 5 BR	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
NFC	1443	6th	Rehab	-	\$25,000	-
NFC	1449	6th	Rehab	-	\$61,500	-
ANAWIM	1635	6th	Rehab	6 Eff., 6 - 2 BR, 6 - 3 BR	\$1,822,636	Loans, AmerUs, IFA, NFC, Tax Credits
NFC	1635	6th	Rehab	-	\$2,110,000	-
NFC	1802	6th	Rehab	-	\$28,729	-
NFC	1810	6th	Rehab	-	\$15,659	-
NFC	1811	6th	New	36 - senior housing	\$2,144,100	-
NFC	1815	6th	Rehab	36 - Ayrshire	\$500,000	-
NFC	1903	6th	Rehab	Kinter	\$173,000	-
NFC	1907	6th	Rehab	Kinter	\$175,000	-
ANAWIM	1433-39	6th	Rehab	2 - 2 BR, 6 - 3 BR	\$789,544	Tax Credits, City HOME - Forgivable Loan, PCHTF Grant, FHLB Grant, TIF Grant, IDED, Loans
NFC	1453-55	6th	Rehab	-	\$81,000	-
NFC	1711-1719	6th	New	-	\$2,387,200	-
ANAWIM	1233	7th	Rehab	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1241	7th	Rehab	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
ANAWIM	1243	7th	Rehab	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
CHDC	1306	7th	Rehab	3 BR	\$100,000	-
City of Des Moines	1420	7th	New	-	\$100,000	-
CHDC	1430	7th	New	4 BR	\$100,000	-
CHDC	1432	7th	Rehab	4 BR	\$100,000	-
CHDC	1434	7th	New	3 BR	\$100,000	-
CHDC	1501	7th	New	3 BR	\$100,000	-
CHDC	1511	7th	Rehab	4 BR	\$100,000	-
CHDC	1515	7th	New	3 BR	\$100,000	-
CHDC	1517	7th	New	3 BR	\$100,000	-
CHDC	1523	7th	New	3 BR	\$100,000	-
CHDC	1704	7th	New	4 BR	\$100,000	-
CHDC	1709	7th	New	4 BR	\$100,000	-
CHDC	1808	7th	Rehab	4 BR	\$100,000	-
CHDC	1812	7th	New	4 BR	\$100,000	-
CHDC	1300	8th	New	3 BR	\$100,000	-

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TABLE 4.7: Housing Redevelopment Projects, 1995-2002

Agency	#	Street	Type of Project	Types of Units	Estimated Total Cost	Sources of Funds
CHDC	1306	8th	New	3 BR	\$100,000	-
CHDC	1339	8th	New	4 BR	\$100,000	-
CHDC	1447	8th	New	4 BR	\$100,000	-
CHDC	1504	8th	New	3 BR	\$100,000	-
CHDC	1510	8th	New	4 BR	\$100,000	-
CHDC	1534	8th	New	4 BR	\$100,000	-
CHDC	1601	8th	Rehab	3 BR	\$100,000	-
CHDC	1623	8th	New	3 BR	\$100,000	-
CHDC	1701	8th	New	3 BR	\$100,000	-
CHDC	1707	8th	New	4 BR	\$100,000	-
CHDC	1715	8th	New	3 BR	\$100,000	-
HOME	1810	8th	Rehab	3 BR	\$10,000	Iowa Methodist Hospital
HOME	1917	8th	Rehab	3 BR	\$57,163	IDED
HOME	1509	9th	Rehab	3 BR	\$121,645	CDBG
City of Des Moines	1538	9th	Rehab	-	\$128,000	-
HOME	1814	9th	Rehab	3 BR	\$70,000	CDBG
City of Des Moines	1819	9th	Rehab	-	\$129,000	-
CHDC	1920	9th	Rehab	3 BR	\$100,000	-
NFC	601	Forest	Rehab	-	\$1,025,150	-
NFC	603	Hickman	Rehab	-	\$1,075,000	-
City of Des Moines	715	Hickman	Rehab	5 - 1 BR; 5 - 2BR	\$200,000	-
City of Des Moines	821	Hickman	Rehab	8 - 1BR	\$88,000	-
ANAWIM	1629	Oakland	Rehab	-	\$100,000	Tax Credits, City - Forgivable Loan, PCHTF Grant, Loans
CHDC	1633	Oakland	Rehab	4 BR	\$100,000	-
CHDC	1726	Oakland	Rehab	6 - 1 BR	\$600,000	-
ESTIMATED TOTAL HOUSING INVESTMENT:					\$19,800,000	

SURVEY OF EXISTING HOUSING

In order to gauge the characteristics of the existing rental housing stock, several property managers were interviewed. Information solicited included:

Rent Levels. Monthly rent levels in River Bend vary to some degree. ANAWIM, a nonprofit housing agency that maintains a large number of rental properties in the neighborhood, charges between \$295 and \$335 per month for efficiency units, between \$335 and \$588 per month for 2-bedroom units, and between \$500 and \$735 per month for 3-bedroom units. Metropolitan Properties, a second leasing agency, charges \$380

per month for efficiency units and between \$475 and \$525 per month for 1-bedroom units including utilities in a multi-family structure in River Bend. The same agency also owns 2 duplexes and 2 single-family homes in the neighborhood. A 2-bedroom unit in a duplex is rented for \$475 per month, while the single-family homes are rented for \$600 per month. Frank Beard, an owner of a 4-plex in River Bend rents market-rate 2-bedroom units for \$700 per month. Good Samaritan Urban Ministries, which provides rental housing for very low income households, offers 4-bedroom units for a maximum of \$330 per month at its development at the intersection of Sixth and Hickman.



Sixth Avenue Corridor

Map 4.3: Housing Redevelopment



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 2003

- CHDC, New Construction
- CHDC, Rehabilitated
- ▲ ANAWIM, New Construction
- △ ANAWIM, Rehabilitated
- NFC, New Construction
- NFC, Rehabilitated
- ☆ HOME Inc., Rehabilitated
- ◆ City of Des Moines, New Construction
- ◇ City of Des Moines, Rehabilitated

Chapter Four

Vacancy Rates. ANAWIM currently has a 5% vacancy rate for its rental properties. Metropolitan Properties, however, has a somewhat higher vacancy rate of 16% in its multi-family structure. About 7% of Good Samaritan's units are currently vacant. However, Census data indicates that the rental vacancy rate in River Bend largely reflects the citywide rate. In contrast, Frank Beard indicated 100% occupancy at his property.

Subsidies. Section 8 vouchers are used for about 45% of ANAWIM's rental units. About 10% of Good Samaritan's units are leased to tenants using vouchers. Vouchers are only used for 2 of Metropolitan Properties' units and only 1 of Frank Beard's units.

HOUSING STRATEGIES: DEMAND FOR HOUSING

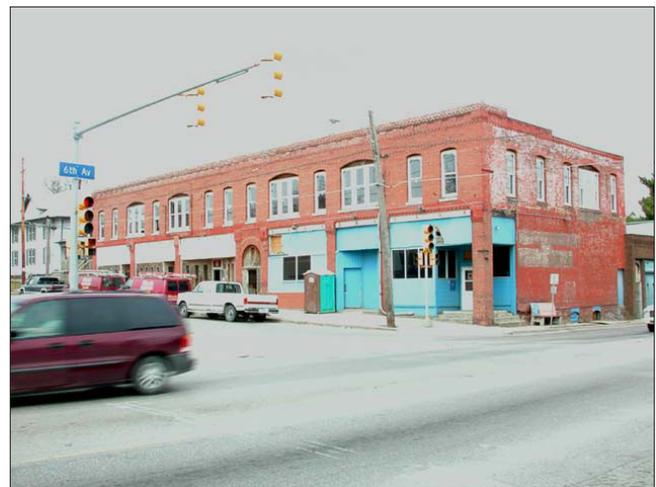
The survey participants indicated that additional demand exists for rental housing in the River Bend neighborhood. This demand includes the following:

Housing Types in Greatest Demand. Survey participants confirmed the housing needs identified earlier in this section – a need for additional family-size rental units in the neighborhood, as well as additional senior housing. ANAWIM presently has a waiting list containing about 100 households for its properties. According to ANAWIM, larger units, or those containing 3 or more bedrooms, are in greatest demand in River Bend. Although demand exists for single-family units, according to ANAWIM, a large number of the households seeking housing in the area do not earn incomes high enough to afford single-family homes. Therefore, demand exists for additional multi-family construction in the neighborhood. Good Samaritan Urban Ministries also confirms a significant demand for additional multi-family rental units – 3- and 4-bedroom units affordable to families in the higher bracket of low-income households in particular. Good Samaritan Urban Ministries indicates an overabundance of smaller

rental units in the neighborhood. Metropolitan Properties claims that 2-bedroom units and larger homes are in greater demand than efficiency and 1-bedroom units. Metropolitan Properties also indicates that a demand exists for senior housing in the area. This demand is further confirmed by a substantial waiting list for the recently constructed River Trace Apartments, which currently has a waiting list of 64 applicants for its 36 units.

Demand for Second-Floor Housing. One strategy for housing redevelopment along the Sixth Avenue Corridor involves providing rental units on the second floor of a structure with commercial or office uses on the first floor. There is notable interest among rental property owners in River Bend in owning or managing second-floor apartments. Although agencies which provide housing affordable to low-income residents indicated that owning a commercial building may be inconsistent with organizational goals, they expressed interest in considering the idea. Survey participants do not envision any barriers to managing second-floor units compared to units in a freestanding residential structure.

Based on the current market, it is anticipated that rents for second-story housing would be in the



Integration of second-floor apartments into commercial redevelopment projects, such as this one at Sixth and Forest, can provide variety in a neighborhood's housing options.

range of \$350-\$500 for 1-bedroom units, \$450-600 for 2-bedroom units, and \$600-\$750 for 3-bedroom units.

In addition to addressing the existing demand for housing in the River Bend neighborhood, housing strategies should strive to draw on the Downtown Des Moines housing market. If housing types offered along Sixth Avenue are competitive with housing types in the Downtown area, market rents may be somewhat higher. The *Woodland Avenue Apartments Market Study* completed by Frandson, Knapp, and Associates concluded that based on rent levels in Downtown and areas west of Downtown, rents for 1-bedroom units range from \$531 to \$718 per unit and rents for 2-bedroom units range from \$728 to \$951. This corresponds to market rents of \$1.15 per square foot for a 1-bedroom apartment and \$1.02 per square foot for a 2-bedroom unit. Thus, rent levels for apartments in the Downtown market are substantially higher than those for units in River Bend. This suggests that additional revitalization efforts must take place in order for rental housing in the neighborhood to compete with market-rate Downtown housing.

CONCLUSIONS

Numerous opportunities exist for improving the mix of housing along Sixth Avenue. These include:

- Continuing to provide housing affordable to very low income households and households using vouchers.
- Increasing the number of large rental units in the neighborhood to better correspond to demand.
- Increasing the amount of senior housing to correspond to demand and free up larger dwelling units for younger families in the neighborhood.
- Encouraging preservation of historically significant structures.
- Discouraging very high density multi-family housing created through the conversion of large single-family homes.
- Facilitating the provision of second-floor apartments in structures with commercial or office uses on the first floor to stimulate further redevelopment and create an interesting environment along the Corridor.
- While it is clear that substantial demand exists for additional subsidized housing to serve low-income residents, an additional goal should be to begin to provide mixed-income housing and even market-rate housing projects. As additional revitalization efforts continue, particularly neighborhood commercial development and streetscape improvements, the potential of this close-in neighborhood to provide market-rate housing to serve the nearby hospital complex and the Downtown increases. A first step would be to support a mixed-income project similar to the Woodland Place Apartments in the Sherman Hill neighborhood.

RETAIL MARKET ISSUES



Commercial redevelopment strategies for the Sixth Avenue Corridor must focus on retail and service development strategies which improve the neighborhood's balance of trade by providing basic goods and services locally and importing consumer spending by capitalizing on the area's diversity.

Chapter Five

This retail market analysis for the Sixth Avenue Corridor reviews:

1. A detailed economic and demographic overview of the Corridor, expanding upon the demographic trends examined in Chapter 1.
2. A market demand assessment focusing on commercial development opportunities at two identified development nodes along Sixth Avenue. These focal points include Sixth Avenue's intersections with Forest and College Avenues.
3. An implementation discussion that identifies the recommended program and highlights potential incentives to facilitate revitalization.

The market assessment is based on analysis of potential disposable incomes available in the defined markets for retail purchases. The current supply of retail space in the primary market will also be evaluated to estimate the current level of potential sales activity. Demand and supply measures are then compared to highlight potential opportunities for new commercial development. ERA utilized several key sources of information to complete this study. Key sources include the ULI Shopping Center Development Handbook, The



Commercial redevelopment efforts should focus on the emergence of commercial nodes centered on intersections such as Sixth and College.

ULI 2002 Dollars and Cents of Shopping Centers, and the 2002 Shopping Center Directory. Another source was the Initiative for a Competitive Inner City (ICIC).

MARKET AREA DEFINITION

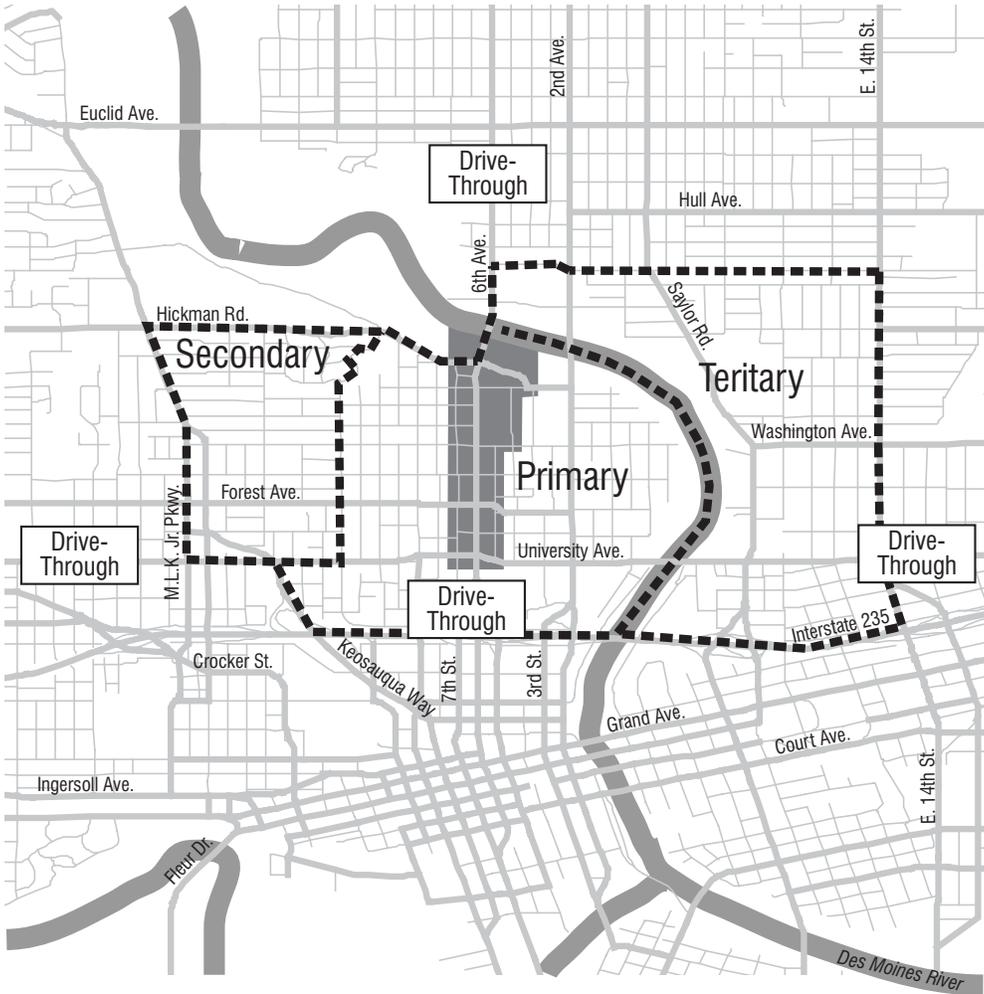
This assessment divides the larger trade area surrounding the Sixth Avenue Corridor area into four sub-markets. Map 5.1 highlights each defined area in relation to the primary access corridors, which include Sixth Avenue (running north and south) and University Avenue (running east and west).

1. The **Primary Market**, covering Census tracts 49 and 50, covering an area from I-235 to the south, the Des Moines River to the east and north, and 13th Street to the west.
2. The **Secondary Market**, covering Census tract 12, bordered by Hickman Road to the north, University Avenue to the south, Martin Luther King Parkway to the west, and 13th Street to the east.
3. The **Tertiary Market**, which includes Census tracts 15 and 48, covering an area between the Des Moines River and East 14th Street, with a northern boundary of Sheridan Avenue and a southern boundary of I-235.
4. **Drive-Through Traffic** along Sixth Avenue and University Avenue.

AREA OVERVIEW

Chapter 1 of this document provided an analysis of major demographic trends for the Sixth Avenue area. Key market factors for the trade area include the following:

Population. Between 1990 and 2000, the primary and secondary markets grew from 15,187 residents to 15,578 residents, an overall increase of about 390 new residents, or about 40 new residents per year. Of this total, it is estimated that about 60% of new residential growth over the 10-year period occurred



Sixth Avenue Corridor

Map 5.1: Retail Market Areas



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2003

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in the primary market. Levels of growth achieved in the primary market are notable, and point to future opportunity for enhanced retail trade development.

Households. The primary and secondary markets saw an overall decrease in the number of households, offset by an increase in the number of people per household. Demolition of existing housing in tract 49 along the Des Moines River was a key reason for the decline. The primary market lost a total of 226 households, while the larger trade area lost 126 households.

Ethnic Composition. The primary and secondary markets support a notably diverse local population in comparison with the City of Des Moines. Between 1990 and 2000 the trade area saw several key changes:

- White – Decreased from 60% to 51% of total population
- Black – Increased from 28% to 29% of total population
- Asian – Increased from 8% to 10% of total population
- Hispanic – Increased from 3% to 17% of total population

These ethnic shifts have obvious significance for retail space development in the trade area. It is important to note that different ethnic groups have very divergent tastes, requiring more targeted and specific marketing and retailing efforts. As one example, according to the Initiative for a Competitive Inner City (ICIC), within the broader Hispanic community, there is significant variety in food preferences based on the country of origin (e.g., the Dominican Republic versus Haiti), requiring a grocer to stock slightly different varieties of rice and meat to properly serve both markets. Research by ICIC also indicates that several ethnic groups are more likely than the general population to purchase perishable foods, such as meat, bread, and produce.



Relatively high traffic counts at the intersection of Sixth and University bode well for additional retail development.

Age. Median age figures vary by geographic area throughout the Sixth Avenue market area. Tract 49 in the primary market has a median age that is higher than the City of Des Moines. Other tracts, including Tract 50, have median ages that are lower than citywide averages, attributable to a larger number of children in the area. As with ethnic factors, there are notable differences in retail spending based on age.

Traffic Counts. According to the Iowa Department of Transportation (IDOT), Sixth Avenue carries significant traffic on a daily basis, serving as a key north/south conduit for traffic to the central business district. IDOT traffic counts for Sixth Avenue north of Forest Avenue (16,000 vehicles), and at the Des Moines River (17,000 vehicles) highlight the importance of this route to the city and region. Traffic counts for University Avenue east of Second Avenue indicate about 18,700 vehicles per day. Second Avenue carries about as much traffic as Sixth Avenue (17,700 per day). The drive through market typically creates demand for convenience retail items, including gas, last minute grocery purchases, and related services

DETAILED BLOCK GROUP ANALYSIS

For the primary market (tracts 49 and 50), ERA further explored demographic trends relating to population change and per capita income growth at a block group level. This approach is necessary to clarify local distinctions that exist on a block-by-block basis in the trade area. Map 4.2 highlights the specific boundaries of the year 2000 Census tracts and block groups used for the primary market.

For Tract 49, covering an area from Sixth Avenue to the Des Moines River, ERA noted the following significant factors:

Block Group 1, Covering an area east of Second Avenue to the Des Moines River, saw significant decreases in population since 1990, driven by City planning efforts in this area to emphasize industrial development and remove existing housing. Looking to the future, this block group is not expected to support any new residential development.

Block Group 2 covers an area north of College Avenue, between Sixth Avenue and Second Avenue, and bordered on the north by the Des Moines River. This block group grew strongly over the 10-year period, adding 111 new residents. Median household income growth was also significant, increasing from \$11,136 in 1989 to \$24,632 in 1999, representative of annual growth of 8.3%. The block group's ethnic makeup includes a majority of whites (68% of total), with a median age which is younger than the City of Des Moines.

Block Group 3 covers an area between Sixth Avenue and Second Avenue, bordered by College Avenue to the north and Carpenter Avenue to the south. This block group experienced a decrease in population between 1990 and 2000, losing 276 residents. At the same time, median household income growth was strong, increasing from \$19,615 in 1989 to \$35,200 in 1999, reflective of 6% annual growth, well above annual rates of inflation, and comparable to the City of Des Moines 1999 median

household income level. The ethnic background of this block group shifted significantly since 1990, with white populations falling from 68% of total population to 36% of total population, offset by growth in Asian and Black ethnicities, which increased to 25% and 19% of total populations, respectively.

Block Group 4 covers an area bordered by Sixth Avenue on the west and Second Avenue on the east, I-235 on the south, and Carpenter Avenue on the north. This block group experienced a slight increase in population between 1990 and 2000, adding about 36 residents. While median household income growth was minimal, growing from \$24,400 to \$26,750, this block group started out from a higher base compared to adjacent blocks. Limited household income growth may relate to specific age demographics; this block group includes a significant share of senior citizens, with 74% of 2000 populations being older than 55.

Tract 50, which was adjusted down from six to four block groups between 1990 and 2000, also experienced notable changes. To make apples to apples comparisons, different 1990 and 2000 block group areas were combined. In this process, ERA noted the following significant factors for noted Year 2000 block groups:

Block Groups 1 and 2 cover an area between the Des Moines River to the north and Forest Avenue to the south, 13th Street to the west and Sixth Avenue to the east. This area saw populations increase by 141 residents, increasing from 1,890 to 2,031 over the 10-year period. Median household incomes also increased, growing from an average of \$13,646 in 1989 to \$20,171 in 1999, reflective of 4% annual growth. This area included a diverse mix of Asian, Black, and white residents in 2000.

Block Group 3 is bordered by Forest Avenue on the north, University Avenue on the south, 13th Street on the west and Sixth Avenue on the east. This block group saw its population increase from 919 residents to 1,049 residents over the 10-year period, reflective of annual growth of 1.3%. Median

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household incomes increased from \$7,204 in 1989 to \$23,393 in 1999, achieving the strongest growth rate of any block group in the primary market (12.5% per year). This area had a majority of black residents in 2000 (57.5% of total population), and an overall population slightly younger than Des Moines as a whole.

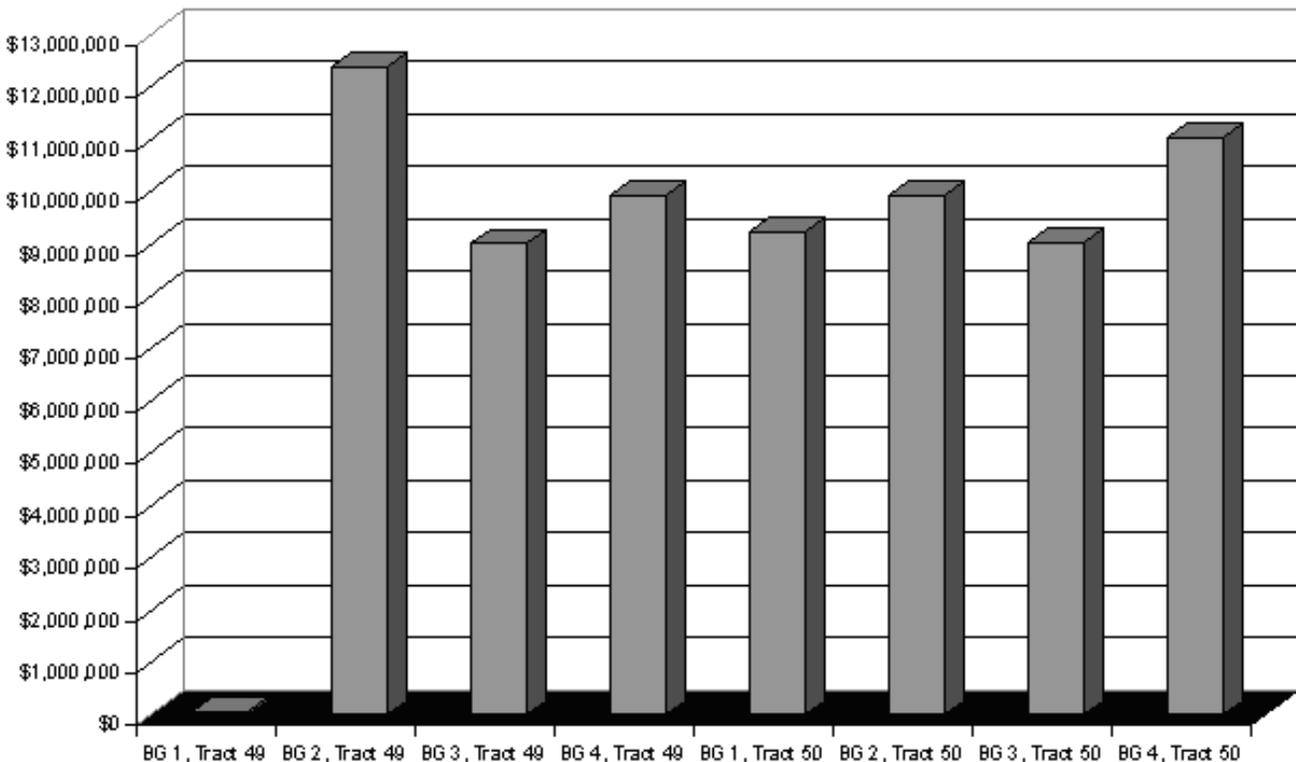
Block Group 4 covers an area bounded by University Avenue to the north, I-235 to the south, Sixth Avenue to the east, and Keosauqua Way to the west. This area added about 160 new residents between 1990 and 2000, the strongest growth of any block group in the primary market (1.8% growth per year). While median income growth over the same period was slow, with annual growth of 2.2% per year (below annual rates of inflation), the year 1999 average median income of \$29,856 was the third highest of Primary Market block groups. This area is notably younger in age compared to the City, with a diverse mix of Black, White, and Asian ethnicities.

Chart 4.1 summarizes comparisons of year 2000 forecast per capita incomes (derived from 1999 levels) applied to year 2000 Census populations. The chart shows that two key block groups stand out for their aggregate earning potential in excess of \$11 million per year, one being tract 49, block group 2 and the second being tract 50, block group 4. These two block groups anchor opposing ends of the Sixth Avenue Corridor between I-235 and the Des Moines River. The table also shows how population loss caused by land use changes in block group 1, tract 49 have significantly reduced aggregate incomes in this area. These eight block groups have an aggregate income level of \$70.6 million. A portion of this income would be available for retail trade.

RETAIL DEVELOPMENT TRENDS

Major retail market factors affecting the Sixth Avenue trade area include the following:

CHART 5.1: Aggregate Annual Income by Block Group, 2000



- Local developers are building a new 35,000-square-foot grocery store at the intersection of University and Sixth Avenue. A new McDonalds is also being built on this site.
- City officials indicated that the primary destination shopping areas for the northeast side of Des Moines are in Ankeny and Altoona. In 2000, Wal-Mart opened a new 180,000-square-foot facility in Altoona at Pine Tree Plaza at U.S. 65 and U.S. 6. Ankeny also saw development of a Super Target and a new Home Depot in 2000.
- Northeast Des Moines had supported the Eastgate Mall, a 360,000-square-foot shopping center built in 1962. This mall is largely vacant and in marginal condition.
- Just north of the primary market is Euclid Avenue, a commercial strip with several retailers, including Walgreen’s, Hy-Vee, and Target. ERA notes that a majority of residents in the trade area likely favor Euclid Avenue for weekly shopping.
- As a general rule, the primary and secondary markets appear to lack a significant presence of national retailers.
- Of the three defined resident markets, ERA notes that residents in the secondary and tertiary markets would appear to favor the Euclid Avenue shopping corridor for basic retail needs.

INCOME DENSITY

- *Although incomes in the Sixth Avenue market areas are relatively low, aggregate spending power per square mile is relatively high.*

Table 5.1 shows that the primary market supports greater population densities than the City of Des Moines, with a primary market average density of 6,700 residents per square mile. The City of Des

TABLE 5.1: Comparison of Aggregate Gross Income Densities Per Square Mile, Primary Market and City of Des Moines, 2000

Market	Population Density	Per Capita Income, 2000	Income Density/ Square Mile
City of Des Moines	2,550	\$20,161	\$51,420,126
Primary Market	6,704*	\$12,316*	\$82,567,872

**=Averages*

Source: US Census, Business Analyst, and ERA

Moines has a density of about 2,500 people per square mile, while Polk County has about 630 residents per square mile. Within the Sixth Avenue primary market, Block Group 3 of Census tract 50 supported the highest density, with more than 10,000 people per square mile. Discussion of population density is critical because it highlights one reason why inner city markets have a real ability to support retail development – that while local residents may earn less income than the city average, the higher density of residents makes still allows the area to support significant incomes. Table 5.1 also highlights this point, showing that while the City of Des Moines benefits from a higher 2000 per capita income, the primary market’s higher population density more than offsets this deficit. On an average basis, the primary market would appear to support higher gross incomes on a per square mile basis, compared to the City as a whole.

MARKET DEMAND AND SUPPLY ASSESSMENT

This section analyzes existing supply and demand for retail trade within the defined trade area for the Sixth Avenue Corridor. Supply refers to the number of existing stores in the defined markets, as well as the estimated level of current retail sales activity supported by each store. Demand refers to the level of potential retail expenditures generated by the defined markets. Estimated retail expenditures are then compared to current sales levels to define the extent to which trade area residents shop locally, or leave the trade area to shop in other areas of the city.

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ERA organized retail data into several retail categories to better identify potential retail development opportunities. These categories include Apparel & Accessories, Eating & Drinking Places, Food & Grocery, Furniture Stores, General Merchandise, Materials Stores, and Miscellaneous Stores. Descriptions of each category are as follows:

Apparel - This category consists of all men's, women's, and children's clothing stores. Jewelry and shoe stores are considered apparel as well. Boutiques and athletic apparel stores are included in this category.

Eating & Drinking Places - This category basically consists of eating and drinking establishments. Fast food restaurants, bars and pubs, and other dining establishments are included.

Food & Grocery - This category consists of grocery stores and food stores. All sizes of grocery stores are included as well as fish and meat markets, bakeries, and specialty food stores.

General Merchandise - This category consists of stores that sell a wide selection of personal and household goods. General stores, dollar stores, and variety stores are included in this category.

Small Appliances & Housewares - This category consists of stores that carry small home products and housewares as well as minor appliances.

Materials & Household Furnishings - This category consists of stores that carry building materials, hardware, landscaping materials, large appliances, and household equipment.

Miscellaneous - This category consists primarily of drug stores, liquor stores, and entertainment retail. Any existing bookstores, video rental shops, florist shops, and sporting goods stores will also be included in this category.

The aim of this analysis is to calculate estimates of supply and demand in the defined trade area and discuss what categories of retail may be most suitable for development based on these findings. The assessment begins with the demand, or expenditure, side of the equation.

RETAIL DEMAND

- *Retail expenditures among primary market residents are projected to increase from \$22.1 million in 2001 to \$26.3 million in 2007. Significant demand exists in the categories of food and grocery, eating and drinking places, apparel, and miscellaneous retail.*

In the past decade, increased emphasis has been placed on potential retail opportunities in America's inner cities. In general, the retail market in inner cities is both large and concentrated. These markets are often populated with consumers who represent significant aggregate spending power. For a number of reasons, however, these markets have been noticeably underserved during the past few decades. Prospective retailers typically cite poor infrastructure, inadequately trained workforces, fragmented property ownership, and crime as the main reasons for not investing in inner city locations. The situation along the Sixth Avenue Corridor appears to match the national experience, with an existing captive market served by older quality retail space which does not encourage repeat visitation, and inevitably pushes local

TABLE 5.2: Market Area Population, Gross Income, and Net Income Forecasts, 2002 and 2007

Category	Primary Market		Secondary Market		Tertiary Market	
	2002	2007	2002	2007	2002	2007
Total Population	6,250	6,475	3,203	3,343	6,239	6,195
Total Gross Income	\$73,417,688	\$87,127,195	\$36,529,647	\$41,742,778	\$100,060,138	\$122,545,531
Net Income After Taxes	\$69,012,627	\$81,899,563	\$34,337,869	\$39,238,211	\$94,056,529	\$115,192,799

Sources: U.S. Census Bureau; ERA

residents beyond their neighborhood to make retail purchases.

Discussion of retail demand begins with assessment of trade area population and income trends, with forecasts for 2002 and 2007, highlighted in tables on the following page. Population and median household income trends for the key Census tracts and block groups that comprise the primary, secondary, and tertiary markets are shown. The forecasts for 2002 and 2007 are based on the assumption that historic annual compound growth rates (CAGR) achieved between 1990 and 2000 period will continue over the next five years. Importantly, as several Census tracts lost population during the 1990's, this loss is assumed to continue through 2007. The exception to this is block group 1 of Census tract 49, which is assumed to stay at three residents over the forecast period, for reasons noted above. The following bullets summarize forecast estimates for each defined market:

- The primary market population is forecast to grow from 6,250 to 6,475 residents between 2002 and 2007, with estimated 2002 per capita incomes that range from \$10,318 to \$28,512. The primary market is forecast to add a total of 225 residents between 2002 and 2007.
- The secondary market (tract 12) is forecast to grow from about 3,200 residents in 2002 to about 3,340 residents in 2007, with a per capita income \$12,486.

- The tertiary market is forecast to lose population, falling from about 6,240 in 2002 to 6,195 in 2007, with estimated 2002 per capita incomes ranging between \$14,000 and \$27,500.

Retail demand estimates for the trade area markets are derived from comparison of population and per capita income estimates. This approach leads to estimates of total gross income and then net income after taxes, which can be used to derive estimates of retail expenditures. Table 5.2 summarizes calculation of potential 2002 and 2007 gross and net income for the trade area sub markets. A conversion factor of 94% was used to estimate net income after taxes. The estimate is based on Bureau of Labor Statistics expenditures reported in the consumer expenditure survey for lower income bracket households. This net income estimate would be available to support rent payments, mortgages, car payments, food, and broader discretionary retail spending.

Retail purchasing trends are based on statistics generated by the Bureau of Labor Statistics Consumer Expenditure Survey, which tracks consumer expenditures by income level as well as regions of the U.S. ERA extracted relevant expenditure data for the Midwest Region by income level. The following chart shows the result of this analysis, looking at differences in the percentage shares of expenditures in four specific retail categories by noted income brackets.

TABLE 5.3: Trade Area Sub Market Potential Retail Expenditures, by Retail Category, 2002 and 2007

Category	Primary Market		Secondary Market		Tertiary Market	
	2002	2007	2002	2007	2002	2007
Apparel	\$3,067,876	\$3,640,750	\$1,526,450	\$1,744,289	\$4,181,174	\$5,120,763
Eating & Drinking Places	\$4,435,377	\$5,263,608	\$2,206,863	\$2,521,803	\$6,044,925	\$7,403,333
Food & Grocery	\$5,393,841	\$6,401,049	\$2,683,755	\$3,066,753	\$7,351,205	\$9,003,159
Materials & Household Furnishings	\$1,348,380	\$1,600,167	\$670,899	\$766,643	\$1,837,692	\$2,250,656
General Merchandise	\$2,283,088	\$2,709,416	\$1,135,971	\$1,298,085	\$3,111,594	\$3,810,828
Small Appliances & Housewares	\$2,594,519	\$3,079,001	\$1,290,927	\$1,475,154	\$3,536,040	\$4,330,655
Miscellaneous	\$3,004,742	\$3,565,826	\$1,495,037	\$1,708,393	\$4,095,128	\$5,015,381
Total Potential Expenditures	\$22,127,822	\$26,259,817	\$11,009,902	\$12,581,120	\$30,157,759	\$36,934,774

Source: U.S. Census Bureau; ERA

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For Food at Home (groceries), the chart shows that the percentage of income spent decreases as income grows, falling from a high of about 11% for individuals making less than \$10,000, down to about 6% for those earning more than \$70,000. Aside from Food at Home (considered to be necessity), the other three categories show notable improvement as income levels increase. For Food Away from Home (covering restaurant expenditures), the percentage of income spent

increases from about 4.8% for the \$5,000 to \$9,999 bracket up to 6.3% for the \$50,000 to \$69,000 bracket. Household Furnishings and Equipment and Apparel also follow similar trends.

To estimate retail expenditures for the trade area, ERA began with percentage shares of household expenditures for income brackets between \$20,000 and \$69,000. Importantly, these brackets are based on a consumer unit, or household. To ensure that

TABLE 5.4: Primary Market Retailers, Space, and Potential Sales - Tracts 49 and 50

Category	Establishments	Average Size	Total Space	Average Sales/SF	Category Sales
Apparel	2	1,500	3,000	\$175	\$525,000
Eating & Drinking Places	9	2,066	18,593	\$175	\$3,253,753
Food & Grocery	5	7,000	35,000	\$175	\$6,125,000
Materials & Household Furnishings	1	17,550	17,550	\$175	\$3,071,250
General Merchandise	2	5,000	10,000	\$175	\$1,750,000
Small Appliances & Housewares	0	8,000	0	\$175	\$0
Miscellaneous	10	3,458	34,580	\$175	\$6,051,500
Convenience Grocery	4	2,801	11,206	\$175	\$1,961,000
Total	33		118,723		\$20,776,503

Sources: ERA; RDG Crose Gardner Shukert

TABLE 5.5: Secondary Market Retailers, Space, and Potential Sales - Tract 12

Category	Establishments	Average Size	Total Space	Average Sales/SF	Category Sales
Apparel	0	1,500	0	\$175	\$0
Eating & Drinking Places	1	2,066	2,066	\$175	\$361,528
Food & Grocery	0	7,000	0	\$175	\$0
Materials & Household Furnishings	1	6,600	6,600	\$175	\$1,155,000
General Merchandise	0	5,000	0	\$175	\$0
Small Appliances & Housewares	0	8,000	0	\$175	\$0
Miscellaneous	0	3,458	0	\$175	\$0
Convenience Grocery	0	2,801	0	\$175	\$0
Total	2		8,666		\$1,516,528

Sources: ERA; RDG Crose Gardner Shukert

TABLE 5.6: Tertiary Market Retailers, Space, and Potential Sales - Tracts 15 and 48

Category	Establishments	Average Size	Total Space	Average Sales/SF	Category Sales
Apparel	0	1,500	0	\$175	\$0
Eating & Drinking Places	6	2,066	12,395	\$175	\$2,169,169
Food & Grocery	1	7,000	7,000	\$175	\$1,225,000
Materials & Household Furnishings	0	6,600	0	\$175	\$0
General Merchandise	1	5,000	5,000	\$175	\$875,000
Small Appliances & Housewares	0	8,000	0	\$175	\$0
Miscellaneous	6	3,458	20,748	\$175	\$3,630,900
Convenience Grocery	3	2,801	8,404	\$175	\$1,470,750
Total	17		45,143		\$7,900,069

Sources: ERA; RDG Crose Gardner Shukert

this range was appropriate for Des Moines, ERA converted the per consumer unit income brackets to a per capita basis, using the average number of people per consumer unit supplied by the Consumer Expenditure Survey. Resulting per capita income levels were compared with actual incomes for the trade area sub markets to ensure a proper fit for the model. Table 5.3 highlights the resulting estimates of retail expenditure potentials for 2002 and 2007.

For the primary market, ERA projects that total potential retail expenditures will grow from \$22.1 million to \$26.3 million. For the secondary market, ERA projects sales growing from \$11 million to \$12.5 million. For the tertiary market, expenditures are projected to grow from \$30.1 million to \$36.9 million. Key retail segments include food and grocery, eating and drinking places, apparel, and miscellaneous retail. This growth rate is based on historic income growth rates for the target market.

RETAIL SUPPLY

- *Primary market retailers generate an estimated \$21 million in annual sales. The highest sales levels are in the categories of food and grocery and miscellaneous retail.*

Supply data for this section was obtained from field surveys of the noted markets, supported by a GIS mapping software program called Business Analyst. Data from both sources was merged to develop a clear picture of the number of retailers in each market broken out by category. These inputs were then brought into ERA's Retail Planning Model to help estimate total square footage of each relevant retail category in the primary market, and corresponding 2002 retail sales estimates. As background, ERA relied on selected listings from the 2000 Retail Tenant Directory, which indicate square footage requirements for a number of national retailers in the relevant retail categories. Actual building areas based on data from the Polk County Assessor were

also used to better estimate inventory in the defined markets.

The current sales estimates are driven by a key assumption that existing retailers are achieving average sales levels in the range of \$100 to \$200 per square foot of gross leasable area, with top performing specialty stores, boutiques, and well-managed larger existing grocery stores perhaps exceeding \$250-per-square-foot in sales. Each of the tables is based on an average of \$175 in retail sales per square foot. ERA attempted to validate these per-square-foot sales levels with city officials. However, they indicated that the city and state do not track store sales, or sales taxes paid in such a way that useful information can be extracted below the county level. As the Sixth Avenue Corridor plan proceeds, further discussions with local retailers may aid in enhancing these estimates. Tables 5.4, 5.5, and 5.6 highlight retailer information for each defined market.

For the primary market, ERA noted a total of 33 establishments supporting an estimated inventory of about 120,000 square feet of retail space. The largest noted store is Kurtz Hardware, covering more than 17,500 square feet. Using the noted sales level, an estimate of \$20.7 million in current sales was derived. The primary market includes a number of specialty grocers and restaurants who cater to the area's diverse ethnic groups, as well as several gas station / convenience stores who primarily cater to the drive through market along Sixth Avenue. The figures contained in Table 5.4 do not include the new grocery store being built at University Avenue and Sixth Avenue.

The secondary market included a total of two establishments, one being an Ace Hardware store (covering about 6,600 square feet) and the second being a fast food restaurant. Estimates for these retailers include about 8,600 square feet of space, with potential total sales of about \$1.5 million. Table 5.5 highlights these estimates.

The tertiary market includes a total of 17 establishments with emphasis on eating and drinking

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places, miscellaneous retail, and convenience grocery. Notable retailers include a Walgreens drug store, Glen's Rod and Reel store, and a Lowrey's Department Store. A total inventory of about 45,000 square feet is estimated, yielding a potential retail sales level of about \$7.9 million.

The following section compares estimated current sales (supply) to potential retail expenditures (demand) to highlight areas of potential retail opportunity for the Sixth Avenue Corridor.

RETAIL SURPLUS AND LEAKAGE

- *The primary market area experiences significant sales leakages in the categories of apparel and housewares, while it experiences notable surpluses in household furnishings and miscellaneous retail.*

The following charts compare initial estimates of retail store sales (supply) to potential market area expenditures (demand) for each market in the trade area. Observing the various categorical sales estimates and expenditure estimates allow us to compare supply and demand of various retail types in the defined trade area. In any instance where potential expenditures exceed expected sales, "leakage" is said to occur. That is, expenditures in these categories are "leaking out" of the trade area and being spent elsewhere in the region. Retail categories that display significant levels of leakage often indicate a gap between demand and supply, and an opportunity for new retail development.

Chart 5.2, which highlights implications for the primary market, shows that sales of apparel, small appliances, and general merchandise, as well as restaurants, show a definite leakage, which is partially offset by gains in food and grocery, materials and household furnishings, and

CHART 5.2: Estimated Gain or Leakage of Retail Sales, Primary Market

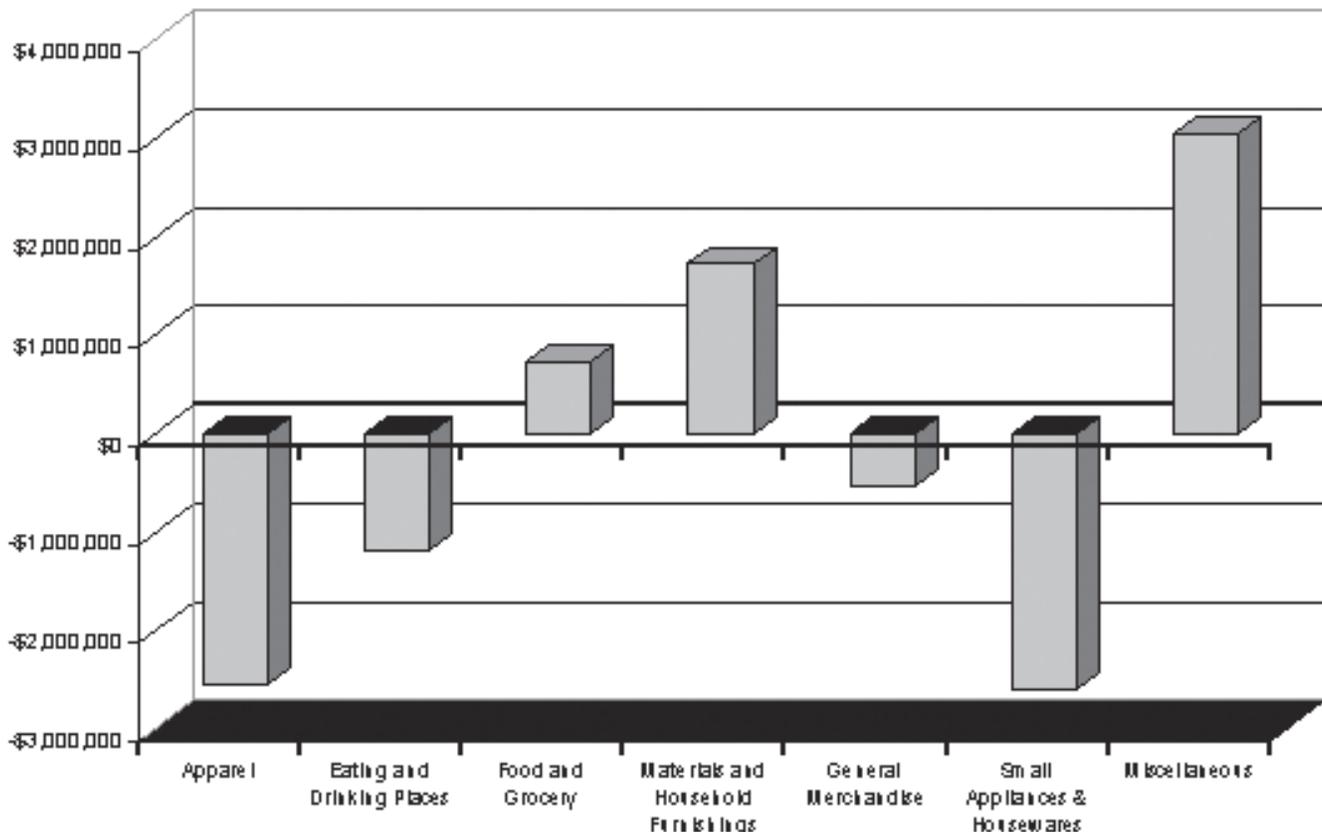
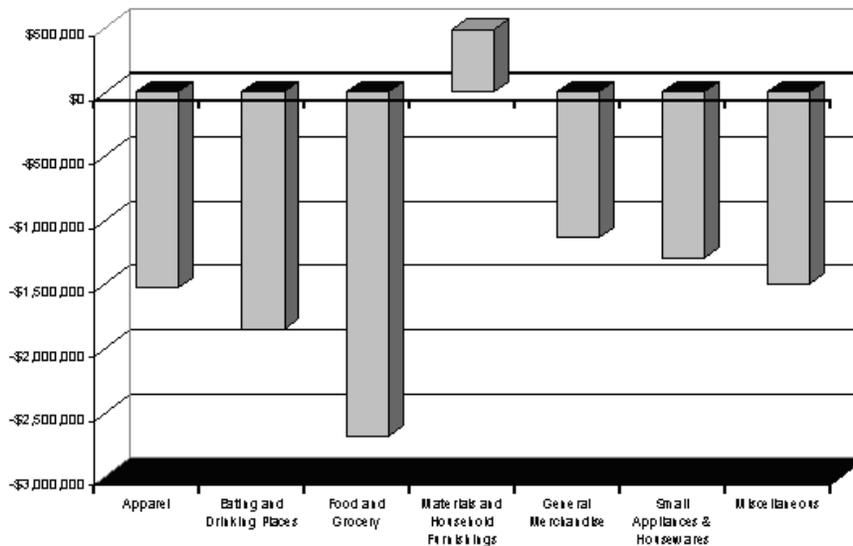


CHART 5.3: Estimated Gain or Leakage of Retail Sales, Secondary Market



miscellaneous. The food and grocery segment would be expected to capture sales from a larger trade area, supported by the presence of several specialty ethnic grocers.

Chart 5.3 highlights comparable trends for the secondary market. The chart highlights a rather significant level of retail sales leakage to other areas. With the exception of materials and household furnishings, which appear to be pulling sales from outside the market, all other segments show a considerable gap in between current sales and potential expenditures. Interviews with local officials suggest that local residents in this area do a majority of their shopping along Euclid Avenue, or in suburban areas of Ankeny or Altoona. The gap in food and grocery is most pronounced, with a leakage of more than \$2.5 million.

Chart 5.4 highlights leakage levels for the tertiary market, covering two Census tracts east of the Des Moines River. The chart shows that this sub market is losing a considerable amount of retail sales to other shopping districts, most likely along Euclid Avenue. The total leakage is estimated at more than \$22 million in lost potential sales.

RETAIL SPACE DEMAND

- *At present, a demand exists for an additional 38,904 square feet of retail space along the Sixth Avenue Corridor.*

For the primary market, ERA notes two specific opportunities. The first opportunity involves attracting new retailers in the apparel, small appliances, and general merchandise areas who would primarily service local residents. The second opportunity focuses on the existing strength of the primary market as a significant draw for ethnic groceries and restaurants.

The secondary market clearly lacks an established base of local retailers, forcing existing residents to travel east to Sixth Avenue, or north to Euclid Avenue. At present, indications suggest that a majority do their shopping along Euclid Avenue. The near-term opening of a new grocery store on University Avenue will likely draw an increased share of these residents back to the Sixth Avenue Corridor, however. At the same time, a significant percentage of secondary market residents will most likely continue to favor Euclid Avenue.

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The tertiary market represents a significant challenge for Sixth Avenue retailers, in that while this market is exhibiting a significant leakage of retail sales, the presence of the Des Moines River hinders the Sixth Avenue Corridor's ability to capture a significant share of this potential demand.

The drive-through market, which includes roughly 16,000 to 17,000 cars per day, also generates demand for retail space on Sixth Avenue. The challenge with this market is that it is largely focused on people driving to and from work each day. As such, while drivers are likely to stop along the corridor for convenience purchases and gas, major weekly shopping is more likely to occur closer to home. This market could be expanded to the extent that Sixth Avenue is able to support retailers who offer amenities and services not available elsewhere in the market. For example, Starbucks Coffee has opened new outlets in similar markets, making use of a drive through window to increase convenience. ERA experience would suggest that the Sixth Avenue Corridor has more significant potential to expand on its current base of ethnic grocers and restaurants, given its proximity to the large daytime downtown employment base in Des Moines. Expansion of the Corridor's restaurant base would require a more focused marketing campaign, however.

Opportunities for new business could increase as a result of the following:

- The subject's location adjacent to the core of the Des Moines central business district
- The primary market surrounds the intersection of Sixth Avenue and University Avenue, two routes that traverse the entire Des Moines region
- Significant population density and aggregate spending power of the market
- The ability of the primary market to use its ethnic diversity as a key selling point, drawing residents from the larger City and region to eat different cuisine, or purchase different or specialized goods and services. The area is already home to a number of Asian grocers and restaurants.

At the same time, a new project must be wary of several market realities:

- Local shoppers who own cars will continue to patronize discount retailers such as Target and Wal-Mart, placing a realistic limit on the increment of potential expenditures that can be captured by the Sixth Avenue Corridor.
- It would appear that a majority of residents in the secondary and tertiary markets will

CHART 5.4: Estimated Gain or Leakage of Retail Sales, Tertiary Market

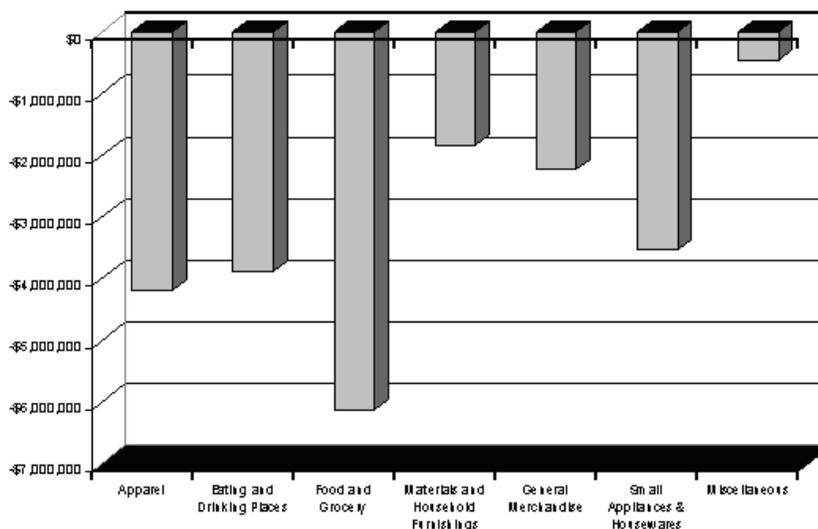


TABLE 5.7: Sixth Avenue Corridor Retail Demand Capture Estimates, 2002

Market	Total Estimated Expenditure Leakage	Potential Inventory (Square Feet)	Market Area Capture Rates	Space Demand Capture (Square Feet)
Primary Market	-\$5,156,667	23,439	50.0%	11,720
Secondary Market	-\$19,470,849	88,504	25.0%	22,126
Tertiary Market	-\$22,257,690	101,171	5.0%	5,059
Total	-\$46,885,206	213,115		38,904

Source: ERA

continue to favor other area shopping destinations (Euclid Avenue), due to ease of access and proximity, limiting capture amounts for new retail along Sixth Avenue.

- ERA included in the leakage estimates for the secondary and tertiary markets demand for grocery store sales. When the new local grocery store opens in 2003, a percentage of noted potential sales will be captured by this new store.

Based on these strengths and weaknesses as well as national retail data, ERA developed a set of potential retail space inventories that could be captured by the Sixth Avenue Corridor. Table 5.7 is based on the assumed average store sales level of \$220 per square foot.

The capture rates noted reflect of ERA's judgment as to realistic demand that can be captured by the defined market areas. The noted capture rate reductions for each broader market reflect an understanding that as residents live further away from the Sixth Avenue Corridor, they are less likely to shop there. As well, the conservative capture rate for the primary market reflects ERA's view that new retailers along the Corridor will compete with big box retailers, at least to some extent.

One established economic premise for retail development in America is that most retailers perform best when located in a cluster with other stores. Americans prefer to accomplish multiple objectives during a single shopping excursion. From a market perspective, therefore, a development that has a critical mass of tenants is likely to do a better job of attracting customers than isolated stores. According to our analysis of market data and economic trends, development of new

retail space that is unable to meet this criterion is not feasible in the study area under current market conditions. The success of such development forms attest to the importance of the agglomeration effect created when substantial mixes of tenants are housed in single developments.

In considering the noted strengths and weaknesses associated with the Sixth Avenue Corridor, ERA emphasizes several key points. Most importantly, Sixth Avenue will never be able to compete with Target, Wal-Mart, and Kohl's for basic apparel and home appliance purchases. While smaller retailers have found ways to survive in proximity to a mass retailer such as Wal-Mart, it is generally because of superior service or the offering of a specialized product that big box retailers do not offer.

ERA believes that the Sixth Avenue Corridor's focal point begins with the degree of specialization that has already occurred, with emphasis on ethnic foods, groceries, and restaurants, which have turned the Corridor into a destination, i.e. a location that draws people from outside a normally defined trade area. ERA notes that there are a number of retail options that could be targeted to expand on this initial success, including:

- More specialized food service retailers – butcher, seafood, bakery, etc.
- Clothing consignment stores
- Community Services – cleaners, hair dresser, nail salons, mail boxes etc.
- Book stores, entertainment (movie rentals), etc.
- Drive-thru food stores – bagels, donuts, coffee, etc.
- Architectural artifacts/specialized building materials, and other related renovation services

It is important to consider that tenanting will be critical to the project's success, particularly since any financing strategy will rely in part on the credit-worthiness of anchor tenants, who may be expected to sign longer term leases.

FACILITATION

There are several types of public incentives and projects that are likely to have large and immediate positive impacts on the revitalization of the study area.

- Streetscape and landscaping along major corridors and intersections would help to increase the attractiveness of the area. Such efforts not only increase neighborhood pride, they also create a sense of safety and beauty that might increase the desire of commuters to shop at area retail stores.
- Establishment of a business improvement district (BID), in which Corridor retailers make recurring contributions to support specific marketing initiatives, fund street cleaning efforts, enhanced security, sidewalk and lighting improvements, street festivals, and numerous other programs.
- Financial assistance for the development of a neighborhood shopping center is recommended to spur investment in retail development. The availability of low-interest financing is likely to make development of new retail space feasible. If the development is successful, it will likely increase interest among retailers to locate in the neighborhood and the ability to charge somewhat higher rental rates for retail space.
- Property tax incentives may be necessary where developments are privately owned. If possible, complete abatement of property taxes for the proposed improvements should be considered.

- An equity investment or grant may be necessary to make the proposed neighborhood shopping center feasible.
- The Sixth Avenue Corridor will benefit from a focused marketing campaign, so that a larger market (metro Des Moines) is aware of the Corridor's diverse ethnic restaurants and grocers.

PRELIMINARY FINANCIAL ANALYSIS AND FINANCING OPTIONS

To assist our client in making the best decisions possible regarding potential retail development along the Sixth Avenue Corridor, ERA considered a scenario of 30,000 square feet of new retail space developed in the study area. This section analyzes development costs, operating costs and operating revenue from a developer's perspective. The model assumes that a developer will build the retail center and hold it for a 10-year period, selling it in the 11th year. Year zero is considered to be the construction and lease-up period. The model considers the up front developer equity required, as well as annual offsetting cash flows after debt service, and a residual value to the developer after the property is sold in the 11th year. This approach, known as a discounted cash flow (or residual) analysis, allows ERA to estimate the amount of subsidy that may be required to make the project meet developer expectations for return on equity. The model considers the implications of four types of potential subsidy:

- A public sector equity commitment to reduce the amount of total equity required by the developer
- Public investments for site preparation and land acquisition, reducing the developer's costs
- Below market financing, to reduce the developer's interest expenses and risk
- Property tax abatement

Initial assumptions, shown by Table 5.8, include the following:

- 30,000 square feet of gross leasable area, configured as a neighborhood retail shopping center.
- 31,500 square feet of gross building area, assuming that an efficient building is built with a 5% core factor.
- Total construction costs (hard, soft, and land acquisition) of \$80 per square foot, with a total construction cost of \$2,520,000. Tenants are assumed to absorb the majority of build-out costs for their spaces. Only modest land acquisition costs are assumed; if land assembly is required, the development timing and cost will both likely expand.
- Triple-net lease rates starting at about \$9 per square foot, and reimbursement income from tenants of about \$1.00 per square foot in year 1.
- The model assumes a ten-year sliding scale property tax abatement consistent with City of Des Moines requirements. Tenants are assumed to pay 75% of the abated property tax assessment as a pass-through operating expense. Without a property tax abatement, the estimated year 1 tax bill of almost \$100,000 would cover about 30% of gross income, well above national and regional operating expense averages on a per square foot basis for comparable centers.
- Total year 1 operating costs of about \$2.25 per square foot, including reimbursements to the property manager.
- Revenues and operating costs inflate at 3% per year.
- A 75/25 debt to equity split, with a 20 year loan term, and a 9% interest rate that compounds monthly.
- Calculation of the residual value of the retail center is based on a terminal capitalization rate of 10%, applied to year 11 NOI before debt, less

costs of sale (2%) and the remaining principal balance on the loan. The model includes a 20-year amortization table to allow for calculation of this remaining principal balance.

- The model assumes that a developer’s minimum internal rate of return (IRR) for this project would be 16%, with a minimum loan to value ratio of 1.2.
- That the project will be anchored by credit-worthy tenants, who can sign longer term leases for the project.

The analysis indicates that a 30,000-square-foot retail center will require more than one form of subsidy, in order to meet developer expectations

TABLE 5.8: Financing Assumptions

Gross Building Area	31,500
Gross Leasable Area	30,000
Reversion Calculation	
Year 11 NOI	\$272,588
Terminal Capitalization Rate	10.0%
Value	\$2,725,877
Less Cost of Sale (2%)	\$54,518
Outstanding Debt-End of 10th Year	\$1,431,882
Residual Value to Developer	\$1,239,477
Construction/Loan Estimate	
Total Cost	\$80.00
Less Public Investment Cost	\$0.00
Total Cost	\$2,520,000.00
Private Equity	20%
Public Equity (subsidy)	0%
Debt Requirement	80%
Loan Amount	\$2,016,000
Loan Term	20
Total Payments	240
Private Interest Rate	9%
Benefit of Public Financing	0%
Effective Interest Rate	9%
Monthly Payment	\$18,138.48
Annual Payment	\$217,661.70
Property Tax Collection	
Construction Cost	\$2,520,000
Taxable Value at 85% of Construction	\$2,142,000
Tax Levy / \$1,000 of Value	0.044425
Annual Property Tax before Abatement	\$95,158.35

CHART 5.5: Financial Model

Year	0	1	2	3	4	5	6	7	8	9	10	
Income												
Lease Income		\$278,100	\$286,443	\$295,036	\$303,887	\$313,004	\$322,394	\$332,066	\$342,028	\$352,289	\$362,857	
Common Area Maintenance		\$15,460	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	
Property Tax & Insurance Reimbursement		\$14,814	\$22,221	\$29,628	\$37,034	\$44,441	\$51,848	\$59,255	\$69,255	\$69,255	\$69,255	
Total Gross Income		\$308,364	\$324,577	\$341,055	\$357,804	\$374,834	\$392,153	\$409,769	\$420,284	\$431,115	\$442,271	
<i>Less: Vacancy Credit Loss</i>		\$15,418	\$16,229	\$17,053	\$17,890	\$18,742	\$19,608	\$20,488	\$21,014	\$21,556	\$22,114	
Effective Gross Income		\$292,946	\$308,348	\$324,002	\$339,914	\$356,093	\$372,545	\$389,281	\$399,270	\$409,560	\$420,158	
Operating Expenses												
Maintenance		\$24,669	\$25,966	\$27,284	\$28,624	\$29,987	\$31,372	\$32,782	\$33,623	\$34,489	\$35,382	
Taxes and Insurance - after abatement		\$19,752	\$29,628	\$39,503	\$49,379	\$59,255	\$69,131	\$79,007	\$79,007	\$79,007	\$79,007	
General and Admin		\$21,585	\$22,720	\$23,874	\$25,046	\$26,238	\$27,451	\$28,684	\$29,420	\$30,178	\$30,959	
Advertising		\$2,313	\$2,434	\$2,558	\$2,684	\$2,811	\$2,941	\$3,073	\$3,152	\$3,233	\$3,317	
Total Operating Expenses		\$68,319	\$80,748	\$93,219	\$105,733	\$118,291	\$130,895	\$143,546	\$145,201	\$146,907	\$148,664	
NOI Before Debt Service		\$224,627	\$227,600	\$230,783	\$234,181	\$237,801	\$241,650	\$245,735	\$254,069	\$262,652	\$271,493	
Debt Service Requirement		\$217,662	\$217,662	\$217,662	\$217,662	\$217,662	\$217,662	\$217,662	\$217,662	\$217,662	\$217,662	
Pre-Tax Cash Flow		\$6,965	\$9,938	\$13,121	\$16,519	\$20,140	\$23,989	\$28,074	\$36,407	\$44,991	\$53,832	
Private Equity Commitment		-\$504,000										
Public Equity Commitment		\$0										
Net Property Reversion											\$1,239,477	
Cash Flow for Developer IRR		-\$504,000	\$6,965	\$9,938	\$13,121	\$16,519	\$20,140	\$23,989	\$28,074	\$36,407	\$44,991	\$1,293,309
Cash Flow for Project IRR		-\$504,000	\$6,965	\$9,938	\$13,121	\$16,519	\$20,140	\$23,989	\$28,074	\$36,407	\$44,991	\$1,293,309
10-Year Developer IRR		12%										
10-Year Overall Project IRR		12%										
Annual Debt Coverage Ratio			1.03	1.05	1.06	1.08	1.09	1.11	1.13	1.17	1.21	1.25
Annual ROE			1.4%	2.0%	2.6%	3.3%	4.0%	4.8%	5.6%	7.2%	8.9%	10.7%

of return on investment. The financial analysis, shown in Chart 5.5, indicates that the use of a 10-year property tax abatement could help a developer achieve a rate of return (IRR) of about 12%, which is below the 16% benchmark assumption used for this analysis. Importantly, this theoretical development financial highlights several factors that will need to be considered if a new retail center is to be built along Sixth Avenue. These include the fact that the analysis has not been conducted with a specific site along Sixth Avenue in mind. As such, costs for land acquisition and assembly, as well as site preparation and possible building demolition, could change significantly. ERA also notes that costs for building construction and tenant improvements are estimates that could change as well. ERA's analysis highlights several realities that will also need to be considered by a developer in pursuing this project:

1. Assuming current rent levels, any new retail project will require a 10-year sliding scale property tax abatement. Assessments noted

that current city property taxes for a project of this size are significantly above corresponding costs for comparable projects, as noted in the 2002 ULI Dollars and Cents of Shopping Centers.

2. The project will also likely require additional subsidy, which could take the form of public investments for land value write down, assembly, site preparation, and related infrastructure work. ERA estimated that the combination of a 10-year property tax abatement and about \$160,000 in public sector support for land acquisition and site improvements could be sufficient to push the project to a 16% developer IRR.
3. Alternatively, the developer could also tap into lower cost debt financing, reducing borrowing costs from a 9% interest rate, down to a rate below 7%. This would also allow the developer to achieve a reasonable return on their investment.

Lastly, the developer could also work out a public private partnership, where by both parties put up a portion of the equity required for the project. ERA's initial estimates suggest that a public equity stake of 10%, combined with a developer's 20% stake, may be sufficient to also push the project above the 16% IRR threshold.

The appendix includes a sample of the model with no subsidy adjustments made. ERA research highlighted several financing options that could be used to help the project move forward, including:

Tax Increment Financing. A TIF district covering Sixth Avenue has already been established and could be used to support the program. At the same time, the recurring challenge with TIF is that while the incremental property value builds slowly, cash requirements start early in the development process

Property Tax Abatement. This refers to the ability to delay or reduce payments of property taxes from a commercial property. The City of Des Moines indicated that this was one option available to the project. The downside with tax abatements is that they defeat the purpose of tax increment financing efforts.

New Markets Tax Credits. Created as part of the Community Renewal Tax Relief Act of 2000, the new markets tax credit allows urban communities to attract a new source of equity for commercial income producing projects. Run by the U.S. Treasury, the tax credits can be used by certified community development organization to generate investment equity for use in low-income neighborhoods. The tax credits can be used in Census tracts with median incomes below 80% of the MSA median income. Importantly, this program is very new, and as of February 2003, no tax credits have apparently been awarded.

The U.S. Department of Housing and Urban Development (HUD) has numerous programs that have been applied to the local situation, including:

- **EC Status.** The Sixth Avenue Corridor is also in a defined Enterprise Community, which provides access to a range of potential benefits, including wage credits, tax deductions, use of tax free bond financing, and other tax incentives.
- **Community Development Block Grants (CDBG).** The CDBG program is one of the first tools cities turn to when trying to revitalize distressed communities. HUD awards CDBG funds directly to metropolitan cities and urban counties (entitlement communities), or to States for distribution to non-entitlement communities. Any activity undertaken using CDBG funds must meet one of the program's three national objectives:
 1. Benefit low and moderate income persons
 2. Prevent or eliminate slums or blight
 3. Address conditions that present a serious and immediate threat to the health and safety of the community
- **Section 108 Loans.** Uses CDBG funds to create a larger potential pool of lending capacity for revitalization projects. Uses include purchases of real estate, site improvements, covering debt service reserves, infrastructure improvements
- **Economic Development Initiative (EDI) Grants.** Provide grants to local governments to enhance the security of HUD Section 108 loans, and or offset development costs, boosting the feasibility of urban revitalization projects. The new grocery store being built at Sixth Avenue and University Avenue made use of a EDI grant.
- **Local Initiatives Support Corporation.** A private non-profit company that works to pool grant funding, loans, and equity from public and private resources for use by community development organizations. According to their 2001 annual report, LISC has facilitated the construction of over 121,000 homes and more

than 18 million square feet of retail and commercial space.

neighborhood shopping indicates a need for about \$160,000 in public sector support in order to make the project feasible for the developer.

CONCLUSIONS

The retail market analysis for the Sixth Avenue indicates that:

- Although incomes in the Sixth Avenue market areas are relatively low, aggregate spending power per square mile is relatively high.
- Retail expenditures among primary market residents are projected to increase from \$22.1 million in 2001 to \$26.3 million in 2007. Significant demand exists in the categories of food and grocery, eating and drinking places, apparel, and miscellaneous retail.
- The primary market area experiences significant sales leakages in the categories of apparel and housewares, while it experiences notable surpluses in household furnishings and miscellaneous retail. Overall retail sales levels in the primary market area are slightly more than half of what its population could support.
- By 2007, a demand will exist for an additional 38,904 square feet of commercial space along the Sixth Avenue Corridor. This space demand may be augmented by new retail facilities and opportunities that can increase market share, such as additional housing and office development.
- Commercial redevelopment may be further stimulated by: streetscape and landscaping, establishment of a business improvement district, financial assistance for development of a neighborhood shopping center to spur additional investment, tax incentives, grants, and a marketing campaign based on ethnic diversity.
- A financial analysis for the hypothetical construction of a 30,000 square foot

REDEVELOPMENT CONCEPTS



In consideration of the corridor's challenges and opportunities, this section presents redevelopment concepts for various sites along Sixth Avenue. These concepts, which reinforce the street's mixed-use character, will potentially stimulate further redevelopment investment along the corridor.

A major component of this Plan update is the presentation of specific development concepts for recommended redevelopment sites. In this chapter, four redevelopment sites are evaluated and alternative development concepts are presented. Map 6.1 identifies these four redevelopment sites, which are discussed in detail below. First, however, a discussion of the recommended character of new development within the Sixth Avenue corridor is appropriate.

CHARACTER OF NEW DEVELOPMENT

The City of Des Moines' Comprehensive Plan, the 2020 Community Character Plan, appropriately identifies the Sixth Avenue project area as a "Pedestrian-Oriented Commercial Corridor." Unlike such corridors in larger cities, however, this corridor was never lined from one end to the other with commercial buildings. Rather, in response to Sixth Avenue's function as a trolley car line and consistent with the density of the surrounding neighborhood, commercial development was concentrated at the trolley stop intersections. In between these commercial intersections was typically residential uses varying from single-family homes to multi-story apartment buildings.

The City has begun to recognize the importance of conserving the historical character of these traditional commercial areas through the development of new, pedestrian-oriented zoning districts. While it is important to recognize differences in appropriate permitted use provisions, the Neighborhood Pedestrian Commercial (NPC) zoning district developed for the Ingersoll Avenue corridor includes design guidelines that are applicable to the Sixth Avenue corridor in River Bend. These design guidelines include consideration of the following design parameters:

- **Building Location:** Buildings should frame the street and maintain minimal setback from the street.

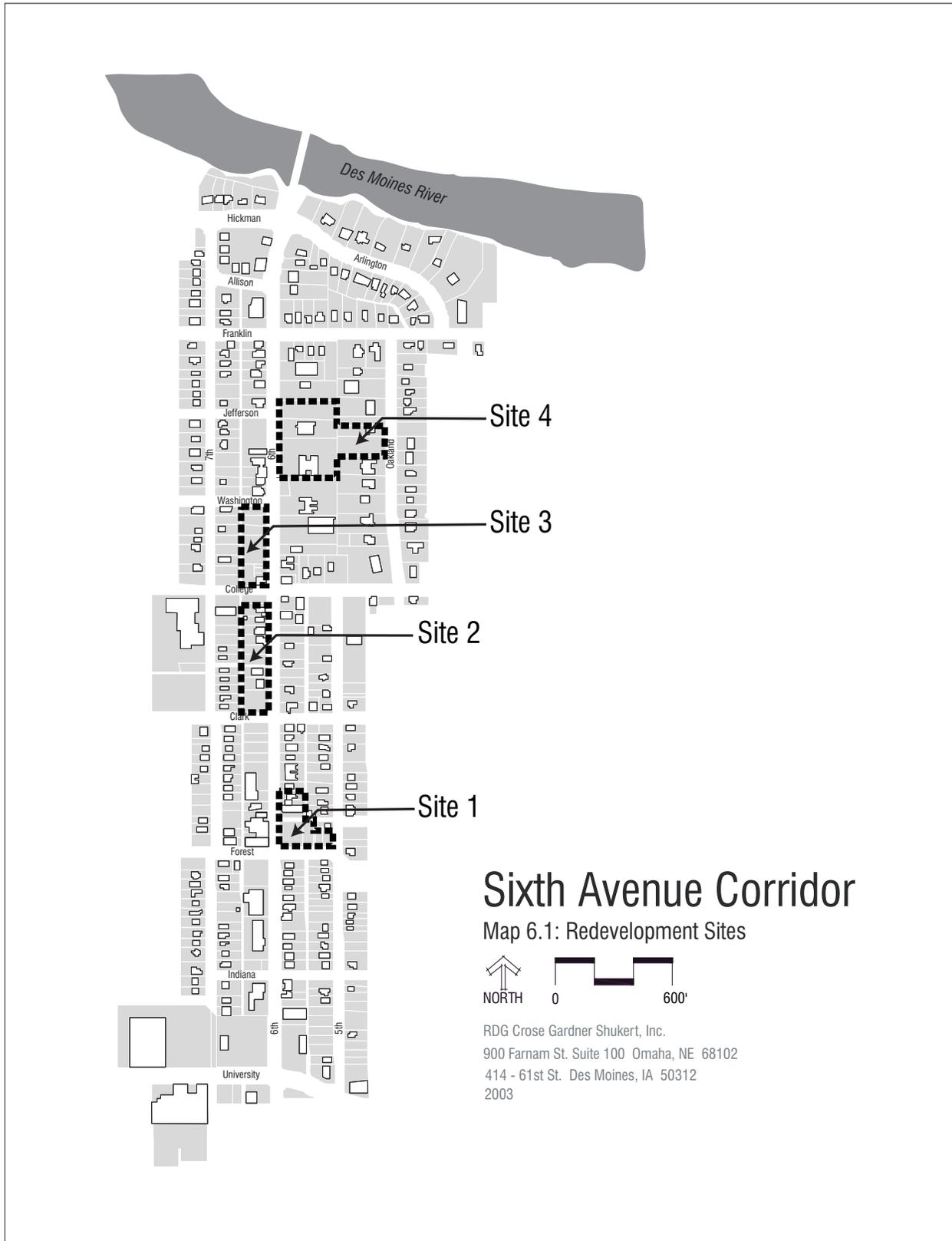
- **Facade Windows:** Building facades should contain at least 40% of the surface as windows on the first floor of the street facade.
- **Location of Entrance:** The entrance should be oriented to the street.
- **Building Materials:** Brick, stone, tile, stucco or horizontal clapboard should be used. Two-story buildings should be encouraged.
- **Facade Articulation:** Buildings over fifty feet long should be broken into bays.
- **Building Frontage:** At least 50% of the primary building length should front along the street.
- **Parking:** Minimum off-street parking requirement should be reduced to 60% of the ordinance minimum requirement in non NPC zones. Also, the ordinance minimums should become the maximum permitted number of parking spaces in NPC zones.

It is intended that the commercial redevelopment concepts presented in this plan update meet these neighborhood pedestrian design guidelines. While there are some residential apartment structures along the corridor that meet these "building fronting the street" characteristics, there are also examples of larger multi-family residential buildings with larger than normal setbacks. Thus, the character of historical residential development along the corridor is less consistent than that of commercial development.

The following section describes the redevelopment concepts for the four recommended redevelopment sites.

REDEVELOPMENT CONCEPTS

This site, which includes slightly more than 1 acre of land at the northeast corner of Sixth and Forest, is currently under Neighborhood Development Corporation ownership. An alleyway borders this property to the north, with the Family Discount commercial use existing to the north of the alley. To the northeast of this parcel is a single-family home at 1422 5th Street. This property has an irregular south property line, which impacts the



Chapter Six

use of the eastern portion of this redevelopment site.

Redevelopment Concept 1A reflects a standard approach to development of this corner, while meeting the Neighborhood Pedestrian Commercial design guidelines. 6,600 square feet of commercial space is proposed in a three-bay configuration. For a number of reasons, this concept represents less than optimal development of this property:

- The east-west alley north of the redevelopment site will not function well. From a practical standpoint, traffic will cut through the proposed parking lot. This should be formalized with a public access easement and the existing east-west alley should be incorporated into the proposed development.
- The Family Discount store to the north is a problem property and should be dealt with. The quality of the building does not contribute to the character of the corridor. The use often spills outside of the building and customers are currently parking south of the east-west alley on NDC-owned land.
- Concept 1A does not maximize the impact of the redevelopment project. Rather than look in a very limited way at the intersection property, the deteriorated nature of several properties north of the NDC site should be addressed.

The Family Discount store is generally felt to be a viable commercial use in the neighborhood, although its negative impacts are recognized. Therefore, it is recommended that the redevelopment project include the Family Discount property.

Concept 1B reflects a layout that addresses several of these concerns.

- The east-west alley is eliminated and alley continuity is provided via a public access easement through the parking lot.

- The Family Discount store property is expanded to include two properties to the north. These two properties consist of a vacant lot and a deteriorated house.
- The commercial development area has been increased from 6,600 sq. ft. to 8,275 sq. ft.
- The configuration of the 1422 Fifth Street residential lot is revised to provide the property additional frontage on 5th while deeding the western portion of the lot to the redevelopment site for parking lot development. This allows a new garage to be built south of the house and reflects an improvement configuration for both properties.

The suggested approach with the Family Discount business is to allow the property and use to remain subject to the owner correcting the current deficiencies, including improving the exterior condition of the building, restriction of all use to the interior of the building and the provision of off-street parking. The addition of two properties to the north would accommodate both an addition to the building and an off-street parking lot. Should the property owner not be willing to address these problems, it is recommended that the property be condemned by the City and offered for redevelopment in coordination with the NDC redevelopment site.

Concept 1C reflects a redevelopment of the larger redevelopment parcel, with the Family Discount use removed. This concept would allow for 13,275 sq. ft. of commercial or office development. An advantage of this concept is that it provides for the development of a bi-attached dwelling on the 5th Street frontage and does not require a reconfiguration of the lot at 1422 5th St.

Concept 1D returns to the “corner plaza” concept, with an additional 6,000 sq. ft. commercial building to the north replacing the Family Discount use. This concept allows for a total of 14,275 sq. ft. of commercial development. Finally, **Concept 1E** expands the redevelopment parcel to the north by

recommending additional multi-family residential development north of the NDC owned property. **Concept 1F** offers another configuration for redevelopment, leaving the Family Discount use in place.

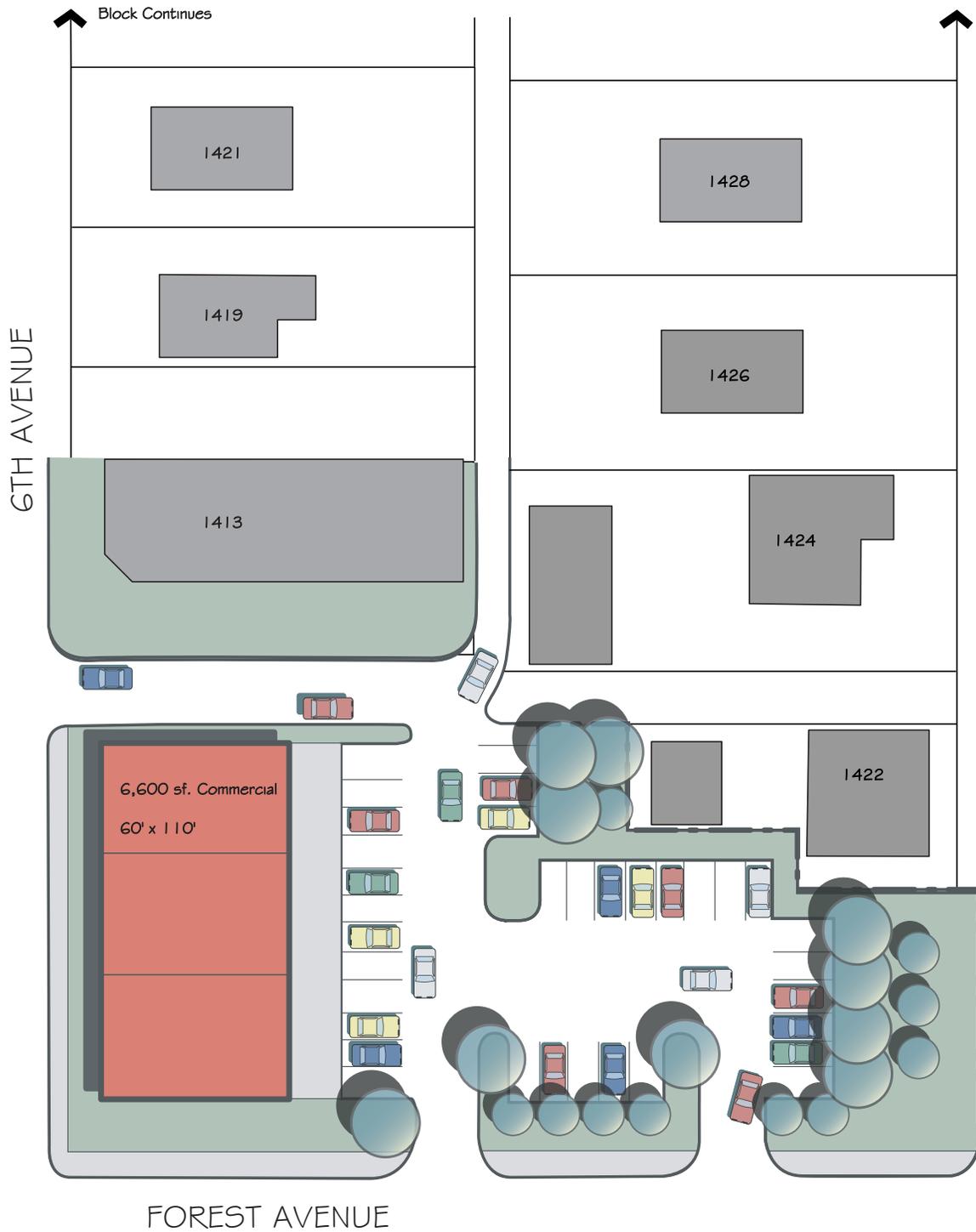
Redevelopment Concepts 2A, 2B and 2C reflect three alternative layouts for the redevelopment of the block between College and Washington Avenues, incorporating approximately 12,000 square feet of commercial space with 12 second-story dwellings and a free-standing 12 unit apartment building. All concepts indicate the 12-plex as having a substantial setback from the street in recognition of this historical pattern of development along the corridor. **Concept 2D** abandons the 12-plex and provides for three mixed-use buildings with a total of 15,500 sq. ft. of first floor commercial use and 14 second-story apartment units. **Concept 2E** offers a similar configuration with mixed-use buildings fronting the entire length of Sixth Avenue between College and Washington.

Redevelopment Concepts 3A and 3B are for the west side of Sixth Avenue, between Clark Street and College Avenue. It is recommended that this area be considered for a redevelopment project. The Lane Xeng Village project is not viewed as contributing to the quality of the corridor and the residential/commercial properties to the north are all in various stages of deterioration. The redevelopment concepts show two alternative layouts for redeveloping the ground as twenty-four townhomes and a 6-plex or, alternatively, twenty-eight townhomes.

Finally, **Redevelopment Concept 4** illustrates how Neighborhood Housing Development Corporation existing properties can be developed into a "Senior Village." The existing 36-unit River Trace apartments would be connected via a private drive system to two other existing housing developments at 1725 6th Avenue and 1726 5th Avenue. Fourteen new single-story senior townhomes are shown on the plan, as well as a "community garden" open space which would provide gardening space for the Village residents.



The top sketch illustrates a possible redevelopment concept for a commercial node at the intersection of Sixth and Forest looking northeast. The bottom two sketches depict two alternative configurations for the west side of Sixth Avenue between College and Clark.

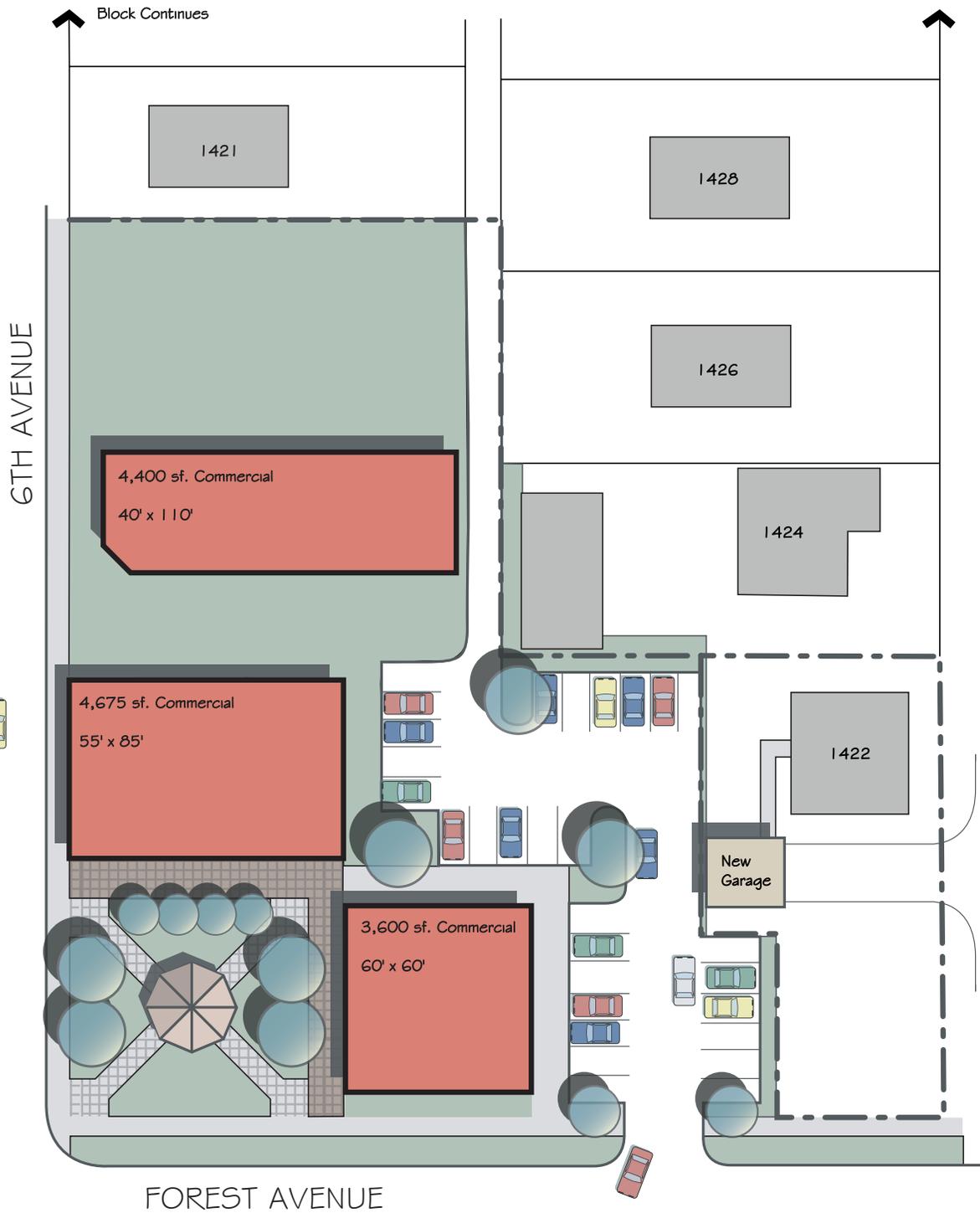


Sixth Avenue Corridor

Redevelopment Site 1, Concept 1A



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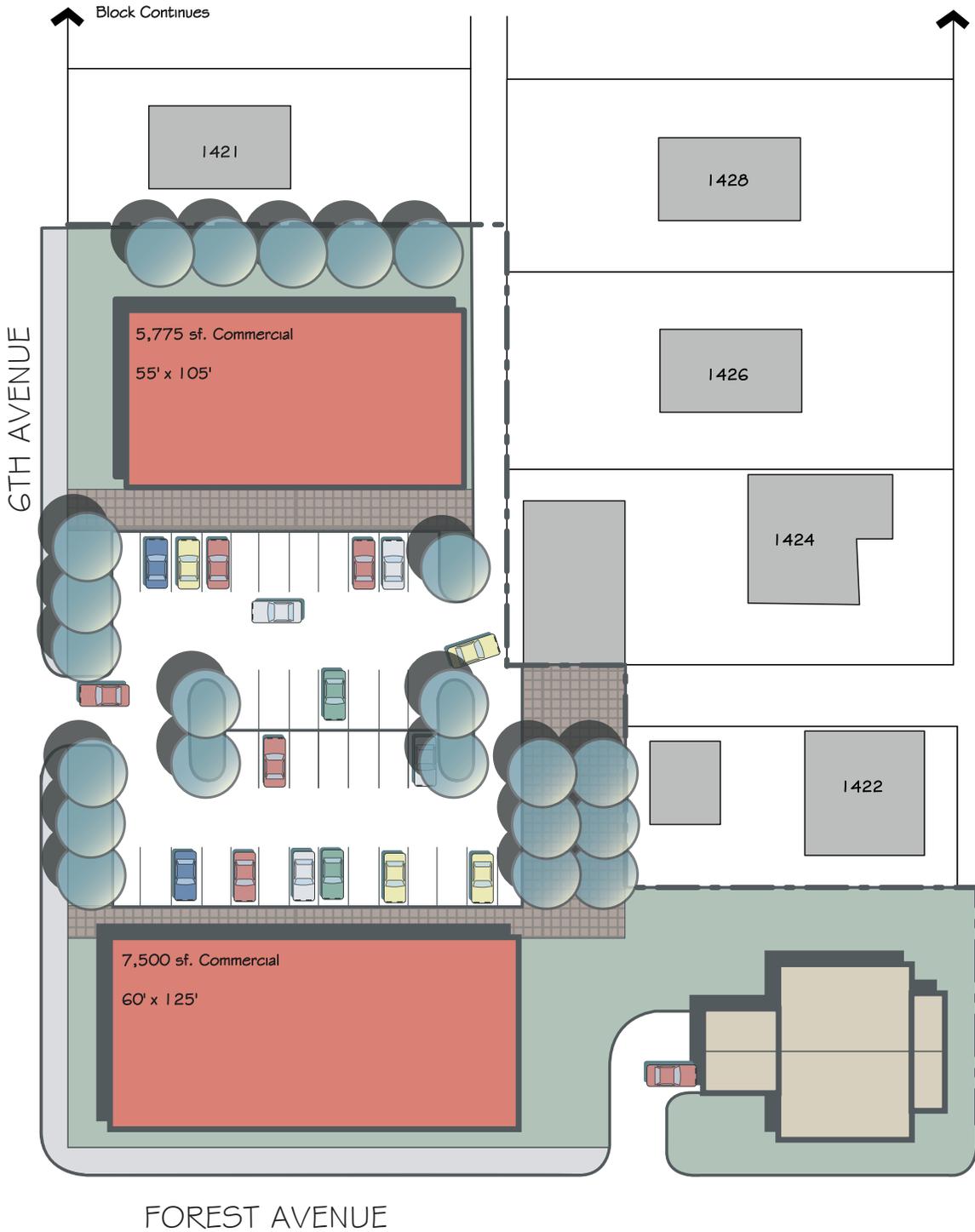


Sixth Avenue Corridor

Redevelopment Site 1, Concept 1B



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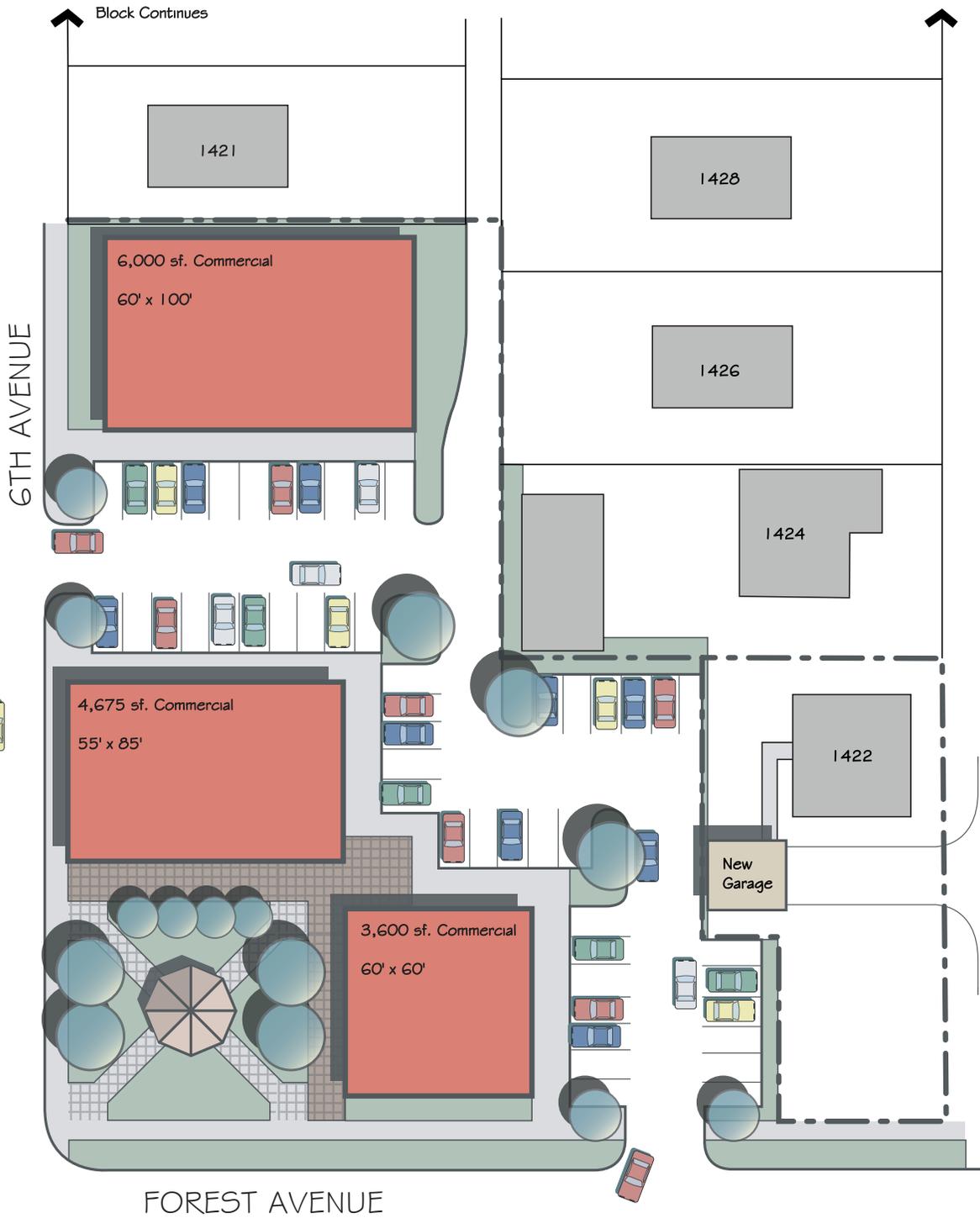


Sixth Avenue Corridor

Redevelopment Site 1, Concept 1C



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Sixth Avenue Corridor

Redevelopment Site 1, Concept 1D



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Sixth Avenue Corridor

Redevelopment Site 1, Concept 1E



NORTH

0'

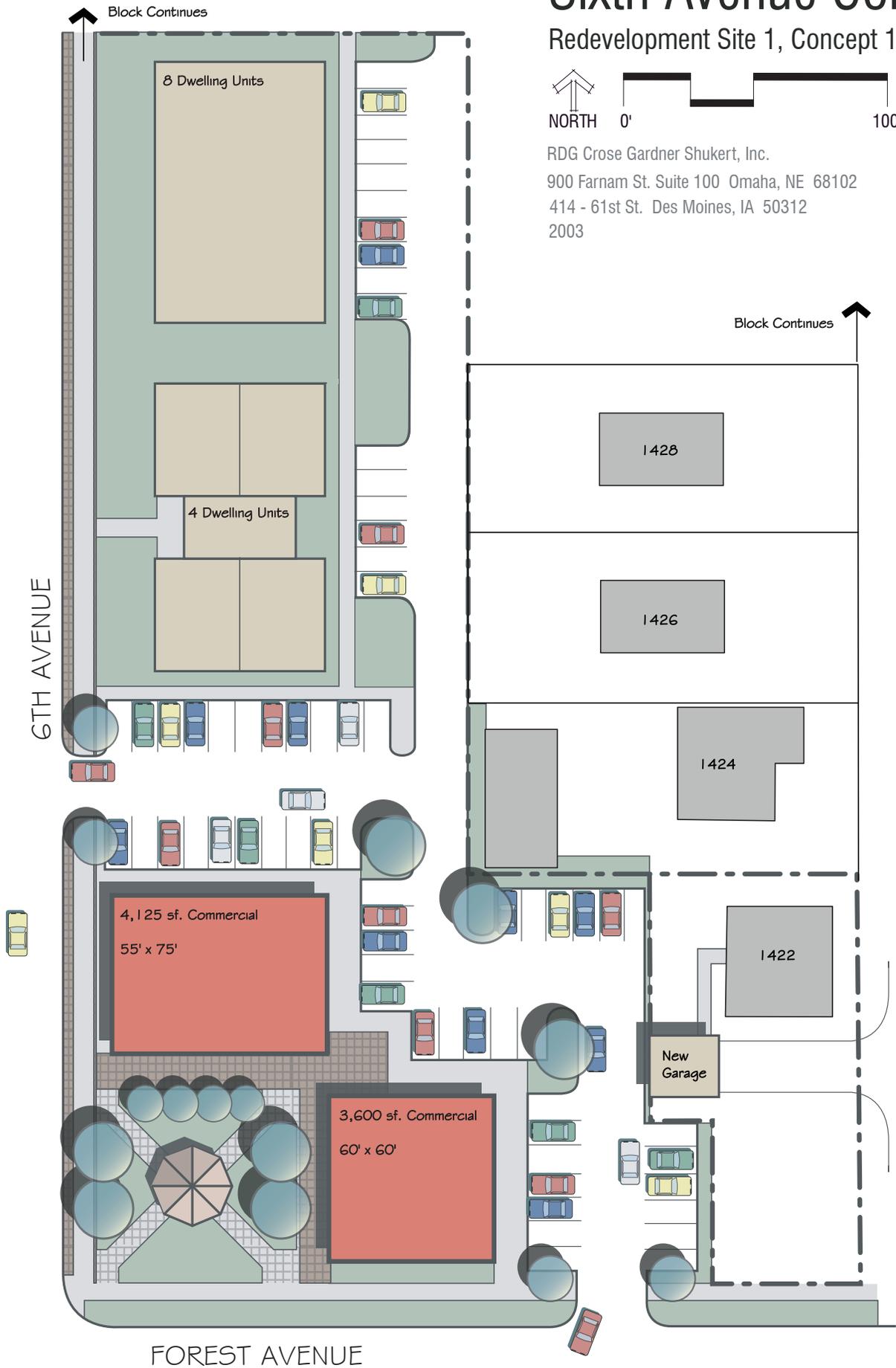
100'

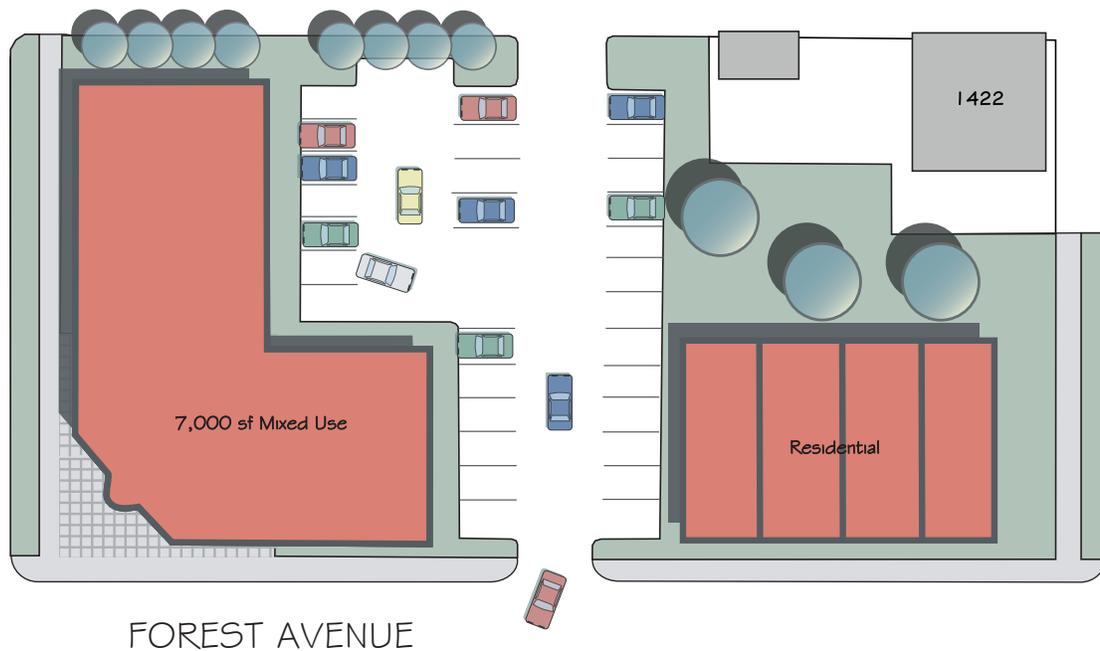
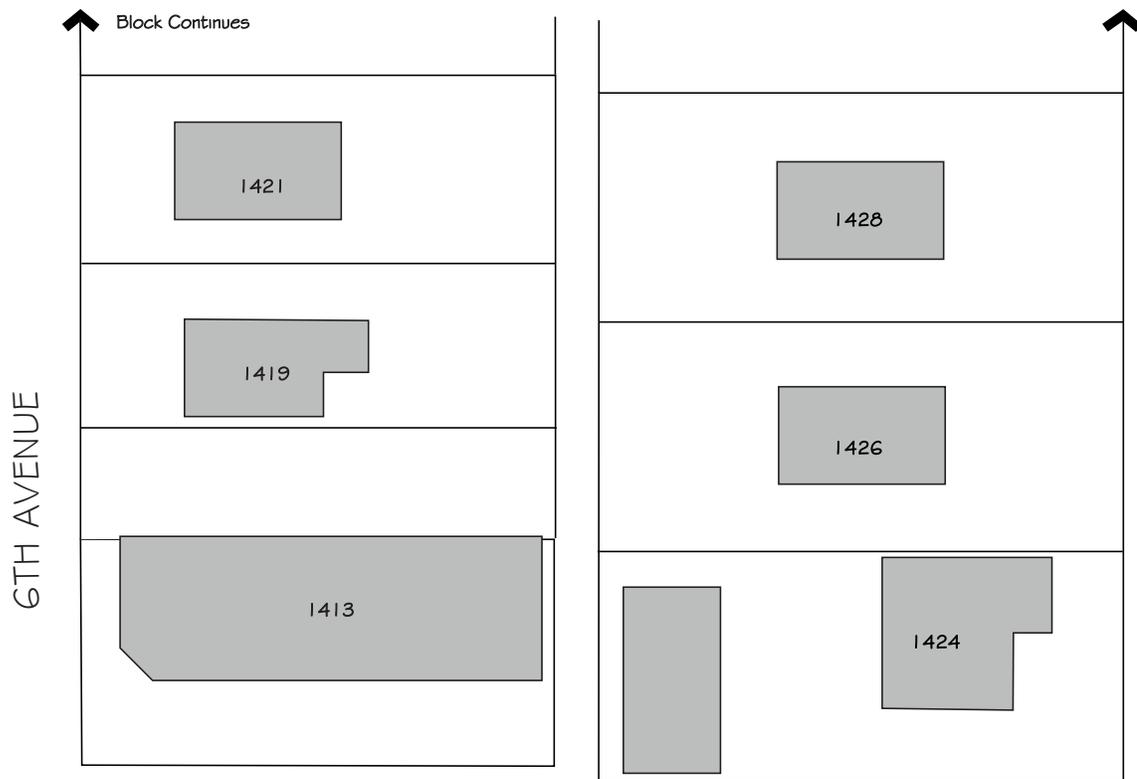
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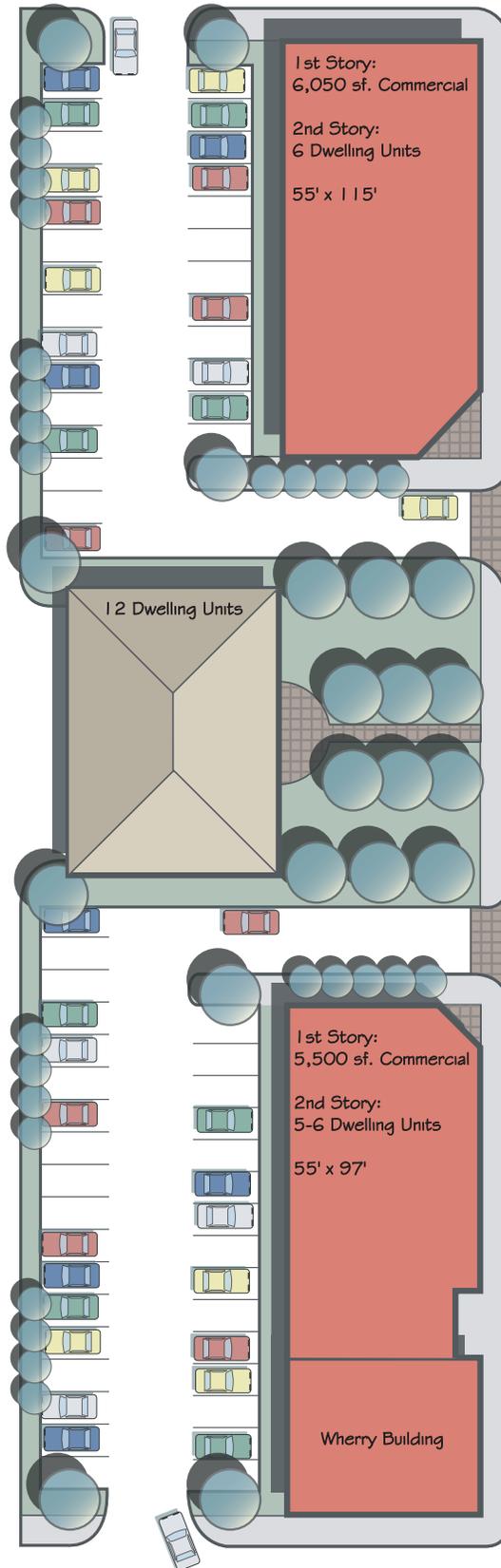
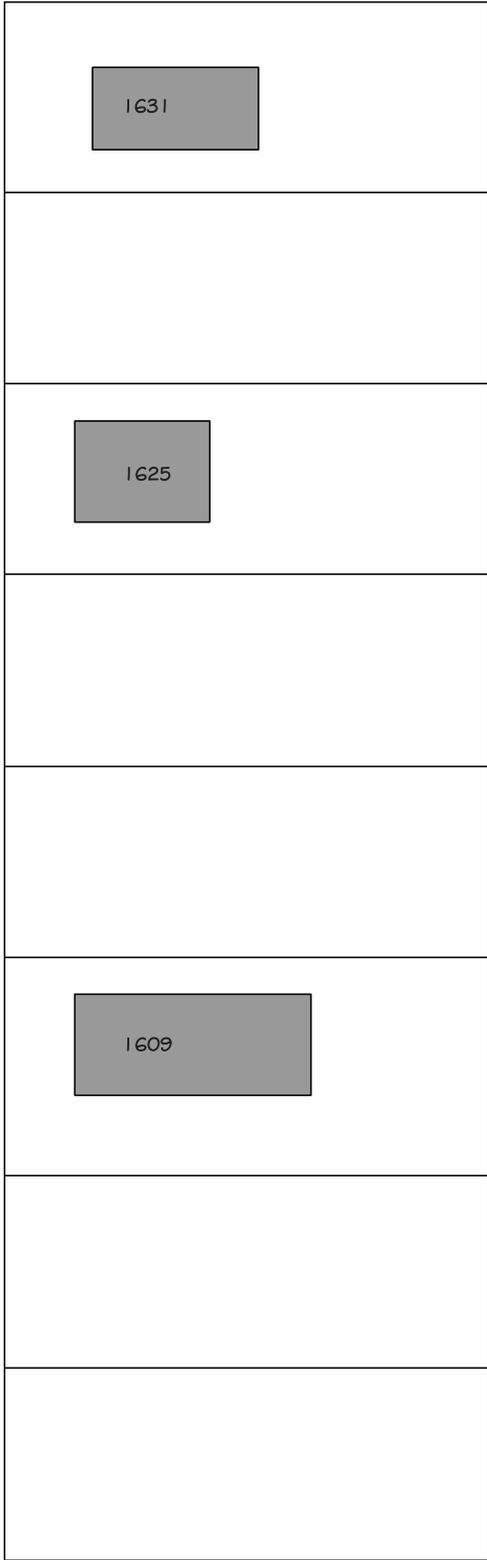
Sixth Avenue Corridor

Redevelopment Site 1, Concept 1F



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WASHINGTON AVENUE



6TH AVENUE

COLLEGE AVENUE

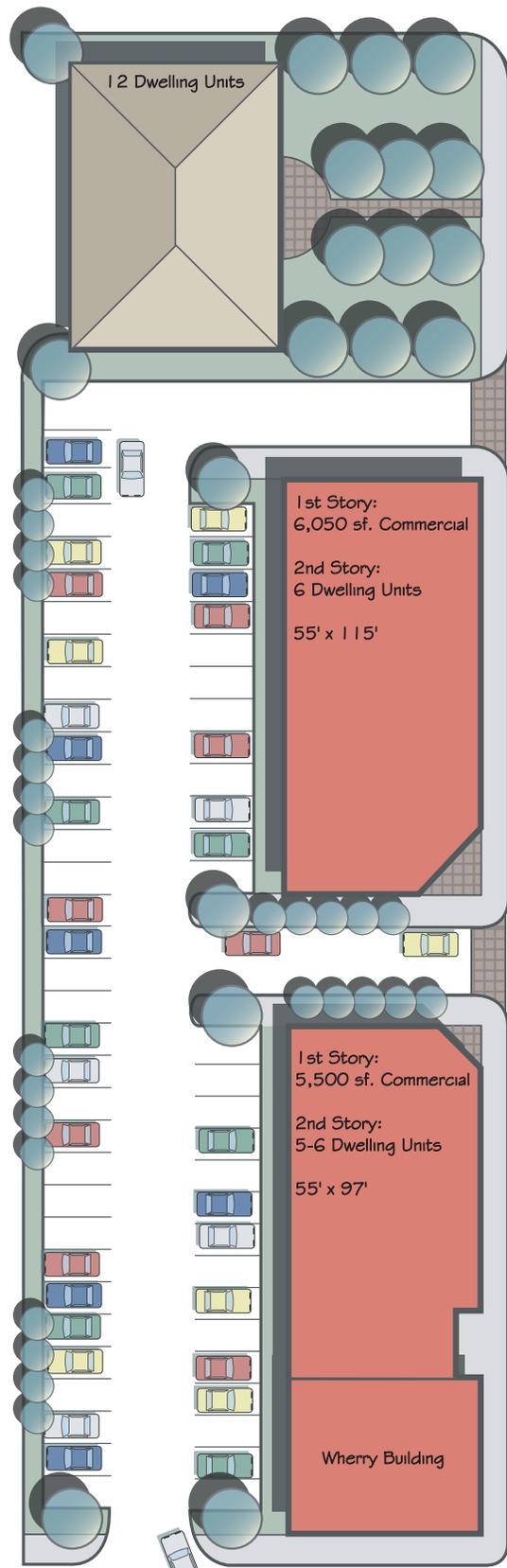
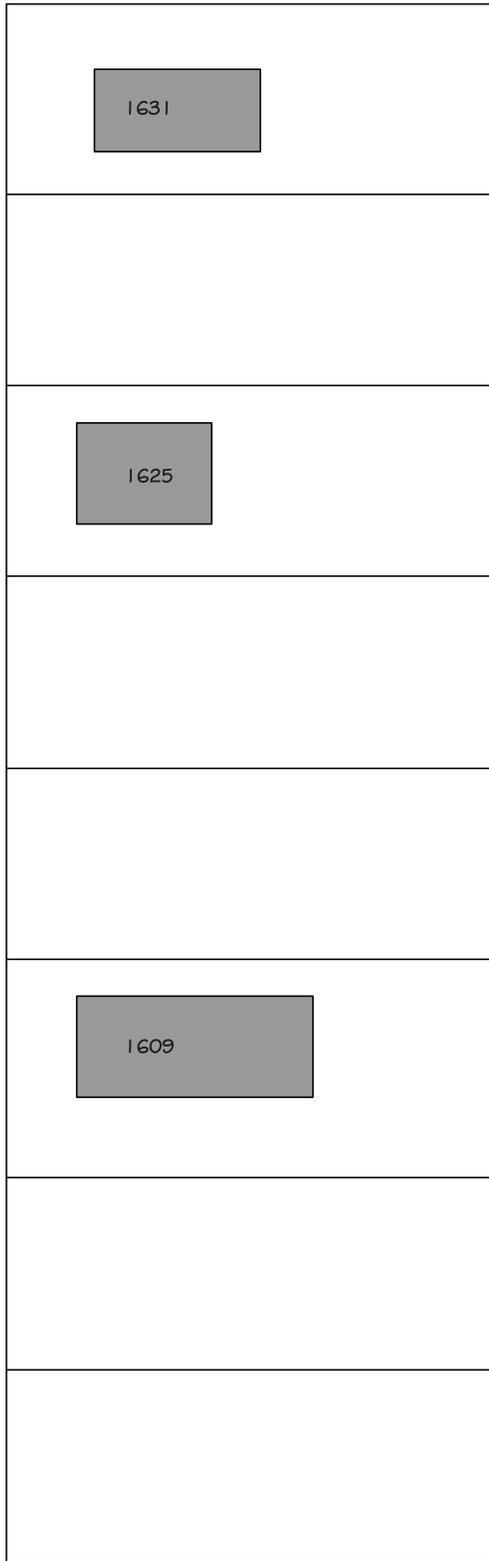
Sixth Avenue Corridor

Redevelopment Site 2, Concept 2A



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WASHINGTON AVENUE



6TH AVENUE

COLLEGE AVENUE

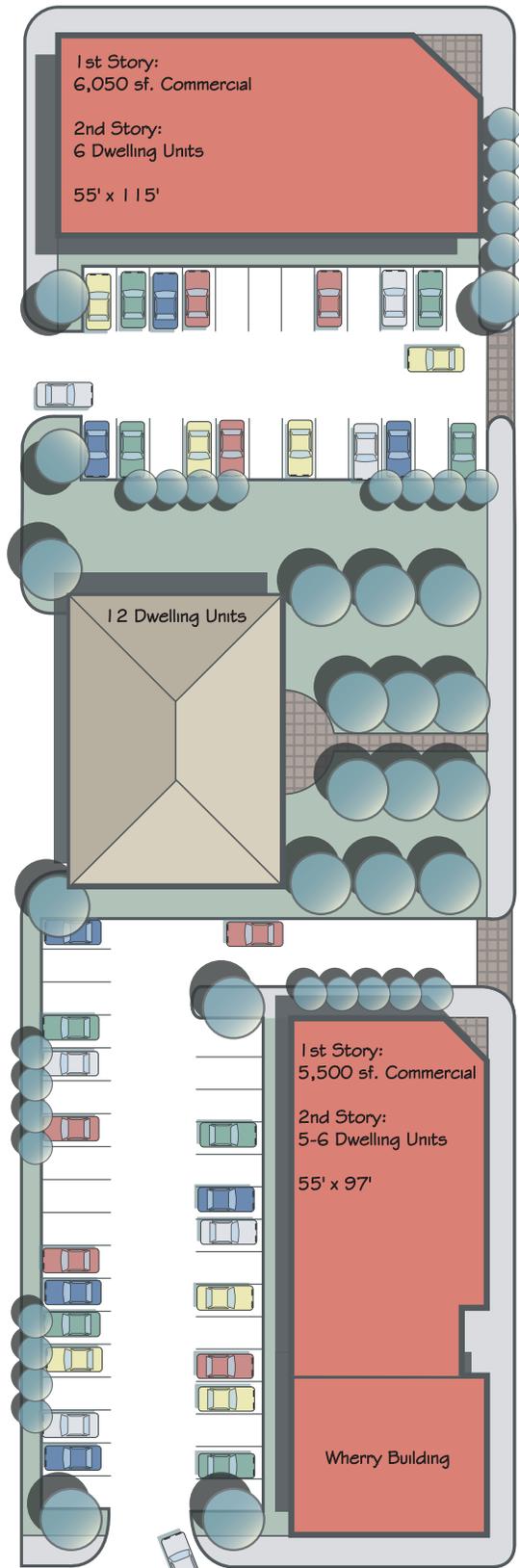
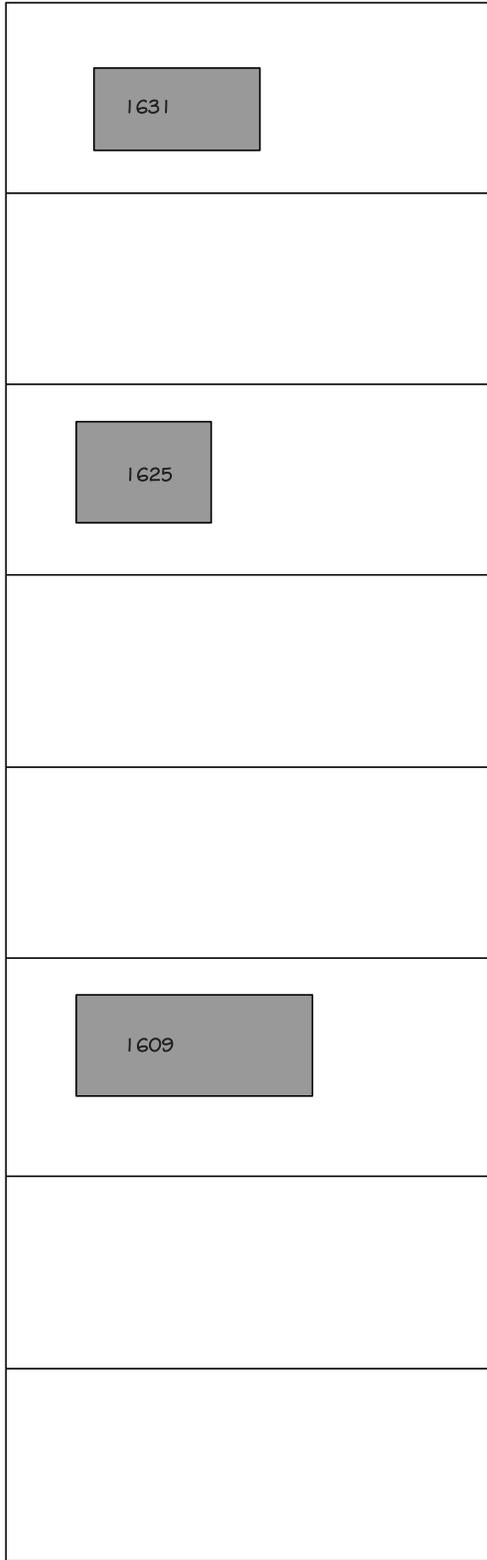
Sixth Avenue Corridor

Redevelopment Site 2, Concept 2B



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WASHINGTON AVENUE



6TH AVENUE

COLLEGE AVENUE

Sixth Avenue Corridor

Redevelopment Site 2, Concept 2C



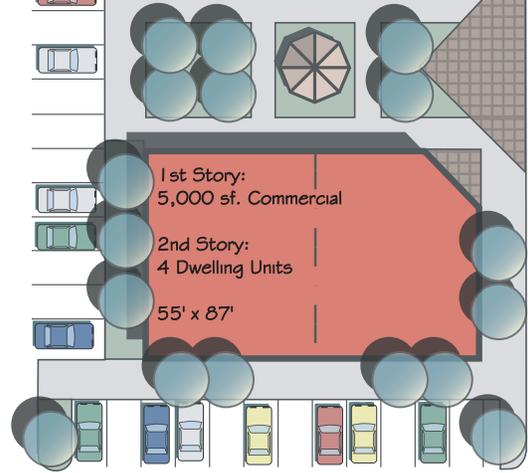
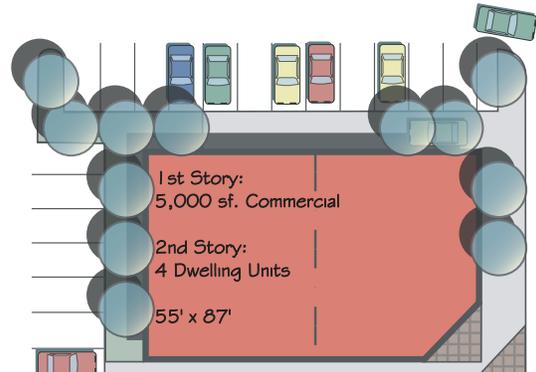
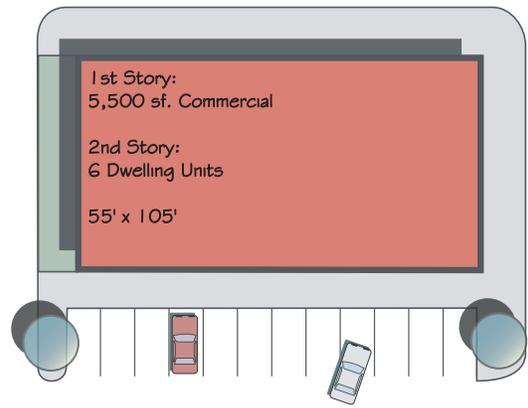
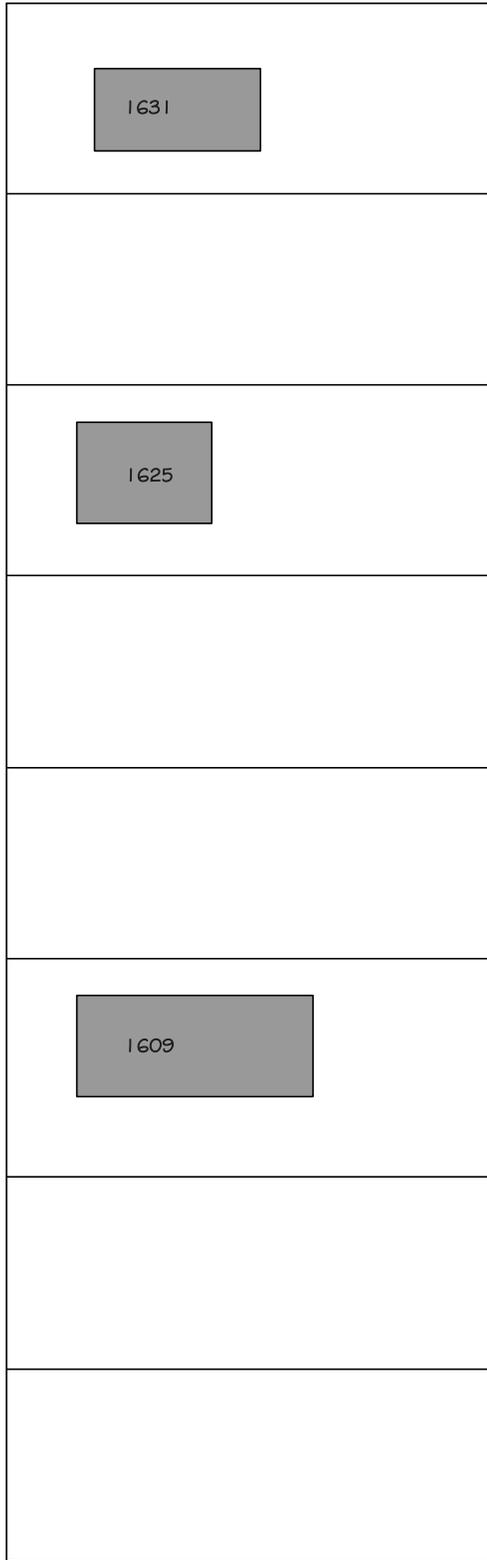
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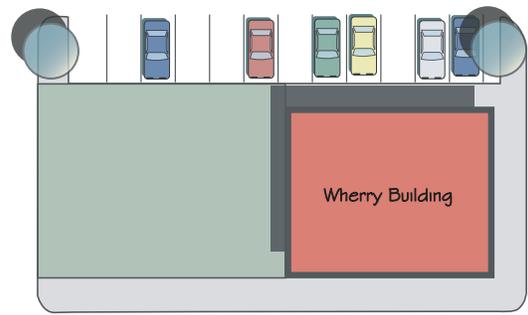
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WASHINGTON AVENUE



6TH AVENUE



COLLEGE AVENUE

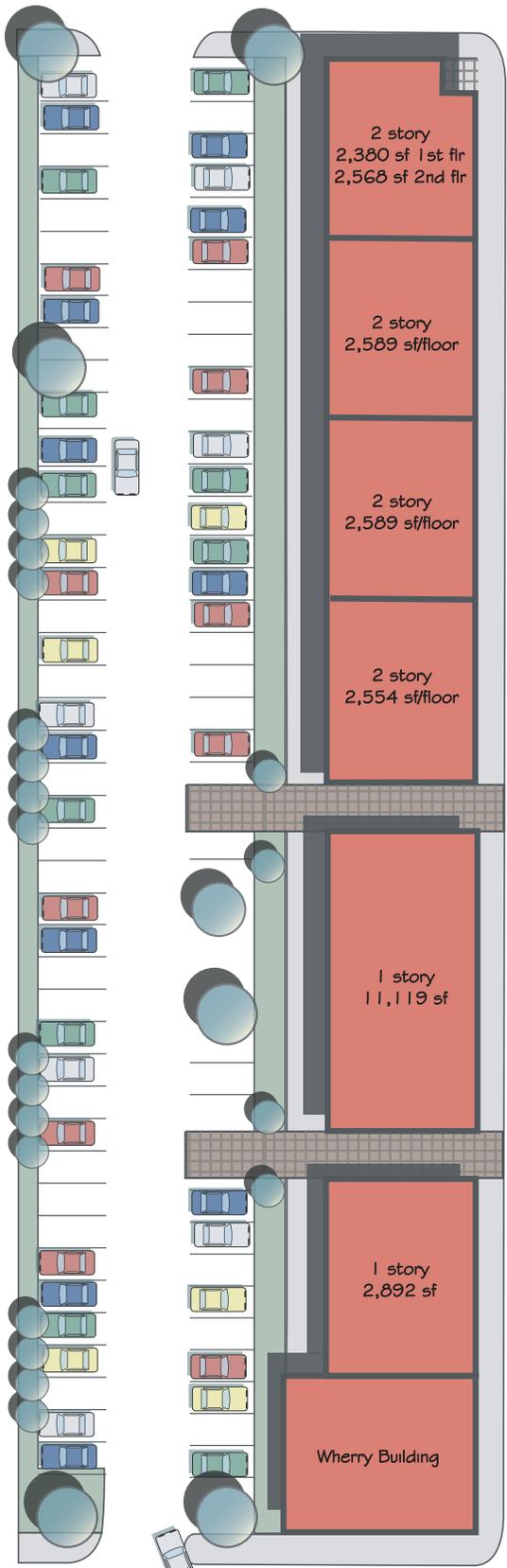
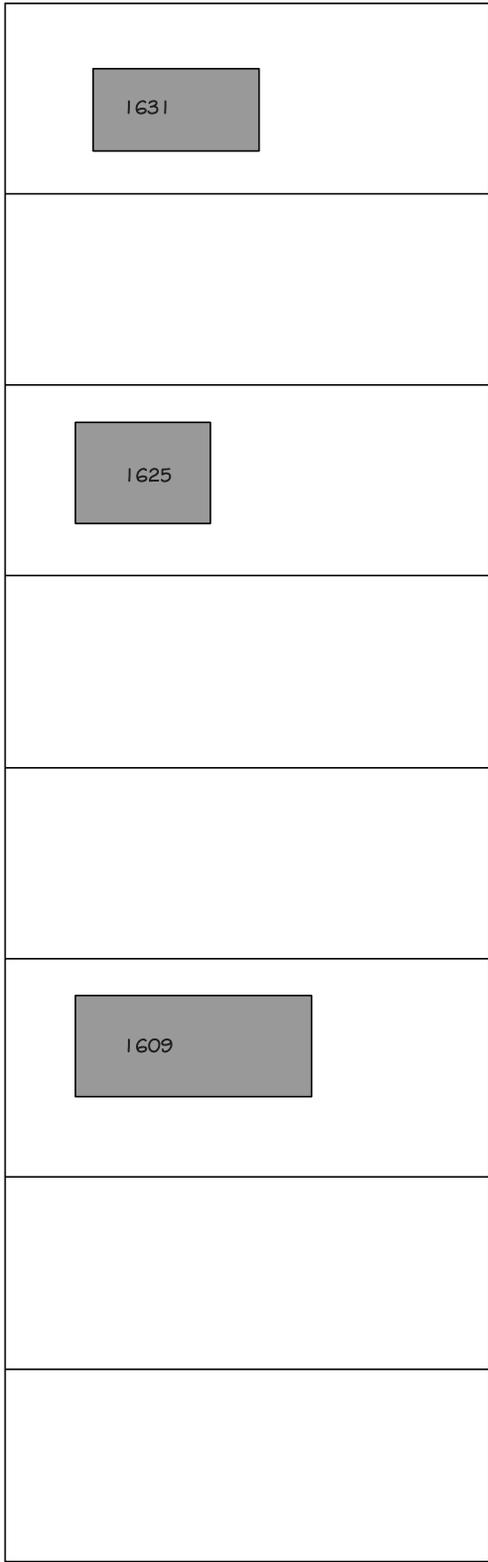
Sixth Avenue Corridor

Redevelopment Site 2, Concept 2D



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WASHINGTON AVENUE



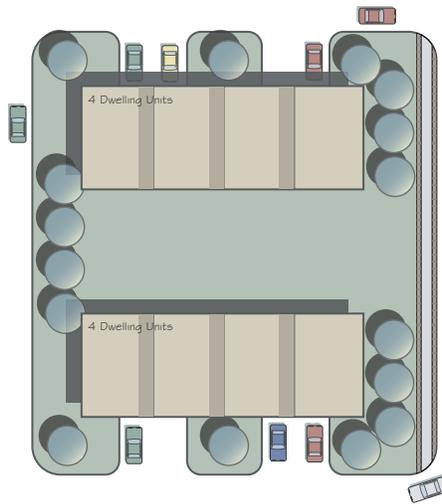
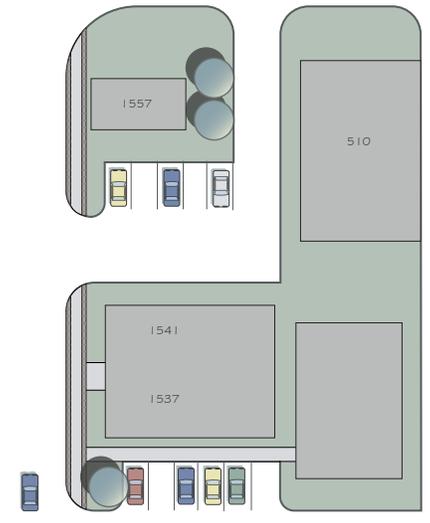
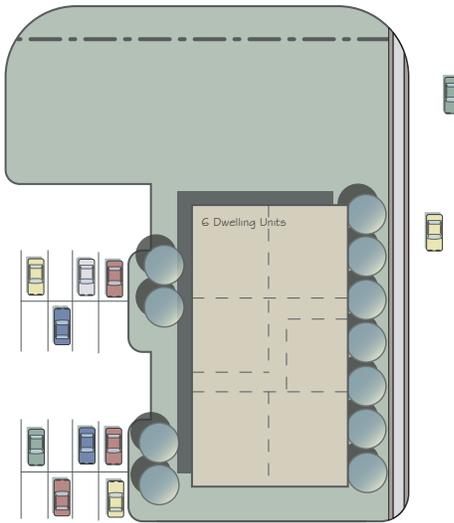
Sixth Avenue Corridor

Redevelopment Site 2, Concept 2E

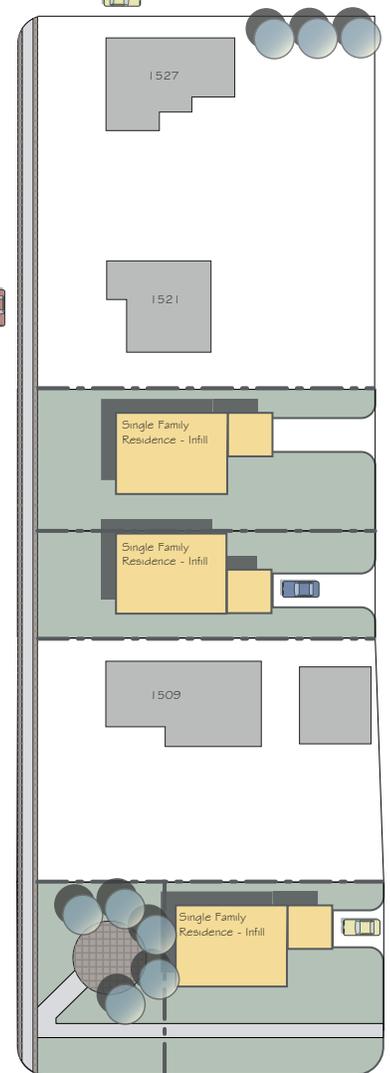
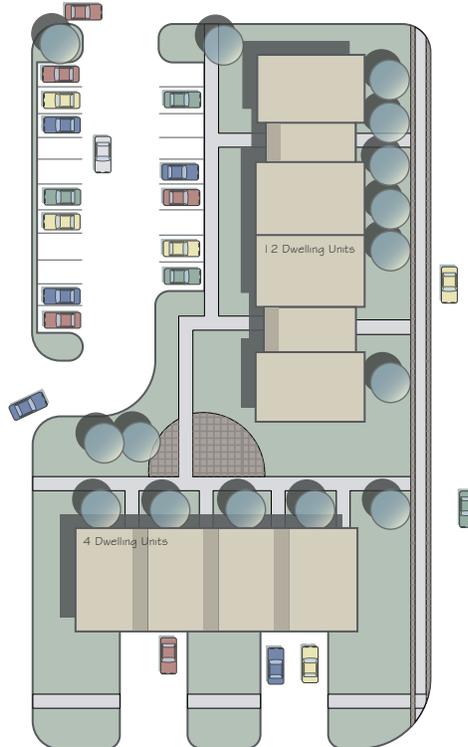
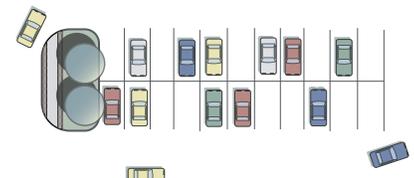


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COLLEGE AVENUE



6TH AVENUE



CLARK STREET

Sixth Avenue Corridor

Redevelopment Site 3, Concept 3A



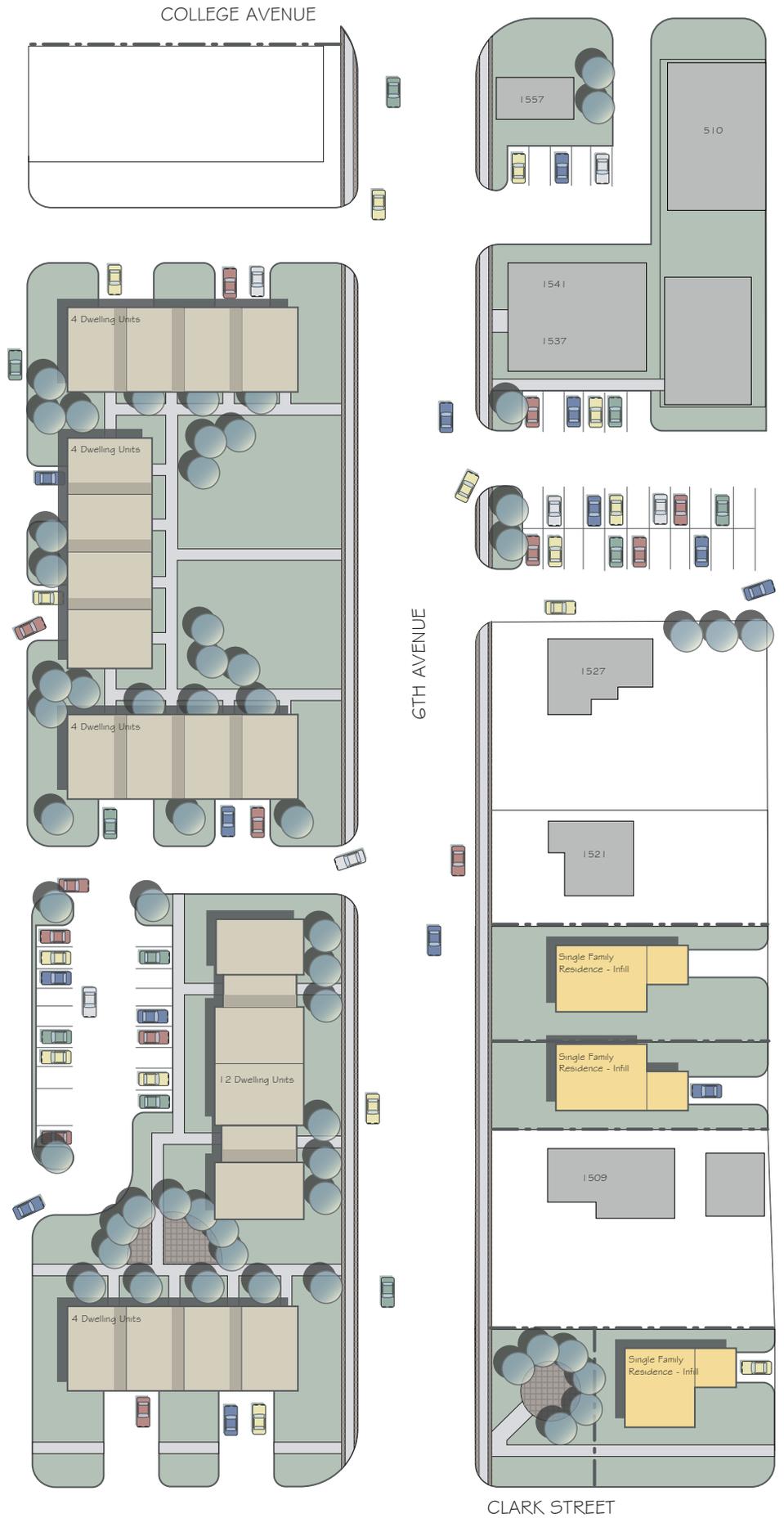
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Sixth Avenue Corridor

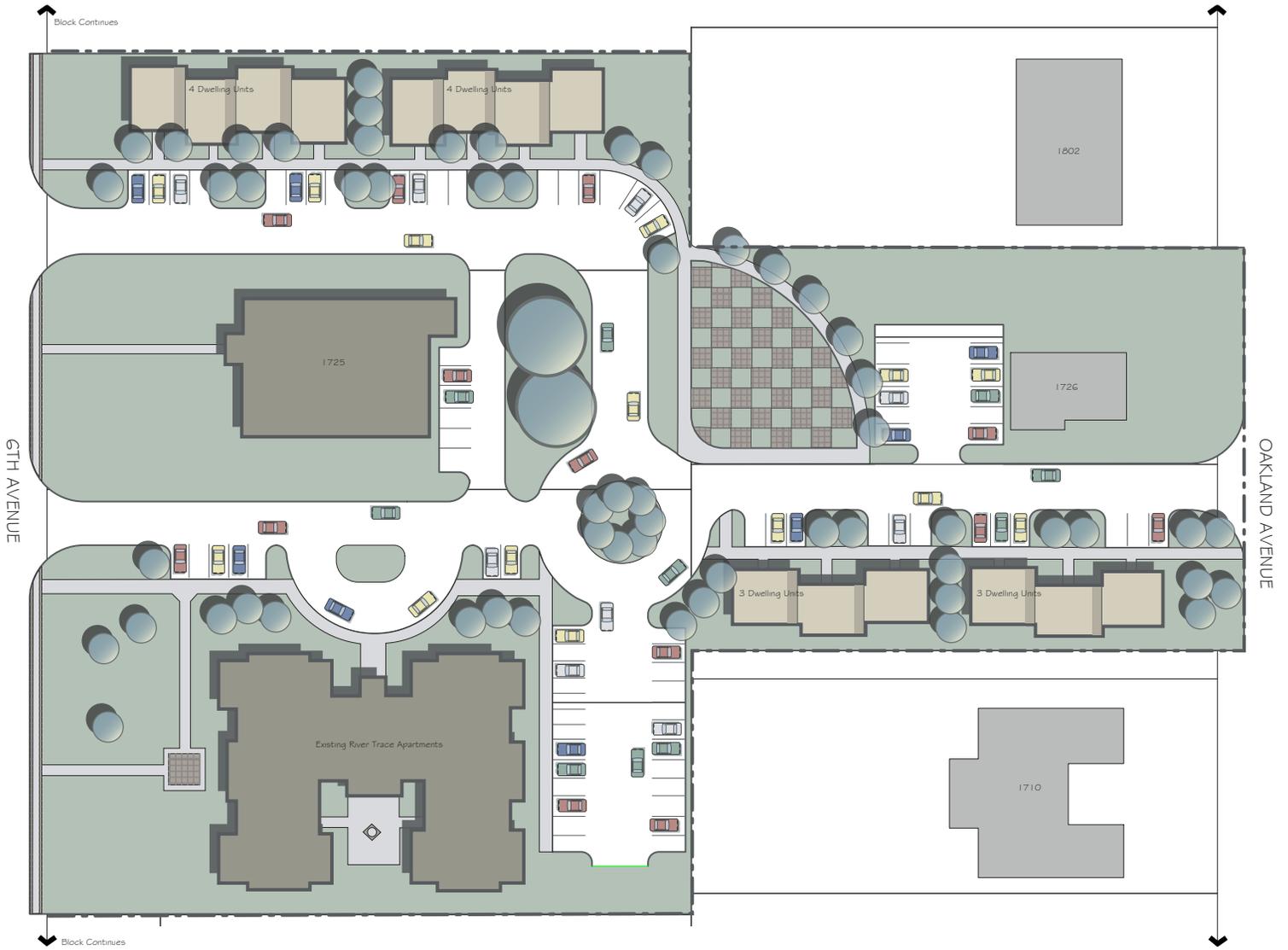
Redevelopment Site 3, Concept 3B



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CLARK STREET



Sixth Avenue Corridor

Redevelopment Site 4, Concept 4



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STREETSCAPE IMPROVEMENTS



Sixth Avenue’s public environment represents a significant part of the overall revitalization effort. Improvements in its quality can provide a better “front door” for residents and businesses and encourage further investment in the corridor.

More importantly, streetscape improvements can increase the street's accessibility for pedestrians, as well as improve safety for both pedestrians and motorists. The initial Sixth Avenue Revitalization Plan provided a variety of recommendations concerning changes to the street's traffic function. These included reducing Sixth Avenue's width, modifying the street channel, and adding corner and mid-block nodes to improve the pedestrian environment along the street. Although these types of modifications could make a notable contribution to the pedestrian environment and overall revitalization effort, they would also reduce the street's traffic handling capability. Because Sixth Avenue serves as a major link between Downtown Des Moines and neighborhoods on the City's north and northwest sides, reducing the street's lane capacity would not adequately accommodate for vehicular travel demand. Thus, strategies for improving Sixth Avenue's physical quality should strive to improve its pedestrian environment without undermining its function as an arterial for vehicular traffic. With this in mind, the following design improvements are recommended along the Sixth Avenue corridor:

Entrance Features. Special vertical entrance features should be designed and installed to mark the beginnings of the Sixth Avenue district. These should be located at the intersections of Sixth and University and Sixth and Arlington.

Parking Lot Landscaping. Landscaping should be utilized to buffer existing and new off-street parking facilities from pedestrian and street traffic along Sixth Avenue.

Lighting. Lighting is an important feature along the street and is particularly vital in an area that has a perceived safety problem. The current lighting system uses conventional "cobra-head" fixtures mounted on creosoted wood poles. Replacement of these fixtures with a hybrid lighting system is recommended, using a cleanly-designed sharp cut-off fixture to provide ambient light, augmented by ornamental fixtures near commercial nodes to provide accent lighting. Such

a system provides high overall light levels without glare, giving the perception that light is supplied by the ornamental fixtures. It is important to note that there are no overhead power lines on Sixth Avenue and replacing the street light poles with light fixtures would make a dramatic improvement to the corridor's aesthetics.

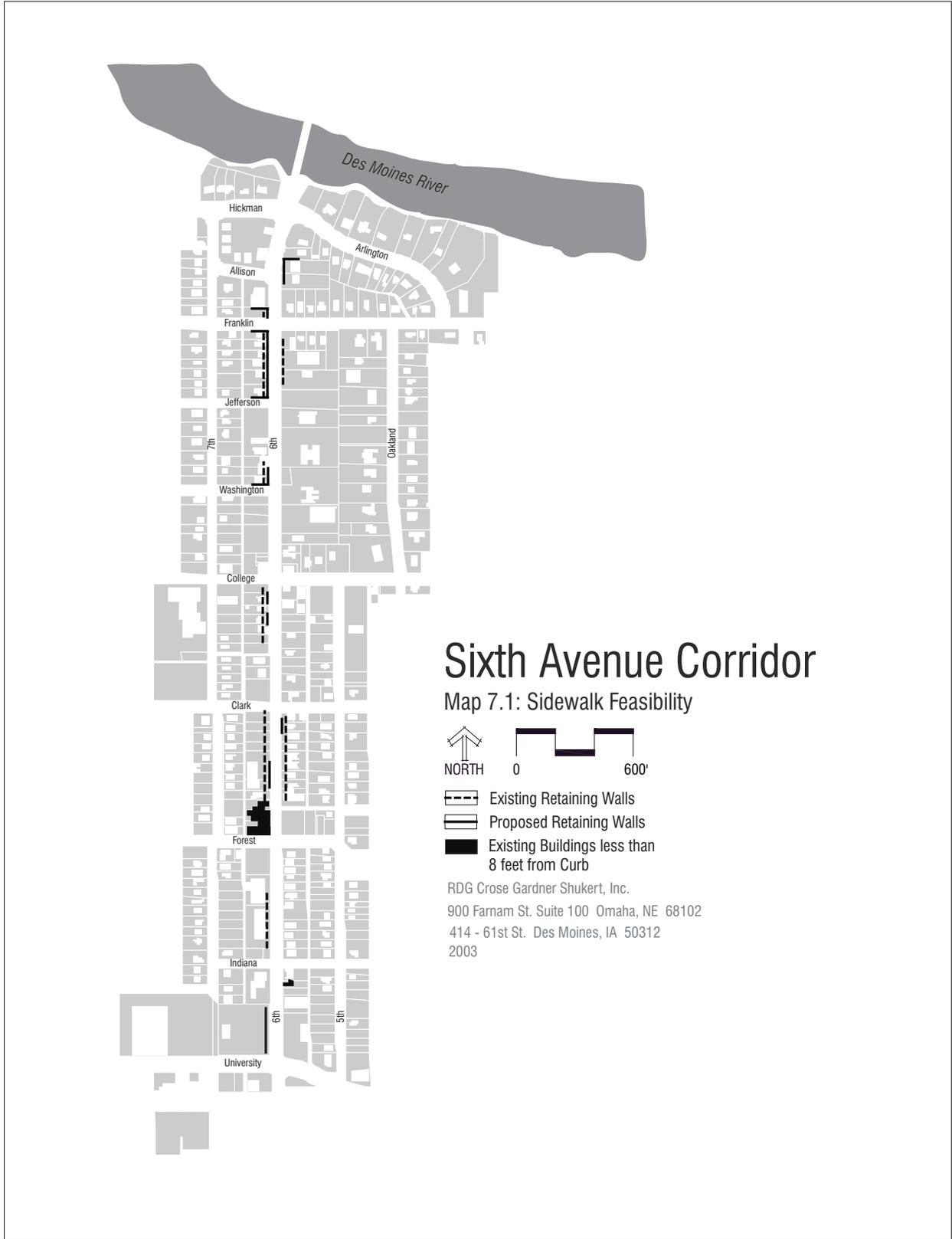
Improved Pedestrian Crossings. The present pedestrian environment at Sixth Avenue's intersections with Forest and College Avenues is somewhat harsh. In order for these areas to thrive as viable commercial nodes, this environment should be improved. Installation of a contrasting pavement surface in crosswalks is recommended in these areas to provide visual definition to the pedestrian quality of these areas.

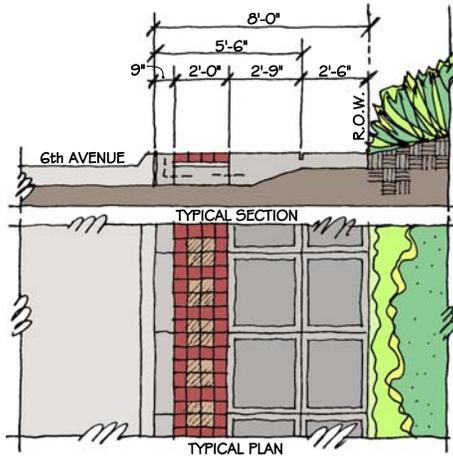
Sidewalk Widening. In order to successfully provide a high-quality pedestrian environment while accommodating a large amount of vehicular traffic, sidewalk improvements should be made along the corridor. Constructing 8-foot sidewalks along both sides of most of Sixth Avenue is recommended for improving pedestrian accessibility and safety. Map 7.1 illustrates locations along the corridor which currently would not accommodate sidewalk widening due to the presence of building or retaining walls less than 8 feet from the curb. While minor constraints to sidewalk widening exist throughout the corridor, a more significant constraint exists at the intersection of Sixth and Forest. In some areas, retaining walls would need to be removed to accommodate for wider sidewalks, while in others a retaining wall would need to be constructed. This areas are detailed on Map 7.1.

Figure 7.1 presents recommended sidewalk cross-sections for various areas of the Sixth Avenue corridor. In areas with no constraints, a sidewalk should be constructed extending 8 feet from the curb. Because the existing curb-to-property line distance varies along the corridor, additional right-of-way would need to be purchased. It appears that the existing distance between the curb and property line is at most 7 feet. Thus, additional

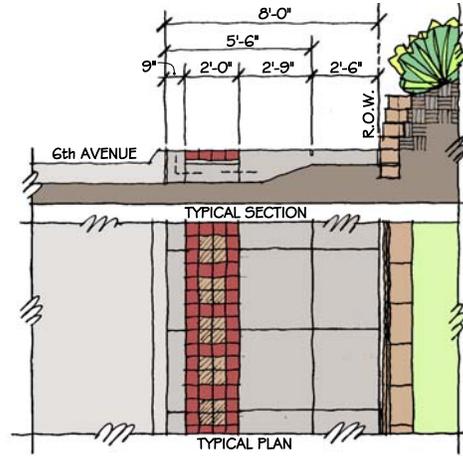
right-of-way or a sidewalk easement on private property must be purchased.

The presence of a 2-foot-wide brick inset located 9 inches from the curb would not only add to the aesthetic quality of the corridor, but would also create a perceived separation between pedestrian and vehicular traffic. Street lights would be centered in this brick inset. In areas where buildings lie less than 8 feet from the curb, the sidewalk design should be modified so that the brick inset is 4 feet wide and is located 9 inches from the curb. These improvements would greatly improve the pedestrian environment along Sixth Avenue and could stimulate further redevelopment activity.

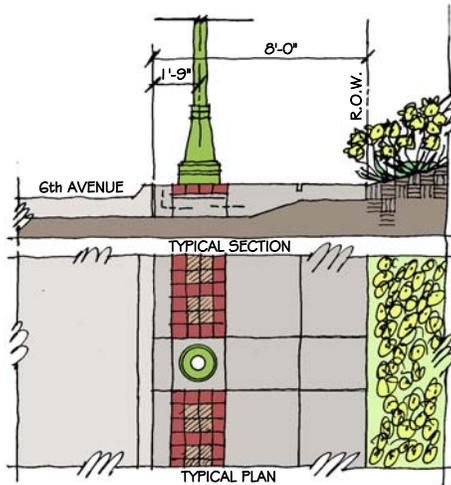




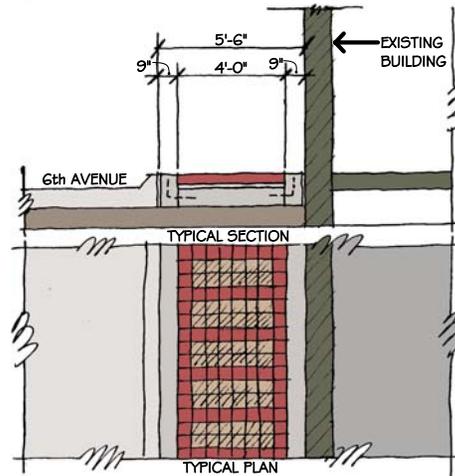
TYPICAL CONSTRUCTION



WALK WITH RETAINING WALL



WALK WITH STREET LIGHT



WALK ABUTTING BUILDING

FIGURE 7.1 : RECOMMENDED
SIDEWALK PLAN DETAILS AND SECTIONS

IMPLEMENTATION STRATEGIES



The revitalization strategies presented in the preceding chapters cannot occur all at one time. Rather, a three-phased program extending over a ten-year period will be necessary to implement a comprehensive redevelopment program.

PHASING STRATEGIES

Table 8.1 displays the three-phased revitalization plan for Sixth Avenue, indicating the priority of each plan element and the key players. Each phase has a specific role in the development process.

Phase One. This phase is directed to projects that create an environment for further long-range investment. It addresses highly visible properties that, nevertheless, can be readily rehabilitated or developed given current market conditions. Elements of this phase include:

- Improvements at the intersection of Sixth and Forest, including rehabilitating the historically significant structure on the northwest corner, redeveloping the northeast corner, and developing a landscaped area on the southwest corner.
- Construction of multi-family housing north and east of the River Trace Apartments.
- Rehabilitation of the Wherry Building and redevelopment of vacant lots on the west side of Sixth Avenue between College and Washington.
- Evaluation of the feasibility of rehabilitating or redeveloping the former Mid-City Vision buildings.

Phase Two. Projects included in this phase are intended to secure the momentum of an overall revitalization of the Sixth Avenue corridor. General elements of this part of the process include:

- Corner improvements, including landscaping, lighting, and crosswalks, at Sixth Avenue's intersections with Indiana, Forest, and College.
- Development of a landscaped open space on the northwest corner of Sixth and Indiana.

- Construction of infill single-family and duplex housing on several sites along the corridor and parallel streets.
- Rehabilitation of rental properties on Sixth, Oakland, and Franklin Avenues.

Phase Three. Phase Three completes the revitalization effort with more extensive projects, requiring significant public sector involvement. Components include:

- Development of entrance features at the north and south gateways to the corridor, addition of streetscape to Forest and College Avenues, and construction of corner nodes at Sixth Avenue's intersections with Washington, Jefferson, and Franklin.
- Redevelopment of the west side of Sixth Avenue between Clark and College with multi-family housing.
- Widening sidewalks to 8 feet along most of the corridor and installing a hybrid lighting system with ornamental fixtures near commercial nodes.

FINANCING STRATEGIES

A basic principle of the Sixth Avenue revitalization process is the availability of multi-year financing. The process of reinvestment in the corridor is incremental. In addition, investors or agencies must proceed with a reasonable certainty that other development will occur along the street.

Phase One efforts will all be tied to funding resources available through the Neighborhood Development Corporation and will rely on private developer responses to proposals for development. The need for development incentives to make such private development projects economically feasible was discussed in Chapter 5, Retail Market Issues. Other potential sources of multi-year funding that

TABLE 8.1: Implementation Schedule

Block	Action	Players	Phase	Anticipated Commencement
Sixth and Forest	Redevelop site on northeast corner with mixed-use buildings (Site 1).	NDC, ANAWIM	1	2003
Sixth and Forest	Rehabilitate historically significant structure on northwest corner.	NDC	1	2003
Sixth and Forest	Develop a landscaped area on the southwest corner of Sixth and Forest in conjunction with the Salvation Army parking lot.	NDC, Salvation Army	1	2004
Sixth and College	Redevelop site on northwest corner extending north to Washington Avenue with mixed-use buildings (Site 2).	NDC, City	1	2003
College to Franklin	Construct infill multi-family housing north and east of River Trace Apartments (Site 4).	NDC	1	2003
College to Franklin	Evaluate feasibility of rehabilitating or redeveloping former Mid-City Vision buildings	NDC	1	2003
University to Indiana	Acquire vacant lots along east side Fifth Avenue and construct four single-family infill units.	NDC	2	2004
Indiana to Forest	Improve alley between Indiana and Forest as a parking and service area for Bethel Mission and Salvation Army. This includes paving the alley and providing parking aprons opening from it. The alley should include a marked pedestrian crossing between the Salvation Army and the playground.	City, Bethel Mission, Salvation Army	2	2004
Indiana to Forest	Acquire 3 lots along Fifth Avenue and redevelop them with 2 single-family infill units.	NDC	2	2004
Indiana to Forest	Construct corner improvements with landscaping and lighting on the northwest corner of Sixth and Indiana.	City, Salvation Army, property owners	2	2004
Sixth and Forest	Development of crosswalk paving using a contrasting surface, such as brick.	City	2	2004
Clark to College	Construct infill duplex housing along Fifth Avenue.	NDC	2	2004
Clark to College	Construct infill single-family units along east side of Sixth Avenue (Site 3).	NDC	2	2004
Sixth and College	Construct corner nodes with street landscaping and furniture.	City	2	2004
Sixth and College	Develop crosswalk paving using a contrasting surface, such as brick.	City	2	2004
College to Franklin	Rehabilitate several multi-family structures along both Sixth and Oakland Avenues.	NDC	2	2004
College to Franklin	Construct infill single-family and duplex units along both Seventh Street and Oakland Avenue.	NDC	2	2004
Franklin to River	Rehabilitate rental properties north of Franklin Avenue.	NDC	2	2004
University to Indiana	Develop a vertical entrance feature with special lighting and graphics at the University Avenue entrance to the corridor. Installation of a crosswalk with a contrasting paving surface, such as brick to reinforce pedestrian movement across Sixth Avenue at University.	City	3	Undetermined
Sixth and Forest	Add community street design treatment defining Forest Avenue as a major link to other community features and an approach route from adjacent neighborhoods to Sixth Avenue. Elements include street trees, graphics such as banners, and lighting to match lighting themes established along Sixth Avenue.	City	3	Undetermined
Clark to College	Redevelop west side of Sixth Avenue with multi-family development (Site 3).	NDC, City	3	2005
Sixth and College	Develop a community street design treatment along College Avenue, defining the street as a major link between community features. Elements include street trees, graphics such as banners, and lighting to match lighting themes established along Sixth Avenue. This treatment is proposed for the street between Second Avenue and Tenth Street.	City	3	Undetermined
College to Franklin	Construct corner nodes at Sixth Avenue's intersections with Washington, Jefferson, and Franklin Avenues.	City	3	Undetermined
Franklin to River	Construct entrance feature, consistent in design with the concept at University Avenue at the south approach of the Sixth Avenue bridge.	City	3	Undetermined
Entire Corridor	Widen sidewalks to 8 feet along most of Sixth Avenue.	City	3	Undetermined
Entire Corridor	Install a hybrid lighting system along entire corridor with ornamental fixtures near commercial nodes.	City	3	Undetermined

Chapter Eight

could be made available in the Sixth Avenue project area include:

Community Development Block Grants. CDBG funds will be a staple of the revitalization process. The flexibility of these funds in low- and moderate-income neighborhoods and their ability to be used for a variety of purposes, including leveraging private financing for housing development, make them an important part of the Sixth Avenue equation. In Des Moines, major allocation decisions are made by the City Council upon recommendation by the Neighborhood Advisory Board (NAB). The Council and NAB should recognize the long-term characteristics of revitalization in this strategic corridor and make CDBG funds available for key projects on an ongoing basis.

Tax Increment Financing. TIF uses added tax revenues created by redevelopment projects to finance improvements related to those projects. The Sixth Avenue revitalization program anticipates a major long-term increase in value as the result of housing and commercial development and stabilization projects. However, the corridor is included in an Urban Revitalization District, making tax abatement available for commercial and residential development. Although tax abatement can be used for the first several years of a development's existence, TIF can be used after the tax abatement expires, providing a reliable source of financing for capital improvements and redevelopment projects along the corridor. At present, Sixth Avenue lies within the Downtown TIF district. Because it helps to create an identity of interest between the Downtown area and adjacent neighborhoods, the inclusion of the corridor in the Downtown TIF district should continue.

Other potential funding sources include:

HOME Funds, used to leverage private and other public funds for housing development and rehabilitation.

Tax Credits, including Section 42 credits for low-income housing development; and historic tax credits for certified rehabilitation of national Register eligible properties. These tax credits are effective in raising equity for projects, reducing the amount of debt financing required to complete major developments.

Private Financing. In recent years, the efforts of nonprofit organizations in the neighborhood have been instrumental in stimulating redevelopment along Sixth Avenue. It is anticipated that the continued interests of these groups, including the Neighborhood Development Corporation, Community Housing Development Corporation, and ANAWIM will play an important role in additional project development.

Street and Transportation Bonds. City bond issues, in combination with Federal programs, such as TEA-21, can help to finance associated transportation improvements, such as intersection improvements and sidewalk widening.