3. DEVELOPMENT
Downtown as a Business Hub

MARTIN LUTHER KING JR. PARKWAY.

METHODIST MEDICAL CENTER

ALLIED/QWEST

W. 8TH ST

W. 15TH ST

SW 9TH ST

SW 7TH ST

7TH ST

6TH ST

5TH ST

4TH ST

3RD ST

2ND AVE

FEDERAL GOVERNMENT BUILDINGS

WALNUT ST

LOCUST ST

N. LOCUST ST

N. WALNUT ST

SE CONNECTOR

I-235 WEST

I-235 EAST

Des Moines Register

Opportunities in downtown

* Large company offices and headquarters in the metropolitan area; Source: Census Business

- Workforce Development
- Excellent access and high visibility
- Proposed shuttle service
- Proposed skywalks
- CBD

Existing and Future Business Opportunities in Downtown

Empowerment

PREPARED

DEVELOPMENT

PRESERVED

PRINCIPAL LIFE INS.

PRINCIPAL

QWEST

WELLMARK

WELLMARK

DES MOINES REGISTER

POLK COUNTY HOSPITAL

MERCY HOSPITAL

SW 9TH ST

SW 7TH ST

L. KIRK AVE

W. 6TH ST

W. 5TH ST

W. 4TH ST

W. 3RD ST

W. 2ND ST

W. 1ST ST

SE 1ST ST / SCOTT AV
Downtown as a Business Hub

Commercial business activity is the perennial strength of downtown Des Moines. With a robust downtown workforce numbered at ~70,000 people, commercial business activity in the city’s core has been and should continue to be of utmost importance to the Des Moines metropolitan area. This workforce creates a lively workday atmosphere to downtown and the tax base created by commercial business real estate is critical to the day-to-day operation of our city.

Downtown hosts a variety of workplaces. Des Moines is a national leader in the insurance and financial services industries. Downtown Des Moines hosts the city’s two largest hospitals: Mercy Medical Center and Methodist Hospital (Iowa Health Systems) and serves as the center of government and administration for the City of Des Moines, Polk County, the State of Iowa, the Federal Courts, and the Des Moines Independent School District. These large employers are generally longtime supporters of downtown. The earliest planning of downtown focused on locating the government centers at key sites in downtown. Large, national private commercial companies such as Wells Fargo Financial, Principal Financial, and Allied Nationwide Insurance have roots in downtown Des Moines dating back to the early 1900s.

A cluster of smaller professional services businesses is a traditional downtown asset. Creative and high tech industries are emerging in downtown with Des Moines cited as one of two high tech hot spots on Fast Company’s July 2007 listing of “cities of the verge” Such ‘newcomers’ bolster the traditional economic strengths of downtown.

The combination of large and stable businesses and jobs with smaller and newer commercial activity creates an interesting and desirable dynamic in downtown. Variety helps to create a stable economy and attracts a diverse workforce. It also produces a range of real estate and space needs which downtown Des Moines is well-positioned to accommodate.

With recent construction of ML King Jr. Parkway and its impending connection to SE 14th Street, re-construction of I-235 and open space investments (Gateway Park, Principal Riverwalk and the West Capitol Terraces) a wide variety of business opportunities throughout the downtown area can benefit from these public investments. In addition to the perennial strength of the traditional downtown core, areas to the north, south, and east have attractive and distinct attributes to meet a variety of business interests.

In Volume II, the companion guide to this plan, the expanded District Planning and Design Guidelines provides information about these the particular business hub areas. Additional information about the business hub areas can be found in Volume II as follows:

- **traditional downtown core** area: Core
- **north** expansion area: South of Sherman Hill, Gateway, Gateway North, North Edge, and the Iowa Events Center
- **south** expansion area: Gray’s Landing, Martin Luther King, Southwest Riverfront, and Court Avenue
- **east** expansion area: the East Village, Court Avenue and Lower East Village
Traditional downtown commercial business core

Several trends are converging to challenge the traditional downtown Des Moines business core in the heart of downtown: alternate suburban sites, changes in corporate philosophy regarding facility design, and corporate ownership strategies.

Similar to other cities across the country, Des Moines’ suburbs have attracted businesses with large sites and less expensive real estate. Unlike downtown, these “greenfield” suburban sites are more easily assembled and offer the possibility for new construction and surface parking lots to sprawl out over many acres. Downtown Des Moines has been able to stave off this trend with the short commutes, loyal business interests, and sustained attention to the quality of downtown.

The recent shift from downtown leases to ownership by large corporations has vacated a significant amount of leased office space in the traditional core. As these companies look to larger floor plate sizes and “campus” layouts, many older downtown office building have become difficult for large businesses to utilize. Developers have converted a few of these older (circa 1920-1930) commercial buildings to residential apartments and condominiums. This conversion trend has been successful in other cities across the country as well. Continued reinvestment in the core, such as those proposed in the movement section, is necessary to encourage the continued transition to residential and new commercial leases that will be attractive to smaller and growing businesses.

The downtown core needs to be vibrant in order for the entire downtown and the metropolitan area to succeed. Most buildings in the downtown core remain physically viable structures; it is the economies of the real estate market that calls their viability into question. Recognizing that the dynamics in the core are changing, investments and policies need to follow suit. While solutions to keeping the downtown core active and its real estate thriving are diverse, they are probably different than in the recent past when single users filled whole high-rise buildings. This means parking, public space, skywalk, marketing, and incentive strategies need to be re-examined in light of likely inhabitants of the traditional downtown business core.
North business expansion area

This area is west of the Des Moines River and generally includes the area north of the traditional business core and Western Gateway Park and south of I-235. Recent completion of Western Gateway Park, pending installation of the internationally significant Pappajohn sculpture collection in the Park, and outstanding transportation access create distinctive commercial business development sites in this expansion area.

This area has opportunities for new construction on vacant land, surface parking lots and under-utilized sites, as well as some opportunities for redevelopment of existing buildings. The area is defined by its easy transportation access to I-235 and the north-south segment of ML King Jr. Parkway, its adjacency to the traditional central business district, and Western Gateway Park. Assembly of larger sites is possible in this area, as evidenced by Wellmark’s recent announcement to build its new headquarters on ~6 acres on the north side of Gateway Park and Allied/Nationwide Insurance’s new regional headquarters on 6 blocks on the south side of Gateway Park. Skywalk access is readily available for sites in the south and east sections of this expansion area; as growth continues in this area, it is also possible for skywalks to access the northern portion of this area.

Principal Financial Group, Polk County (Iowa Events Center) and Iowa Health Systems are significant property owners in this area. Additionally, Mercy College of Health Sciences is in this area and Mercy Hospital is located immediately to the north of I-235. The presence of the region’s major hospitals make the area a logical location for medical services and businesses focusing in health sciences.

Areas along I-235, the stretch of freeway forming the northern side of downtown are largely under-utilized. Whereas many cities have buildings that take advantage of the access and marketing potential of these highly visible sites, locations along I-235 are an array of parking lots, frontage roads, and low density uses that are invisible from the freeway and provide a mediocre view of downtown Des Moines from this major roadway.
3. DEVELOPMENT
Downtown as a Business Hub

This area is south of the traditional business core and is characterized by its adjacency to Western Gateway Park and the presence of Martin Luther King Jr. Parkway extending from its eastern to western extents.

This expansion area presently consists of a large amount of surface and structured parking and a significant amount of vacant land that previously served the expanse of railroad tracks operated in this area as the new Parkway assumed a vacated railroad alignment. Parcels in this area tend to be large, many exceed two acres. The area around the Parkway is dotted by a number of interesting, old warehouse-type buildings with redevelopment potential. An active railroad line remains north of the Parkway.

The new ML King Jr. Parkway bridge crossing the Raccoon River and leading onto the Parkway offers easy access to I-235 and southern parts of downtown. It provides the possibility of a new front door to downtown while opening a tremendous amount of land for prime commercial development. As the parkway extends to the east and across the Des Moines River in coming years, access to this area will be further increased. Eastern sections of this area include cultural attractions such as the Science Center of Iowa and Principal Park, with key riverfront sites presently vacant. Walnut Street runs through northern sections of this southern expansion area and the area would benefit from the transit and other improvements proposed in the Walnut Street Transformation section. Skywalk access in this area is possible as parcels adjacent to locations with skywalks develop. As opposed to largely open sites on the north side of Gateway Park, the south side of Gateway Park includes 3 blocks for the new regional headquarters for Allied/Nationwide and three blocks with a series of smaller-scaled older buildings, some with cultural, historical and architectural merit.

Southern business expansion area

This area lies east of the Des Moines River between the River and the State Capitol grounds and between the future SE Connector (extension of ML King Jr. Parkway) and East Grand Avenue. This area is presently defined by the re-emerging East Village, a span of 2-3 blocks along East Locust Street that, through a combination of renovation and new construction, have been redeveloped with ground level restaurants and retail with housing and office space on the upper level(s). State and City governments form the eastern and western edges of this area, respectively.

The parkway will make a large area of land much more attractive to development when it crosses the Des Moines River in 2010 and heads towards E. 14th Street. Some sites, including some riverfront property, are owned by public entities and Mid-America Energy Company. While some uses -- for example, the Federal Courthouse -- are entirely compatible with contemporary visions of a mixed use, active riverfront, others, such as the maintenance garages and the City Public Works Yard, should be relocated to a less visible, more appropriate location. Downtown will be better served and the riverfront more vibrant if the service and industrial uses are re-located over time, making sites available for redevelopment and adaptive reuse.

Complementing the potential for assembling large sites in the northern and southern expansion areas, smaller scale development is more appropriate and aligned with the East Village in this eastern area. Views to the Capitol dome are protected by a zoning overlay which limits building heights in much of this area. Smaller businesses require parking solutions that differ from those of larger businesses; provision of well-located parking is viewed as a major component to the success of smaller scale development. Policies should include: on-street parking, shared parking arrangements, and structured parking with multiple leasors. Downtown transit proposed as a part of the Walnut Street Transformation could alleviate and assist with parking needs, while also making businesses in this area more accessible.

Eastern business expansion area
Credit historic planning and zoning and, more recently, the skywalk system with the current compact core of high rise buildings. This compact core (referred to as the "traditional downtown commercial business core" in this section of the report) forms the skyline of downtown Des Moines that graces many photographs of the city. The C-3 district in downtown is the only area in the city where, by right, tall buildings can be built. Other zoning areas limit heights to 75 or less. Several possibilities for new construction remain in this area -- on surface parking lots and locations with under-utilized, non-historic structures. These sites should be the first that are considered for higher density, tall buildings.

While recent trends in downtown Des Moines suggest a need for larger floor plates, tall buildings are still being built for commercial, residential, and mixed uses in many other cities across the country. As sites in the traditional business core become scarce, locations contiguous with the core would best maintain the handsome downtown skyline, optimize our skywalk system, and most efficiently utilize services and resources in the city. Areas to the east are generally constrained by the Des Moines River and zoning which protects views to the Capitol. To the west, protection of sunlight to Gateway Park is important and new construction is quickly filling this area with large floor plate / moderate height buildings (5-8 stories). Therefore, areas to the north and south of the traditional business core become the most viable for tall buildings, in addition to areas that are presently in the C-3 zoning district.