



February 16, 2010

In Des Moines, Downtown Revival Is a Team Effort

By **KEITH SCHNEIDER**

DES MOINES — It took Wellmark Blue Cross and Blue Shield only about a year in 2007 to locate, assemble and buy a 6.6-acre parcel of land from nine owners for its new headquarters in this city's downtown.

Next December, after 30 months of construction at a cost of \$250 million, Wellmark is scheduled to complete the 600,000-square-foot five-story building, which will occupy three blocks of Grand Avenue and anchor a growing downtown office and entertainment district known as the Western Gateway. If that schedule is met, the project will have taken roughly four years from start to finish.

By the standards of most downtown construction — where land assembly alone can span half a decade or more — that is unusually fast, developers say. But Wellmark's speedy pace is typical of recent commercial, residential and retail development in Des Moines, where public and private cooperation has produced a robust urban landscape matched by few cities its size.

"We surveyed our employees and they wanted to be downtown," said David N. Southwell, the chief financial officer of Wellmark, which insures 2.2 million people in Iowa and South Dakota. "We know downtown and like it. There's been a keen interest by city leaders to make downtown attractive. Downtown 13 years ago, when I got here, looked nothing like it does today."

Before the recent development, the western approach to the city was a hodgepodge of vacant lots, repair shops and abandoned car dealerships.

Unemployment in the Des Moines area has hovered around 6.5 percent, among the lowest jobless rates for a metropolitan area, according to the federal [Bureau of Labor Statistics](#). There are some 75,000 jobs in downtown Des Moines, according to city statistics, 20,000 more than in the 1990s.

This year, with the completion of the Wellmark headquarters and several other projects, Des Moines will add almost 700,000 square feet of downtown office space. Developers are expected to complete 175 housing units.

Des Moines added 3.8 million square feet of downtown office space in the last decade, city officials said, a 45 percent increase that brought the downtown total to 12.3 million square feet. The Class A vacancy rate last year was 4.5 percent. The city has 4,900 housing units downtown, 1,900 more than in 2000, and a 64 percent increase.

The formula for Des Moines's economic strength in the face of the recession is multifaceted, business and elected leaders

said. The city is Iowa's capital and home to roughly 200,000 people, many of whom work for large and stable employers like [Drake University](#), Nationwide Mutual Insurance, [Wells Fargo](#) and several agriculture companies, among them Pioneer Hi-Bred International a unit of [DuPont](#) that has 6,000 workers in the Des Moines region.

Farmers are doing well, and a state decision in the 1980s to turn Iowa into a clean energy production center has made it the nation's largest producer of [biofuels](#), according to the Department of Energy, and the second-largest generator of electricity from wind power, according to the American Wind Energy Association.

One more factor, urban specialists said, is the collaboration Des Moines has built into its governing practices to avoid civic wars that can delay projects. Moreover, virtually all of the city's new private projects, including the Wellmark building, were assisted by city tax funds. Richard A. Clark, the city manager, said Des Moines had invested an average of nearly \$2 million annually in public dollars over the last several decades to help businesses assemble parcels of land, improve streets, build parking structures and other infrastructure. The public money has leveraged over \$2 billion in private investment downtown since the 1990s, he said.

Des Moines even spends \$250,000 in tax revenue annually to support public art. Its hotel-motel tax contributes \$740,000 annually to a \$2.45 million regional account that the city shares with seven suburbs to support the zoo, a civic center, a botanical garden, a symphony and other cultural institutions.

Christopher B. Leinberger, a professor of real estate at the [University of Michigan](#), said Des Moines was one of a growing number of cities that recognize the potential of downtown development, as well as the urgency of changing economic and political strategies to encourage it. Mr. Leinberger said that Des Moines, like Salt Lake City, Denver, Dallas, Seattle and Chicago, was adopting development plans based on persuading residents and employers to cluster homes, jobs, schools and stores rather than spreading them out.

Mr. Leinberger also said that Des Moines was able to find a nonpartisan formula for making decisions on taxes, infrastructure, parks and housing that support downtown construction. "Des Moines is one of those places that recognized that to pull off being a special place they can be proud of, people have to work together," Mr. Leinberger said.

The results are especially evident along the broad boulevards and narrower streets that make up the Western Gateway and its adjacent neighborhoods. Two years ago, Nationwide completed a \$279 million, 1.2 million-square-foot campus on Locust Street where 4,000 people work. A block away is the 34,000-square-foot, \$11.4 million Pappajohn Education Center, a branch of the [University of Iowa](#) that was completed in 2006. The Des Moines Public Library on Grand Avenue, designed by the British architect David Chipperfield, spans 110,000 square feet and cost \$32.3 million.

At the center of the Western Gateway is a 4.4-acre public park and sculpture garden, with 24 works by Ugo Rondinone, [Louise Bourgeois](#) and Deborah Butterfield, among others. The sculptures, valued at some \$40 million, were a gift from John and Mary Pappajohn, two local art collectors and benefactors. Jeff Fleming, the director of the Des Moines Art Center, played a central role in grouping the sculptures into "rooms" flanked by an undulating landscape of berms, trees, walkways and grass that was paid for by the city and private donors.

Among the businesses that have settled near the sculpture park is the Des Moines Social Club, a combination art gallery, theater, bar and education center that has enlivened the city's night life. It is run by Zachary Mannheimer, a theater producer and director from New York who moved to Des Moines after visiting some 20 cities to find a building suitable for his multifaceted entertainment concept. Mr. Mannheimer leases a 30,000-square-foot building on Locust Street that was built in 1919 and operated as a Cadillac dealership. He is trying to raise \$4 million to buy and renovate the structure. "We serve as a public house for those who have explored the park and then wish to discuss the work," Mr. Mannheimer said.

Like almost everything else connected to downtown construction, the park displaying the Pappajohns' donation was built with unusual speed, about two and a half years from conception to completion. "It's a wonderful example of what this city can do," said Mr. Southwell, the Wellmark executive. "The park has been a real magnet. It's much more popular than what people originally thought it might be."

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