#### The New Park Place

Written by Kathleen McCarthy Wednesday, 03 March 2004 18:00

Ask Quad Citians what red brick building sits at the foot of the Arsenal Bridge in downtown Davenport, with the slogan "Welcome to Iowa" crudely painted on its side, and most will tell you, "The Judy's Antiques building."

Both an icon and albatross for downtown Davenport's southeast gateway, the Stearn's Manufacturing Building (more popularly known as Judy's Antiques) is facing its final hours because its demolition and that of its neighbor, J&J Locksmith, began last week. Davenport taxpayers are contributing \$99,950 of the total project cost of \$214,795, which will include relocation of J&J Locksmith, site abatement, demolition and redevelopment of the site as green space for at least five years. But will it, and should it, remain a green space after those five years?

Stearn's Manufacturing, originally a paint manufacturer and grocery warehouse, was built in 1892 as part of the old Bucktown corridor, prior to the construction of the Arsenal Bridge. This five-sided structure was one of the oldest industrial buildings still standing on the Mississippi riverfront in the Quad Cities. The most recent occupant, Judy's Antiques had under utilized the building, only occupying the first two floors and did not tend to the roof, which leaked. Eventually Judy's Antiques sold to Rejuvenate Davenport in the mid 1990's for \$50,000. And in Rejuvenate fashion, the building sat empty, with little effort made to sustain the structure that had undoubtedly the best river views of any riverfront building built before 1900. Continued roof leakage and periodic flooding continued to deteriorate the building.

### THE VISION

Still, as the saying goes, they don't build them like they used to. The Stearns building was constructed of brick and stone with a heavy timber structural system. The wood floors, exposed brick and ceiling rafters, combined with unmatched river views made this warehouse ideally suited for renovated loft spaces. Over 100 windows (each 6' tall, unique for a riverfront warehouse) allowed for spectacular river views from four of its five sides.

It was this vision that prompted a proposal from us to Rejuvenate Davenport in 1998 to provide an option to purchase the building for \$1 should we secure the funding necessary to redevelop the grand old warehouse. Rejuvenate agreed to a six month option and extended it for an additional six months. At that time we were told by other downtown officials that the cost of renovation was too high because the building was beyond repair. The same thing was being said to others interested in developing the historic Redstone building; it too was beyond repair and should come down.

Nevertheless, contractors were brought in to estimate renovating the Stearns building. City building and fire inspectors' advice was sought. Research about the significance of the location and building's unique architecture was conducted. Comparables of riverfront condominium housing in the region were assembled. Experts in building management and lowa condo-association law were consulted. A pro-forma for reconstruction was established, along with a business plan and investment matrix. The building's extreme state of disrepair did put the price tag of reconstruction at over \$1.1 million. For the numbers to work, some financial assistance and traditional financing would have to be combined.

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Two banks were approached with the business plan and both banks indicated a willingness to loan upwards of \$750,000, contingent upon showing pre-sales of 50% of the units. The City of Davenport had just completed its application to HUD to establish an Urban Revitalization Zone in downtown, that would be eligible for Community Development Block Grant (CDBG) funds via the "slum and blight" clause. Applications were made for financial assistance from the city under both the Historic Preservation Revolving Loan Fund (HPRLF) and the CDBG. The biggest hurdle would be to raise \$100,000 in private equity to a) relocate J&J Locksmith next door (who was willing) and b) provide additional collateral drawings and marketing to pre-sell 50% of the units. But try raising \$100,000 of private money in Davenport for a building that most city fathers say should be torn down. Add in that this was prior to the stock market bubble burst when real estate investment didn't provide the astronomical rates of return. Yet, even though river front condominiums were being planned and built in Moline and East Moline at this time, not enough interest in this corner of downtown Davenport could be generated.

## **5 YEARS AHEAD OF ITS TIME**

This project didn't enjoy the support that a Redstone project suddenly did as part of the River Renaissance project. The Redstone was being developed by Kaizen Corporation. The principals of Kaizen, Chuck Ruhl, Jr. and Kent Pilcher, among others, were both approached about the Stearns project. Both claimed, that while the building was salvageable, and well built to begin with, there would be no market for such river front loft condos. This project was five years ahead of its time, we were told. Kaizen was also evaluating applications for city downtown development financing tools including, CDBG and HPRLF for the Redstone. Ruhl and Pilcher sat on the board of directors of the Davenport One Foundation, which, after Rejuvenate merged into D1, were the deed holders of the Stearns building. Nevertheless, the \$100,000 couldn't be raised and the Stearns project was at a standstill.

Finally, after the flood of 2001, a letter was issued by the City of Davenport Economic Development Department rescinding its support of the Stearns project from a financial perspective. No funds would be made available for redevelopment of the existing structure from any city funded sources. Getting potential emergency services to the building during a flood and potential sewer issues for occupants during a flood were named as the primary reasons for this change of support. Disappointing, but it could be argued that the city was a good steward of the taxpayers' dollars.

Ever the optimists, we persevered, maintaining that emergency services could reach the building during a flood, and that the sewer issue had not been fully investigated by engineers for options such as septic emergency backups could which could circumvent these obstacles. The building's historic and architectural qualities, along with its million dollar view, were worth fighting for. The Davenport One Downtown Partnership agreed to issue a Request For Proposal, casting the net wider for more experienced out of town developers to take a look. In addition, D1 secured a gracious \$10K grant from the RDA to fix the leaking roof and buy some time for a potential development. The deadline for that RFP was June 2002, and while a handful of people submitted proposals, none were deemed sustainable. Now D1 faced the challenge of finding the funds to demolish and clean up the site of this eastern gateway.

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### **HOW TO PAY FOR A PARK**

Prior to this stage no city or downtown partnership redevelopment studies had identified this area of the downtown as serving any integrated purpose relative to the River Renaissance. But the business plan for the Stearns Loft project explored the many valuable features this site had as an eastern downtown gateway. Consider that a) it is the location of the only place in America where two national bike trails intersect (thanks in no small part to River Actions' efforts); b) it is the overlook to the historic Arsenal Bridge, which among other things brought Abraham Lincoln into the national spot light with the Effie Afton trial; c) it is the site of a memorial to Marion Crandell the first American woman ever killed in a world war (Crandell was a nurse from Davenport who died in France in 1918 - her memorial plaque still stands there); and d) it affords spectacular views of the Corps of Engineers lock and dam system which is designated a federal historic highway and byway.

As D1's project narrative to the city in June 2003 stated, "The site is too small to consider any future development, so the owners are proposing to... create a small park/greenspace that will enhance" this downtown gateway. However, to relocate J&J Locksmith, abate the property, demolish the structures, and resurface the site as a green space, it would cost over \$214,000. Thankfully, the Bechtel Charitable Trust (Trustee, R. Richard Bittner, who also sits on the D1 Downtown Partnership Board) came forward and agreed to put up more than \$50,000 and accept deed to the property (\$50,000 value) from D1 if the city would put up \$100,000 more needed to see the project through. The city needs to see matching funds to allow for public dollars to be invested and the value of the property is ostensibly considered part of that match. Nevertheless, the conversion of the eyesore that has been Judy's Antiques for more than two decades could now move forward and become a new green space at our eastern gateway.

But when D1 and city officials are asked how long will the property remain a green space, the answer is, "at least five years." And when asked what could happen to the property after five years, the response is unclear.

The City of Davenport is vested in this project with its \$99,950 contribution to the demolition of the buildings. But the contract between the city and the Bechtel Trust, only calls for a five-year commitment to keep the site as green space. Beyond that, taxpayers no longer have a say in what occurs there.

# A GOLDEN OPPORTUNITY

This is not to say that Bechtel wants anything different than a park purpose for the site's future, and if this is the case, then it should be applauded for its civic largesse. While, D1's own project documents state that, "The site is too small to consider any future development," the restrictive covenant agreement with the city leaves the door wide open for commercial development after five years. Skeptics could argue that the five-year green space is simply to comply with HUD regulations in order to get taxpayers dollars to clear the land for some future commercial development.

If we aren't careful, our access to Davenport's river front could disappear. The Rhythm City

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Casino is angling to build a hotel right on the river front next to its riverboat, which would forever eliminate public access to that portion of our river front. On many a given day, residents fish along the river wall at that location, or stroll from the old Dock restaurant along LeClaire Park to the stadium, weather permitting. This particular area of the river front is also where many residents and visitors go specifically to watch the eagles and/or witness the barges as they lock through the dam. Allowing a hotel to infringe upon this would be foolish, especially when riverboat gambling is vulnerable to political manipulation. What happens if gambling is voted down in Davenport? The boat can sail away, but not the hotel.

Mere yards away, The Bechtel Trust has a golden opportunity to inspire greater public participation with the river via lookouts and leisure green space, even though the dollars allocated for green space site work after demolition are only \$15,000, or 7% of the total project costs. The good news is that this site could be a national crossroads for cyclists, as well as provide an educational experience around the historical Arsenal Bridge, the lock and dam system and the Crandell Memorial. In all these cases, there is potential federal funding available to create a destination that helps complete the River Renaissance corridor.