

In 2015, Mandelbaum Properties proposed a project that promised to dramatically alter the Des Moines skyline: a 32-story luxury condominium and hotel tower, plus a second building with a restaurant and the first downtown cinema in decades. Although the company had never undertaken such a large project, the city entered into an agreement that would allow it to take over a prime piece of city-owned land in the heart of the central business district, then occupied by an aging parking garage.

Named The Fifth for the street it overlooked, it was a grand vision that excited Des Moines residents. The first stage was to demolish the old garage and build a massive new one, eight stories tall, that would serve the surrounding complex. As the new structure rose, so did delays and changes in the plan.

Des Moines Register growth and development reporter Kim Norvell, who took over the beat in 2017, began covering the twists and turns of the project, developing sources with the Mandelbaum organization and city officials involved in negotiating the project. The relationship between the city and Mandelbaum steadily soured as the garage and the rest of the project skidded past deadline after deadline, and in a spring 2020 scoop, Norvell reported that the city was preparing to declare the project in default of the development agreement.

When it ultimately did, the lender foreclosed and Mandelbaum Properties sued the city – which countersued. It was a complex and messy situation, and Norvell recognized that it was time to do the definitive story about how the project had been launched, how it had gone awry and what the outcome might be.

She describes how she carried out her reporting:

“I dug through all the archives of our past stories (at least 10), the stories I wrote when I took over the beat, and found each of the city’s agreements and

council's motions as the project. I also submitted a records request to the city. I was given a handful of letters back and forth between Mandelbaum and the city, but realized as I read through them there were other documents not included. My follow-up was denied because of the active lawsuit. But, through other sources, I was able to get the remainder of the communications between the city and The Fifth's developers. I have at least 40 letters and emails, as well as hundreds of pages of court records.

With so much information, I thought it best to create a timeline to understand how things started, how the project changed, and to keep track of communications between the city and the developer. That timeline is 11 pages long.

It took about three months to fully research and report the story. I was able to interview the developer via email through his attorney. City officials declined to comment, citing pending litigation. I also spoke with local developers who told me their thoughts on the plan, some on the record and some off. Most thought the plan was too ambitious and the city was wrong to partner with such a green developer. Other sources include a hotel construction expert who could comment on the state of the industry during the COVID-19 pandemic – the excuse Mandelbaum gave for the project's troubles -- and the spokesperson for the hotel that Mandelbaum was partnering with."

The resulting story documents the contentious relationship, the missteps on both sides and the consequence: a key piece of city land, once occupied by a parking garage, is now occupied by a parking garage that, on its own, the city doesn't need – and ended up paying \$50 million to acquire. The rest of the land is tied up in what will likely be years of litigation. Norvell went on to document a similar mess involving another planned tower, and a subsequent change in city

policy that implemented series of internal controls to mitigate risk and financial losses when partnering with private businesses on new developments. Some of the City Council members involved in the debacles are now facing tough re-election campaigns.

Norvell's work held the city accountable for squandered opportunities that left the taxpayers on the hook for huge legal bills and effectively denied the city for the foreseeable future what should have been hundreds of thousands of dollars in new annual tax revenues.