


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number: 23-295	Meeting: June 12, 2023
	Agenda Item: 55	Roll Call: 23-0862
	Submitted by: Cody Christensen, Development Services Director	

AGENDA HEADING:

Consideration of a request from Invest DSM to demolish the Highland Apartments building located 3524 6th Avenue, pursuant to Section 58-70 of the Historic Preservation Ordinance.

SYNOPSIS:

The applicant is proposing to demolish the Highland Apartments building located at 3524 6th Avenue. This building meets the criteria for landmark designation set forth in Section 58-58 of the Historic Preservation Ordinance. Since it meets the criteria for landmark designation, Section 58-70 of the ordinance requires the City Council to determine if the proposed demolition should be referred to the City's Landmark Review Board (LRB) for further study.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The Highland Apartments is a three (3)-story, brick mixed-use building that was constructed circa 1915. The subject building is considered a contributing structure to the Highland Park Historic Business District, as noted in the district's National Register of Historic Places nomination that was approved in 1998. The nomination notes the building expressing a Tudor architectural style, and having a scale and location that sets it as a landmark within the district.
- City staff finds the building meets several of the City Landmark designation criterion, as listed below.
 - Sec. 58-58 Designation Criteria*
 - (a) *For purpose of this article, a landmark or landmark site designation may be placed on any site, natural or improved, including any building, improvement or structure located thereon that possesses integrity of location, design, setting, materials, workmanship, feeling and association and that:*
 - (1) *Is significant in American history, architecture, archaeology and culture;*
 - (2) *Is associated with events that have made a significant contribution to the broad patterns of our history;*
 - (3) *Is associated with the lives of persons significant in our past;*
 - (4) *Embodies the distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values,*

or represents a significant and distinguishable entity whose components may lack individual distinction; or

(5) Has yielded or may be likely to yield information important in prehistory or history.

- The City Council is charged with determining whether the request should be referred to the LRB for further study or if no additional evaluation is necessary. The LRB is made up of the members of the Historic Preservation Commission and the Urban Design Review Board. Section 58-70(d) of the City Code states that “the City Council will consider oral and written comments from all interested parties and determine whether or not to refer the application for proposed demolition or related plumbing work to the LRB for further study and review.”
- If the application is not referred to the LRB, the owner will be required to document and photograph the exterior and interior of the building and provide the City with a copy in coordination with Development Services Department staff. The owner would also be required to salvage for re-use as many fixtures and as much material as possible from the building. Provided that the owner has conducted the documentation and salvage processes to the satisfaction of the Development Services Director, then issuance of a demolition permit in accordance with City Code Section 26-303 and a related plumbing permit in accordance with the Plumbing Code shall be authorized.
- If the application is referred to the LRB, the LRB shall hold a meeting and work with the owner to determine, within 90 days, whether any alternatives to demolition are feasible. Such alternatives to be considered may include, but are not limited to, the following:
 - 1) The building or structure can be considered for landmark designation.
 - 2) Rehabilitation of the building or structure with the assistance of federal or state tax incentives or other private financial assistance.
 - 3) Adapting the building or structure to a viable new use.
 - 4) Finding a new owner who is interested in purchasing, preserving, and rehabilitating the building or structure.
 - 5) Incorporating the building or structure into the owner’s plans for redevelopment of the site.
 - 6) Assisting the owner in finding an alternative site for its proposed redevelopment.
 - 7) Moving the building or structure to an alternative site.
- The site has been considered vacant by City’s code enforcement staff since 2018. Leaks in the roof that were identified at that time have not been addressed. In 2021, the Neighborhood Inspections Division began the process to declare the property a public nuisance. However, that action was suspended due to efforts to possibly rehabilitate the building. Invest DSM recently obtained ownership of the property.
- Invest DSM has had the building looked at by a structural engineer, who observed that the exterior walls and foundation appear to be sound. It was noted that the interior of the building likely needed to be gutted down to the studs and that some interior joists may need to be repaired or replaced.

- Invest DSM submitted a renovation budget prior to the May 8, 2023 City Council meeting that shows a shortfall of approximately \$1.4 million. The budget assumes that local, state, and federal incentives would be obtained. The total estimated project cost is \$4.3 million, with incentives estimated to fund \$1.2 million to \$1.5 million of that budget. The applicant has determined that the site's funding gap is too large to overcome, and that demolition is the only viable option for redevelopment. Information provided by Invest DSM is included in the City Council packet.
- Prior to the May 8, 2023 City Council meeting, Invest DSM requested the consideration of demolition be delayed to allow 30 days for interested parties to review and further assess the feasibility of the building's rehabilitation.
- As of June 2, 2023, Invest DSM has submitted additional information indicating that during the 30-day review period, Invest DSM promoted a request for rehabilitation proposals on its website and through news articles. Interested parties were directed to contact Invest DSM and submit a formal Letter of Interest by June 1, 2023. Inquiries were received from two (2) parties that resulted in site visits and discussions. However, no Letters of Interest were submitted. Therefore, Invest DSM has requested that the item be considered by the City Council at the June 12, 2023 meeting.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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