


COUNCIL COMMUNICATION

	Number:	25-216	Meeting:	June 9, 2025
	Agenda Item:	34	Roll Call:	<input type="text"/>
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving the First Amended and Restated Urban Renewal Development Agreement with Townhall Associates, LP for the historic renovation of 1601 6th Avenue into a mixed-use residential and commercial development, and the new construction of a mixed-use residential and commercial building at 1605/1609/1619 6th Avenue.

SYNOPSIS:

Townhall Associates, LP (Kuuku Saah, Ntontan Real Estate, and Frank Levy, Newbury Living) has proposed the renovation of a 4,800-square-foot historic two (2)-story building at 1601 6th Avenue, which is expected to include a coffee shop on the first floor and five (5) residential units on the upper level and first floor. The project scope also includes a new construction or a three (3)-story mixed-use building to include three (3) kitchen spaces and a community seating and gathering space as part of the community food hall concept, and 24 residential units. The two (2) buildings will not be physically connected. The project is anticipated to cost approximately \$13.1 million and is expected to begin the summer of 2025, with a completion date of November 2026.

The necessity of this action is due to the financing structure of the project. It is most advantageous for this project to commit to full repayment of the original loan, which is \$300,000 upon issuance of the certificate of completion and repaid through the tax-increment generated by the project in years one (1) through 20. Any balance that remains at the end of the 20-year term will be repaid, at a net present value at a 4.5% discount rate. The minimum assessment agreement will remain a component of the agreement.

FISCAL IMPACT:

In the event the tax-increment generated by the project is insufficient to fully pay off the original loan of \$300,000, the Developer will pay the remaining balance at the end of the 20-year term, at a net present value at a 4.5% discount rate.

ADDITIONAL INFORMATION:

- The nature of the funding mechanism used for this project prohibits any forgiveness of the financial assistance provided by the City.

- The minimum assessment agreement will remain a component of the agreement and is set at a figure that is projected to be sufficient to repay the loan with the generated tax-increment. If there is a significant change in the tax increment finance (TIF) formula within the 20-year payoff term, there may be a balance at the end of the term.

PREVIOUS COUNCIL ACTION(S):

Date: April 21, 2025

Roll Call Number: [25-0588](#)

Action: [Final](#) terms of an urban renewal development agreement with Townhall Associates, LP for the historic renovation of 1601 6th Avenue into a mixed-use residential and commercial development, and the new construction of a mixed-use residential and commercial building at 1605/1609/1619 6th Avenue. ([Council Communication No. 25-163](#)) Moved by Coleman to adopt. Second by Mandelbaum. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- City Council – Certificate of Completion

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