


COUNCIL COMMUNICATION

	Number:	25-444	Meeting:	December 8, 2025
	Agenda Item:	53	Roll Call:	<input type="text"/>
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution regarding development proposals for disposition, rehabilitation, and redevelopment of 602 Robert D. Ray Drive.

SYNOPSIS:

The Development Services Department issued a Request for Proposals (RFP) on July 17, 2025, for 602 Robert D. Ray Drive, a historic property that has served as administrative offices for a variety of City departments since 1976. Two (2) submissions were received by the deadline of October 31, 2025. Staff recommends proceeding with the proposal submitted by the White Lotus Group (Drew Sova, Executive Vice President; 10404 Essex Court, Suite 101, Omaha, NE 68114). The proposal is for a mixed-use project that proposes 43 residential units, a first-floor retail/cafe space, and a lower-level upscale bar. The proposal received a score of 81.38 out of 100 per the RFP scoring matrix.

The staff recommendation for selection of White Lotus Group is due to the following factors:

- Confidence in the financing ability of the developer per the commitment of equity from the developer and the letter of interest for financing from their lender;
- In-depth design plans for each identified use;
- Identified commercial tenant via the letter of intent; and,
- Project team which includes RDG Planning and Design and Neumann Brothers as the general contractor.

Within the RFP document, there's a requirement for all proposals to abide by historic preservation standards. The following condition is recommended for the disposal of the property, regardless of ultimate project selection:

- All design and construction associated with this project shall comply with the National Park Service's Secretary of the Interior's Standards for the Treatment of Historic Properties and related historic preservation guidelines. Because the building is a designated local landmark, all plans, materials, and proposed work shall be submitted to the City of Des Moines Historic Preservation Commission for review and approval. Any changes to the approved design shall be subject to the same review and approval processes.

The proposal from White Lotus Group considers only the acquisition and renovation of the existing building and does not include acquisition of the adjacent surface parking lot to the north of the building. This would require the City to continue ownership and maintenance of the surface parking lot to the north of the building, which is required to be open to the public after regular working hours until the year 2033, per the active agreement with the Iowa Department of Transportation (IDOT).

FISCAL IMPACT:

Not yet available. Staff will proceed to negotiate preliminary terms.

ADDITIONAL INFORMATION:

- The White Lotus Group team is a vertically integrated real estate development firm with experience in historic rehabilitation and adaptive reuse respective to a portfolio of projects within the Nebraska metros of Omaha, Grand Island, and Lincoln. The proposal speaks to the connection with the adjacent Riverwalk and Brenton Skating Plaza features, with a project design inclusive of bike/raft storage and addresses the goal of increasing the number of housing units for Des Moines' residents, with 35 one (1)-bedroom units and eight (8) two (2)-bedroom units.
 - If the proposal from White Lotus Group is selected for rehabilitation and renovation of the Historic Argonne Armory at 602 Robert D. Ray Drive, the following condition is recommended prior to final approval of disposition:
 - Identify additional non-City financing sources to help close the identified \$6.2M financing gap between the acquisition cost financing gap (\$2.1M) and redevelopment cost financing gap (\$4.1M). City incentives generated by the proposed project will assist in closing the identified financing gap, but it is unlikely the redevelopment can generate enough City incentive sources to close the gap entirely.
- A second proposal was received from Ntontan Real Estate in partnership with Hubbell Realty Company. This team proposes a mixed-use product, inclusive of a food hall, year-round public market, office space for cultural nonprofits, and 40 mixed-income residential units. The proposal demonstrates a commitment to historic preservation and the team has experience utilizing a variety of tax credits and other financial incentives. This proposal received a score of 76.25 out of 100 per the RFP scoring matrix.
 - If the proposal from Ntontan Real Estate in partnership with Hubbell Realty Company is selected for rehabilitation and renovation of the Historic Argonne Armory at 602 Robert D. Ray Drive, the following conditions are recommended prior to final approval of disposition:
 - Confirmation of a formal commitment with a qualified architect and historic preservation consultant;
 - Confirmation of financial commitments of equity for the proposed project. The proposal includes \$2.5M of equity as a financing source that is yet to be raised from local investors and community partners, with no current commitments indicated.
- Following direction from City Council, staff will negotiate the disposition process and preliminary terms of an urban renewal development agreement that will further refine details of the conceptual proposal.

PREVIOUS COUNCIL ACTION(S):

Date: June 30, 2025

Roll Call Number: [25-0944](#)

Action: [Regarding](#) the redevelopment of 602 Robert D. Ray Drive (Argonne Armory). ([Council Communication No. 25-264](#)) Moved by Mandelbaum to adopt. Second by Gatto. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Preliminary terms of urban renewal development agreement, final terms of urban renewal development agreement, and certificate of completion.
- Urban Design Review Board – Preliminary design review, final design review, and recommendation of the project's financial terms.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.