

Date February 19, 2024

RESOLUTION APPROVING PRELIMINARY 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, AND 1619 6TH AVENUE

WHEREAS, Townhall Associates LP (“Developer”), represented by Ntontan Real Estate and Newbury Living proposes the renovation of a 4,800-square-foot historic two (2) story building at 1601 6th Avenue and construction of a mixed-use building located at 1605, 1609, and 1619 6th Avenue,; and

WHEREAS, the project will include a coffee shop on the first floor and seven (7) residential units on the upper level, first floor, and lower level of the historic building, as well as three (3) kitchen spaces and a community seating and gathering space as part of a community food hall concept, and 24 residential units in the new-construction building; and

WHEREAS, the project is anticipated to cost approximately \$12.5 million with construction expected to begin no later than the Spring of 2025 and be completed by the end of 2026; and

WHEREAS, this project was previously awarded an economic development loan in the amount of \$300,000, and a Neighborhood Commercial Revitalization grant in the amount of \$160,000, however, due to a change in the scope and nature of the project, it no longer qualifies for economic development assistance pursuant to the programs under which the previous grant was awarded; and

WHEREAS, the City’s Office of Economic Development has negotiated preliminary terms of an Urban Renewal Development Agreement with the Developer, all as more specifically described in the accompanying Council Communication, which provides a forgivable loan in the amount of \$460,000 which would be equivalent to 100% of the project-generated tax increment financing (TIF) in years one through twenty of the project, including an anticipated associated minimum assessment agreement, to respond to a construction financing gap on the project, as presented by the development team and vetted by city staff; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Townhall Associates LP, as described above and in the accompanying Council Communication, are hereby received and filed and the City Manager and/or his designee are hereby directed to proceed with negotiation of a development agreement with the Developer or its successor(s) or assignee(s) on final terms of an Urban Renewal Development Agreement not inconsistent with the preliminary terms for future consideration by the City Council.



Roll Call Number

Agenda Item Number

33

Date February 19, 2024

(Council Communication No. 24-064)

Moved by _____ to adopt. Second by _____

APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.
Gary D. Goudelock Jr.
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
VOSS				
COLEMAN				
WESTERGAARD				
MANDELBAUM				
GATTO				
TOTAL				
MOTION CARRIED	APPROVED			

CERTIFICATE

I, LAURA BAUMGARTNER, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk