

COMMUNICATION
URBAN DESIGN REVIEW BOARD

CITY OF DES MOINES, IOWA

MARCH 04, 2025 MEETING

Subject:	Recommendation:	Prepared by:
FOODHALL & TOWNHALL APARTMENTS 1601 – 1619 6TH AVENUE, 515 COLLEGE AVENUE FOCUS ON 1605-1619 6TH AVENUE, 515 COLLEGE AVENUE FINAL DESIGN APPROVAL OF THE UPDATED DESIGN	X APPROVE DISAPPROVE NO ACTION OTHER	KATIE HERNANDEZ KLHERNANDEZ@DMGOV.ORG 515-283-4016
Attachment Listing: https://www.dsm.city/udrb_meeting_schedule.php		

Summary:

Townhall Associates LP (Kuuku Saah, Ntontan Real Estate, and Frank Levy, Newbury Living) is proposing a historic renovation of the existing building at 1601 6th Avenue (formally known as Perry & Brainard Block or North Des Moines Town Hall), as well as a new construction mixed-use project on the parcels to the north – 1605, 1609, and 1619 6th Avenue and 515 College Avenue. The historic renovation will be undertaken according to the State Historic Preservation Office and National Park Service historic preservation standards, and is proposed as a mixed-use building, with a coffee shop on the first floor along the 6th Avenue frontage and a residential unit in the rear, as well as 4 residential units on the second floor.*

*Please note – the historic renovation project at 1601 6th Avenue has been reviewed and recommended by the Urban Design Review Board at its August 15, 2023 meeting. The following changes to the design have occurred, and are presented as staff updates for the project:

- The project has been absorbed into the scope of the new-construction project before the Urban Design Review Board for design review today, so the entity undertaking the project is Townhall Associates LP.
- The elevator addition to the rear of the building has been eliminated from the project scope. The building will include one accessible residential unit on the ground floor, which will comply with building code.

The intended focus of this Urban Design Review Board design review is the new construction Foodhall project. The new construction mixed-use building will have commercial space on the 6th Avenue frontage and four residential units in the rear on the first floor, and 20 residential units on the second and third floors. The first floor will include a Foodhall, with three (3) culinary experiences and private event space.

This Foodhall concept was awarded funds from the Iowa LIHTC Innovation Set Aside program from the Iowa Finance Authority, which was a competitive process with only one potential recipient per round. The residential units in the historical building are eligible within this program as qualified costs/units, and are therefore considered within the LIHTC scope of review. However, due to the new construction nature of the Foodhall building, the Foodhall building will not be within the SHPO scope of review.

The materials are a thoughtful organization of zoning criteria, durable materials, and an economy between the solid and transparent building envelopes. At the west facade, a curtain wall wraps around the north and south facades. This curtain wall showcases the Foodhall, and its height ties back to the west elevation at the historic Townhall. The vertical mullions highlight the cartesian grid which reveals the relationship between interior and exterior elements. The ribbed metal panel above further refines this grid, aligning window openings and the exterior wall fins along 6th Avenue. These colorful fins provide relief from the darker materials and “wave” to drivers as they pass by. The colors turn pedestrian at the entries into the Foodhall and carry around the north, south, and east facades as painted fiber cement board panels over a concrete base.

This project went before a subcommittee comprised of three Urban Design Review Board members in July 2024, and the following feedback from the Board members was shared:

- Applaud of functionality of the building, as mixed-use on the corridor
- Design of the proposed new construction building is rather bright/potentially distracting from design detail; consider refinement
 - o Acknowledgement of the community process/interaction as the part of this challenge to the comfort zone
 - o Architectural fins as an alternative, or a material that ages gracefully with the application of time/climate
- Column covers or enclosure or other rhythm that comes with construction type
- Consistency with windowsills and window heads
- Consideration of pedestrian interaction/entry location
- Consideration of interaction and relationship with historic building to the south
- Consideration of running the interior corridor to the primary frontage of the building
- Consideration of an opaque window system due to restroom placement; potential slippage that makes the corner more valuable

See the visuals in the subsequent pages of this document for reference to the original design.

The project cost is approximately \$12.5 million, with approximately \$8.4 million associated with the Foodhall building, and approximately \$4.1 million associated with the historic Townhall building. ASK Studio is providing the design services for the project. CGA is the civil engineering firm on this project. Construction is anticipated to begin by June 2025, with an anticipated completion date of November 1, 2026.

Scope of Review – Board to make recommendation to City Council on:

- Informational review – discussion item only.
- Design review of renovation /remodeling/new construction for City-owned or leased project.
- Design review for urban renewal project with specific development requirements.
- The selection of urban renewal sites for clearance or rehabilitation and problems relating to acquisition, clearance or rehabilitation of property, relocation of displaced persons and disposition of acquired property.
- Skywalk System
- Other

Urban Design Review Board Action:

The Board is asked to make its recommendation to City Council on the final design.

Staff Recommendation:

Staff recommends approval of the final design.

Background:

The existing condition of the subject site is inclusive of two buildings that have been vacant, and the subject of code case violations in recent history, and/or considered a public nuisance with abatement requirements.

As mentioned previously, the subject project was the recipient of the inaugural Innovation Set-Aside award, which is a housing competition that encourages creative proposals to address the state’s housing needs. The Iowa Housing Tax Credit Innovation Set-Aside called for creative proposals from developers for housing projects serving special populations or using innovative construction, financing or operations, unique partnerships, or other innovations which otherwise may not be feasible through the 9% Federal Housing Tax Credit round. Thirteen(13) applications were received and four (4)finalists were selected to pitch at the HousingIowa Conference in September 2023. This project, as an Innovative Set-Aside recipient, will serve as a catalyst for neighborhood development, community engagement, and wealth building.

The project will be required to provide affordable units, with 26 units at 60% area median income (AMI), and three (3) units at 30% AMI, for a term of 20 years. This is a requirement of the tax credit program, and will be reflected in the associated development agreement for TIF incentives.

The project engages community members as investors through the master lease, offering them a chance to shape the growth of their neighborhood. This inclusive financing model aligns the investor base with the demographics of the community. The investors are entitled to a pro-rata share of the earnings from the food hall.

The sustainability efforts within the project design include: geothermal heating/cooling system; two EV charging stations and conduit to provide more in the future; participation in MidAmerican Energy Company’s Commercial New Construction program; incorporation of principles of the Living Building Challenge Framework for Affordable Housing, offered by the International Living Future Institute; and participation in the Des Moines Area Regional Transit Authority (DART) Unlimited Access Program. The building will be solar ready, and final determination on full solar installation will be based on final budget allowances.

A brief background on the historic building and associated proposed improvements can be found in the documentation associated with the August 15, 2023 URDB meeting.

Financial Assistance:

The preliminary terms propose financial assistance in an amount not to exceed \$460,000, which is equivalent to 100% of the project-generated Tax Increment Financing (TIF) in years one (1) through 20 of the project on a Net Present Value (NPV) at a four and a half percent (4.5%) discount rate. The proposed structure of the financial assistance has been adjusted as follows:

Financial assistance would be issued at a value of \$300,000 upon issuance of the certificate of completion. The agreement will require a minimum assessment agreement for the 20-year duration of the project-generated TIF term, and in the event the actual assessment exceeds the minimum assessment agreement value, the project will be eligible to receive an additional amount not to exceed \$160,000 NPV at 4.5% discount rate, within the 20-year duration of the agreement. The Developer would be restricted from applying for tax abatement to allow repayment of the up-front financial assistance.

Due to a change in scope from what was previously proposed for the historic renovation of 1601 6th Avenue, this project is no longer eligible for Neighborhood Commercial Revitalization (NCR) funds. The historic renovation project was originally awarded \$160,000 under the NCR grant program, and \$300,000 in traditional TIF funds. The preliminary terms match the original commitment to the original project, but consolidate the benefit amount within one (1) incentive program (TIF). The maximum incentive represents about 3.6% of the total project cost.

Please note – this table represents assumptions based on the maximum obligation from the City and associate assessments.

Year	Estimated Taxes Received without Project*	Estimated Taxes Received with Project*	Estimated Incentive Paid	Estimated Net Taxes Received
Sum 10 Years	\$98,254	\$540,651	\$460,000	\$80,651
Sum 20 Years	\$218,010	\$1,083,793	\$460,000	\$623,793
Sum 30 Years	\$363,974	\$1,688,903	\$460,000	\$1,228,903

*Taxes include all property taxing authorities (not just City property tax dollars).

*Taxes received estimates used the following assumptions: 2.5% growth in re-assessment years, 1.5% growth in non-re-assessment years.

*Building and land valuation assumptions at completion of construction:
\$1,361,000 commercial building assessment
\$94,000 land assessment

Financial Assistance Comp:

36 on 6th LLC (Klein Department Store building – 3614 6th Avenue)

Total project costs estimated at \$3.5 million for historic renovation of an existing two-story building, with approximately 10,000 square-feet of commercial space on the ground floor, and four (4) residential units on the upper floor. Development agreement provides for a declining schedule of the project-generated tax increment from the taxable building valuations (exclusive of land) over a 20-year span estimated at \$488,558 (NPV), as well as \$28,417.00 in NCR funds. TIF and NCR awards represent 14.7% of total project costs.

Euclid Foresight LLC (French Way Cleaners building – 413 Euclid Avenue)

Total project costs estimated at \$4.2 million for historic renovation of an existing two-story building, with approximately 12,000 square-feet of commercial space on the ground floor, and four (4) residential units on the upper floor. Development agreement provides for a declining schedule of the project-generated tax increment from the taxable building valuations (exclusive of land) over a 20-year span estimated at \$540,000 (NPV), as well as \$93,000 in NCR funds. The TIF and NCR awards represent 15% of total project costs.

Vicinity Map:



Full project scope identified in shaded red; new construction Foodhall project identified in bolded outline

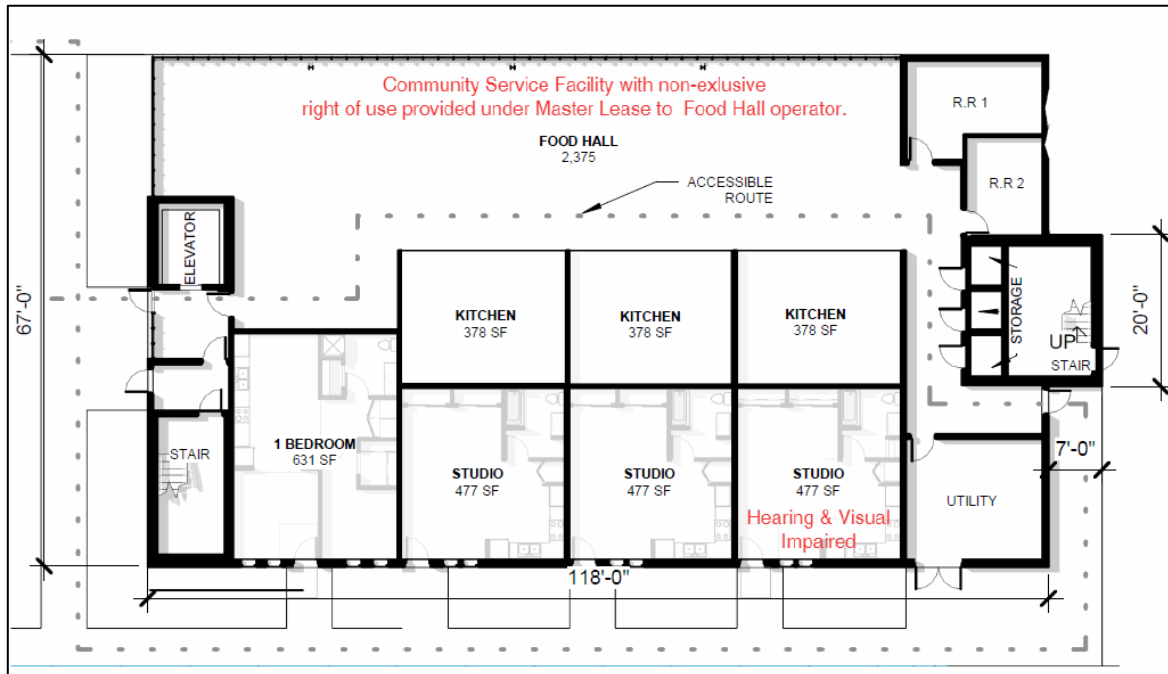
Original Design Visuals:

VISUAL REPRESENTATION – IN-COLOR

<please note – this image represents the project at its earliest stage, and is not meant to be reviewed based on anything other than the proposed exterior color scheme; building height and solar panel angles are now different than they appear in the images>



Exterior

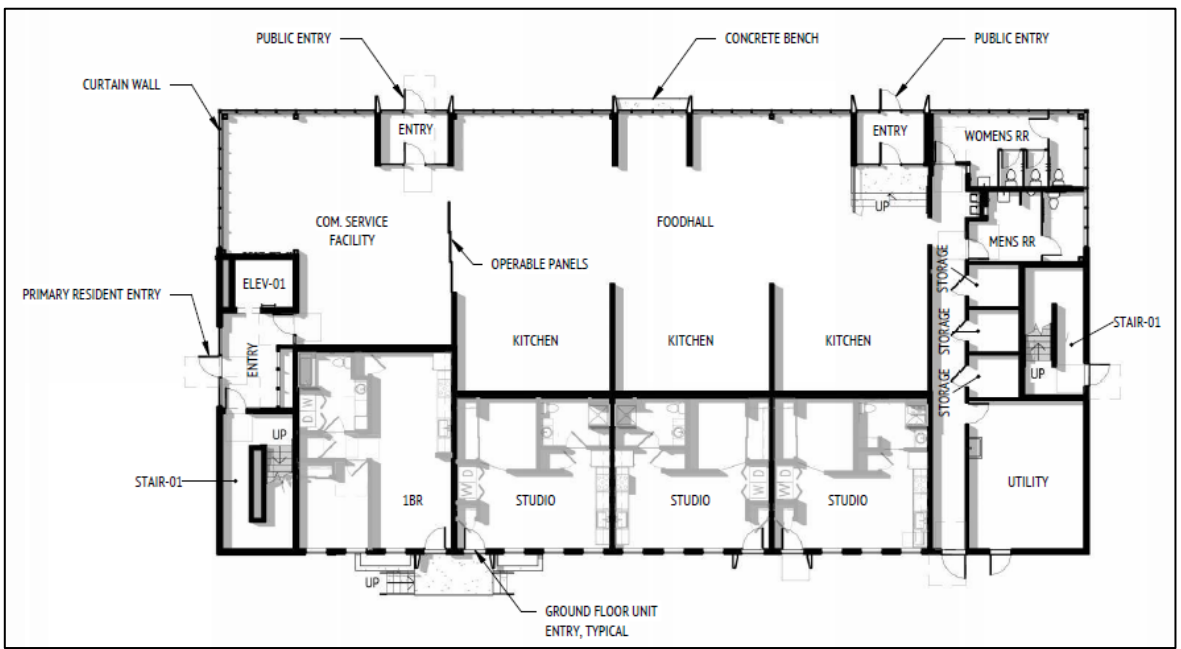


First floor plan

Updated Design Visuals:



Exterior



First floor plan