



3524 6th AVE – BASIC INFORMATION

Existing Building	
Year Built	<ul style="list-style-type: none"> • Circa 1915 • Designed by local architecture firm Wetherell & Gage • Built by local contractor O.P. Herrick
Building Composition	<ul style="list-style-type: none"> • Three-story building with residential and commercial space • <u>First floor</u>: Two Retail Spaces on west end; One Office/Apartment Space on east end; Lobby/Entrance Area • <u>Second & Third Floors</u>: 12 apartment units (Eight 1-bedroom units; Four studio units)
Parcel Size	0.273 acres

BRIEF TIMELINE OF RECENT EVENTS

- According to the Polk County Assessor, the building known as the Highland Park Apartments was built in 1915. The original plan sets indicate it was designed by local architecture firm Wetherell & Gage and built by local contractor Oliver “Pink” Herrick.
- In 2017-2018, two local non-profits explored purchasing the building to rehabilitate. Both parties determined that the costs to acquire were too high to make the project work and did not proceed.
- In 2018, the building was noted by City Code Enforcement staff as vacant.
- In 2019, Invest DSM was formed by the City of Des Moines and Polk County. Oak Park / Highland Park was identified as one of four pilot Special Investment Districts where Invest DSM was charged to implement a revitalization plan. The plan identified “a healthy business district” that was “active and profitable” and “fully occupied and vibrant” as one of the outcomes to work towards over a ten-year period.
- In the fall of 2020, Developer Benchmark Real Estate Group (Benchmark) put several properties in the area under contract to purchase, including 3524 6th Ave & 612 Euclid on the southwest corner, and 3523 6th Ave on the southeast corner.
- During their due diligence phase, Benchmark approached Invest DSM and City of Des Moines Economic Development staff about providing financial incentives to assist them in rehabilitating the buildings on both corners.
- In January 2021, Benchmark submitted a funding request to Invest DSM and received a preliminary commitment of \$375,000 for the rehabilitation of the apartment building at 3524 6th Ave.
- In February 2021, City Neighborhood Inspections began the process to declare the property a public nuisance. The nuisance action was suspended due to the pending developer agreement between Benchmark and City Economic Development.
- In March 2021, Benchmark took possession of the properties.
- On March 8, 2021, Benchmark signed a developer agreement for TIF incentives with City Economic Development. That agreement was amended on July 12, 2021.

- On April 29, 2021, Invest DSM and Benchmark signed funding agreements for both 3524 6th Ave and 3523 6th Ave.
- From April 2021 – September 2022, Benchmark continued to pursue the rehabilitation project and secure additional incentives, including (but not limited to):
 - o Workforce Housing Tax Credits (awarded)
 - o Brownfield/Grayfield Tax Credits (awarded)
 - o Federal Historic Tax Credits (awarded)
 - o State Historic Tax Credits (applied for three separate times and denied)
- In December 2021, Benchmark reached out to Invest DSM with concerns about the viability of the project after receiving updated construction bids, which created an increased funding gap. Benchmark indicated their commitment to continue to explore all options to make the project work.
 - o As part of their exploration of other options, Benchmark had at least two other developers review the project to see if they would either want to partner or take the project over. Both concluded that the project was not economically feasible without significant additional subsidy and declined to participate.
- In March and April 2022, Benchmark had additional conversations with Invest DSM staff and a few Board members indicating they'd exhausted their funding source options and were unable to cover the funding gap to make the rehabilitation project work. Discussions took place about the possibility of assembling the corner with the three adjacent lots to the west that Invest DSM had assembled for a different project.
- In May 2022, Benchmark again applied for State Historic Tax Credits, which were not awarded.
- Between June and December 2022, Benchmark had numerous conversations with City Economic Development staff, and Invest DSM staff and Board regarding the feasibility of the rehab project and the possibility of a redevelopment project that would assemble the 3524 6th Ave site with Invest DSM's adjacent lots.
- After much deliberation, in January 2023, the Invest DSM Board authorized staff to make an offer to Benchmark to purchase 3524 6th Ave with the intent to clear the site for future development.
- On March 9, 2023, Invest DSM took ownership of the property.

SALVAGE ITEMS

Invest DSM intends to salvage items of historic character and value to the building to the extent possible and is working with local salvage companies to do so. We plan to save some of the items to see if they can be incorporated into a new development. Items not saved for the new project will go to the salvage company.

The items we've identified for salvage include (see attached pages for photos):

- Exterior Highland Apartments stonework
- Newel stair posts
- Doors & door hardware
- Murphy bed cabinets
- Bookcases
- Various Trim

In addition, we are working with City of Des Moines Public Information staff to document the existing building with photos and videos.