



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-004

SYNOPSIS -

AGENDA:

JANUARY 3, 2000

On the January 3, 2000, Council agenda is a resolution that recommends approval to the Des Moines Enterprise Zone Commission of Metropolitan Holdings, L.C.'s application for enterprise zone benefits regarding a project in the Gateway, State of Iowa, Enterprise Zone.

SUBJECT:

METROPOLITAN
HOLDINGS, L.C.
APPLICATION FOR
ENTERPRISE ZONE
BENEFITS
(ARLINGTON-
HALLET)

Metropolitan Properties and Metropolitan Holdings, L.C. (Metropolitan) plan to rehabilitate the Arlington and Hallett apartments at 13th and Locust in downtown Des Moines. Leslie Gearhart and Jodi Beavers are the principals. The two buildings located in the Western Gateway contain 52 units. The total project cost for rehabilitating the units is \$1,868,154. Construction will begin March 2000. According to the Leland Consulting Group study, there is a need for approximately 200 to 300 housing units in Downtown Des Moines.

TYPE:

Jackie Nickolaus with the City's Office of Economic Development is coordinating the City activities relative to this project.

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

Approximately \$207,414 in State investment tax credits and sales tax rebate will be awarded to this project, provided that the Des Moines Enterprise Zone Commission and the Iowa Department of Economic Development (IDED) approve the application.

RECOMMENDATION -

Approval.

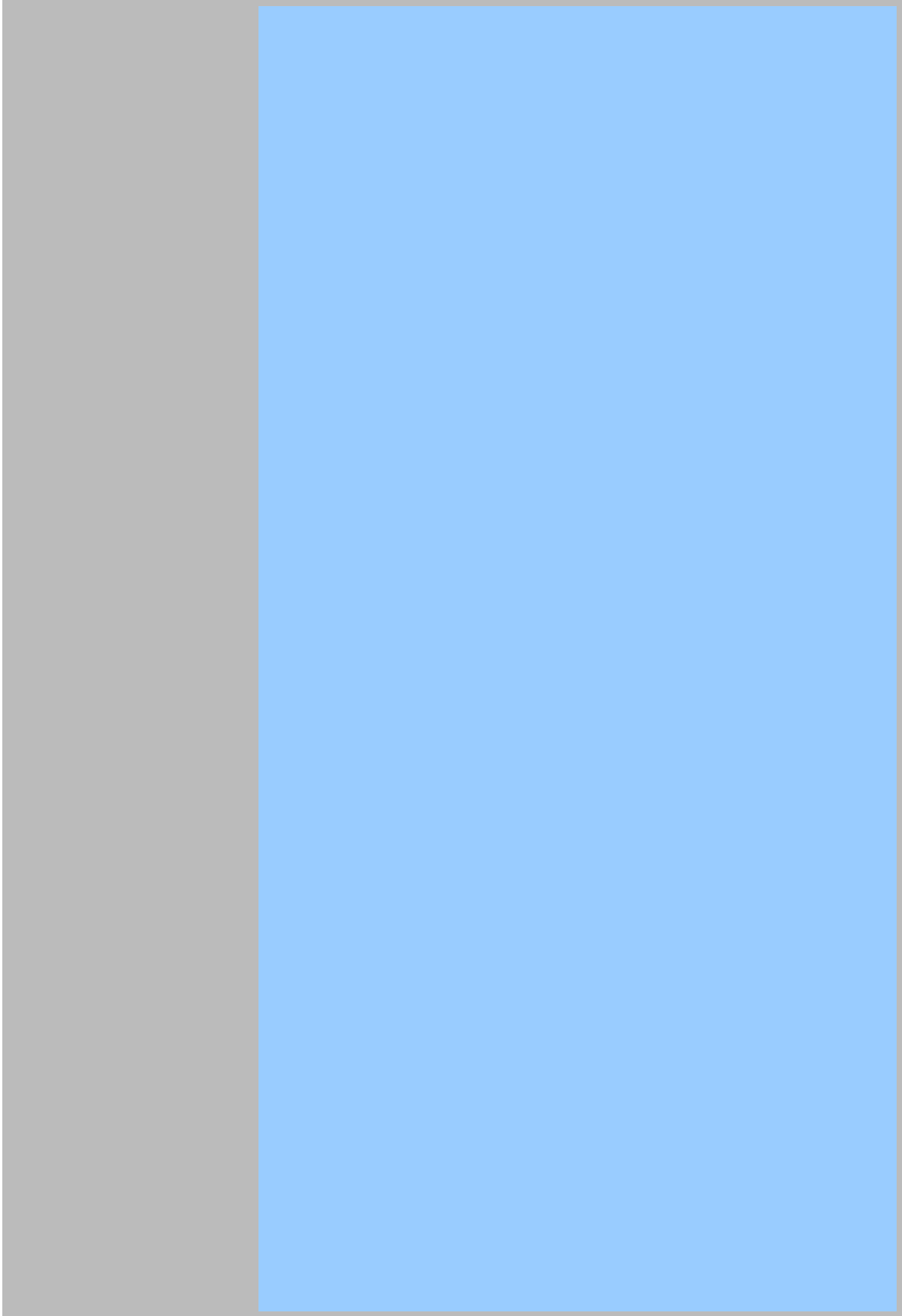
BACKGROUND -

On September 14, 1998, by Roll Call No. 98-2839, Council established the Des Moines Enterprise Zone Commission in accordance with State law, which IDED approved. The role of the Commission is to review applications primarily for State tax incentives from qualified businesses and developers located within, requesting to locate within, or developing housing within an enterprise zone in order to encourage new development in economically distressed areas. The Commission's authority is independent of the Council and serves in an advisory capacity to IDED.

On October 6, 1998, the Commission adopted an application process that requests the Council to review applications for enterprise zone benefits and to forward its recommendation to the Commission.

On January 28, 1999, the Commission adopted a requirement that as part of the application process for benefits in the Enterprise Community Enterprise Zone, businesses and developers must meet with the appropriate neighborhood to elicit a recommendation on the project. Attached to Metropolitan's application is a letter of support from Sherman Hill Association, Inc.

Metropolitan appears to meet all of the requirements for enterprise zone benefits and is requesting approval of its application.



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