

## Meeting Agendas/Info

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**01-489**

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

**AGENDA:**

SEPTEMBER 24, 2001

**SYNOPSIS -**

On the September 24, 2001, Council agenda is a resolution that recommends approval to the Des Moines Enterprise Zone Commission of Woodland Avenue Partners, L.P.'s application for enterprise zone benefits regarding a project in the Gateway Enterprise Zone.

**SUBJECT:**

WOODLAND  
AVENUE  
BRICKSTONE -  
ENTERPRISE ZONE  
APPLICATION

Woodland Avenue Partners, L.P. (Jack Hatch, developer, 696 - 18th Street, Des Moines) proposes to construct a mixed-use mixed-income project at 15th and Woodland in the Sherman Hill neighborhood. The total project cost is \$5,733,850.

Construction will begin in December. The Sherman Hill Association, Inc. has reviewed the project and supports the development.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

Jackie Nickolaus with the City's Office of Economic Development is assisting Woodland Avenue Partners, L.P. with the application.

**FISCAL IMPACT -**

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

Approximately \$360,000 in state Enterprise Zone tax credits and \$80,000 in state sales tax rebate will be awarded to the project, provided that the Des Moines Enterprise Zone Commission and the Iowa Department of Economic Development (IDED) approve the application.

The enterprise zone benefits are State of Iowa corporate income tax credits and will have no effect on the General Fund. The enterprise zone tax exemption schedule provides for a tax credit equal to 10 percent of the project's cost, excluding land costs, and will have no fiscal impact on the General Fund.

**RECOMMENDATION -**

**Council is requested to recommend approval to the Des Moines**

## **Enterprise Zone Commission and IDED of Woodland Avenue Partner, L.P.'s application for enterprise zone benefits.**

### **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 a part of the application process for benefits in the Gateway Enterprise Zone, businesses and developers must meet with the appropriate neighborhoods to elicit a recommendation on the project. Attached to Woodland Avenue Partners, L.P.'s application is a letter of support from Sherman Hill Association, Inc. The Sherman Hill Neighborhood Action Plan, approved by Council, identifies the construction of new residential housing as one of its highest priorities.

The Woodland Avenue Brickstone Apartments is a mixed-use project to be located in Sherman Hill, a National Register District neighborhood. The project consists of one retail/residential building and two low-rise three-story Victorian-style row-house apartment buildings. The project contains a total of 54 apartments, 14 which will be affordable to low- and moderate-income households.

The retail/residential building contemplates commercial space on the ground and first floors and six apartment units on the second and third floors. The remaining 48 units will be in the two row-house style buildings. The buildings will be faced with brick and designed to be in concert with Hoyt Sherman Place across the street to the north and to be compatible with the architecture of Sherman Hill.

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