

**CITY COUNCIL
COMMUNICATION:**

03-599

AGENDA:

DECEMBER 22, 2003

SUBJECT:

COURT AVENUE
PARTNERS I
ENTERPRISE ZONE
APPLICATION –
SPAGHETTI WORKS
BUILDING

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM _____

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

SYNOPSIS —

On the December 22, 2003 Council agenda is a roll call that recommends approval of Court Avenue Partners I, L.P.'s application for Enterprise Zone benefits. Rick Tollakson is the President of Hubbell Realty Company, the Managing Member of Hubbell Properties I, L.P. (Series J), a General Partner in Court Avenue Partners I, L.P., and is authorized to sign the Enterprise Zone application. The office of Hubbell Realty is located at 6900 Westown Parkway, West Des Moines, Iowa.

The project will consist of the rehabilitation of upper floors of the Spaghetti Works Building, 310 Court Avenue, into 51 apartment units. 50 percent of the units will be affordable to households at or below 60 percent of area median income, and a portion of these units will be affordable to households at or below 50 percent of median income. The remainder of the units will be leased for market rents.

FISCAL IMPACT —

Court Avenue Partners I, L.P. will be eligible for up to \$486,976 of investment tax credits as well as \$126,103 in sales tax refund from the State of Iowa Enterprise Zone Program.

RECOMMENDATION —

Approval.

BACKGROUND —

On November 21, 2003, by Roll Call No. 03-2653, Council approved the Preliminary Terms of Agreement for the rehabilitation of the upper three stories of the Spaghetti Works Building. An important source of project financing is the State of Iowa Enterprise Zone Program.

The project proposes to rehabilitate the top three floors of the Spaghetti Works Building at 3rd and Court to the Secretary of the Interior's Standards in order to provide 51 apartment units at market rents, for households at 60 percent of area median income and to some households at 50 percent of area median income. There will be a mix of one- and two-bedroom units with a community room, exercise room, laundry room, and computer room.

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The total project cost is \$9,673,775. This project will provide a range of housing opportunities for the downtown. The infusion of more people living in the district will further contribute to the area's vitality and revitalization of the Court Avenue Neighborhood.

The project meets the Enterprise Zone housing program requirements of rehabilitating or constructing three multi-family units. Rehabilitation will be completed within two years from the start of construction and will meet all applicable quality and local safety standards.

The Downtown Des Moines Neighborhood Association supports this project.

