

**CITY COUNCIL
COMMUNICATION:**

03-601

AGENDA:

DECEMBER 22, 2003

SUBJECT:

HUBBELL TOWER,
L.P. ENTERPRISE
ZONE APPLICATION

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 Hubbell Tower, L.P.'s application for Enterprise Zone benefits. Keith Denner is the Manager of Walnut Street, L.C., the General Partner of Hubbell Tower, L.P., and is authorized to sign the Enterprise Zone application. The office of Walnut Street, L.C. is 201 S. 5th Street, Suite 202, Ames, Iowa.

The project will consist of the conversion and rehabilitation of the Hubbell Building, 904 Walnut, into 73 apartment units. 100 percent of the units will be affordable to households at or below 60 percent of area median income.

FISCAL IMPACT —

Hubbell Tower, L.P. will be eligible for up to \$53,447.62 of investment tax credits as well as \$120,139.99 in sales tax refund from the State of Iowa Enterprise Zone Program.

RECOMMENDATION —

Approval.

BACKGROUND —

This project proposed to rehabilitate the top nine floors of the Hubbell Building at 904 Walnut to the Secretary of the Interior's Standards in order to provide 73 apartment units for residents at 60 percent of area median income. There will be a mix of one- and two-bedroom units with a manager's unit, community room, exercise room, laundry room, and computer room on the second floor of the building with Skywalk access.

The total project cost is \$8,741,988.82. The project will bring residents to the downtown area, which will help to invigorate businesses in the Central Business District. As per the application submitted for Low-Income Housing Tax Credits (LIHTC), the development will remain affordable housing for 50 years. The project will not be refinanced for at least 15 years, as per LIHTC regulations.

The project meets the Enterprise Zone housing program requirements of rehabilitating or constructing three multi-family units. Rehabilitation and construction 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 has reviewed the project and is in support of the rehabilitation of the building.