



REVISED

Agenda Item:

53D

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/12/05
500

Communication No.: 05-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Richard Clark, Acting City Manager

SUBJECT—

Resolution Approving the Equitable, LP Application for Enterprise Zone Benefits for a Project in the Des Moines Gateway Enterprise Zone

SYNOPSIS—

Council is requested to recommend approval of the application for Enterprise Zone benefits for Equitable, LP (Bob Knapp, Developer, 3535 Westown Parkway, West Des Moines, IA 50266). The Developer plans to invest approximately \$12.6 million into the Phase I project, which involves converting several floors of the Equitable Building at 604 Locust Street in the Des Moines Gateway Enterprise Zone into approximately 15 luxury condominiums.

FISCAL IMPACT—

Equitable, LP will be eligible to receive up to \$210,000 in investment tax credits and \$125,000 in a sales tax refund from the State of Iowa Enterprise Zone Program.

RECOMMENDATION—

Approval.

BACKGROUND—

Equitable, LP will convert several floors of the Equitable Building in downtown Des Moines into 15 luxury condominiums. The first six floors will remain as commercial space. Floors 7 through 19

eventually will be converted into condominiums. The project is designed to attract influential buyers to the downtown housing market. The average unit price for the first phase will be \$750,000.

The project meets the Enterprise Zone Program requirements of rehabilitating or constructing at least four single-family units. Construction is anticipated to begin in Fall 2005. It will be completed within two years from the start of construction and will meet all applicable quality and local safety standards.

The Downtown Neighborhood Association will review this project at its September 14, 2005 meeting. Subsequently, it will submit a letter to the Enterprise Zone Commission prior to its September 20, 2005 meeting.