



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/12/05
502

Communication No.: 05-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Richard Clark, Acting City Manager

SUBJECT—

Resolution Approving the Brownstones on Grand, L.L.C. 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 Brownstones on Grand, L.L.C. (Rick Tollackson, Project Developer and President and CEO of Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, IA 50266). The Developer plans to invest approximately \$13 million into constructing 43 market rate brownstones in four phases between 2nd and 3rd Streets and Grand Avenue and Watson Powell Drive in the Des Moines Gateway Enterprise Zone.

FISCAL IMPACT—

Brownstones on Grand, L.L.C. will be eligible to receive up to \$602,000 in investment tax credits and \$146,200 in a sales tax refund from the State of Iowa Enterprise Zone Program.

RECOMMENDATION—

Approval.

BACKGROUND—

Brownstones on Grand, L.L.C. will construct 43 market rate brownstones in four phases. Approximately 10-12 homes will be built initially followed by construction of Phases 2 through 4 based

on a predetermined percentage of sales from the previous phase. The three-story brownstones will have a traditional urban look. Units will feature walkup front steps reminiscent of East Coast style brownstones with approximately 2,000 square feet of living space. There will be three optional floor plans complete with a two-car attached garage, two-plus baths and a second story balcony. Residents will enjoy maintenance-free living, as snow removal, lawn irrigation and mowing, and exterior maintenance will be taken care of by the Home Owner's Association. Brownstones will range in price between \$300,000 - \$400,000.

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.