



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/12/05
503

Communication No.: 05-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Richard Clark, Acting City Manager

SUBJECT—

Resolutions Approving the Court Avenue Partners II, L.P Amended Application and the Court Avenue Ventures, L.L.P. Application for Enterprise Zone Benefits for Projects in the Des Moines Gateway Enterprise Zone

SYNOPSIS—

Council is requested to recommend approval of the amended application for Enterprise Zone benefits for Court Avenue Partners II, L.P. and the application for Enterprise Zone benefits for Court Avenue Ventures, L.L.P. (Developer of both projects--Rick Tollackson, President and CEO of Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, IA 50266). Court Avenue Partners II, L.P. plans to invest approximately \$7.6 million into constructing 52 apartments at the southeast corner of 4th Street and Court Avenue. Court Avenue Ventures, L.L.P. intends to invest about \$11 million into building 40 condominiums ½ block south of the intersection of 4th Street and Court Avenue along the east side of 4th Street. Both projects are in the Des Moines Gateway Enterprise Zone.

FISCAL IMPACT—

Court Avenue Partners II, L.P. will be eligible to receive up to \$418,200 in investment tax credits and \$109,700 in a sales tax refund from the State of Iowa Enterprise Zone Program. Court Avenue Ventures, L.L.P. will be eligible to receive up to \$560,000 in investment tax credits and \$119,100 in a sales tax refund from the State of Iowa Enterprise Zone Program.

RECOMMENDATION—

Approval.

BACKGROUND—

Court Avenue Partners II, L.P. plans to invest \$7.6 million into constructing 52 apartments at the southeast corner of 4th Street and Court Avenue. There will be 32 one-bedroom and 20 two-bedroom units. The apartment building will have a community room, fitness center, laundry facilities and a computer center. The average rent will be \$750 per month. One half of the units will be market rate, and the other half will be for low-income residents. Services will be offered to tenants to help them achieve economic self-sufficiency.

Court Avenue Ventures, L.L.P. is proposing to invest \$11 million into building 40 condominiums in a five-story building ½ block south of the intersection of 4th Street and Court Avenue along the east side of 4th Street. Units will average 1,189 sf and be a combination of two-story lofts and single-level flats. The project will also include underground parking that will consist of 67 parking stalls. Condominiums will range in price between \$200,000 - \$250,000 per unit.

Court Avenue Partners II, L.P. and Court Avenue Ventures will make a total investment of approximately \$18.6 million. Condominium ownership will contribute to a more vested downtown residential community.

Both projects meet the Enterprise Zone Program requirements of rehabilitating or constructing at least four single-family units. Construction of the Court Avenue Partners II, L.P. apartment project and the Court Avenue Ventures condominium project is anticipated to begin in October 2005 and be completed within one year. Each project will meet all applicable quality and local safety standards.

The Downtown Neighborhood Association will review these projects at its September 14, 2005 meeting. Subsequently, it will submit letters to the Enterprise Zone Commission prior to its September 20, 2005 meeting.