



**Council
Communication**
Office of the City Manager

Date

August 6, 2007

Agenda Item No. 39

Roll Call No. 07-

Communication No. 07-476

Submitted by: Matthew A. Anderson,
Economic Development Administrator

AGENDA HEADING:

Resolution of the Des Moines City Council Petitioning the Iowa Department of Economic Development for an Extension of Des Moines Enterprise Community Enterprise Zone (EZ-2).

SYNOPSIS:

Recommend Council petition the Iowa Department of Economic Development to extend the life of the Des Moines Enterprise Community Enterprise Zone (EZ-2) for 10 years. This zone is bounded by Hickman Road to the north, I-235 to the south, the Des Moines River to the east, and Keo Way and Martin Luther King, Jr. Parkway to the west. The Enterprise Zone Program offers State corporate income tax credits, a sales tax rebate, and other benefits to attract new residential, commercial and industrial investment in distressed areas.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

The Iowa Department of Economic Development certified the Des Moines Enterprise Community Enterprise Zone on August 21, 1997. The Zone had a 10-year life span, which will expire on August 21, 2007. It is important to continue to offer businesses incentives to attract new residential, commercial and industrial investment to revitalize under-performing areas.

The State Enterprise Zone Program provides up to a 10% corporate income tax credit on the qualifying investment, a 100% refund of State sales, service and use taxes paid to contractors during construction, a 3% job training tax credit, and a 13% research activities credit. These benefits are used to fill financial gaps and enable projects to move forward.

To date, one apartment building containing eight housing units has been rehabilitated, and 17 single-family homes have been constructed in the Enterprise Community Enterprise Zone. State benefits have assisted in making these new residences more affordable. This economic development tool will encourage additional development in the neighborhoods and in the Central Place Industrial Park.

PREVIOUS COUNCIL ACTION(S):

Date: July 1, 1997

Roll Call Number: 97-2586

Action: Application to State of Iowa, for Enterprise Zone Certifications for proposed Agribusiness Enterprise Zone and for Enterprise Community Zone. (Council Communication No. 97-387). Moved by Phillips to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE