



Council Communication

Office of the City Manager

Date

October 8, 2007

Agenda Item No. 33
Roll Call No. 07-
Communication No. 07-598
Submitted by: **Matthew A. Anderson,**
Economic Development Administrator

AGENDA HEADING:

Resolution Approving Application for Enterprise Zone Benefits for Nelson Development 15, L.L.C.

SYNOPSIS:

Recommend approval of an application from Nelson Development 15, L.L.C. (Jake Christensen, Co-Manager, 1045 76th Street Suite 2000, West Des Moines, IA 50266) for enterprise zone benefits regarding a \$12.1 million mixed-use project that includes 75 residential apartment units at 300 East Grand Avenue in the Gateway Enterprise Zone.

FISCAL IMPACT:

There is no Fiscal Impact to the City with this action; incentives are from the State of Iowa. The project has received other City financial assistance noted below under Previous Council Action(s).

Amount: Not to exceed \$1,050,000 (Investment Tax Credit) and \$168,301 (Sales Tax Refund)

Funding Source: State of Iowa Enterprise Zone Program

ADDITIONAL INFORMATION:

The proposed Nelson Development 15, L.L.C. project, located at the site of the former Dewey Ford Used Car Lot, meets the Enterprise Zone requirements of rehabilitating or constructing a minimum of four single-family homes or one multi-family dwelling of 3 or more units. The new construction infill project will commence in late 2007 and be completed by December 2008. The project will comply with all applicable housing quality and local safety standards.

The developer plans to construct a six story mixed-use building consisting of 75 residential units on the 2nd through 6th floors. The unit sizes will be 475-1,150 square foot studio, one, two and three bedroom units. The 1st floor will include leased commercial space planned for restaurant uses. However, only the residential portion of the project is eligible for EZ incentives.

The Historic East Village Neighborhood Association will review the project at its next meeting. The project is subject to the design guidelines established for the Eastern Gateway and has had preliminary design review at the Urban Design Review Board.

PREVIOUS COUNCIL ACTION(S):

Date: September 24, 2007

Roll Call Number: 07-1882

Action: On Urban Renewal Agreement for sale of land for private redevelopment, to Nelson Development 15, LLC, 230 E. Grand Avenue. (Council Communication No. 07-572) Moved by Meyer to adopt. Motion Carried 7-0.

Date: August 6, 2007

Roll Call Number: 07-1555

Action: Setting Date of Hearing on developer-initiated development proposal and development agreement from Nelson Development 15, L.L.C. for redevelopment of city-owned land at 230 E. Grand Avenue, in the Metro Center Urban Renewal Project, (9-24-07). (Council Communication No. 07-473) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: November 3, 2003

Roll Call Number: 03-2470

Action: Approve and accept Real Estate documents for property at 230 and 234 East Grand Avenue for the Gateway East Project, \$550,000 plus closing costs. Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 21, 2003

Roll Call Number: 03-869

Action: Establishing fair market value and authorizing acquisition of property located at 230 and 234 East Grand Avenue for the Gateway East Project, \$550,000 plus closing costs. Moved by Vlassis to adopt. Motion Carried 5-2.

BOARD/COMMISSION ACTION(S):

Date: July 24, 2007

Roll Call Number: N/A

Action: Urban Design Review Board held a TIF review of the project and recommended 6-0 approval of the public financial assistance to the project

Date: June 6, 2006

Roll Call Number: N/A

Action: Urban Design Review Board held a preliminary design review with the applicant and was supportive of the mixed use residential and retail project as presented. At the time of the review, the project was proposed as a residential condominium project.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Enterprise Zone Commission is anticipated to meet in October 2007 to take action on the project and forward the application to the Iowa Department of Economic Development.