



**Council
Communication**
Office of the City Manager

Date	April 15, 2008
Agenda Item No.	37
Roll Call No.	08-
Communication No.	<u>08-215</u>
Submitted by: Matt Anderson, Economic Development Administrator	

AGENDA HEADING:

Resolution Approving the National Biscuit Company Lofts, LLC Application for Enterprise Zone Benefits for a Housing Project in the Des Moines Gateway Enterprise Zone.

SYNOPSIS:

Recommend approval of an application from National Biscuit Company, L.L.C. (Ed Massman, 6333 E. Mockingbird Lane, Suite 147-909, Dallas, TX 75214) for Enterprise Zone benefits for a \$1,130,000 project that will include rehabilitation of 54 residential apartments at 1001 Cherry Street in the Gateway Enterprise Zone.

FISCAL IMPACT:

Amount: \$0 City cost associated with this approval

State of Iowa tax credits consisting of a \$93,000 Investment Tax Credit and a \$20,000 Sales Tax Refund have no impact on the General Fund of the City of Des Moines. The project is located in an area eligible for 10-year 100% tax abatement for residential housing. Assistance with paving the adjacent alley has been requested by the developer. The Office of Economic Development will review this request with the Public Works Department.

Funding Source: State of Iowa Enterprise Zone Program

ADDITIONAL INFORMATION:

The project is the rehabilitation of a low income housing facility on the corner of 10th and Cherry Street. The building was built in 1906 by National Biscuit Company (later Nabisco). In 1995, the building was converted to 54 low income housing units and became known as the 10th and Cherry Studios. It is committed to the low income housing program until approximately 2025. Mr. Massman's objective is to complete the rehabilitation and preservation of 10th Street from Mulberry Street to Cherry Street. The rehabilitation of the units in this building, as well as exterior and common area, represents the final structure on the block.

Ultimately, this process will have included the conversion/rehabilitation/preservation of three historic structures – Standard Glass and Paint Company (circa 1913), Herring Motor Car Company (circa 1912) and National Biscuit Company (circa 1906). In the end, the area will have the appearance of a single comprehensive redevelopment.

The National Biscuit Company Lofts, LLC project 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 project will be scheduled to begin in May 2008 and be completed by the end of 2009. The project will comply with all applicable housing quality and local safety standards.

The developer plans to rehabilitate 54 residential units. The Downtown Neighborhood Association will review the project at its May 7, 2008 meeting.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Enterprise Zone Commission is anticipated to meet May 8, 2008, to take action on the project and staff will forward the application to the Iowa Department of Economic Development.

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