



# Council Communication

Office of the City Manager

Date November 24, 2008

Agenda Item No. 48  
Roll Call No. 08-  
Communication No. 08-697  
Submitted by: Matt Anderson  
Economic Development Administrator

## AGENDA HEADING:

Resolution Approving the following Applications for Enterprise Zone Benefits for Housing Projects in the City of Des Moines:

1. Metro Lofts, LLC: Construction of 111 Apartment Units at 255 Vine Street-Gateway Enterprise Zone
2. Oak Point, LLLP: Construction of 36 Apartment Units at 2501 24<sup>th</sup> Street-24<sup>th</sup> Street Enterprise Zone
3. MLK Brickstone, LLC: Construction of 56 Apartment Units at 19<sup>th</sup> Street /Atkins- Drake Park / Sherman Hill /Woodland Heights Enterprise Zone
4. Fort Des Moines Senior Living: Construction of 57 Apartment Units in the 500 block of Army Post Road-McKinley / SW 9<sup>th</sup>/ Army Post Road Enterprise Zone
5. Melbourne Apartments 1, LLC: Construction of 84 Apartment Units at 5409-5521 SE 14<sup>th</sup> Street-SE 14<sup>th</sup> Street Enterprise Zone
6. Oakridge Neighborhood Associates Phase 1 LP: Rehabilitation of 150 Apartment Units at 15<sup>th</sup> and Oakridge Drive-Drake Park / Sherman Hill / Woodland Heights Enterprise Zone
7. Oakridge Neighborhood Associates Phase II LP: Rehabilitation of 150 Apartment Units at 15<sup>th</sup> and Oakridge Drive-Drake Park / Sherman Hill / Woodland Heights Enterprise Zone.

## SYNOPSIS:

Recommend approval of applications as follows:

- 1.) Metro Lofts, LLC (George Sherman, 233 Park Avenue South, Suite 201, Minneapolis, MN 55415) for Enterprise Zone benefits for an \$18.5 M project constructing 111 Apartment Units at 255 Vine Street in the Gateway Enterprise Zone.
- 2.) Oak Point, LLLP ( Josef Waldman, Renie Neubarger, 2425 S 12<sup>th</sup> Street, West Des Moines IA 50265) for Enterprise Zone benefits for a \$7 M project

- constructing 36 Apartment Units at 2501 24<sup>th</sup> Street in the 24<sup>th</sup> Street Enterprise Zone
- 3.) MLK Brickstone, LLC (Jack Hatch, Hatch Development Group, 1039 19<sup>th</sup> Street, Des Moines, Iowa 50314) for Enterprise Zone benefits for a \$10.3 M project constructing 56 Apartment Units at 19<sup>th</sup> Street & Atkins in the Drake Park / Sherman Hill / Woodland Heights Enterprise Zone.
  - 4.) Fort Des Moines Senior Housing (Tom Akers, 129 Marlou Parkway, Des Moines, IA 50320) for Enterprise Zone benefits for a \$10.5 M project constructing 57 Apartment Units at the 500 block of Army Post Road in the McKinley / SW 9<sup>th</sup> / Army Post Road Enterprise Zone.
  - 5.) Melbourne Apartments 1, LLC (Hubbell Realty Company, Rick Tollakson, 6900 Westown Parkway West Des Moines, IA 50266) for Enterprise Zone benefits for a \$10.7 project constructing 84 Apartment Units at 5409-5521 SE 14<sup>th</sup> Street in the SE 14<sup>th</sup> Street Enterprise Zone
  - 6.) Oakridge Neighborhood Associates Phase 1, LP (Teree Caldwell- Johnson, 1236 Oakridge Drive Des Moines, IA 50314) for Enterprise Zone benefits for a \$14 M project rehabilitating 150 Apartment Units at 15<sup>th</sup> and Oakridge Drive in the Drake Park / Sherman Hill / Woodland Heights Enterprise Zone
  - 7.) Oakridge Neighborhood Associates Phase 2, LP (Teree Caldwell- Johnson, 1236 Oakridge Drive Des Moines, IA 50314) for Enterprise Zone benefits for a \$15 M project rehabilitating 150 Apartment Units at 15<sup>th</sup> and Oakridge Drive in the Drake Park / Sherman Hill / Woodland Heights Enterprise Zone

**FISCAL IMPACT: NONE**

These are State of Iowa tax credits and have no impact on the general fund of the City of Des Moines. All are funded by the State of Iowa Enterprise Zone program

- 1.) Metro Lofts, LLC -\$ 900,000 Investment Tax Credit; \$335,145 Sales Tax Refund
- 2.) Oak Point, LLLP- \$180,000 Investment Tax Credit; \$80, 000 Sales Tax Refund
- 3.) MLK Brickstone, LLC- \$ 131,923 Investment Tax Credit; \$250,000 Sales Tax Refund
- 4.) Fort Des Moines Senior Housing-\$125,000 Investment Tax Credit; \$45,000 Sales Tax Refund
- 5.) Melbourne Apartments 1, LLC-\$68,768 Investment Tax Credit; \$88,200 Sales Tax Refund
- 6.) Oakridge Neighborhood Associates Phase 1 LP: \$85,800 Investment Tax Credits; \$205,000 Sales Tax Refund
- 7.) Oakridge Neighborhood Associates Phase 2 LP: \$100,000 Investment Tax Credit; \$250,000 Sales Tax Refund

**ADDITIONAL INFORMATION:**

On October 27, 2008, the City Council approved applications to the Iowa Department of Economic Development for four new Enterprise Zones (Drake Park/Sherman Hill/Woodland Heights; McKinley/SW 9<sup>th</sup> Army Post Road; 24<sup>th</sup> Street, and SE 14<sup>th</sup> Street. This will bring the total number of Enterprise Zones in the City of Des Moines to fourteen. Six of the projects on this agenda item are included in the four new zones (Oak Point LLLP, MLK Brickstone, LLC, Fort Des Moines Senior Housing, Melbourne Apartments 1, LLC, Oakridge Neighborhood Associates, Phase 1 and Oakridge Neighborhood Associates Phase 2.)

A total of 344 new apartment units will be added through these projects, as well as the substantial rehabilitation of another 300 units. The total construction costs of the projects combined is approximately \$85M.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 27, 2008

Roll Call Number: 08-1909

Action: Drake Park/Sherman Hill/Woodland Heights. Moved by Vlassis to adopt. Motion Carried 7-0.

Date: October 27, 2008

Roll Call Number: 08-1910

Action: McKinley/SW 9<sup>th</sup>/Army Post Road. Moved by Vlassis to adopt. Motion Carried 7-0.

Date: October 27, 2008

Roll Call Number: 08-1911

Action: 24<sup>th</sup> Street, 2501 24<sup>th</sup> Street. Moved by Vlassis to adopt. Motion Carried 7-0.

Date: October 27, 2008

Roll Call Number: 08-1912

Action: SE 14<sup>th</sup> Street, 5409-5515 SE 14<sup>th</sup> Street. Moved by Vlassis to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Enterprise Zone Commission is anticipated to meet November 20, 2008, to take action on the projects and staff will forward the applications to the Iowa Department of Economic Development.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).