

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	December 22, 2008
	Agenda Item No. 24 Roll Call No. 08- Communication No. <u>08-743</u> 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. Rumely Lofts, LP: Construction of 66 Apartment Units at 104 SW 4th Street- Gateway Enterprise Zone
2. ND 25 SW 5th, LLC: Construction of 70 Apartment Units at 328 SW 5th Street- Gateway Enterprise Zone
3. Rocket Transfer I, LLC: Construction of 58 Apartment Units at 702 Elm Street and 330 SW 7th Street: Gateway Enterprise Zone
4. Riverpoint I, LLC: Construction of 91 Apartment Units at 309 SW 8th Street: Gateway Enterprise Zone

SYNOPSIS:

Recommend Council approval of applications as follows:

- 1.) Rumely Lofts, LP (George Sherman, 233 Park Avenue South, Suite 201, Minneapolis, MN 55415) for Enterprise Zone benefits for a \$16 M project constructing 66 apartment units at 104 SW 4th Street in the Gateway Enterprise Zone.
- 2.) ND 25 SW 5th, LLC (Nelson Development, Jake Christensen, Co-Manager 1045 76th Street West Des Moines, Iowa 50266) for Enterprise Zone benefits for an \$11M project constructing 70 apartment units at 328 SW 5th Street in the Gateway Enterprise Zone
- 3.) Rocket Transfer I, LLC (Hubbell Realty Company, Rick Tollakson, President & CEO 6900 Westown Parkway West Des Moines, Iowa 50266) for Enterprise Zone benefits for an \$11M project constructing 58 apartment units at 702 Elm Street and 330 SW 7th Street in the Gateway Enterprise Zone
- 4.) Riverpoint I, LLC (Hubbell Realty Company, Rick Tollakson President & CEO, 6900 Westown Parkway West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$16M project constructing 91 apartment units at 309 SW 8th Street in the Gateway 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.) Rumely Lofts, LP -\$189,525 Investment Tax Credit; \$187,500 Sales Tax Refund
- 2.) ND 25 SW 5th, LLC -\$ 842,033 Investment Tax Credit; \$134,900 Sales Tax Refund
- 3.) Rocket Transfer I, LLC- \$ 143,079 Investment Tax Credit; \$57,850 Sales Tax Refund
- 4.) Riverpoint I, LLC-\$ 216,139 Investment Tax Credit; \$81,800 Sales Tax Refund

ADDITIONAL INFORMATION:

A total of 285 new apartment units will be added through these projects, providing a variety of housing opportunities that are proximate to employment centers, shopping, restaurants and transportation. The total construction cost of the projects is approximately \$54M. The projects will provide employment opportunities during the construction process as well as long term positions in management of the facilities.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Enterprise Zone Commission is anticipated to meet December 18, 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.