

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	May 18, 2009
	Agenda Item No. 46 Roll Call No. 09- Communication No. 09-332 Submitted by: Matthew Anderson, Economic Development Administrator	

AGENDA HEADING:

Resolution of the Des Moines City Council petitioning the Iowa Department of Economic Development (IDED) for Extension of the Des Moines Gateway Enterprise Zone (EZ-3).

SYNOPSIS:

City Council is requesting to petition the IDED to extend the Des Moines Gateway Enterprise Zone for another 10 years. This zone will expire in July 2009 and needs to be extended to continue the effort to revitalize and redevelop areas within the zone. The area proposed for extension is bounded generally by I-235 on the north, Pennsylvania Avenue / East 7th Street to East Vine Street to the Des Moines River on the east, the Raccoon River on the south and west and 19th Street to Woodland Avenue to 10th Street on the west. The area includes the Central Business District and the Riverpoint West development area. The Enterprise Zone Program provides financial incentives in the form of State corporate income tax credits, sales and service tax rebates, along with other benefits to attract new residential, commercial and industrial investment in distressed areas. The application for enterprise zone certification is attached to the roll call.

FISCAL IMPACT: NONE

Amount: N/A

Funding Sources: This is a State of Iowa program and has no impact on the City of Des Moines.

ADDITIONAL INFORMATION:

On June 21, 1999, by Roll Call No. 99-2002, the City Council designated the Gateway Enterprise Zone and submitted an application to the IDED for certification of this zone. On July 22, 1999, the IDED Board of Directors certified the Gateway Enterprise Zone. On September 24, 2001, by Roll Call 01-2933, the City Council submitted an application to IDED to add another seven acres to the Gateway Enterprise Zone, which was also approved by IDED.

Beneficiaries of the State Enterprise Zone Program primarily include developers of housing, office and/or industrial projects. Applicants must meet certain State eligibility criteria related to investment, job creation, wages and benefits and project completion timeframe, in order to qualify for incentives. State enterprise zone benefits include 10% investment, 3% jobs training and 13% research activities tax credits, as well as, 100% sales tax refunds on materials used and services provided in construction contracts.

The Gateway Enterprise Zone meets the State's eligibility criteria for certification by having a family poverty rate of 29.9% and a housing vacancy rate of 13.5%, both in Census Tract 51, as well as a 23.1% family poverty rate in Census Tract 27, all according to the 2000 Census.

The Gateway Enterprise Zone certification, if approved by IDED, will remain in effect until July 21, 2019. Although incentives must be conferred prior to the end of the 10-year period, the benefits provided may extend beyond this timeframe. Enterprise zone certification will assist the City of Des Moines in retaining, expanding and attracting new investment to this area. The use of State tax benefits will act as leverage and may reduce the amount of City incentives.

PREVIOUS COUNCIL ACTION(S):

Date: September 24, 2001

Roll Call Number: 01-2933

Action: Application to State of Iowa for Enterprise Zone Certification for Amended Gateway Enterprise Zone to include an additional seven acres located between Woodland Avenue and Linden Street and between 15th and 16th Streets. (Council Communication No. 01-481) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION (S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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