

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	April 12, 2010
	Agenda Item No. 38 Roll Call No. <u>10-</u> Communication No. <u>10-182</u> Submitted by: Matt Anderson, Economic Development Administrator	

AGENDA HEADING:

Resolution Approving the MLK Brickstone II, L.L.C. Application for Enterprise Zone Benefits for a Housing Project in the City of Des Moines.

SYNOPSIS:

Recommend approval of the application as follows: MLK Brickstone II, L.L.C. (Jack Hatch, Hatch Development Group, 1039 19th Street, Des Moines, Iowa 50314) for Enterprise Zone benefits for a \$5.5M project constructing 30 Apartment Units at 1051 19th Street in the Drake Park /Sherman Hill/Woodland Heights Enterprise Zone.

FISCAL IMPACT:

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

\$ 120,397 Investment Tax Credit; \$ 45,000 Sales Tax Refund

ADDITIONAL INFORMATION:

The MLK Brickstone, L.L.C. project was originally approved in November 2008 for 54 units to be constructed at this site. The company determined that phasing the project was going to be the most practical decision from an economic standpoint. The project requested an amendment to their original agreement from the Enterprise Zone Commission and Iowa Department of Economic Development (IDED), taking the number of units to 18 for the first phase. The application attached herewith proposes 30 units for Phase II.

The project will offer affordable one and two bedroom units, and be designed to resemble an early 20th century row home, with seven brick facades with varying designs. The project will feature geothermal heating and cooling, and offer easy access to downtown, I-235 and Drake University. Construction is anticipated to begin in November 2010 and conclude by December 2011.

PREVIOUS COUNCIL ACTION(S):

Date: November 24, 2008

Roll Call Number: 08-2089

Action: MLK Brickstone, LLC in the Drake Park/Sherman Hill/Woodland Heights Enterprise Zone. Moved by Vlassis to adopt. Motion Carried 7-0.

Date: October 27, 2008

Roll Call Number: 08-1909

Action: Authorizing application for Enterprise Zone certification for the following: (A) Drake Park/Sherman Hill/Woodland Heights. Moved by Vlassis to adopt Motion Carried 7-0 (Council Communication No. 08-640)

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Des Moines Enterprise Zone Commission will meet to review the MLK Brickstone, II, L.L.C. application in April. Following the EZ review, the application will be forwarded to IDED.

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.