

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 28, 2011
	Agenda Item No. 67A-H Roll Call No. <u>11-0401</u> Communication No. <u>11-141</u> Submitted by: Terrance N. Vorbrich Acting Economic Development Administrator

AGENDA HEADING:

Resolutions approving applications for Enterprise Zone Benefits for Low Income Housing Tax Credit Projects in Enterprise Zones, as follows:

1. Common Bond Communities: Rehabilitation of 40 apartment units at 1440 East Grand Avenue and 1430-1436 Capitol Avenue in the SE Agribusiness Enterprise Zone.
2. Melbourne Apartments 1I, LLC: Construction of 62 apartment units at 5515 SE 14th Street in the SE 14th Street Enterprise Zone.
3. Greystone Homes, LP: Construction of 32 single family townhouse units in the a) Enterprise Community Enterprise Zone; b) Drake Park//Sherman Hill Enterprise Zone and c) High Street Enterprise Zone.
4. MDI Limited Partnership #86: Construction of 34 units of housing at 1440 Walnut (Crane Building) in the Gateway Enterprise Zone.
5. EMM Associates, L.P.: Rehabilitation of 150 senior housing units at 413 Fifth Avenue, Elsie Mason Manor, in the Gateway Enterprise Zone.
6. L.T. Associates, L.P.: Rehabilitation of 139 senior housing units at 555 Fifth Avenue, Liguitti Tower, in the Gateway Enterprise Zone.
7. Oakridge III: New construction of 39 or 40 units of senior housing located at 979 Oakridge Drive, in the Drake Park/Sherman Hill Enterprise Zone.
8. Ninth Street Lofts: Substantial rehabilitation of 38 units of housing at 756 9th Street in the Gateway Enterprise Zone.

SYNOPSIS:

Recommend approval of the applications, as follows:

1. Common Bond Communities, Ellen Higgins, Vice President, 328 Kellogg Blvd. West, St. Paul, MN 55102, for enterprise zone benefits for a \$7.2 million dollar project rehabilitating 40 apartment units at 1440 East Grand Avenue and 1430-1436 Capitol Avenue in the SE AgriBusiness Enterprise Zone.
2. Melbourne Apartments 1, LLC, Rick Tollakson, Hubbell Realty Company, 6900 Westown Parkway,

West Des Moines, IA 50266, for enterprise zone benefits for an \$8.2 million dollar project constructing 62 apartment units at 5515 SE 14th Street in the SE 14th Street Enterprise Zone.

3. Greystone Homes, LLC, Jack Hatch, Hatch Development Group, 1330 Grand Avenue, Des Moines, IA 50314, for enterprise zone benefits for a \$6.6 million dollar project constructing a total of 32 single family townhouse units, as follows: 7 units in the Enterprise Community Enterprise Zone, 3 units in the High Street Enterprise Zone, and 22 units in Drake Park /Sherman Hill Enterprise Zone.

4. MDI Limited Partnership #86, Rob McCready, Co-President, MetroPlains, 1600 University Avenue #212, St. Paul, MN 55102, for enterprise zone benefits for an \$8.1 million dollar project resulting in the construction of 34 units of housing at 1440 Walnut, the Crane Building, in the Gateway Enterprise Zone.

5. EMM Associates, L.P., Frank Levy, Newbury Management Company, 3408 Woodland Avenue, Suite 504, West Des Moines, IA 50266, for enterprise zone benefits for a \$21.7 million dollar project resulting in the rehabilitation of 150 senior housing units at 413 Fifth Avenue, Elsie Mason Manor, in the Gateway Enterprise Zone.

6. L.T. Associates, L.P., Frank Levy, Newbury Management Company, 3408 Woodland Avenue, Suite 504, West Des Moines, IA 50266, for enterprise zone credits for a \$19 million dollar project resulting in the rehabilitation of 139 senior housing units at 555 Fifth Avenue, Liguitti Tower, in the Gateway Enterprise Zone.

7. Oakridge III, Frank Levy, Newbury Management Company, 3408 Woodland Avenue, Suite 504, West Des Moines, IA 50266, for enterprise zone credits for a \$7.7 million dollar construction of 39 or 40 units of senior housing located at 979 Oakridge Drive, in the Drake Park/Sherman Hill Enterprise Zone.

8. Ninth Street LLC, Doug Wells, Wells + Associates Architects, 756 9th Street, Des Moines, IA 50309, for a \$5.5 million dollar project resulting in the substantial rehabilitation of 38 units of housing at 756 9th Street in the Gateway Enterprise Zone.

FISCAL IMPACT: NONE

Funding Source: These are State of Iowa tax credits and sales tax refunds, which 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.) Common Bond Communities - N/A Investment Tax Credit; \$75,000 Sales Tax Refund.
- 2.) Melbourne Apartments 1, LLC - \$80,035 Investment Tax Credit; \$69,038 Sales Tax Refund.
- 3.) Greystone Homes, LLC - \$ 98,560 Investment Tax Credit; \$40,000 Sales Tax Refund.
- 4.) MDI Limited Partnership #86 - \$108,879 Investment Tax Credit; \$75,000 Sales Tax Refund.
- 5.) EMM Associates, L.P. - \$1,277,916 Investment Tax Credit; \$50,000 Sales Tax Refund.
- 6.) L.T. Associates, L.P. - \$996,209 Investment Tax Credit; \$50,000 Sales Tax Refund.

- 7.) Oakridge III L.P. - \$233,536 Investment Tax Credit; \$30,000 Sales Tax Refund.
- 8.) Ninth Street Lofts, LLC - \$56,800 Investment Tax Credit; \$73,250 Sales Tax Refund

ADDITIONAL INFORMATION:

Each of the enterprise zone applications is a part of the financing package for a Low Income Housing Tax Credit Project. A total of 527 renovated or new apartment units and townhomes will be added through these projects, providing a variety of market and affordable rate housing opportunities that are proximate to employment centers, shopping, restaurants, and transportation. The total construction cost of the projects is approximately \$84 million. 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: NONE

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