

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	December 19, 2011
	<b>Agenda Item No.</b> <b>Roll Call No.</b> <b>Communication No.</b> <b>Submitted by:</b>	<b>31</b> <b><u>11-2128</u></b> <b><u>11-766</u></b> <b>Terrance N. Vorbrich,</b> <b>Acting Economic</b> <b>Development</b> <b>Administrator</b>

**AGENDA HEADING:**

Resolution approving applications to the Iowa Economic Development Authority for Enterprise Zone benefits for the West End Lofts, L.L.C., and Rocket Transfer I, L.L.C. housing projects in the Gateway Enterprise Zone and the Melbourne II, L.L.C. housing project in the SE 14th Street Enterprise Zone.

**SYNOPSIS:**

Hubbell Realty Company has presented applications for State of Iowa Enterprise Zone benefits for the West End Lofts, L.L.C. housing project at 1440 Locust Street, the Rocket Transfer I, L.L.C. housing project at 320 SW 7th Street, both in the Gateway Enterprise Zone, and the Melbourne II, L.L.C. housing project at 5515 SE 14th Street in the SE 14th Street Enterprise Zone. The \$6,835,000 West End Lofts, L.L.C. project proposes 37 residential units in a building that formerly housed an auto repair service, and the \$8,698,000 Rocket Transfer Lofts I, L.L.C. project proposes 54 residential units in a building currently providing warehouse storage space. Both projects provide adaptive reuse of underutilized buildings and create quality affordable housing options for downtown Des Moines. The \$8,038,000 Melbourne II, L.L.C. project proposes 60 newly constructed residential units on an infill development site on SE 14th Street, providing affordable housing near commercial support services and bus access.

**FISCAL IMPACT:**

Amount: Investment Tax Credit: West End Lofts, L.L.C. \$402,000; Rocket Transfer I, L.L.C. \$523,600, Melbourne II, L.L.C. \$172,000

Sales Tax Rebate: West End Lofts, L.L.C. \$33,500; Rocket Transfer I, L.L.C. \$75,000, Melbourne II, L.L.C. \$69,000

Funding Source: State of Iowa Enterprise Zone Program. These are State of Iowa tax benefits and have no impact on the City of Des Moines general fund.

**ADDITIONAL INFORMATION:**

The residential units proposed for all projects will include a mix of one and two bedroom units. The buildings will include amenities such as an on-site business center, exercise facility and community room. All sites provide convenient access to employment, transportation and services for residents. Construction is anticipated to begin on all projects in early 2012.

**PREVIOUS COUNCIL ACTION(S):**

Date: September 26, 2011

Roll Call Number: 11-1636

Action: [Preliminary](#) terms of agreement with Westend Lofts, LLC for renovation of 1440 Locust Street. ([Council Communication No. 11-624](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Des Moines Enterprise Zone Commission will meet to review the applications and forward recommendation to the State of Iowa.

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).