

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 3, 2012
	Agenda Item No.	25
	Roll Call No.	<u>12-1844</u>
	Communication No.	<u>12-598</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolutions approving applications for Enterprise Zone Benefits for Housing Projects to be referred to the Des Moines Enterprise Zone Commission and the Iowa Economic Development Authority.

SYNOPSIS:

Recommend approval to refer a total of 13 applications for Enterprise Zone benefits for housing projects proposed in the City of Des Moines to the Des Moines Enterprise Zone Commission and the Iowa Economic Development Authority.

An estimated total of 812 rehabilitated or new housing units will be added city wide through these projects, providing a variety of affordable living opportunities that are proximate to employment centers, shopping, restaurants, schools and transportation. The total construction cost of the projects is approximately \$131,720,989. The projects will provide employment opportunities during the construction process, as well as long term positions in management of the facilities. New economic investments will add valuation to vacant sites and repopulate vacant and deteriorating buildings. The housing units will provide affordable homes for many sectors of the population of the City of Des Moines, including entry level work force, students, seniors, disabled citizens and families.

Enterprise Zone benefits are State of Iowa tax credits and have no fiscal impact on the City of Des Moines general fund. Information on the project applications is detailed below. Four addresses are not located in current Enterprise Zones, but have been requested to be reviewed for new zone creation. A Council Communication to submit application to the Iowa Economic Development Authority on the four proposed new zones is also on this agenda.

FISCAL IMPACT:

These are State of Iowa Tax Credits and Sales Tax Refunds 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.

Amount:

1. Anawim Housing Inc., Legacy Park - \$86,244 Investment Tax Credit; \$27,593 Sales Tax Refund.
2. Bailey Court Apartments Development, LLC. - \$121, 213 Investment Tax Credit; \$50,000 Sales Tax Refund.
3. Ligutti Tower Renovation, LT Associates LP. - \$ 1,369,597 Investment Tax Credit; \$100,000 Sales Tax Refund.
4. Forest Housing I, L.P. - \$338,890 Investment Tax Credit; \$102,857 Sales Tax Refund.

5. Christ the King Senior Housing II, L.P. - \$165,850 Investment Tax Credit; \$71,572 Sales Tax Refund.
6. Conlin Properties, Inc., Hilltop Senior - \$108,108 Investment Tax Credit; \$80,000 Sales Tax Refund
7. Conlin Properties, Inc., Hilltop I - \$138,824 Investment Tax Credit; \$72,000 Sales Tax Refund.
8. Conlin Properties, Inc., Hilltop II - \$162,000 Investment Tax Credit; \$120,000 Sales Tax Refund.
9. Broadway Heights, Phase I - \$163,373 Investment Tax Credit; \$57,993 Sales Tax Refund.
10. Broadway Heights, Phase II - \$786,884 Investment Tax Credit; \$63,000 Sales Tax Refund.
11. Melbourne III - \$231,922 Investment Tax Credit; \$85,642 Sales Tax Refund.
12. Younkers - \$1,170,000 Investment Tax Credit; \$120,000 Sales Tax Refund.
13. Gray's Landing - \$476,732 Investment Tax Credit; \$175,000 Sales Tax Refund.

Funding Source: State of Iowa Enterprise Zone Program

ADDITIONAL INFORMATION:

Following are the projects submitting application for Enterprise Zone benefits:

1. Anawim Housing Inc., Legacy Park: (Russ Frazier, President, 2024 Forest Avenue, Suite 101, Des Moines, Iowa, 50311) for Enterprise Zone benefits for a \$4.6 million project rehabilitating 33 housing units and constructing 4 housing units at 8th, 9th, and 13th & Forest Avenue in the Enterprise Community Enterprise Zone.
2. Bailey Court Apartments Development, L.L.C.: (Jack Hatch, Hatch Development Group, 1312 Locust Street, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$9.2 million project rehabilitating 48 housing units at 603 Allison in the Enterprise Community Enterprise Zone.
3. Ligutti Tower Renovation, LT Associates, L.P.: (Frank Levy, Newbury Management Company, 3408 Woodland Avenue, Suite 504, West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$18.8 million project rehabilitating a total of 139 housing units at 555 5th Avenue in the Gateway Enterprise Zone.
4. Forest Housing I, L.P.: (Mike Nelson, Nelson Development, 1045 76th Street Suite 2000, West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$7 million project constructing 48 housing units at 3201 Forest Avenue in the proposed Forest Avenue Corridor II Enterprise Zone.
5. Christ the King Senior Housing II, L.P.: (Chris Aldinger, Executive Director, Christ the King Housing Services, 5711 SW 9th Street, Des Moines, Iowa, 50315) for Enterprise Zone benefits for a \$4 million project constructing 25 housing units at 5602 SW 9th in the proposed SW 9th Enterprise Zone.

6. Conlin Properties, Inc., Hilltop Senior Housing: (Jim Conlin, CEO, Conlin Properties, 319 7th Street, Suite 500, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$7.3 million project constructing 60 housing units at 3710 Hubbell Avenue, in the proposed Hubbell/ Douglas Enterprise Zone.
7. Conlin Properties, Inc., Hilltop I: (Jim Conlin, CEO, Conlin Properties, 319 7th Street, Suite 500, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$5.2 million project constructing 36 housing units at 3710 Hubbell Avenue in the proposed Hubbell/Douglas Enterprise Zone.
8. Conlin Properties, Inc., Hilltop II: (Jim Conlin, CEO, Conlin Properties, 319 7th Street, Suite 500, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$8.5 million project constructing 72 housing units at 3710 Hubbell Avenue in the proposed Hubbell/Douglas Enterprise Zone
9. Broadway Heights, L.L.C. Phase I: (Dan Cornelison, General Counsel and Managing Member, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$6.5 million project constructing 65 housing units at 4282 East 50th Street in the NE Hubbell/Broadway Enterprise Zone
10. Broadway Heights, L.L.C. Phase II: (Dan Cornelison, General Counsel and Managing Member, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, Iowa 50266) for Enterprise Zone benefits for an \$8.3 million project constructing 90 housing units at 4216 East 50th Street in the NE Hubbell/Broadway Enterprise Zone.
11. Melbourne III, L.L.C. : (Dan Cornelison, General Counsel and Managing Member, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$9.3 million project constructing 72 housing units at 5515 SE 14th Street in the SE 14th Street Enterprise Zone
12. Younkers Building, L.L.C.: (Joe Alexander, President, Alexander Company, 145 East Badger Road, Suite 200, Madison, Wisconsin 53713) for Enterprise Zone benefits for a \$35 million project constructing of 120 housing units at 713 Walnut Street in the Gateway Enterprise Zone
13. Gray's Landing I G.P., L.L.C.: (Chris Sherman, Vice President, Sherman & Associates, 233 Park Avenue South, Suite 201, Minneapolis, Minnesota 55415) for Enterprise Zone benefits for a \$12.6 million project constructing 90 housing units at 406 SW 9th Street in the Gateway Enterprise Zone

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Des Moines Enterprise Zone Commission will meet December 4, 2012 to review the applications. Following review, the applications will be forwarded to the Iowa Economic Development Authority.

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.