

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 7, 2012
	Agenda Item No.	3
	Roll Call No.	[_____]
	Communication No.	<u>12-607</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Authorizing application to the Iowa Economic Development Authority to certify the proposed Hubbell-Douglas Enterprise Zone and 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 the Hubbell-Douglas Enterprise Zone application for submission to the Iowa Economic Development Authority for Enterprise Zone certification, providing the ability to utilize this important economic development resource to assist with reinvestment in the Hubbell Avenue Corridor. The area proposed for Enterprise Zone certification contains 14.63 acres and is located at 3710 Hubbell Avenue, a vacant property that formerly contained a Dahl’s grocery store. The site has been empty for several years and has become a blight on this important and highly traveled corridor. State of Iowa Enterprise Zone certification of the site will assist in facilitating its redevelopment, adding value and promoting new economic investment.

Conlin Properties (Jim Conlin, CEO, Conlin Properties, 319 7th Street, Suite 500, Des Moines, Iowa 50309) has proposed construction of a total of 168 new housing units on this site, and has submitted Enterprise Zone benefit applications for these projects, detailed below, subject to State of Iowa approval of the Hubbell-Douglas Enterprise Zone.

The housing projects will create affordable living opportunities that are proximate to employment, services, parks, schools and public transportation. The total construction cost of the projects is approximately \$21 million. The projects will provide employment opportunities during the construction process as well as long term positions in management of the facilities. 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.

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. Conlin Properties, Inc. Hilltop Senior- \$108,108 Investment Tax Credit; \$80,000 Sales Tax Refund

2. Conlin Properties, Inc. Hilltop I-\$138,824 Investment Tax Credit; \$72,000 Sales Tax Refund.
3. Conlin Properties, Inc. Hilltop II-\$162,000 Investment Tax Credit; \$120,000 Sales Tax Refund.

Funding Source: State of Iowa Enterprise Zone Program

ADDITIONAL INFORMATION:

Following are the projects submitting application for Enterprise Zone benefits:

1. 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 dollar project constructing 60 housing units at 3710 Hubbell Avenue, in the proposed Hubbell/ Douglas Enterprise Zone.
2. 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 dollar project constructing 36 housing units at 3710 Hubbell Avenue in the proposed Hubbell/Douglas Enterprise Zone.
3. 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 dollar project constructing 72 housing units at 3710 Hubbell Avenue in the proposed Hubbell/Douglas 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 7, 2012 to review the applications for Enterprise Zone benefits for the Hilltop I, II and Senior Housing Projects. 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.