

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 28, 2013
	Agenda Item No. 26 Roll Call No. <u>13-0113</u> Communication No. <u>13-034</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 nine (9) 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 504 new housing units will be added city wide through these projects, providing a variety of living opportunities that are proximate to employment centers, shopping, restaurants, schools and transportation. The total combined construction cost of the projects is approximately \$83,680,608. 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 provide new population for neighborhoods. The housing units will provide homes for many sectors of the population of the City of Des Moines, including entry level work force, students, seniors, disabled citizens and families.

FISCAL IMPACT:

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.

Amount:

- 1) Brownstones on 7th, L.L.C. \$471,173 Investment Tax Credit; \$40,800 Sales Tax Refund.
- 2) Cityville on 9th, L.L.C. \$769,743 Investment Tax Credit; \$98,522 Sales Tax Refund.
- 3) Neighborhood Development Corporation \$343,834 Investment Tax Credit; \$231,700 Sales Tax Refund.
- 4) Christensen Development Corporation \$163,700 Investment Tax Credit; \$365,800 Sales Tax Refund.
- 5) East Village Growth Partners, L.L.C. \$325,000 Investment Tax Credit; \$188,000 Sales Tax Refund.

- 6) Gray's Landing Two G.P., L.L.C. \$1,729,560 Investment Tax Credit; \$280,000 Sales Tax Refund.
- 7) Hatch Development Group, L.L.C. \$162,590 Investment Tax Credit; \$50,000 Sales Tax Refund.
- 8) Conlin Properties, Inc. Hilltop Duplexes-\$245,000 Investment Tax Credit; \$161,000 Sales Tax Refund.
- 9) Ingersoll Square III Investments, L.L.C. \$527,680 Investment Tax Credit; \$30,256 Sales Tax Refund.

Funding Source: State of Iowa Enterprise Zone Program.

ADDITIONAL INFORMATION:

Following are the projects submitting application for Enterprise Zone benefits:

1. Brownstones on 7th, 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 \$6,152,771 project constructing 34 housing units at 325 SW 7th in the Gateway Enterprise Zone.
2. Cityville on 9th, 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 \$13,840,875 project constructing 111 housing units at 510 SW 9th Street in the Gateway Enterprise Zone.
3. Neighborhood Development Corporation: (Abbey Gilroy, Project Manager, 210 Des Moines Street, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$6,438,335 project constructing a total of 49 housing units at Indianola Road and Dunham in the River South Enterprise Zone.
4. Christensen Development: (Jake Christensen, President, 506 3rd Street Suite 300, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$6,658,000 project constructing 40 housing units at SE 6th Street in the Agribusiness Enterprise Zone.
5. East Village Growth Partners, L.L.C.: (Tim Rypma, Owner, 2402 Forest Drive, Des Moines, Iowa 50312) for Enterprise Zone benefits for a \$6,236,600 project constructing 21 housing units at East 4th and Locust in the Gateway Enterprise Zone.
6. Gray's Landing Two G.P., L.L.C.: (Chris Sherman, Vice President, Sherman & Associates, 233 Park Avenue South, Suite 201, Minneapolis, MN, 55415) for Enterprise Zone benefits for a \$25,353,443 project constructing 142 housing units at SW 11th and Tuttle in the Gateway Enterprise Zone.
7. Hatch Development Group, L.L.C.: (Carol Bower, Development Director, 1312 Locust Street, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$4,625,900 project constructing 30 housing units at 6th Avenue and Forest Avenue in the Enterprise Community Enterprise Zone.

8. Conlin Properties, Inc.: (Jim Conlin, CEO, Conlin Properties, 319 7th Street, Suite 500, Des Moines, Iowa 50309) for Enterprise Zone benefits for a \$6,003,785 project constructing 30 housing units at 3710 Hubbell Avenue in the Hubbell/Douglas Enterprise Zone.
9. Ingersoll Square II Investments, L.L.C.: (Frank Levy, President, Newbury Management Company, 3408 Woodland Avenue, Suite 504, West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$8,371,799 project constructing 47 housing units at in the Ingersoll 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 January 29, 2013 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 first 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.