

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 22, 2013
	Agenda Item No.	27
	Roll Call No.	<u>13-0650</u>
	Communication No.	<u>13-205</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving preliminary terms of agreement with Ballyard Lofts, LLC for renovation of property at 226 Martin Luther King Jr. Parkway

A. Approving application of Ballyard Lofts, L.L.C. for Enterprise Zone Benefits for a housing project at 226 Martin Luther King Jr. Parkway in the Gateway Enterprise Zone .

SYNOPSIS:

Ballyard Lofts, LLC (Managing Member Troy Hansen, President, Hansen Real Estate, 5665 Greendale Road Suite A, Johnston, Iowa 50131) has proposed a \$5.9 million renovation of the property at 226 Martin Luther King Jr. Parkway, from a historic warehouse to 44 market-rate apartment units. The project will provide for the adaptive reuse of a vacant property in the area directly south of the Central Business District, and provide desirable housing options at the center of outdoor recreation, transportation, and destination entertainment amenities.

The developer has requested a \$500,000 economic development grant to assist with the renovation costs. Staff will negotiate a final development agreement to present to City Council, following review of the proposed project design and financial assistance request by the Urban Design Review Board.

FISCAL IMPACT:

Amount: Not to exceed \$500,000, to be paid out annually over 10 years. Payment will commence following the issuance of a certificate of completion, but in no event earlier than July 1, 2014.

Enterprise Zone Benefits: Investment Tax Credit: \$538,929; Sales Tax Rebate: \$71,373

Funding Source: Metro Center Urban Renewal Area tax increment, account, fund and organization codes to be assigned by Finance Department.

Enterprise Zone benefits are State of Iowa tax credits and have no impact on the City’s general fund.

ADDITIONAL INFORMATION:

The building is located south of Martin Luther King Jr. Parkway and immediately west of Principal Park. The renovation will involve the removal of the metal shed currently attached to the building, and create window openings important for residential use. Due to the need to incorporate window openings in the building, the project will not be eligible for historic tax credits. Surface parking currently exists

adjacent to the building; 55 spaces will be reserved for residents and the remainder will continue to be utilized for events at Principal Park.

Marketing of the housing units will be geared to young professionals working in the downtown core, but the location is also anticipated to be attractive to baseball fans of many generations who may find appeal in the proximity to Principal Park.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Urban Design Review Board will meet to review the proposed design and financial assistance request in May. The Des Moines Enterprise Zone Commission will meet to review the Enterprise Zone benefits application in May. Following Commission action the EZ application 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.