

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	October 21, 2013
	Agenda Item No.	27
	Roll Call No.	<u>13-1639-42</u>
	Communication No.	<u>13-525</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 (IEDA).

SYNOPSIS:

Recommend approval to refer a total of four (4) applications for Enterprise Zone benefits for housing projects proposed in the City of Des Moines to the Des Moines Enterprise Zone Commission and the IEDA.

An estimated total of 473 new or rehabilitated 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 \$71.4 million. 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, and families.

Information on the project applications is detailed below. A Council Communication to submit application to the IEDA for the proposed new Fort Des Moines Enterprise Zone is also on this agenda.

FISCAL IMPACT:

Amount: 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.

- 1.) Fort Des Moines Restoration, L.L.C.-\$1,168,701 Investment Tax Credit; \$514,490 Sales Tax Refund.
- 2.) Melbourne IV, L.L.C.-\$256,990 Investment Tax Credit; \$66,750 Sales Tax Refund.
- 3.) Equitable Lofts, L.L.C. \$1,707,375 Investment Tax Credit; \$549,890 Sales Tax Refund.
- 4.) East Village Towers, L.L.C. \$838,350 Investment Tax Credit; \$115,000 Sales Tax Refund.

Funding Source: State of Iowa Enterprise Zone Program

ADDITIONAL INFORMATION:

Following are the projects submitting application for Enterprise Zone benefits:

1. Fort Des Moines Restoration, L.L.C. (Hugh O'Hagen, Partner, 1717 Ingersoll, Des Moines, Iowa, 50309) for Enterprise Zone benefits for a \$26 million project constructing 154 housing units at 6700 Chafee Road in the proposed Fort Des Moines Enterprise Zone.
2. Melbourne IV, L.L.C. (Dan Corneilson, General Counsel and Managing Member, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, Iowa 50266) for Enterprise Zone benefits for a \$7.9 million project constructing 72 housing units at 5515 SE 14th Street in the SE 14th Street Enterprise Zone.
3. Equitable Lofts, L.L.C. (Shawn Foutch, Co-Owner, 8405 Blackstone Court, Johnston, Iowa 50131) for Enterprise Zone benefits for a \$28 million project constructing a total of 144 housing units at 6th and Locust in the Gateway Enterprise Zone.
4. East Village Towers, L.L.C. (Jake Christensen, President, Christensen Development, 506 3rd Street, Des Moines, Iowa, 50309) for Enterprise Zone benefits for a \$9.5 million project rehabilitating 103 housing units at 600 E. 5th 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 October 24, 2013 to review the applications. Following this 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.