

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	November 18, 2013
	Agenda Item No.	35
	Roll Call No.	<u>13-1811</u>
	Communication No.	<u>13-571</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 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 Iowa Economic Development Authority.

A total of 172 new housing units will be added citywide 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 \$29,664,163. 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 neighborhoods. 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:

- Amount:
- 1) Yeader Village, L.L.L.P.- \$143,957 Investment Tax Credit; \$28,250 Sales Tax Refund.
 - 2) The Oaks on First, L.L.L.P. - \$228,021 Investment Tax Credit; \$72,000 Sales Tax Refund.
 - 3) Forest Avenue Apartments, L.L.C.- \$279,445 Investment Tax Credit; \$223,200 Sales Tax Refund.
 - 4) 6th Avenue Flats, L.P.-\$397,499 Investment Tax Credit; \$130,885 Sales Tax Refund.

Funding Source: State of Iowa Enterprise Zone Program – 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.

ADDITIONAL INFORMATION:

Following are the projects submitting application for Enterprise Zone benefits:

1. Yeader Village, L.L.L.P. (Russ Frazier, President, 2024 Forest Avenue, Suite 101, Des Moines, Iowa, 50311) for Enterprise Zone benefits for a \$4 million project constructing 24 housing units at 4315 S.E. 14th Street in the Yeader Village Enterprise Zone.
2. The Oaks on First, L.L.L.P. (Russ Frazier, President, 2024 Forest Avenue, Suite 101, Des Moines, Iowa, 50311) for Enterprise Zone benefits for a \$9.6 million project constructing 56 housing units at 1405 S.E. 1st Street in the River South Enterprise Zone.
3. Forest Avenue Apartments L.L.C. (Michael D. Fallesen, Vice President, Affordable Housing Development, Seldin Company, 16910 Frances Street, Suite 200, Omaha, Nebraska, 68130) for Enterprise Zone benefits for a \$7.4 million project constructing a total of 48 housing units at 3201 Forest Avenue in the Forest Avenue Corridor II Enterprise Zone.
4. 6th Avenue Flats, L.P. (Ryan Galloway, Representative of General Partner, 1312 Locust, Suite 300A, Des Moines, Iowa, 50309) for Enterprise Zone benefits for a \$8.6 million project constructing 44 housing units on 6th Avenue in the Enterprise Community 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 in November 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.