

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> April 21, 2014
	<b>Agenda Item No.</b> 34 <b>Roll Call No.</b> <u>14-0624</u> <b>Communication No.</b> <u>14-183</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Resolution approving application to the Des Moines Enterprise Zone Commission and the Iowa Economic Development Authority for Enterprise Zone benefits for the 201 East Locust, L.L.C. housing project in the Gateway Enterprise Zone.

**SYNOPSIS:**

201 East Locust, L.L.C. (Managing Member Troy Hansen, President, Hansen Real Estate, 5665 Greendale Road Suite A, Johnston, Iowa 50131) has presented an application for the State of Iowa Enterprise Zone program for the construction of 124 market rate residential units at 201 East Locust on the former Bud Mulcahy Jeep Dealership site. The project cost is estimated at \$30 million for the housing units, which is part of a larger \$45 million mixed-use development plan for the site. Additional information is provided below.

**FISCAL IMPACT:**

Amount: Investment Tax Credit - \$1,500,000; Sales Tax Rebate - \$430,141

Funding Source: State of Iowa Enterprise Zone Program

These are State of Iowa tax credits and have no impact on the City of Des Moines General Fund.

**ADDITIONAL INFORMATION:**

The full 201 East Locust, L.L.C. project is a \$45 million undertaking on a key East Village infill site. The project will include 124 market rate residential units, a 120 room hotel, and a minimum 236 space parking garage. Only the housing portion of the project is eligible for the Enterprise Zone program benefits.

Preliminary terms of agreement for the full project were approved by City Council on February 10, 2014, by Roll Call No. 14-0241.

**PREVIOUS COUNCIL ACTION(S):**

Date: April 7, 2014

Roll Call Number: [14-0542](#)

Action: [On](#) vacation and conveyance of the remaining segment of east/west alley right-of-way adjoining 306 East 3<sup>rd</sup> Street to 201 East Locust, LLC, \$31,000, (4-21-14).

Date: February 10, 2014

Roll Call Number: [14-0241](#)

Action: [Preliminary](#) terms of agreement with 201 East Locust, LLC for a \$45 million project constructing a 120 room hotel, 104 market-rate residential units and a minimum of 236 space parking garage at 201 East Locust Street. ([Council Communication No. 14-057](#)) Moved by Voss to receive, File and approve the preliminary terms of agreement as set forth in council Communication No. 14-057, and to direct the City Manager to proceed with negotiation of formal agreement with 201 East Locust, LLC, consistent with the terms set forth in Council Communication No. 14-057. Motion carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Des Moines Enterprise Zone Commission will meet in April to review the application for Enterprise Zone benefits. Following their review, the 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](mailto:cityclerk@dmgov.org).