

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 9, 2014
	Agenda Item No. 29 A,B,C Roll Call No. <u>14-0855 14-0856 14-0857</u> Communication No. <u>14-282</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolutions approving applications for Enterprise Zone Benefits for Three Market Rate 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 three (3) 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 174 new market rate 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 \$23 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 taxable 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) Artisan Row, L.L.C. \$378,000 Investment Tax Credit; \$64,230 Sales Tax Refund
- 2) Citiville on 9th II, L.L.C. 886,368 Investment Tax Credit; \$92,712 Sales Tax Refund
- 3) Broadway Heights III, L.L.C. \$254,165 Investment Tax Credit; \$31,771 Sales Tax Refund

Funding Source: State of Iowa Enterprise Zone Program.

ADDITIONAL INFORMATION:

Artisan Row, 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 \$7.3 million project constructing 27 housing units in the block of Ingersoll, Grand 16th and 17th in the

Gateway Enterprise Zone.

2. Citiville 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 million project constructing 117 housing units at 510 SW 9th Street in the Gateway Enterprise Zone.

3. Broadway Heights III, 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 \$2.8 million project constructing a total of 30 housing units at 4216 East 50th Street in the N.E. Hubbell-Broadway 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 June to review the applications. Following review, the applications will be forwarded to the IEDA. IEDA will accept applications for the Enterprise Zone program until June 30, 2014. After that date, IEDA will begin work on application procedures for the new Workforce Housing Tax Credit program approved in the 2014 Legislative session.

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.