

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 20, 2017
	Agenda Item No.	33
	Roll Call No.	<u>17-0489</u>
	Communication No.	<u>17-295</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Resolution in support of an "Iowa State Historic Tax Credit Application" to be submitted to the State of Iowa by 12th Street Lofts, LLC (Hubbell Realty Company) for a housing rehabilitation project at 121 12th Street.

SYNOPSIS:

- The Hubbell Company, represented by Jim Weber, Chief Financial Officer, has requested a resolution of City support and financial commitment to include with its registration packet for State Historic Tax Credits.
- The credits are requested for the creation of 26-units of market rate-housing units in the historic building located at 121 12th Street.
- The extremely competitive application includes 10-points for Local Government Participation and Support.
- Tax abatement qualifies as a local government financial commitment.

FISCAL IMPACT:

Amount: \$734,567 (10 year tax abatement)

Funding Source: NA

ADDITIONAL INFORMATION:

- In August 2016, administration of the State Historic Tax Credit program moved to the Iowa Economic Development Authority (IEDA) with design review approval retained by the Iowa Department of Cultural Affairs (IDCA).
- To receive 10-points for the project in the registration scoring, a developer must have a resolution of support and documentation of any financial participation from the local government that is dated within a year of the State registration time frame.
- A registration round of State Historic Tax Credits will be open from April 10 through April 24, 2017 for approximately \$22.5 million in credits.
- The City Council authorized a Resolution of Support and documentation of financial contribution through 10-year tax abatement for this project at its December 7, 2015 meeting by Roll Call No. 15-2063.
- The Hubbell Company, acting on behalf of 12th Street, LLC, has asked to have the resolution and documentation of financial participation updated.

- The building at 121 12th Street was determined eligible for the National Register in May of 2015.
- The project is requesting State Historic Tax Credits for 25% of the qualified rehabilitation costs and is also requesting Federal Historic Tax Credits.
- The project consists of 26 units of multi-family housing with no commercial component.
- The historic building at 121 12th Street is located in the “Targeted Multiple-Family Residential Area” and is eligible for 10-year tax abatement for housing under authority of the Third Restated Urban Revitalization Plan for the Citywide Urban Revitalization Area adopted on October 26, 2015, by Roll Call No. 15-1816 and Roll Call No. 15-1818.
- The tax abatement amount is estimated to be \$734,567.

PREVIOUS COUNCIL ACTION(S):

Date: December 7, 2015

Roll Call Number: [15-2063](#)

Action: [Support](#) of an Iowa State Historic Tax Credit Application to be submitted to the Iowa Department of Cultural Affairs by 12th Street Lofts, LLC (Hubbell Realty Company) for a housing rehabilitation project at 121 12th Street. ([Council Communication No. 15-634](#)) Moved by Gatto to adopt. Motion Carried 6-1. Absent: Cownie.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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