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|  <p style="text-align: center;">Council Communication Office of the City Manager</p> | Date: | April 17, 2017 |
| | Agenda Item No. | 35A |
| | Roll Call No. | [] |
| | Communication No. | <u>17-348</u> |
| | Submitted by: | Erin Olson-Douglas, Economic Development Director |

AGENDA HEADING:

Resolution in support of an “Iowa State Historic Tax Credit Application” to be submitted to State of Iowa by Revive Community Development, for a housing rehabilitation project located at 319 7th Street.

SYNOPSIS:

The State of Iowa has required a resolution of support and proof of any financial commitment for developers submitting applications for State Historic Tax Credits, per administrative changes that took effect in August 2016. In the competitive Historic Tax Credit registration process, projects with local government support and a local financial match will receive higher scoring. This resolution is for the development of 46 units of market rate housing at 319 7th Street (known as the Griffin Building), in a building determined to be eligible for the National Register of Historic Places in downtown Des Moines. The City’s match will be provided with 10-year tax abatement.

FISCAL IMPACT:

The project will be eligible to receive 10-year tax abatement on the additional value added as a result of improvements.

Amount: \$1,250,000 (estimated)

Funding Source: N/A

ADDITIONAL INFORMATION:

Revive Community Development, represented by Perry Hintze, Officer, 1701 River Drive, Moline, IL 61265), has requested City support for its application to the Iowa Department of Cultural Affairs (IDCA) and Iowa Economic Development Authority (IEDA) for State Tax Incentives under the Historic Tax Credit Program for the creation of 46 market rate apartment units and the adaptive reuse of the Griffin Building.

- Substantial changes have been made to the State Historic Tax Credit application process, requiring a resolution of support and documentation of a City financial contribution to the project.

- Revive Community Development expects the 2017 Historic Tax Credit application round to open in the very near future and is securing documentation needed for this application.
- Revive Community Development is requesting \$2,063,883 in State Historic Tax Credits, or 25% of the qualified rehabilitation costs. Revive Community Development is also requesting \$1,651,106 in Federal Historic Tax Credits.
- The proposed \$10.5 million project at 319 7th Street will provide for the complete and historically correct renovation of the Edna M. Griffin Building, and will convert the upper floors (two {2} through six {6}) of the structure from largely underutilized and vacant commercial office space to 46 market rate apartment units.
- The building is located in the core of downtown, is directly connected to the skywalk system, and is proximate to large employers, services and amenities.
- Exterior improvements will include removal of all Exterior Insulation and Finish System (EIFS) on the exterior of the building, new storefront installed on the first story, installation of a new cornice to match the original building, window replacement, and tuck pointing of brick as necessary. The existing commemorative plaque on the building memorializing Edna Griffin's historical civil rights efforts will remain in place.
- The project will include a mix of studio, 1-bedroom and 2-bedroom units, and will include amenities such as direct skywalk access to the building, outdoor patio space, and balconies on some dwelling units.
- The first floor space is currently vacant and will remain commercial/office space.
- Revive Community Development is seeking tax abatement in the estimated amount of \$1,250,000, and the developer has not requested any other type of financial assistance from the City.
- The historic Griffin Building is located in the Targeted Multiple-Family Residential Area, and commenced construction prior to January 1, 2017, making the project eligible to receive 10-year tax abatement on the valued added from improvements made to the property.
- State Historic Tax Credits are competitive because the State Legislature limits the total amount of tax credits awarded to \$20 million statewide, however the IDCA does not limit the amount of credits that may be awarded in any one (1) jurisdiction or county.

PREVIOUS COUNCIL ACTION(S):

Date: December 5, 2016

Roll Call Number: [16-2070](#)

Action: [Support](#) for a Workforce Housing Tax Credit Benefit Application to be submitted to the Iowa Economic Development Authority (IEDA) by Revive Community Development for a housing project

at 319 7th Street (46 units). ([Council Communication No. 16-675](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: December 15, 2016

Resolution Number: N/A

Action: David Courard-Hauri moved staff recommendation for approval of the proposed site plan subject to conditions. Plan and Zoning Commission approved the site plan with a 13-0 vote.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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