 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 23, 2018
	Agenda Item No.	34
	Roll Call No.	<u>18-0697</u>
	Communication No.	<u>18-215</u>
	Submitted by:	Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolutions approving the following:

Conditional approval of Preliminary Plan for a proposed housing project at 215 SW 9th Street, known as the “Parkway Lofts” by Orton Development, LLC, on land to be purchased from the City.

A. Resolution in support of a Workforce Housing Tax Credit (WHTC) Benefit Application to be submitted to the Iowa Economic Development Authority (IEDA) by Orton Development Company, LLC for a multi-family housing project.

B. City Council-initiated request for vacation and conveyance of City-owned alley right-of-way adjoining 215 SW 9th Street.

SYNOPSIS:

Orton Development Company, LLC (Bruce Gates, Manager, 2208 Woodlands Parkway, West Des Moines, Iowa) has presented a proposal to purchase vacant City-owned land addressed as 215 SW 9th Street, located south of Martin Luther King Jr. Parkway between the SW 8th Street and SW 9th Street viaducts for redevelopment of a 6-story market rate multi-family residential apartment project known as the “Parkway Lofts”, in conformance with the Preliminary Plan. The development is proposed to include a total of 77 dwelling units consisting of a mix of studio, 1-bedroom, and 2-bedroom units. The ground level will have enclosed parking, bicycle storage, and a management office. A rooftop patio amenity is included on the sixth floor.

Orton Development Company, LLC is requesting to purchase the vacant .93-acre site from the City of Des Moines for redevelopment in conformance with the proposed Preliminary Plan. A portion of City-owned alley located just south of the subject property will need to be vacated and conveyed for incorporation into the project site, and will require future council action. A hearing on the land sale will be set for June 11, 2018.

Orton Development Company, LLC is also seeking a resolution of support from the City Council for a WHTC Benefit Application to be submitted to the IEDA and the identification of the local match for the project, at a minimum of \$1,000 per dwelling unit. The City’s Targeted Multi-Family Tax Abatement incentive will apply as the necessary local match.

FISCAL IMPACT:

Amount: WHTC benefits estimated at \$1,000,000 (WHTC are State of Iowa tax credits and have no fiscal impact on the City of Des Moines general fund).

Funding Source: State of Iowa WHTC program. Orton Development Company, LLC, \$1,000,000 estimated WHTC benefit; local match estimated at \$2,265,000 provided by 10-year, declining tax abatement on the value added to the property as a result of constructed improvements on the property.

ADDITIONAL INFORMATION:

- Orton Development Company, LLC has presented a multi-family housing proposal for a remnant .93-acre City-owned parcel. The project proposal indicates construction utilizing high quality, durable construction materials as shown by the Preliminary Plan.
- The WHTC program provides for the a refund on state sales, service and use taxes paid during construction, and a state investment tax credit of up to 10% of the investment directly related to the construction of the project, in the maximum amount of \$1,000,000. The WHTC program has an annual cap of \$20 million for the entire State of Iowa, with a \$5 million set aside for rural projects, which makes this program highly competitive with other proposed development projects across the state.
- Below are the additional details on this project:
 - The proposed \$13.5 million project is located on vacant City-owned ground addressed as 215 SW 9th Street, located south of Martin Luther King Jr. Parkway, and between the SW 8th Street and SW 9th Street viaducts, and will consist of a 6-story building containing a total of 77 dwelling units with a targeted market consisting of the local workforce and employees of nearby businesses.
 - The site has been vacant since site acquisition and demolition to make way for the adjacent Martin Luther King Jr Parkway project.
 - The applicant will be utilizing the City's residential tax abatement program for the required local match of the WHTC's, which has an estimated valuation of \$2,265,000 over the 10-year term of the declining abatement eight (8) years at 100%, 60% abatement in year nine (9), 40% abatement in year 10.
 - No additional City financial assistance other than tax abatement is contemplated for this project.
 - The project is expected to meet Mid-American Energy's Commercial New Construction Energy Efficiency program.
 - Access to the site will be provided from the one-way pair streets adjoining the SW 8th Street and SW 9th Street viaducts.
 - The land is deemed as excess City-owned property. No competitive disposition of the property is required for this proposal.
 - The closing on the land sale is contingent on the project obtaining a recommendation from the Urban Design Review Board and multi-family site plan approval from Plan and Zoning Commission.

Site Vicinity Map



PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City Council approval of the land sale to Orton Development Company, LLC, and vacation and conveyance of a portion of adjoining right-of-way. The Urban Design Review Board will provide design review and recommendation on the project, and the Plan and Zoning Commission will approve the site plan in conformance with applicable design guidelines prior to the closing of the sale of land for private redevelopment.

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.

PRELIMINARY DEVELOPMENT CONCEPT



JOB NO.

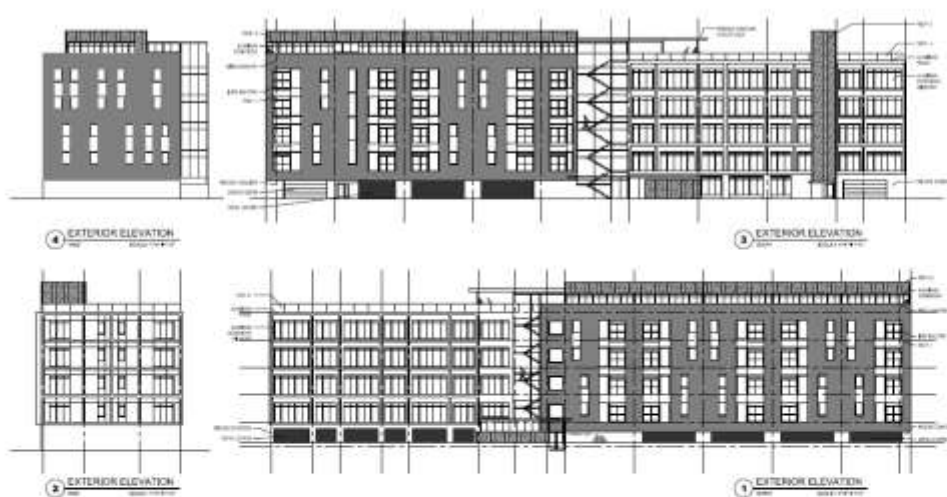
WALKER COEN LORENTZEN ARCHITECTS, INC.
 1000 UNIVERSITY AVENUE, SUITE 1000
 DES MOINES, IOWA 50319

PRELIMINARY NOT FOR CONSTRUCTION - APRIL 11, 2018

215 SW 9th STREET
 Des Moines, IA
 50309

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C001
 SITE PLAN



- EXTERIOR MATERIALS
 BASIS OF DESIGN
- BRICK MASONRY:
 ENCKDOT DARK MONOPOT VELVETEX FINISH
- 1958 REINFORCED CONCRETE CLADDING
 TYPE 1: REBAR CONCRETE SEM OR SMA
- TYPE 2: REBAR OXIDISEN OR SMA
- ALUMINUM COMPOSITE FRAME
- EXPOSED PRE-CAST CONCRETE

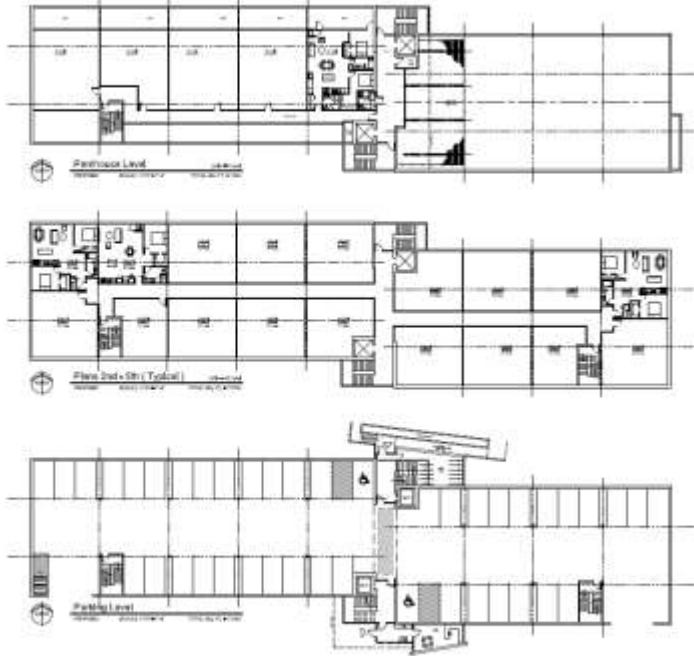


215 SW 9TH STREET, DES MOINES, IOWA

FROM VIADUCT

NORTH BUILDING ENTRY

- METAL SCREENING:
 OGLIG STRIPS (OVER OR SWALE)
- PENETRATION:
 ALUMINUM CLAD WINDOWS & STOREFRONT
- WALKER COEN LORENTZEN ARCHITECTS, INC.
 April 11th, 2018



NO.	DESCRIPTION	DATE	BY
1	Issue for Construction	4/17/2018	WALSH
2	Issue for Construction	4/17/2018	WALSH
3	Issue for Construction	4/17/2018	WALSH
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49	Issue for Construction	4/17/2018	WALSH
50	Issue for Construction	4/17/2018	WALSH

PRELIMINARY NOT FOR CONSTRUCTION - APRIL 17, 2018

215 SW 9th STREET

Des Moines, IA 50309

WALSH | CORN | LOCATION
 WINNEMUK, WY.

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NO. A001
 PLANS

JOB NO.