

.....
Date March 10, 2008.....

RESOLUTION APPROVING THE RUMELY HOUSING, LLC
APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING PROJECT
IN THE DES MOINES GATEWAY ENTERPRISE ZONE

WHEREAS, on September 14, 1998 by Roll Call No. 98-2603, the Des Moines City Council established the nine-member Des Moines Enterprise Zone Commission (“Commission”), and on June 21, 1999 by Roll Call No. 99-2002, the City Council designated the Des Moines Gateway Enterprise Zone, which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Rumely Housing, LLC is a developer requesting approval of its application for enterprise zone benefits regarding a project in Des Moines Gateway Enterprise Zone involving investment of approximately \$20 million into the construction of up to 66 residential units located at 104 SW 4th Street; and

WHEREAS, the Rumely Housing application appears to meet all of the requirements for enterprise zone benefits as described in the staff report attached as Exhibit “A”; and

WHEREAS, at their meeting of February 8, 2008, the Downtown Des Moines Neighborhood Association stated their support for the project; and

WHEREAS, Council is requested to recommend approval of the Rumely Housing application for enterprise zone benefits to the Commission as well as the Iowa Department of Economic Development, which administers the State of Iowa Enterprise Zone Tax Credit Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The staff report describing how the Rumely Housing application meets the requirements for enterprise zone benefits, herein referenced as Exhibit “A”, is accepted.
2. The Rumely Housing application is recommended for approval to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development.
3. The Office of Economic Development is directed to transmit a copy of this Roll Call to the Commission and to the Iowa Department of Economic Development and is directed to conduct project compliance monitoring.

(Continued on Page 2)

★ Roll Call Number

Agenda Item Number

39B


Date March 10, 2008

- 4. Upon approval of the application by the Iowa Department of Economic Development, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature on any documents necessary for Rumely Housing, LLC to receive enterprise zone benefits.

(Council Communication No. ~~08~~-131)

MOVED by _____ to adopt.

FORM APPROVED:


 Michael F. Kelley
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

DES MOINES GATEWAY ENTERPRISE ZONE
Staff Report Regarding Application for Housing Benefits

Applicant Name: Rumely Housing LLC

Project Location: 104 SW 4th Street Des Moines, Iowa

Project Summary: This project will take place in the historic Rumely Building, rehabilitating the former industrial site into a 66 unit multi family residential project

Current Status: Following is a sources and uses chart of project funding.

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
Debt	\$ 3,700,000		Hard Costs (Apartment Units)	\$ 14,500,000
Equity	\$ 1,400,000	Committed	Hard Costs (sitework /parking structure)	\$ 500,000
LIHTC Equity	\$ 8,103,862		Survey, Architectural, Engineering	\$ 485,000
Iowa State Historic Equity	\$ 3,370,000		Financing Costs	\$ 975,000
Federal Tax Credit Equity	\$ 3,444,376		Other soft costs	\$ 1,984, 238
Sales Tax Rebate	\$ 250,874	EZ Application	Acquisition Costs	\$ 2,000,000
EZ Tax Credits Syndication Proceeds	\$ 462,887	EZ Application		
City of Des Moines				
PROJECT TOTAL	\$20,444,238		TOTAL	\$ 20,444,238

Start Date: Year end 2007

Completion Date: January 2009

Total Project Cost: \$20,444,238

State Financial Incentive: \$462,887 Tax Credit and \$250,874 Sales Tax Rebate requested.

Benefits: The project will provide high quality and affordable housing to the downtown Des Moines area, in addition to economic stimulation. It provides an adaptive re-use of a historic building by transforming the use from industrial to residential.

Affidavit: Attached to the application is an affidavit that the eligible developer or contractor has not violated state or worker safety statutes, rules and regulations.

Program The project meets the program requirements of

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Requirements:

**Commission
Requirements:**

Recommendation:

Staff recommends approval of the application and submittal to the Iowa Department of Economic Development for consideration.

Respectfully submitted,

Rita Conner
Economic Development Coordinator