

★ Roll Call Number

Agenda Item Number

34

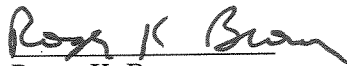
Date May 8, 2006

COMMUNICATION from Sherman & Associates (George Sherman, President and Owner), requesting City consideration of an amendment to the Metro Lofts project at 100 2nd Avenue to change the development from approximately 70-80 condominiums with underground parking, to an estimated 105 unit apartment project with underground parking similar to the Vine Street Lofts at 101 2nd Avenue.

( Council Communication No. 06- 270 )

MOVED by \_\_\_\_\_ to receive and file, and to authorize the City Manager to negotiate with Sherman & Associates for an amendment to the Urban Renewal Development Agreement for Metro Lofts consistent with the accompanying Council Communication, for further consideration by the City Council.

Form Approved:

  
 Roger K. Brown  
 Assistant City Attorney

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

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.

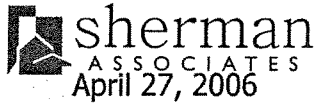
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED

APPROVED

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 City Clerk



Richard A. Clark  
City Manager, City of Des Moines  
400 Robert D. Ray Drive  
Des Moines, Iowa 50309

RE: Metro Lofts Redevelopment Project

Dear Rick:

As you aware, Metro Lofts has faced several challenges since the Des Moines City Council approved the project. While struggling to reach the required threshold to begin construction, costs have continued to climb. Today we are faced with the fact that we cannot build the project as designed and receive an acceptable return.

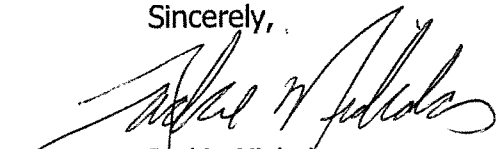
Sherman Associates remains committed to Des Moines and to the redevelopment of this site. Given the number of condominium projects in process, we propose a shift to a rental project. The project would contain 107 apartments and would be a sister project to Vine Street Lofts.

Our preference would be to develop a mixed-income project. Sherman Associates will apply to the Iowa Financing Authority for 9% low-income housing tax credits the next funding round. No additional subsidy would be required at a 60% affordable/40% market rate mix.

If tax credits are not awarded, Sherman Associates would use 4% low income housing tax credits and tax exempt bond financing to fund the project. Assuming no additional subsidy is available from other sources, the project would have to be 100% affordable.

Before incurring the expense to redesign the project, I ask that the Council endorse the shift to a rental project and support the utilization of low income housing tax credits (both the 9% and 4% scenarios outlined above) for project financing.

Sincerely,

  
Jackie Nickolaus  
Project Manager