

Date November 24, 2008

RESOLUTION APPROVING THE OAKRIDGE NEIGHBORHOOD ASSOCIATES LP APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING PROJECT IN THE DRAKE PARK /SHERMAN HILL/WOODLAND HEIGHTS ENTERPRISE ZONE

WHEREAS, on September 14, 1998 by Roll Call No. 98-2603, the Des Moines City Council established the Des Moines Enterprise Zone Commission ("Commission") and by Roll Call No. 08-1909, the City Council designated the Drake Park /Sherman Hill /Woodland Heights Enterprise Zone ("Enterprise Zone") which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Oakridge Neighborhood Associates, LP, developer, is requesting approval of its application for enterprise zone benefits for a project involving investment of about \$14 million for the rehabilitation of 150 residential units at 1236 Oakridge Drive; and

WHEREAS, the Oakridge Neighborhood Associates, LP application appears to meet all of the requirements for enterprise zone benefits described in the staff report attached as Exhibit "A"; and

WHEREAS, Council is requested to recommend approval of the Oakridge Neighborhood Associates, LP 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 Oakridge Neighborhood Associates, LP application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Oakridge Neighborhood Associates LP application is recommended for approval to the Des Moines Enterprise Zone Commission and to IDED.
3. The Office of Economic Development is directed to transmit a copy of this Roll Call to the Commission and to IDED and to conduct project compliance monitoring.
4. Upon IDED approval of the application, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature on any documents necessary for the Oakridge Neighborhood Associates LP to receive enterprise zone benefits.

(Council Communication No. 08-697)

MOVED by _____ to adopt.

Form Approved:
J. Kelley
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, HENSLEY, MAHAFFEY, MEYER, KIERNAN, VLASSIS, TOTAL, MOTION CARRIED, APPROVED.

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.

Mayor

City Clerk

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DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Applicant Name: Oakridge Neighborhood Associates, LP

Project Location: 15th Street and Oakridge Drive, Des Moines, Iowa

Project Summary: The proposed project is the rehabilitation of 150 apartment units at 1236 Oakridge Drive. The intent is to substantially rehabilitate existing affordable housing units, make numerous site upgrades and address curb appeal and deferred maintenance issues.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
First Mortgage	\$1,500,000		Land and Existing Structures	\$3,150,000
Deferred Developer Fee	\$279,583		Construction	\$6,600,000
Construction Period Income	\$150,000		Architect and Engineer	\$270,000
Tax Credit Equity proceeds	\$7,636,203		Finance, Accounting, Legal Fees, Interest	\$3,276,076
State Enterprise Zone proceeds	\$85,800		Operating Reserve	\$700,000
Soft Seller Note	\$879,783			
IDED HOME Funds	\$900,000			
Rollover Flex Sub Loan	\$1,985,015			
Existing Replacement Reserves	\$150,000			
City HOME Funds	\$250,000			
GP Contribution	\$100			
IRP Decoupling Loan	\$179,592			
PROJECT TOTAL	\$ 13,996,076		TOTAL	\$ 13,996,076

Start Date: Spring 2009

Completion Date: Summer 2010

Total Project Cost: \$ 13,996,076

State Financial Incentive: \$ 85,800 Tax Credit and \$205,000 Sales Tax Rebate requested.

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DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

- Benefits:** The proposed project will preserve affordable housing opportunities, offer new amenities, enhance the livability of the development, and make the site more compatible with other new downtown development.
- 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 Requirements:** The project meets the program requirements of rehabilitating or constructing three or more multi-family units. Rehabilitation and construction will be completed within two years from the start of construction and will meet all applicable housing quality and local safety standards.
- Commission Requirements:** There is no designated neighborhood association.

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