

Date November 24, 2008

RESOLUTION APPROVING THE OAK POINT, LLLP APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING PROJECT IN THE 24TH STREET 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. 08-1911, the City Council designated the 24th Street Enterprise Zone ("Enterprise Zone") which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Oak Point, LLLP, developer, requests approval of its application for enterprise zone benefits regarding a project in the t Enterprise Zone involving investment of about \$7 million for the construction of 36 residential units at 2501 24th Street; and

WHEREAS, the Oak Point, LLLP application appears to meet the requirements for enterprise zone benefits described in the staff report attached as Exhibit "A"; and

WHEREAS, the project is not part of a recognized neighborhood but has been reviewed by neighboring residents in the project area and received approval; and

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

(Council Communication No. 08- 697)

MOVED by _____ to adopt.

FORM APPROVED:

Michael F. 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

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

Applicant Name: Oak Point, L.L.L.P

Project Location: 2501 24th Street, Des Moines, Iowa

Project Summary: The proposed project is the construction of 36 apartment units at 2501 24th Street. The intent is to remove a vacant and dilapidated building, improve a blighted site in the neighborhood, and provide affordable housing to families.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
IFA Multifamily Loan	\$760,000		Land purchase and site work	\$702,779
HOME Funds State	\$600,000		Construction, architect, appliances, etc.	\$5,848,803
HOME Funds City	\$250,000		Financing interest, fees, taxes	\$250,400
Tax Credit Equity-LIHTC	\$5,452,439		Misc (survey, legal, environmental)	\$344,883
Enterprise Zone Benefits	\$ 84,426			
PROJECT TOTAL	\$ 7,146,865		TOTAL	\$ 7,146,865

Start Date: Spring 2009

Completion Date: Fall 2010

Total Project Cost: \$ 7,146,865

State Financial Incentive: \$ 180,000 Tax Credit and \$80,000 Sales Tax Rebate requested.

Benefits: The proposed project will provide affordable housing opportunities and provide an enhancement to the neighborhood. The site is proximate to public transportation, medical services and schools.

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

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DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

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: The site is not part of a recognized neighborhood organization, but the developer has met several times with Councilmember Tom Vlassis and neighbors to review the plans for the project.

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