



Date December 22, 2008

RESOLUTION APPROVING THE RIVERPOINT I, 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 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, Riverpoint I, LLC, a developer, requests approval of its application for enterprise zone benefits for a project in the Enterprise Zone involving investment of approximately \$16 million into the construction of 91 residential units at 309 SW 8th Street; and

WHEREAS, the Riverpoint I, LLC application appears to meet all of the requirements for enterprise zone benefits as described in the staff report attached as Exhibit "A"; and

WHEREAS, Council is requested to recommend approval of the Riverpoint I, LLC 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 Credits.

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

1. The staff report describing how the Riverpoint I, LLC application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Riverpoint I, LLC 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 Riverpoint I, LLC to receive enterprise zone benefits.

(Council Communication No. 08- 743)

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				

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

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

Applicant Name: Riverpoint I LLC

Project Location: 309 SW 8th Street Des Moines, Iowa

Project Summary: The project will rehabilitate a building currently being utilized for warehouse rental storage space into 91 apartment units. The units will be in close proximity to existing services and employment centers.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
First Mortgage	\$2,025,000		Acquisition of Building /Land	\$ 1,510,000
Tax Abatement Mortgage	\$ 330,626		Building Improvements	\$10,947,018
EZ Sales Tax and Investment Credit Equity	\$ 254,711		Professional Fees	\$2,480,393
LIHTC & FHTC Equity	\$13,057,138		Financing Fees (Constr & Perm)	\$944,285
Deferred Developer Fee	\$479,390		Other Soft Costs	\$265,169
PROJECT TOTAL	\$ 16,146,865		TOTAL	\$ 16,146,865

Start Date: Spring 2009

Completion Date: Spring 2011

Total Project Cost: \$16,146,865

State Financial Incentive: \$216,139 Tax Credit and \$ 81,800 Sales Tax Rebate requested.

Benefits: The project will provide affordable housing opportunities close to employment, transportation and services. The project will include a community room, business center, exercise facility and common rooftop patio for residents' use.

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.

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

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: The Downtown Neighborhood Association will review the project at their meeting in early January.

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

