

**Date** December 22, 2008

**RESOLUTION APPROVING THE ND 25 SW 5<sup>th</sup>, 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, ND 25 SW 5<sup>th</sup>, LLC, a developer, requests approval of its application for enterprise zone benefits for a project in the Enterprise Zone involving investment of approximately \$11 million into the construction of 70 residential units at 328 SW 5<sup>th</sup> Street; and

WHEREAS, the ND 25 SW 5<sup>th</sup>, 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 ND 25 SW 5<sup>th</sup>, 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 ND 25 SW 5<sup>th</sup>, LLC application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The ND 25 SW 5<sup>th</sup>, 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 ND 25 SW 5<sup>th</sup>, LLC to receive enterprise zone benefits.

(Council Communication No. 08- 743 )

FORM APPROVED:

  
Michael F. Kelley, Assistant City Attorney

Moved by \_\_\_\_\_ to adopt.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLISSIS				
<b>TOTAL</b>				

**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

<b>DES MOINES GATEWAY ENTERPRISE ZONE</b> <b>Staff Report Regarding Application for Housing Benefits</b>
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**Applicant Name:** ND 25 SW 5<sup>th</sup>, LLC

**Project Location:** 328 SW 5<sup>th</sup> Street Des Moines, Iowa

**Project Summary:** The project will take place in the historic Hawkeye Transfer Building. The building will be renovated into 70 market rate, warehouse style living units and be undertaken to be consistent with the original building character.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
Mortgage	\$ 5,488,112		Land / Building	\$ 1,525,000
EZ Tax Credits Sales Proceeds	\$ 547,321		Finishes	\$ 7,101,463
EZ Sales Tax Rebate	\$ 134,900		Soft Cost	\$ 2,530,384
City of Des Moines	\$ 1,050,000			
Limited Partnership Equity	\$ 1,200,000			
Historic Tax Credits Sale Proceeds	\$ 2,736,514			
<b>PROJECT TOTAL</b>	<b>\$ 11,156,847</b>		<b>TOTAL</b>	<b>\$ 11,156,847</b>

**Start Date:** Spring 2009

**Completion Date:** Spring 2011

**Total Project Cost:** \$ 11,156,847

**State Financial Incentive:** \$ 842,033 Tax Credit and \$ 134,900 Sales Tax Rebate requested.

**Benefits:** The project will provide infill development and provide housing options for the downtown area. This will be a quality renovation of a currently underutilized building and site. There will be a variety of 1 and 2 bedroom units offered at market rates, and the project will employ technology designed for energy conservation.

**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.

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**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

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