

Date December 22, 2008

RESOLUTION APPROVING THE RUMELY LOFTS, LP 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, Rumely Lofts, LP, 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 66 residential units at 104 SW 4th Street; and

WHEREAS, the Rumely Lofts, LP 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 Rumely Lofts, LP 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 Rumely Lofts, LP application meets the requirements for enterprise zone benefits, herein referenced as Exhibit “A”, is accepted.
2. The Rumely Lofts, 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 Rumely Lofts, LP to receive enterprise zone benefits.

(Council Communication No. 08- **743**)

FORM APPROVED:

Moved by _____ to adopt.



Michael F. Kelley, Assistant City Attorney

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

MOTION CARRIED

APPROVED

Mayor

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.

City Clerk

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

Applicant Name: Rumely Lofts, LP

Project Location: 104 SW 4th Street Des Moines, Iowa

Project Summary: This project will take place in the historic Rumely Building, rehabilitating the former industrial site into a 66 unit multi family residential project.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
First Mortgage	\$ 1,300,000		Land / Building	\$ 1,900,000
Second Mortgage	\$ 450,000		Construction (including abatement)	\$ 10,344,377
Federal Historic Tax Credit Equity	\$ 2,364,556		Architecture, Engineering, & Interiors	\$ 360,000
State Historic Tax Credit Equity Proceeds	\$ 1,511,808		Interim Construction Costs	\$ 710,000
Low Income Housing Tax Credit Equity Proceeds	\$ 10,486,335		Soft Costs	\$ 693,572
Enterprise Zone Credit Syndication Proceeds	\$ 145,250		Development Fee (to be deferred)	\$2,250,000
PROJECT TOTAL	\$16,257,949		TOTAL	\$ 16,257,949

Start Date: June 2009

Completion Date: June 2011

Total Project Cost: \$16,257,949

State Financial Incentive: \$189,525 Tax Credit and \$ 187,500 Sales Tax Rebate requested.

Benefits: The project will provide quality, well managed rental housing for the downtown area, and enhance the Court Avenue Entertainment District by redeveloping a currently underutilized building.

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

