

Date December 22, 2008

RESOLUTION APPROVING THE ROCKET TRANSFER 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, Rocket Transfer I, 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 58 residential units at 702 Elm Street and 330 SW 7th Street; and

WHEREAS, the Rocket Transfer 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 Rocket Transfer 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 Rocket Transfer I, LLC application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Rocket Transfer 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 Rocket Transfer I, LLC 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				
VLISSIS				
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

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

Applicant Name: Rocket Transfer I, LLC

Project Location: 702 Elm Street and 330 SW 7th Street Des Moines, Iowa

Project Summary: The project will rehabilitate the Rocket Transfer warehouse and adjacent site into 58 apartment units, offering a mix of one and two bedroom units. The project will be proximate to downtown employers, transportation and services.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
First Mortgage	\$1,325,000		Acquisition of Building	\$920,000
Tax Abatement Mortgage	\$250,697		Building Improvements	\$7,863,577
EZ Sales Tax and Investment Credit Equity	\$172,313		Professional Fees	\$1,738,908
LIHTC & FHTC Equity	\$9,309,118		Financing Fees (Constr & Perm)	\$682,191
Deferred Developer Fee	\$357,220		Other Soft Costs	\$209,672
PROJECT TOTAL	\$11,414,348		TOTAL	\$ 11,414,348

Start Date: Spring 2009

Completion Date: Spring 2011

Total Project Cost: \$11,414,348

State Financial Incentive: \$143,079 Tax Credit and \$ 57,850 Sales Tax Rebate requested.

Benefits: The project will provide affordable housing opportunities in the downtown market, and allow for the adaptive reuse of an existing warehouse. The project will offer a community room, exercise facility, rooftop patio and business center to residents.

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

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

