



Date January 26, 2015

RESOLUTION OF SUPPORT FOR A WORKFORCE HOUSING TAX CREDIT
BENEFIT APPLICATION TO BE SUBMITTED TO THE IOWA ECONOMIC
DEVELOPMENT AUTHORITY BY R & T LOFTS, L.P., FOR THE R & T LOFTS
PROJECT AT 717 LOCUST STREET AND 421 8TH STREET

WHEREAS, R & T Lofts, L.P. (the "Developer"), represented by Tony Knoble, its President, has requested City support for its application to the Iowa Economic Development Authority ("IEDA") for state tax incentives under the Workforce Housing Tax Credit Program for the R & T Lofts; and,

WHEREAS, successful completion of the R & T Lofts project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credits in the amount of \$1.0 million; and,

WHEREAS, the application requirements for the Workforce Housing Tax Credit program include a requirement for the submission of a resolution in support of the housing project by the community where the housing project will be located, which requirement is intended to be satisfied by this roll call and resolution; and,

WHEREAS, a further application requirement for the Workforce Housing Tax Credit program is documentation of local matching funds pledged for the project in an amount not less than \$1,000 per dwelling unit; and

WHEREAS, on November 17, 2014, by Roll Call No. 14-1778, the City Council approved an Urban Renewal Development Agreement with the Developer whereby the Developer agreed to redevelop and rehabilitate the former Des Moines Register & Tribune Building as the R & T Lofts, by undertaking the following Improvements at an total estimated project cost of over \$35 million:

- Renovation of the basement and first floor of the buildings for commercial uses;
- Renovation of the second floor (skywalk level) of the buildings for commercial and/or residential uses;
- Renovation of the remainder of the floors of the buildings for residential use with approximately 164 dwelling units, including a variety of types ranging from studio units (550 square feet) to two-bedroom units (950 square feet);
- At least 45% of the residential units shall be market-rate; and,
- Maintenance and upgrading of the skywalk access and corridor within the buildings,

all in substantial conformance with the approved Conceptual Development Plan, and the City agreed to provide an Economic Development Grant in the total amount of \$3.7 million, payable in 20 semi-annual installments of \$185,000.00; and,

(continued)



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WHEREAS, the R & T Lofts are located within the City-wide Urban Revitalization Area and provided that the Improvements are completed as planned, the taxable value added to the property by the completion of the Improvements will qualify for a temporary exemption from property taxes (a/k/a tax abatement) under the 10-year 100% abatement schedule, providing financial assistance of approximately \$3.4 million based upon the estimated annual abated property taxes of \$338,000.

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

1. The City Council of the City of Des Moines does hereby express its strong support for the application by R & T Lofts, L.C., to the IEDA in February 2015, seeking an award of Workforce Housing Tax Credit benefits in the amount of \$1 million.
2. The Mayor and the City Manager are hereby authorized and directed to sign any forms required by the Administrative Rules of the IEDA to evidence the City's support for the application by R & T Lofts, L.C., as described above, upon approval of the same by the City Legal Department.
3. The Office of Economic Development is directed to transmit a copy of this resolution and roll call to the Developer for submittal to the IEDA, and to conduct project compliance monitoring.
4. In the event that any of the project characteristics mentioned above should change prior to final award of tax credit benefits to R & T Lofts, L.C., then:
 - a) The City Manager or the City Manager's designee is authorized and directed to execute the applicable consent to any unsubstantial change upon receipt of a recommendation in support of such consent from the Community Development Director.
 - b) Any substantial change shall be subject to approval by the City Council after report and recommendation by the City Manager.

(Council Communication No. 15- 042)

MOVED by _____ to adopt.

(continued)



Roll Call Number

Agenda Item Number

53

-3-

Date January 26, 2015

FORM APPROVED:

Roger K Brown

Roger K. Brown, Assistant City Attorney

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.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				
MOTION CARRIED	APPROVED			

Mayor

City Clerk