



Date ..... January 30, 2015 .....

RESOLUTION OF SUPPORT FOR A WORKFORCE HOUSING TAX CREDIT  
BENEFIT APPLICATION TO BE SUBMITTED TO THE IOWA ECONOMIC  
DEVELOPMENT AUTHORITY BY EDGE AT GRAY'S LANDING LLC, FOR THE  
EDGE AT GRAY'S LANDING HOUSING PROJECT AT 406 SW 9th STREET

WHEREAS, Edge at Gray's Landing LLC, represented by Chris Sherman, Officer, 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 Edge at Gray's Landing, a 90 unit housing project with structured parking at 406 SW 9th Street; and,

WHEREAS, successful completion of The Edge at Gray's Landing project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credit Program benefits in the estimated amount of \$1,000,000; 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, the City of Des Moines has previously supported The Edge at Gray's Landing project as demonstrated by the following actions by the Des Moines City Council:

- On October 8, 2007, by Roll Call No. 07-1991, the City Council approved the Amended and Restated Urban Renewal Development Agreement with River Point West LLC (a subsidiary of Sherman Associates), whereby River Point West LLC has agreed to acquire, clear, install public infrastructure, prepare "pad-ready" sites, and resale of land within an area designated as the Phase 1 Commercial Redevelopment Area which includes the site of The Edge at Gray's Landing project, and the City agreed to provide:
  - An Economic Development Loan of \$8.5 million to be repaid over 20 years;
  - An Economic Development Grant payable in installments with the installments payable in each fiscal year to be equal to the lessor of the installments due in that fiscal year on the Economic Development Loan or the project generated incremental property taxes; and,
  - A Supplemental Economic Development Grant of \$2.5 million used to make the initial payments due on the Economic Development Loan.

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- On August 25, 2014, by Roll Call No. 14-1327, the City Council recommended to the IEDA that it approve the application for CDBG-DR Round VI funding for The Edge at Gray's Landing project, and designated the project as being one of the City's top two priorities for such funding. The application was submitted by Sherman Associates which subsequently established Edge at Gray's Landing LLC as the development entity for this project.

WHEREAS, The Edge at Gray's Landing project is located within the City-wide Urban Revitalization Area and provided that the project is completed as planned, the taxable value added to the property by the completion of the project 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 \$1,204,526 based upon the estimated annual abated property taxes of \$120,452.

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 Edge at Gray's Landing LLC, to the IEDA in February 2015, seeking an award of Workforce Housing Tax Credit Program benefits in the amount of \$1,000,000.
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 Edge at Gray's Landing LLC, 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 Edge at Gray's Landing LLC, 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 Edge at Gray's Landing LLC, 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.

★ **Roll Call Number**

**Agenda Item Number**

10F

-3-

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( Council Communication No. 15- **043** )

MOVED by \_\_\_\_\_ to adopt.

FORM APPROVED:

*Roger K. Brown*

Roger K. Brown

Assistant City Attorney

U:\Rog Docs\Eco Dev\Workforce Housing\RC Approve App - Edge at GL.doc

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

**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.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk