



Roll Call Number

24-0750

Agenda Item Number

284

Date May 20, 2024

RESOLUTION OF SUPPORT FOR A WORKFORCE HOUSING TAX CREDIT BENEFIT APPLICATION TO BE SUBMITTED TO THE IOWA ECONOMIC DEVELOPMENT AUTHORITY BY SONAR AT HIGHLAND PARK, LLC FOR THE COMMONS PROJECT AT 604 EUCLID AVENUE

WHEREAS, SONAR AT HIGHLAND PARK, LLC (the "Developer"), represented by Brian Clark (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 Commons Project (the "Project"); and

WHEREAS, successful completion of the Project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credits in the 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 Project by the community where the 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 housing unit; and

WHEREAS, the Developer is proposing to undertake new construction of 101 new apartment units at 604 Euclid Avenue, at an estimated project cost of \$26,000,000; and,

WHEREAS, the Project is located within the City-wide Urban Revitalization Area and provided that the improvements are completed as planned and a proper application is filed, the taxable value added to the property by the completion of the improvements, it is anticipated the Project will qualify for tax abatement under the ten-year declining abatement schedule, providing financial assistance of approximately \$101,000 based upon the estimated annual abated property taxes; and

WHEREAS, in the event the Project does not qualify for the anticipated tax abatement set forth above, the City would agree to commit to granting \$101,000 to the Project, payable from the Economic Development Enterprise Fund, which grant agreement would be negotiated between the parties and return to Council for further approval; and

WHEREAS, the City finds that the subject property is zoned appropriately for construction of the proposed improvements and use and a re-zoning effort will not be required for such proposal.

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



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1. The City Council of the City of Des Moines does hereby express its strong support for the application by Developer, to the IEDA in June 2024, seeking an award of Workforce Housing Tax Credit benefits in the amount of \$1,000,000, and, in the event the Project does not qualify for the anticipated tax abatement set forth above, the City hereby commits to granting \$101,000 to the Project, payable from the Economic Development Enterprise Fund, which grant agreement would be negotiated between the parties and return to Council for further approval.
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 Developer, 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 Developer, 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 Development Services Director.
 - b) Any substantial change shall be subject to approval by the City Council after report and recommendation by the City Manager.

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(Council Communication No. 24-222)

MOVED by Gatto to adopt. SECOND by Voss.

FORM APPROVED:

/s/ Lisa A. Wieland
Lisa A. Wieland
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include BOESEN, SIMONSON, VOSS, COLEMAN, WESTERGAARD, MANDELBAUM, GATTO, and TOTAL (YEAS: 7).

CERTIFICATE

I, LAURA BAUMGARTNER, 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.

Conie Boeser Mayor

Laura Baumgartner City Clerk