



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 06/21/04
No.: 04-301
Agenda Item Type: Resolution
No.:

Communication

Roll Call

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution Approving Metro Engineer's Application for Enterprise Zone Benefits for a Project in Des Moines.

SYNOPSIS—

Recommendation to approve Metro Engineer's (John Chudy President, 732 N. 129th Street, Omaha, Nebraska) application for Enterprise Zone benefits that will initiate an adaptive reuse project of the former Kirkwood Hotel at 400 4th Street, Des Moines, Iowa. The building will be converted into 59 apartments; the commercial space on the ground floor and skywalk level will be maintained.

FISCAL IMPACT—

Metro Engineers will be eligible for up to \$826,000 of investment tax credits (estimated \$495,600 in equity) as well as \$99,250 in sales tax refund from the State of Iowa Enterprise Zone Program.

RECOMMENDATION—

Approval

BACKGROUND—

This project proposes to rehabilitate the Kirkwood Hotel located at 400 4th Street into 59 apartment units. The total project cost is \$13.75 million. This project is the adaptive reuse of a mostly vacant building. The renovation of the Kirkwood Hotel will provide a number of dwelling units for families in downtown Des Moines and will place the property back on the list of revenue-producing buildings.

The project meets the EZ housing 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 quality and local safety standards.

The Downtown Des Moines Neighborhood Association will review the project at their next meeting.

Council preliminarily approved TIF funding in the amount of \$1.1 million for this project on March 8, 2004. However, the Court Avenue Housing Fund has agreed to provide this funding, thus alleviating the City of the financial obligation.