Council Communication

Office of the City Manager

Date:	January 23, 2012
Agenda Item No.	**20**
Roll Call No.	[_____]
Communication No.	**12-041**
Submitted by:	**Terrance N. Vorbrich, Acting Economic Development Administrator**

AGENDA HEADING:

Resolution approving applications to the Iowa Economic Development Authority for Enterprise Zone benefits for the EMM Associates, L.P., housing project in the Gateway Enterprise Zone and the 2714 Ingersoll Associates, L.P. housing project in the Drake Park/Sherman Hill Enterprise Zone.

SYNOPSIS:

Newbury Management Company has presented applications for State of Iowa Enterprise Zone benefits for the EMM Associates, L.P. housing project at 430 Grand Avenue and the 2714 Ingersoll Associates, L.P. housing project at 2714 Ingersoll. The $18 million EMM Associates, L.P. project proposes rehabilitation of 150 existing residential units in Elsie Mason Manor. The $3.4 million 2714 Ingersoll Associates, L.P project proposes rehabilitation of 22 residential units in a building that is currently vacant. Both projects provide significant investment to existing buildings and create quality affordable housing options for the City of Des Moines.

FISCAL IMPACT:

Amount: Investment Tax Credit: EMM Associates, L.P. $938,771; 2714 Ingersoll Associates, L.P. $111,656
Sales Tax Rebate: EMM Associates, L.P. $50,000; 2714 Ingersoll Associates, L.P. $15,000

Funding Source: State of Iowa Enterprise Zone Program. These are State of Iowa tax benefits and have no impact on the City of Des Moines budget.

ADDITIONAL INFORMATION:

Elsie Mason Manor was constructed in 1982 and is proposed for comprehensive updating and remodeling. The project will continue to serve very low income senior citizens and people with disabilities. The extensive scope of the rehabilitation work will emphasize reducing utility costs, adding amenities for residents and refreshing the look and feel of the complex. A wellness center will be added at street level and the skywalk level common area will be reconfigured to add several amenities and services. The building at 2714 Ingersoll was constructed in 1918 and was vacated in 2011; comprehensive updating and remodeling will be required to bring the building up to current fire and accessibility codes. The project will provide entry level housing and complement the area near 28th and Ingersoll.

PREVIOUS COUNCIL ACTION(S):

Date: February 28, 2011

Roll Call Number: 11-0405

Action: Applications for Enterprise Zone Benefits for Housing Projects in Enterprise Zones as follows: (Council Communication No. 11-141) EMM Associates, L.P. for rehabilitation of 150 senior housing units at 413 Fifth Avenue (Elsie Mason Manor) in the Gateway Enterprise Zone. **Moved by Hensley to adopt. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Des Moines Enterprise Zone Commission will meet to review the Enterprise Zone applications and forward recommendation to the Iowa Economic Development Authority.

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