

March 20, 2006
Date

**RESOLUTION APPROVING THE EAST VILLAGE COURT, LLC
APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A PROJECT
IN THE DES MOINES GATEWAY ENTERPRISE ZONE**

WHEREAS, on September 14, 1998 by Roll Call No. 98-2603, the Des Moines City Council established the nine-member Des Moines Enterprise Zone Commission (“Commission”), and on June 21, 1999 by Roll Call No. 99-2002, the City Council designated the Des Moines Gateway Enterprise Zone, which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96; and

WHEREAS, East Village Court, LLC is a developer requesting approval of its application for enterprise zone benefits regarding an approximate \$1.2 million project to convert the second floor of 301 E. Court Avenue in the Des Moines Gateway Enterprise Zone into nine residential condominiums; and

WHEREAS, East Village Court, LLC’s application appears to meet all of the requirements for enterprise zone benefits as described in the staff report attached as Exhibit “A”; and

WHEREAS, on March 2, 2006, the Historic East Village, Inc. Neighborhood Association provided a letter of support attached as Exhibit “B”; and

WHEREAS, on March 6, 2006, by Roll Call No. 06-448, Council re-zoned 301 E. Court Avenue from an M-1 Light Industrial District to a C-3 Central Business District, subject to conditions, to allow for development of the above-referenced mixed-use project; and

WHEREAS, Council is requested to recommend approval of East Village Court, LLC’s application for enterprise zone benefits to the Commission as well as to the Iowa Department of Economic Development, which administers the State of Iowa Enterprise Zone Tax Credit Program.

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

1. The staff report describing how East Village Court, LLC’s application meets the requirements for enterprise zone benefits, herein referenced as Exhibit “A”, is accepted.
2. Receipt of the Historic East Village, Inc. Neighborhood Association letter of support, herein referenced as Exhibit “B”, is acknowledged.

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3. East Village Court, LLC's application is recommended for approval to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development.
4. The Office of Economic Development is directed to transmit a copy of this Roll Call to the Commission and to the Iowa Department of Economic Development and is directed to conduct project compliance monitoring.
5. Upon approval of the application by the Iowa Department of Economic Development, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature any documents necessary for East Village Court, LLC to receive enterprise zone benefits.

(Council Communication No. 06-132 Attached)

Moved by _____ to approve.

APPROVED AS TO FORM:



 Michael F. Kelley
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BROOKS				
COLEMAN				
HENSLEY				
MAHAFFEY				
KIERNAN				
VLASSIS				
TOTAL				

MOTION CARRIED APPROVED

.....Mayor

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.

_____ City Clerk

DES MOINES GATEWAY ENTERPRISE ZONE (EZ-3)

Staff Report Regarding Application for Housing Benefits

Applicant Name: East Village Court, LLC

Project Location: 301 E. Court Avenue

Project Summary: The developer intends to convert the second floor of 301 E. Court Avenue into nine residential condominiums. Units will range in price from \$150,000 to \$200,000. The developer also plans to renovate the first floor of the building to provide approximately 25,000 sf of commercial space. The commercial portion of the project is excluded from this application because it does not qualify for Enterprise Zone benefits. The total project cost for the residential aspect is estimated at \$1.2 million.

Current Status: The sources and uses of project funds for the residential project are as follows:

Funding Source	Amount	Proposed Use of Funds	Amount
Bank financing/sales proceeds	\$ 850,000	Land/building acquisition	\$ 175,000
Private equity	\$ 200,000	Build-out of residential units	\$ 1,000,000
EZ investment tax credits	\$ 100,000		
EZ sales tax refund	\$ 25,000		
PROJECT TOTAL	\$ 1,175,000	TOTAL	\$ 1,175,000

Start Date: April 2006

Completion Date: April 2007

Total Project Cost: \$1,175,000

State Financial Incentive: \$125,000 (Total) - \$100,000 (Investment tax credits); \$25,000 (Sales tax refund)

Long-term Plan: The project involves building renovation. The first floor will be rehabilitated into approximately 25,000 sf of commercial space. The second floor will be converted into nine residential units. No additional labor or infrastructure needs are anticipated for the housing project. The developer will use public infrastructure already in place.

Benefits: The project will provide needed housing to the east side of downtown Des Moines. It will also offer another housing style and location to support the development of the downtown housing market.

Merits of Project: The project will provide new residential opportunities on the east side of downtown Des Moines and will help to revitalize E. Court Avenue for residential and commercial uses.

DES MOINES GATEWAY ENTERPRISE ZONE (EZ-3)

Staff Report Regarding Application for Housing Benefits

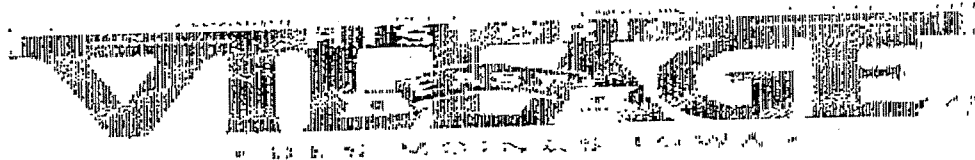
- Affidavit:** An affidavit has been provided certifying that the developer has not, within the last five years, violated state or federal environmental or worker safety statutes, rules and regulations.
- Program Requirements:** The project meets the program requirements of rehabilitating or constructing four single-family units. Construction will be completed within two years from the start of construction and will meet all applicable housing quality and local safety standards.
- Commission Requirements:** On March 2, 2006, the Historic East Village Neighborhood Association provided a letter of support for the project.

Recommendation:

Staff recommends approval of the application and submittal to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development for consideration.

Respectfully submitted,

Ellen Walkowiak
Economic Development Coordinator



Mission: To create a thriving and attractive retail, commercial, entertainment and residential neighborhood in the Historic East Village.

March 2, 2006

Mr. Tom Howard
S T Investments, Inc.
1130 SE Westbrooke
Waukee, IA 50263

Post-It® Fax Note	7671	Date	3-2-06	# of pages	1
To	Tom Howard	From	Thom Guzman		
Co./Dept	ST INV.	Co.	HEV		
Phone #		Phone #			
Fax #	987-7997	Fax #			

original will be in mail!

Dear Mr. Howard:

Thank you for taking the time to attend our HEV, Inc. board meeting this past Monday and to share with the board your plans for East Village Court, 301 E. Court Avenue. It is certainly an exciting project which will support our efforts to create a thriving and attractive retail, commercial, entertainment and residential neighborhood in the East Village. The mixed use of residential condos, indoor parking, commercial bays and one large commercial space is ideal for East Village. Certainly, the improved appearance of the building's façade will significantly enhance the street face on East Court Avenue. As opportunities arise to expand the area we know and love, East Village, it is logical for East Court Avenue to lead the way in the development of East SOCO - the industrial area south of East Court Avenue.

As you are aware, the Historic East Village, Inc. Board of Directors, at our monthly board meeting on Monday, February 27th, unanimously approved supporting the East Village Court project as outlined to us and detailed in the architectural drawings submitted on your behalf by GE Wattier Architecture, Inc. Thank you for having representatives from GE Wattier Architecture available at the meeting to answer questions relative to the drawings and the project overall. If there are significant changes to the plans, we would appreciate the opportunity to review the changes and provide appropriate feedback. Please regard this letter as documentation of our support for your project as proposed to us at our board meeting.

Good luck on completing the project. We look forward to experiencing the progress and attending the grand opening.

Sincerely,

Thom Guzman, board member,
HEV, Inc. (authorized by board action to write letter on behalf of HEV, Inc.)