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Date June 19, 2006

**RESOLUTION APPROVING APPLICATION
FOR ENTERPRISE ZONE BENEFITS FOR
DIVERSE SOLUTIONS GROUP, LLC**

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 July 21, 1997 by Roll Call No. 97-2586, the City Council designated the Des Moines Enterprise Community Enterprise Zone, which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2003); and

WHEREAS, the Diverse Solutions Group, LLC ("DSG") is a developer requesting approval of its application for enterprise zone benefits regarding a project in Des Moines Enterprise Community Enterprise Zone involving investment of approximately \$908,040 into the construction of eight single-family homes at 1225 and 1226 11th Street; and

WHEREAS, DSG'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, the King Irving Neighborhood Association reviewed this project and provided a letter of support attached as Exhibit "B"; and

WHEREAS, Council is requested to recommend approval of DSG'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 the Diverse Solution Group's ("DSG") application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. DSG's application is recommended for approval to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development.
3. 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.

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4. 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 the Diverse Solutions Group, LLC to receive enterprise zone benefits.

(Council Communication No. 06-352 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 FEDERAL ENTERPRISE COMMUNITY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Applicant Name: Diverse Solutions Group, LLC

Project Location: 1225 and 1226 11th Street

Project Summary: This project involves constructing seven single-family homes at 1225 11th Street and one model single-family home at 1226 11th Street. Each home will be a traditional two-story four square with 1,350 s.f., 4 bedrooms and 1-½ baths. The estimated value of each home will be \$144,900.

Current Status: The sources and uses of project funds as stated in the application are as follows.

Funding Source	Amount	Proposed Use of Funds	Amount
Liberty Bank	\$ 454,020	Land acquisition	\$ 45,000
Bank Iowa	\$ 454,020	Construction of homes	\$ 863,040
PROJECT TOTAL	\$ 908,040	TOTAL	\$ 908,040

Note: Bank financing will be reduced by the estimated \$90,804 investment tax credit and \$22,701 sales tax refund. In addition, the applicant is applying for HOME funds to finance three homes, which may reduce the basis by \$60,000 to \$90,000. Consequently, the investment tax credit will not exceed \$90,804.

Start Date: July 2006

Completion Date: September 2006

Total Project Cost: \$908,040

State Financial Incentive: Investment tax credit not to exceed \$90,804 and sales tax refund of approximately \$22,701

Long-term Plan: Diverse Solutions Group, LLC will use existing infrastructure. Houses will be sold, and buyers will be responsible for their maintenance.

Benefits: The project will increase the tax base and housing values in the King Irving Neighborhood. The developer will work with Keystone Construction, who will attempt to hire local workers to increase area income.

Merits of Project: Eight homes will be constructed in the inner city on one large plot of land, which is scarcely found in Des Moines. The Meridian Gardens project is centrally located near DMACC's Urban Campus with great accessibility to downtown Des Moines. Diverse Solutions Group, LLC has hired Keystone Construction as its general contractor, which has a long-standing reputation in the King Irving neighborhood for building quality homes at an affordable price.

DES MOINES FEDERAL ENTERPRISE COMMUNITY ENTERPRISE ZONE

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 statues, rules and regulations.

Program Requirements: The project meets the program requirements of rehabilitating or constructing four single-family units. Construction will be completed within three months from the start of construction and will meet all applicable housing quality and local safety standards.

Commission Requirements: The King Irving Neighborhood Association reviewed this project and provided a letter of support.

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

The King Irving Neighborhood Association
"Making A World of Difference"

Jean Minahan , President
Dave Stephenson, Vice-president
Ward Iutzi , Secretary
Don Mayberry, Treasurer

November 2, 2005

To Whom it May Concern:

The King Irving Neighborhood Association is writing this letter in support of the Meridian Garden Project. Our neighborhood association has been working with the city of Des Moines Community Housing Development Department over the past three years to rehabilitate and revitalize King Irving's housing stock and neighborhood.

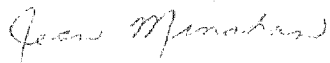
The mission of the King Irving Neighborhood is to create a better and safer neighborhood for all families living in the area. We are proud of the progress we have made in seeing new and affordable housing being built. We are also pleased with the amount of rehabs that have been done throughout the neighborhood.

The King Irving area use to be a neighborhood known only for it high percentage of gang violence and drugs. We have been able to witness the positive changes and the substantial decrease of criminal activity that has occurred in our efforts to work on revitalization.

We have also recognized that by improving the neighborhood with quality housing and more home ownership, this has certainly been the key to reaching our goal. We enthusiastically recommend fully funding the Meridian Garden project which fits well into our vision and goals of a place that we will all be able to say we are proud to live in.

Should you have any questions or concerns, please feel free to contact me at (515) 283-9249.

Sincerely,



Jean Minahan, President
King Irving Neighborhood Association