



Date November 24, 2008

RESOLUTION APPROVING THE FORT DES MOINES SENIOR LIVING APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING PROJECT IN THE MCKINLEY /SW 9TH /ARMY POST ROAD ENTERPRISE ZONE

WHEREAS, on September 14, 1998 by Roll Call No. 98-2603, the Des Moines City Council established the Des Moines Enterprise Zone Commission ("Commission"), and by Roll Call No. 08-1910, the City Council designated the McKinley /SW 9th/Army Post Road Enterprise Zone ("Enterprise Zone"), which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Fort Des Moines Senior Living is a developer requesting approval of its application for enterprise zone benefits regarding a project in the Enterprise Zone involving investment of approximately \$10.5 million into the construction of 57 residential units in the 500 block of Army Post Road; and

WHEREAS, the Fort Des Moines Senior Living application appears to meet all requirements for enterprise zone benefits as described in the staff report attached as Exhibit "A"; and

WHEREAS, the project is not part of a recognized neighborhood, but has been reviewed by the contiguous neighborhoods of Somerset, South Park and by the South Side Revitalization Partnership and received support for the project; and

WHEREAS, Council is requested to recommend approval of the Fort Des Moines Senior Living application for Enterprise Zone benefits to the Commission as well as the Iowa Department of Economic Development ("IDED"), which administers the State of Iowa Enterprise Zone Tax Credits.

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

- 1. The staff report describing how the Fort Des Moines Senior Living application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Fort Des Moines Senior Living application is recommended for approval to the Des Moines Enterprise Zone Commission and to IDED.
3. The Office of Economic Development is directed to transmit a copy of this Roll Call to the Commission and to IDED and to conduct project compliance monitoring.
4. Upon IDED approval of the application, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature on any documents necessary for the Fort Des Moines Senior Living to receive enterprise zone benefits.

(Council Communication No. 08-697)

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, HENSLEY, MAHAFFEY, MEYER, KIERNAN, VLASSIS, and TOTAL. Includes MOTION CARRIED and APPROVED labels.

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.

Mayor

City Clerk

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Applicant Name: Fort Des Moines Senior Living

Project Location: 500 Block of Army Post Road, Des Moines, Iowa

Project Summary: The proposed project is the construction of 57 senior apartment units in the 500 block of Army Post Road. The intent is to provide affordable housing with amenities for seniors, including underground parking and a geothermal heating system. The project will provide an outdoor walking path along with bioswales and plantings designed to capture and filter stormwater runoff.

Current Status: Following is a sources and uses chart of project funding.

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
Low Income Tax Credit Equity	\$7,956,932		Land Purchase and Site Work	\$1,308,842
Iowa Finance Authority or other private loan (1 st Mortgage)	\$1,000,000		Construction Costs	\$6,780,862
IDED HOME Funds	\$400,000		Developer and Consultant Fees	\$1,220,000
City HOME Funds	\$250,000		Interim Financing Costs	\$605,293
Tax Abatement Loan	\$300,000		Architect Fees-Design	\$268,000
Akers Land Contract	\$300,000		Other Professional Fees (Attorney, Engineer, Accountant)	\$92,500
Deferred Developer's Fee	\$175,065		Operating Reserve	\$85,500
Enterprise Zone Tax Credit Equity	\$125,000		Financing Fees and Expenses	\$57,500
			Soft Costs	\$51,000
			Syndication Costs	\$37,500
PROJECT TOTAL	\$ 10,506,997		TOTAL	\$ 10,506,997

Start Date: Spring 2009

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Completion Date: Summer 2010

Total Project Cost: \$ 10,506,997

State Financial Incentive: \$ 125,000 Tax Credit and \$ 45,000 Sales Tax Rebate requested.

Benefits: The proposed project will provide affordable housing opportunities, offer quality amenities to senior citizens, and utilize a vacant site along Army Post Road.

Affidavit: Attached to the application is an affidavit that the eligible developer or contractor has not violated state or worker safety statutes, rules and regulations.

Program Requirements: The project meets the program requirements of rehabilitating or constructing three or more multi-family units. Rehabilitation and 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: There is no designated neighborhood association; the developer has received letters of support from adjacent neighborhood associations.

Recommendation:

Staff recommends approval of the application and submittal to the Iowa Department of Economic Development for consideration.

Respectfully submitted,

Rita Conner
Economic Development Coordinator