



Date November 24, 2008

RESOLUTION APPROVING THE MELBOURNE APARTMENTS 1, LLC APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING PROJECT IN THE SE 14TH STREET 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. 08-1912, the City Council designated the 14th Street Enterprise Zone (Enterprise Zone), which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Melbourne Apartments 1, LLC, developer, requests approval of its application for enterprise zone benefits for a project in the Enterprise Zone involving investment of about \$10.7 million for the construction of 84 residential units at 5409-5521 SE 14th Street; and

WHEREAS, the Melbourne Apartments 1, LLC application appears to meet the requirements for enterprise zone benefits described in the staff report attached as Exhibit "A"; and

WHEREAS, the project will be reviewed by the Easter Lake Neighborhood Association; and

WHEREAS, Council is requested to recommend approval of the Melbourne Apartments 1, LLC application for Enterprise Zone benefits to the Commission and the Iowa Department of Economic Development ("IDED") 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 Melbourne Apartments 1, LLC application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Melbourne Apartments 1 LLC 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 approval of the application by IDED, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature on any documents necessary for the Melbourne Apartments 1, LLC to receive enterprise zone benefits.

(Council Communication No. 08-697)

MOVED by _____ to adopt.

FORM APPROVED:

[Signature]
Michael F. Kelley, Assistant City Attorney

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

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

48c

DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Applicant Name: Melbourne Apartments

Project Location: 5409-5521 SE 14th Street, Des Moines, Iowa

Project Summary: The proposed project is the construction of 84 apartment units at 5409-5521 SE 14th Street. The intent is to provide affordable housing units on a currently vacant site. The site is proximate to services, employment, schools and public transportation.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
First Mortgage	\$ 1,611,637		Acquisition of land	\$ 640,332
Tax Abatement Mortgage	\$ 165,818		Building Improvements	\$ 7,584,460
EZ Sales Tax and Investment Credit Equity	\$ 143,214		Professional Fees	\$ 1,624,719
LIHTC Equity	\$ 8,767,366		Financing Fees(Constr.& Perm.)	\$ 653,689
			Other soft costs	\$ 184,835
PROJECT TOTAL	\$ 10,688,035		TOTAL	\$ 10,688,035

Start Date: Spring 2009

Completion Date: Summer 2010

Total Project Cost: \$ 10,688,035

State Financial Incentive: \$ 68,768 Tax Credit and \$88,200 Sales Tax Rebate requested.

Benefits: The proposed project will provide affordable housing opportunities and provide an enhancement to the neighborhood. The site is proximate to public transportation, medical services, retail services and schools.

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

DES MOINES GATEWAY ENTERPRISE ZONE
Staff Report Regarding Application for Housing Benefits

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: The developer will submit the project for review to the Easter Lake Neighborhood Association

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