



Date November 24, 2008

RESOLUTION APPROVING THE METRO LOFTS, LLC APPLICATION FOR ENTERPRISE ZONE BENEFITS FOR A HOUSING 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 Des Moines Enterprise Zone Commission ("Commission"), and by Roll Call No. 99-2002, the City Council designated the Des Moines Gateway Enterprise Zone ("Enterprise Zone"), which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96 (2001); and

WHEREAS, Metro Lofts, LLC, developer, requests approval of its application for enterprise zone benefits regarding a project in Enterprise Zone involving investment of about \$18.5 million for the construction of 111 residential units at 255 Vine Street; and

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

WHEREAS, at their July 2006 meeting the Downtown Des Moines Neighborhood Association reviewed the project and provided a letter of support; and

WHEREAS, Council is requested to recommend approval of the Metro Lofts, LLC 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 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 Metro Lofts, LLC application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is accepted.
2. The Metro Lofts, 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 Metro Lofts, 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, TOTAL, MOTION CARRIED, APPROVED.

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

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DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

Applicant Name: Metro Lofts, L.L.C.

Project Location: 255 Vine Street, Des Moines, Iowa

Project Summary: The proposed project is the construction of 111 apartment units in the Downtown Des Moines Court Avenue Neighborhood. The intent of the project is to provide mixed income housing geared toward the employees of downtown businesses, contributing to the revitalization of the area. Underground parking and a landscaped courtyard will be provided for the building residents. The project will be located within walking distance of several downtown employers.

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

Funding Sources	Amount	Status	Proposed Uses of Funds	Amount
First Mortgage	\$ 6,800,000	Committed	Land Acquisition	\$ 660,000
LIHTC Tax Credits	\$ 9,073,265	Application	Construction	\$ 15,190,000
Sales Tax Credit	\$ 335,145	Application	Architect / Engineering Fees	\$ 582,500
City of Des Moines Loan	\$ 1,500,000	Committed	Construction Financing	\$ 655,000
Enterprise Tax Credit Syndication Proceeds	\$ 765,000	Application	Legal Fees /Permanent Financing Fees	\$ 300,000
			Soft Costs	\$825, 910
			Marketing Costs	\$20,000
			Developer Overhead and profit	\$1,400,000
			Reserves	\$160,000
PROJECT TOTAL	\$ 18,473,410		TOTAL	\$ 18,473,410

Start Date: 2009

Completion Date: 2010

Total Project Cost: \$18,473,410.00

State Financial Incentive: \$ 900,000 Tax Credit and \$335,145 Sales Tax Rebate requested.

Benefits: The proposed project will provide additional housing opportunities for the downtown workforce, and contribute to the revitalization of the Court Avenue District.

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.

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DES MOINES GATEWAY ENTERPRISE ZONE

Staff Report Regarding Application for Housing Benefits

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: The Downtown Neighborhood Association reviewed the project at their July 2006 meeting.

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