



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-143

SYNOPSIS -

AGENDA:

APRIL 5, 1999

SUBJECT:

ADOPTION OF
DEVELOPMENT
PRINCIPLES, GOOD
NEIGHBOR POLICY,
AND FORM OF AND
PROCESS TO
IMPLEMENT GOOD
NEIGHBOR
AGREEMENTS-DES
MOINES
AGRIBUSINESS
ENTERPRISE ZONE

On the April 5, 1999 Council agenda is a resolution to adopt Development Principles, Good Neighbor Policy, and form of and process to implement Good Neighbor Agreements in the Des Moines Agribusiness Enterprise Zone. The Zone is bounded generally by Dean Avenue to the north, the Des Moines River to the south, SE 43rd Street to the east, and SE 14th Street to the west. The intent of this effort is to promote quality, long-term economic growth in Des Moines, especially in the Zone. It is proposed by the Ad Hoc Agribusiness Enterprise Zone Committee comprised of neighborhood and business leaders.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

The Development Principles and Good Neighbor Policy are designed to define community standards regarding new development in the Zone. Good Neighbor Agreements are proposed to be negotiated between businesses and a new Good Neighbor Task Force to be established by the City Council. These Agreements will provide a level of predictability regarding new development that meets the needs of the developer, surrounding neighborhoods and Des Moines and will offer a means of building mutually-satisfactory relationships. The Good Neighbor Agreement would become part of the City's contract with the business as a condition of receiving economic development assistance for projects located in the Zone. The Committee also intends to submit this proposal to the Des Moines Enterprise Zone Commission for adoption.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

Ellen Walkowiak with the City's Office of Economic Development is providing staff leadership relative to this project.

FISCAL IMPACT -

N/A

RECOMMENDATION -

Adopt Development Principles, Good Neighbor Policy, and form of and process to implement Good Neighbor Agreements in the Des Moines Agribusiness Enterprise Zone.

BACKGROUND -

In March 1997, former Mayor Arthur Davis and several State senators and representatives held a public information meeting to elicit community concerns regarding a proposed meat packing facility that was considered for location at the southwest corner of SE 43rd Street and Vandalia Road in the Des Moines Agribusiness Enterprise Zone. Residents expressed great opposition to developments that would impact their property values negatively. In April 1997, by Roll Call No. 97-1435, the City Council adopted a resolution of intent that indicated a new meat packing facility will have no objectionable odors off site, good paying jobs, safe working conditions, a clean environment, and protection for existing residential areas.

During the latter part of 1997 and early 1998, City staff and former Council Member Gene Phillips individually met with 14 neighborhood associations located in and surrounding the Zone as well as Des Moines Neighbors to discuss community concerns regarding new development in the Agribusiness Enterprise Zone. In addition, the Citizens for Community Improvement (CCI) worked with leaders from the neighborhoods located in the Zone (Laurel Hill, Fairground and Chesterfield). It conducted research on good neighbor policies and explored how they might be used effectively in the Zone.

The Ad Hoc Agribusiness Enterprise Zone Committee was established in spring 1998. The 18-member Committee is comprised predominantly of leaders from neighborhoods located in and surrounding the Zone as well as business representatives. The purpose of the Committee is to analyze community concerns derived from the minutes of meetings previously held with the neighborhood associations

referenced above and to provide recommendations regarding economic development policy for new projects in the Zone.

The Ad Hoc Agribusiness Enterprise Zone Committee is proposing the following Development Principles, Good Neighbor Policy, and form of and process to implement Good Neighbor Agreements as a condition of businesses receiving economic development assistance for projects located in the Des Moines Agribusiness Enterprise Zone.

Development in Des Moines Agribusiness Enterprise Zone Principles

The proposed Good Neighbor Policy is based on the following principles:

- Businesses can be profitable;
- Employees can be productive;
- Environment will be protected; and
- Businesses and residents will be good neighbors.

Good Neighbor Policy

Businesses that develop projects in the Des Moines Agribusiness Enterprise Zone must demonstrate how they will meet the following Good Neighbor Policy as a condition of receiving economic development assistance.

Businesses will:

- Ensure that their new development or expansion will not have any objectionable odor;
- Demonstrate that their new development or expansion will not only protect but also enhance the environment;
- Maintain a safe and secure site;
- Minimize negative traffic impacts on surrounding areas;
- Contribute to stabilizing or increasing surrounding property values;
- Make best faith efforts to hire established Des Moines area residents first; and
- Implement best faith efforts to utilize local contractors, suppliers, and workforce when conducting new construction.

Form of Good Neighbor Agreement

The *Iowa Code* provides authority for a community group or coalition of community groups to enter into an

enforceable contract with a business known as a Good Neighbor Agreement. This Agreement may require the business to adhere to negotiated environmental, economic, labor, or other social and community standards as a condition of receiving economic development assistance. The *Code* further provides that a business which fails to abide by the Agreement shall repay the economic development assistance provided.

The form of Good Neighbor Agreement is designed to allow businesses to be creative in specifying how they intend to implement the Good Neighbor Policy. Each of the policy directives referenced above are stated in the Agreement. Businesses are required to provide specific responses regarding the approaches they will use to satisfy the policy. Negotiations will consider how the proposed project will impact residential, commercial, and industrial development in Des Moines, especially in the Zone.

The Agreement will run with the land use. Significant changes in the project or in land use will require approval from the Good Neighbor Task Force and the City Council. The Agreement further provides for mediation should future problems occur that are related to its intent.

The Good Neighbor Agreement will be subject to review and/or approval by the City Council. The City will be responsible for its enforcement.

Process to Implement Good Neighbor Agreements

The City Council will be requested to establish the Good Neighbor Task Force in the near future. The Task Force would be comprised of a representative and an alternate from each of the following neighborhood/business associations that are located in and surrounding the Agribusiness Enterprise Zone:

- Laurel Hill
- Chesterfield
- Fairground
- Capitol East
- Capitol View South
- McKinley/Columbus Park
- Indianola Hills
- SE Des Moines Agribusiness Enterprise Zone Association
- City of Pleasant Hill

The above-referenced neighborhood/business associations would choose their representatives and alternates. Council would affirm but not select these members.

Once the Task Force has been established, the process is proposed to proceed as follows:

- City Office of Economic Development (OED) staff meets with the business. Staff discusses the Good Neighbor Policy and provides the business with a template Good Neighbor Agreement.
- The business provides OED with an executive summary from its Business Plan or other information sufficient to describe the proposed project and prepares a preliminary Good Neighbor Agreement proposal.
- OED forwards the project description to CCI who would serve as the central point of contact for the Task Force. CCI sends information regarding the proposed project to the Task Force.
- CCI informs OED of the Good Neighbor Task Force's availability for a meeting with the business. OED contacts the business. Cooperatively, CCI and OED schedule the meeting, which would occur within ten days after the Task Force had received the project description.
- The business meets with the Task Force. OED and CCI staff attend. The business introduces itself and makes a presentation regarding its project. Subsequently, the Task Force and the business negotiate the Good Neighbor Agreement to conclusion. Conflicts of interest are declared prior to negotiating the Agreement.
- The Task Force forwards an executed copy of the Agreement to Council for adoption. The Agreement would become part of the City's contract with the business regarding the provision of economic development assistance. In the event that there is no City contract but an application for tax abatement and/or Enterprise Zone benefits, the Council would adopt or recommend adoption of the Agreement as part of the application approval process.

· For eligible projects, Council would forward the Agreement and its recommendation on the project to the Enterprise Zone Commission.

The proposed process is anticipated to take approximately 30 days to complete and is expected to be conducted concurrently with other City reviews so as to preclude delays in decision-making.

Adoption of the proposed Development Principles, Good Neighbor Policy, form of and process to implement Good Neighbor Agreements will provide the City with the opportunity to promote quality, long-term economic growth in the city, especially in the Agribusiness Enterprise Zone. This approach is designed to provide a level of predictability regarding new development that meets the needs of the developer, surrounding neighborhoods, and Des Moines and offers a means of building mutually-satisfactory relationships. Good Neighbor Agreements will assist in minimizing conflicts, allow for timely resolution of issues should future problems arise, and encourage corporate citizenship and neighborhood cooperation. Overall, this process will strengthen Des Moines' competitive business advantage and enhance the community's quality of life.