

**CITY COUNCIL  
COMMUNICATION:**

**02-476**

**AGENDA:**

SEPTEMBER 9, 2002

**SUBJECT:**

28E AGREEMENT  
FOR  
NEIGHBORHOOD  
DEVELOPMENT  
CORPORATION

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

JAMES M. GRANT  
COMMUNITY  
DEVELOPMENT  
DIRECTOR

**ITEM \_\_\_\_\_**

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

**SYNOPSIS —**

Recommendation to approve the revised 28E agreement among the City of Des Moines, the Neighborhood Development Corporation, and Polk County. Approval will allow the NDC to utilize \$1,000,000 annually from the City's Capital Improvement Budget for project activities and operations for the next five years. Polk County will also contribute \$500,000 annually for the five-year term of the agreement.

**FISCAL IMPACT —**

The adopted Capital Improvement budget has \$1,000,000 allocated annually for the next five years (2002-2008) for use by the Neighborhood Development Corporation. These funds will be used primarily for project costs with the exception of \$75,000 for operating expenses and up to \$250,000 for a qualified consultant for the development of a comprehensive plan.

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

On August 17, 1998, by Roll Call No. 98-2610, the City Council approved a proposal to create a Neighborhood Development Corporation. The purpose was to utilize financing to create more housing units and to acquire residential and commercial property for redevelopment to assist in the creation of small businesses and employment opportunities in the neighborhoods.

Subsequently, the City of Des Moines approved a 28E Agreement with Polk County committing to a three-year funding program for the operation of the Corporation.

Over the last two years the NDC has either partnered with a developer or been the developer in projects totaling over \$6.5 million dollars creating 150 new jobs, and producing 67 new housing units and 5 new commercial bays. The following is a summary of their projects:

1. Woodland Heights Infill

Eight new single family homes were constructed in the northeast corner of the neighborhood and one home has been moved to a vacant lot owned by NDC for a total investment of over \$1 million.

2. Woodland Avenue Brickstones Project

The NDC is partnering with Jack Hatch on the construction of 54 new one- and two-bedroom apartments in the Sherman Hill Neighborhood for a total investment of over \$5.3 million. The groundbreaking should occur later this month on this project.

3. McDonald's Restaurant at Sixth and University

A new McDonald's is being built at the corner of Sixth and University for a total investment over \$1 million. This project will provide 85 new jobs for Enterprise Community residents and will enhance the new Top Value Grocery Store Development.

4. Forest and Sixth Ave.

The NDC has purchased and is beginning renovation of the historic building at the northwest corner of Sixth and Forest. It is a mixed-use building that will rehabilitate seven one-bedroom units on the second floor and provide five ground level commercial bays for a total investment of over \$1 million dollars.

5. Hotel Development at East 30<sup>th</sup> and Grand

A 60-room limited use hotel is proposed for the Corner of East 30th and Grand in the Fairground neighborhood for a total investment of \$3.5 million. This project will create 65 new jobs.

The proposed 28E Agreement will allow the NDC to continue these types of activities through the City's contribution of \$1,000,000 from the Capital Improvements Budget annually and calls for Polk County to contribute \$500,000 annually for the five-year term of the Agreement. Language is also included in the agreement to allow the NDC to expend up to \$75,000 of the City's annual contribution and up to \$25,000 of the County's Annual contribution for the NDC operating expenses.