

**CITY COUNCIL
COMMUNICATION:**

02-630

AGENDA:

DECEMBER 16, 2002

SUBJECT:

REVISED 28E
AGREEMENT FOR
NEIGHBORHOOD
DEVELOPMENT
CORPORATION

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JAMES M. GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

ITEM 65

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

SYNOPSIS —

The revised 28E Agreement among the City of Des Moines, the Neighborhood Development Corporation, and Polk County 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.

FISCAL IMPACT —

The adopted Capital Improvement Budget has \$1,000,000 allocated annually for the next five years (FY2003-2007) for use by the Neighborhood Development Corporation. These funds will be used primarily for project costs with the exception of \$100,000 for operating expenses and up to \$250,000 with 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 five new commercial bays. The following is a summary of their projects:

1. Woodland Heights Infill

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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 for the construction of 54 new one- and two-bedroom apartments in the Sherman Hill Neighborhood for a total investment of over \$5.3 million.

3. McDonalds Restaurant at Sixth and University

A new McDonald's is being built at a 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 Avenue.

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 30th and Grand

A sixty 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.

6. 2009 Forest Avenue

The NDC has purchased the building at 2009 Forest Avenue. Currently the NDC is in the process of securing bids to rehabilitate the structure. This action will assist with the efforts to revitalize the Forest Avenue Corridor.

7. Market Study for Sixth Avenue Corridor and East Grand from E. 14th to E. 18th

The NDC has contracted with RDG Crouse Gardner & Shukert (Gary Lozano, Partner, 414 61st St., Des Moines, Iowa) to prepare a market analysis of areas surrounding Sixth Avenue and to update the existing development plan and prepare site development plans for the Sixth and College Ave. site.

Also the NDC has successfully outreached to the business owners located on East Grand Corridor between E. 14th and E. 18th to involve them in the planning of a redevelopment strategy

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for this area. Bids are currently being sought to secure consultant services to prepare the Plan. The Annie E. Casey Foundation has contributed \$100,000 toward these consultant services.

On September 9, 2002, by Roll Call No. 02-2239, the City Council approved a new 28E Agreement that required Polk County to contribute \$500,000 annually for a five-year term.

City staff have been advised by the staff of the Polk County Board of Supervisors that they propose to have a separate 28E Agreement with the NDC for the same monetary amount; however, it will be as an annual contribution for a two-year term.

This revised Agreement will be presented to the new Board after the first of the year.

