



Council Communication

Office of the City Manager

Date

December 17, 2007

Agenda Item No. 52
Roll Call No. 07-
Communication No. 07-734
Submitted by: Larry Hulse, Community
Development Director

AGENDA HEADING:

Approving a five-year renewal of the 28E Agreement between the Neighborhood Development Corporation and the City of Des Moines.

SYNOPSIS:

Recommend approval of the 28E Agreement which will make available \$1 million of City funds annually, available over a five-year period, for use by the Neighborhood Development Corporation (NDC). The NDC works to create new and rehabilitated buildings for housing, small businesses and jobs to improve deteriorated neighborhoods

FISCAL IMPACT:

Amount: \$5,000,000 (\$1,000,000 annually)

Funding Source: FY2007-08 CIP, Economic Development – Pages 4 & 5, Neighborhood Development Corporation, CMO990000 URR048, G. O. Bonds.

ADDITIONAL INFORMATION:

The 28E Agreement between the City of Des Moines and the Neighborhood Development Corporation (NDC) is up for renewal this year. The 28E Agreement provides annual funding to the NDC for use in a variety of redevelopment programs within low and moderate income neighborhoods of the City of Des Moines. The current agreement expired September 30, 2007. The original 28E was approved in 1998 and renewed in December 2002.

City funding of the NDC over the past 60 months has leveraged over \$18 million dollars in development funding, increased the city and county tax base, created 100 new jobs, assisted over 30 businesses with start up or relocation and successfully worked with minority entrepreneurs. NDC is instrumental in meeting the City Council adopted Goal Statement for Neighborhood Commercial Revitalization. Specifically, the NDC developed the “Wherry” block on the west side of 6th Avenue between College and Washington Avenues as a mixed-use redevelopment project that includes both renovated and new buildings. The project has been designed to relate to the history of the River Bend Neighborhood. When the three phases are complete, this project will add up to 12 new businesses bringing a mix of new services and new products to the neighborhood.

The East Grand - La Plaza project is also a mixed-use redevelopment featuring renovated and new buildings. This project has been especially considerate of the cultural and demographic changes

occurring on the near east side and has been designed both to accommodate and help expand the appeal of Latino-owned businesses. When the three phases of this project are complete, the project will have retained four small businesses and will add up to 16 new businesses to the area. The agreement remains the same as previously adopted with technical changes and the following significant changes:

1. The term of the proposed agreement is from, December 1, 2007, through November 30, 2012.
2. The proposed agreement obligates the City to each pay no more than \$1 million per year for a total amount of \$5 million.
3. The NDC's organization by-laws and administrative procedures were reviewed to ensure compliance with the City of Des Moines "Management Protocols for 28E Organizations."

The NDC Board reviewed and approved the agreement at its board meeting on November 14, 2007. The Neighborhood Revitalization Board approved the agreement at its meeting on December 5, 2007, and sent a letter to City Council recommending execution of the agreement.

PREVIOUS COUNCIL ACTION(S):

Date: December 16, 2002

Roll Call Number: 02-2978

Action: Revised Intergovernmental 28E Agreement with Neighborhood Development Corporation (NDC) to continue operation of the corporation commencing November 1, 2002 and ending September 30, 2007. ([Council Communication No. 02-630](#)). Moved by McPherson to adopt. Motion Carried 6-1. Absent: Coleman.

Date: August 17, 1998

Roll Call Number: 98-2910

Action: Intergovernmental 28E Agreement in conjunction with proposal to create a Neighborhood Development Corporation. ([Council Communication No. 98-329](#)). Moved by Hensley to adopt. Motion Carried 6-1. Absent: Daniels.

BOARD/COMMISSION ACTION(S):

Date: December 5, 2007

Roll Call Number: N/A

Action: Recommend that City Council approve the 28E Agreement with the Neighborhood Development Corporation

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE