

COUNCIL COMMUNICATION

	Number:	19-172	Meeting:	April 22, 2019
	Agenda Item:	27	Roll Call:	19-0642
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Terminating both the 28E Agreement and the Agreement for Professional Services with the Corporation for Economic Development (CED) in Des Moines; and approval of 28E Agreement with the CED in Des Moines to provide assistance and to act as agent for the City with economic development financing assistance programs.

SYNOPSIS:

Approval of resolution providing notice of City's intent to terminate Professional Services Agreement (PSA) and Intergovernmental 28E Agreement both dated June 14, 2010, between the City and the CED effective June 30, 2019. Approval of the new Intergovernmental 28E Agreement between the City and CED will designate CED as the administrative approving body for loan applications under the City's Revolving Loan Fund, MicroLoan, and Loan Injection Programs; additionally, CED will be the recommending body to the City Council for applications under the Des Moines Action Loan Fund. The City's Office of Economic Development (OED) administers the Economic Development loan programs as part of the City's 2019 US Department of Housing and Urban Development (HUD) Consolidated Plan.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The new Intergovernmental 28E Agreement is for a period of one (1) year and written to automatically renew for consecutive terms of one (1) year unless notice is given by either party to terminate the agreement at any time with 30 days notice.
- The agreement has an effective date of July 1, 2019. The agreement has been approved by the CED Board of Directors.
- Beginning in 1982, the CED and the City has operated in a public-private partnership to support small business development in the City.
- The existing Intergovernmental 28E Agreement and PSA approved by Roll Call No. 10-333 dated June 14, 2010, are being terminated due to staffing changes within OED.

- Assistance to small business expansion has been a key effort in the City's overall economic development strategy. The public-private partnership between the City and the CED compliments the implementation of this strategy by providing direct financial assistance to growing businesses in the City. It provides OED an entry to small businesses looking to expand and the opportunity to retain that expansion within the City.
- The CED was incorporated on June 9, 1981 as an Iowa non-profit corporation.
- On January 25, 1982, the CED was designated as a Certified Development Corporation under the U.S. Small Business Investment Act of 1958, as amended and is certified to originate and service loans under the SBA 504 Loan program.
- An 18-member Board of Directors comprised of local community, financial and business representatives govern the CED.

PREVIOUS COUNCIL ACTION(S):

Date: June 14, 2010

Roll Call Number: [10-929](#)

Action: [Intergovernmental](#) 28E Agreement and Professional Services Agreement with The Corporation for Economic Development in Des Moines to administer Loan Injection, Revolving Loan Fund and MicroLoan programs. ([Council Communication No. 10-333](#)) Moved by Hensley to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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