


COUNCIL COMMUNICATION

	Number: 19-376	Meeting: August 19, 2019
	Agenda Item: 45	Roll Call: 19-1346
	Submitted by: Scott E. Sanders, City Manager	

AGENDA HEADING:

Intergovernmental 28E Agreement between the City of Des Moines, Polk County and Invest DSM, Inc.

SYNOPSIS:

Recommend approval of a 28E Agreement with the City, Invest DSM, Inc. and Polk County, Iowa, for the purposes of coordinating the implementation of neighborhood revitalization plans. The term of the 28E is three (3) years, and the Agreement specifies funding levels, board representation, reporting, and how City and County funds can be used by Invest DSM.

FISCAL IMPACT:

Amount: \$3,000,000 Fiscal Year Ending (FYE)2020; \$5,000,000 FYE2021; \$5,000,000 FYE2022.

Funding Source: Local Option Sales and Services Tax

ADDITIONAL INFORMATION:

- In June 2019, the Des Moines City Council and Polk County Board of Supervisors authorized creating a new non-profit organization, Invest DSM, Inc., to coordinate the implementation of neighborhood revitalization plans (Roll Call No. 19-1048).
- The 28E Agreement is a three-party agreement between the City, County and Invest DSM to facilitate the amount and use of funding to be provided by the City and County to Invest DSM. The term of the Agreement is three (3) years, from August 1, 2019 until July 31, 2022.
- In FYE June 30, 2020, the City and County will each provide \$2,500,000 to Invest DSM. The City has committed an additional \$500,000 of either cash or in-kind support to Invest DSM operating expenses in FY2020. A separate Operating Agreement outlining the services the City may provide to Invest DSM will be presented for City Council consideration at a later date.
- In FYE June 30, 2021 and June 30, 2022, the City will provide \$5,000,000 to Invest DSM. The County will make an annual decision on funding, and must notify the City and Invest DSM of their decision no later than February 1st of each year.

- Invest DSM may use up to 10% of the funding provided annually by the City and County for operating expenses. The remainder must be used to pay expenses related to program and project activities associated with Revitalization Plan implementation.
- The City and County each have three (3) representatives on the Invest DSM Board of Directors, representing equal funding contributions. If the County contributes the same amount as the City in FYE2021 and FYE2022, they will keep three (3) board seats. If the County contributes funding between \$2,500,000 and \$4,999,999 in future years, their number of board representatives will be reduced to two (2). If the County contributes an amount between \$1,250,000 and \$2,499,999, the County will have one (1) representative on the board. An amount less than \$1,250,000 does not entitle the County to any board positions.
- Invest DSM will provide a progress report to the City and County every six (6) months for the duration of the Agreement.

PREVIOUS COUNCIL ACTION(S):

Date: June 24, 2019

Roll Call Number: [19-1048](#)

Action: [Creation](#) of Invest DSM, Inc., receiving Articles of Incorporation and Bylaws and appointing board members. ([Council Communication No. 19-297](#)) Moved by Boesen to adopt; refer to the City Manager to develop an information sheet regarding this program and other similar programs offered, periodically report to the Council on progress and benchmarks, to designate co-chairs from the City and from Polk County and each year to rotate through the Ward Council Members as alternates. The City Manager to provide input on how the City can publicly recognize Polk County for their support of the program. Motion Carried 6-1. Absent: Cownie.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approve Operating Agreement with Invest DSM.

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