


# COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>24-241</b>	Meeting:	<b>June 3, 2024</b>
	Agenda Item:	<b>22</b>	Roll Call:	<b>24-0804</b>
	Submitted by:	<b>Cody Christensen, Development Services Director</b>		

## AGENDA HEADING:

Termination of existing Neighborhood Commercial Revitalization (NCR) Program Grant Agreement with Joppa Experience LLC, reallocation of funds from NCR Round 3-American Rescue Plan Act (NCR Round 3-ARPA) to small business assistance loan, and authorizing execution of agreement with Joppa Experience LLC.

## SYNOPSIS:

Joppa Experience LLC, represented by Christine Johnson, has proposed a project at 1829 6th Avenue for the new location for the Joppa Experience restaurant. Joppa Experience LLC was originally approved under the NCR Program by City Council on April 10, 2023, by Roll Call No. 23-0496, in the amount of \$60,763. The NCR Round 3-ARPA program was made possible by funding from ARPA. Due to financing difficulties and other logistical considerations, Joppa Experience LLC and the City have negotiated an alternative funding agreement which will separate the project into two (2) distinct phases, which are proposed to be financed through a mix of forgivable and non-forgivable loans as well as traditional NCR grant funding.

The Phase 1 financial assistance proposed addresses the immediate need to transition the property into a counter-service restaurant model and is comprised of a forgivable loan for the NCR-eligible projects and a non-forgivable loan for the purpose of drywall and framing to formalize the separation between the kitchen and the customer-facing area of the building. The Phase 2 financial assistance proposed will be structured to be consistent with the traditional NCR program.

## FISCAL IMPACT:

This action is a reallocation of funds that were previously committed to this project via Roll Call No. 23-0496, to allow for the revised loan and forgivable loan structure, versus the previous reimbursement grant structure under the NCR program. The total amount of financial assistance to the project is not changing and no additional City financial assistance is being considered.

## ADDITIONAL INFORMATION:

- Joppa Experience is a Chicago-style Soul Food restaurant most recently operating out of a small space in the Merle Hay Mall Food Court. Highlights of Joppa Experience's menu include Chicago-style Italian beef sandwiches, wings, catfish sandwiches, jerk chicken, rib tips, oxtails, sweet

potatoes, mac-n-cheese, fried cabbage, and greens. Joppa Experience's mission is to feed everyone's mind, body, and spirit.

- The property at 1829 6th Avenue has historically been leased to several operators. As a result, there has been a challenging history attached to this property. For decades, independent convenience store operators have struggled to operate at 1829 6th Avenue in ways that were both profitable and harmonious with the surrounding residential uses. A small filling station was constructed on the property in the 1930s, but gas stations today require significantly larger sites. Independent operators are not able to achieve any sort of reasonable return on investment (ROI) because they can't buy products (snacks, soda, basic groceries) at competitive prices compared to the buying power of larger companies. To achieve profit, previous operators turned the location into a liquor/tobacco store. When a recent operator wasn't authorized to sell liquor or beer/wine, they eschewed typical business hours and turned the property into a 24-hour operation with a club-like atmosphere.
- Joppa Experience will transition the property from an unsuccessful convenience store use into a sustainable restaurant use. The size is right, and Joppa Experience's current success and reputation will bring stability and profitability to the space. This transition will provide a new, positive life for the property by celebrating and showcasing Black food culture which fills a gap in the diverse district's culinary offerings.
- The proposed construction phases are as follows:
  - Phase 1: Transition to counter-service/take-out restaurant model; intended to commence immediately, with project completion by or before December 1, 2024.
  - Phase 2: Transition to full-service restaurant; intended to commence approximately 12 months following completion of Phase 1, with project completion by or before December 31, 2025.
- This project will contribute to the ongoing revitalization efforts along 6th Avenue. The project representative has been collaborating with the 6th Avenue Corridor organization and interfacing with the neighborhood association to make this project a reality.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: April 10, 2023

Roll Call Number: [23-0496](#)

Action: [Round 3](#) Neighborhood Commercial Revitalization Program funding, and authorizing execution of agreements with NCR Program Round 3 funding recipients. ([Council Communication No. 23-192](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 6-1. Absent: Sheumaker.

#### **BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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