


# COUNCIL COMMUNICATION

	Number:	<b>24-406</b>	Meeting:	<b>October 7, 2024</b>
	Agenda Item:	<b>27</b>	Roll Call:	<b>24-1355</b>
	Submitted by:	<b>Cody Christensen, Development Services Director</b>		

**AGENDA HEADING:**

Approval of round four (4) Neighborhood Commercial Revitalization (NCR) Program funding.

**SYNOPSIS:**

The NCR Program is intended to promote reinvestment in existing buildings primarily in neighborhood commercial nodes and corridors. Financial assistance awarded by the City of Des Moines pursuant to this program will provide project funding to property owners and businesses in the renovation and upgrade of existing commercial, office, and mixed-use properties.

NCR funds can be used for the following projects:

- Façade renovations
- Exterior site improvements
- Building structural stabilization
- Roof repair or replacement
- Installation of a fat, oil, grease (FOG) interceptor
- Installation of energy-efficient heating, ventilation, and air conditioning (HVAC) systems
- Fire sprinkler and fire protection systems
- Electrical updates
- Plumbing updates

The formula for NCR financial assistance match maximum is as follows:

Project Costs (NCR-eligible only)	NCR Financial Assistance Match Maximum
\$20,000 to \$100,000	50% of qualifying costs, up to \$50,000
\$100,001 to \$500,000	\$50,000, plus 15% of qualifying costs above \$100,000, up to an additional \$60,000 NCR max for this tier: \$110,000
\$500,001 and above	\$110,000, plus 10% of qualifying costs above \$500,000, up to an additional \$50,000 NCR max: \$160,000

**FISCAL IMPACT:**

Amount: Not to exceed \$300,000

Funding Source: Fiscal Year (FY) 2024-2025 Operating Budget, Page 52, S743, CM025033, Economic Development Enterprise

**ADDITIONAL INFORMATION:**

- Updates to this round of the NCR program as compared to previous rounds include:
  - Ineligibility of home occupation uses.
  - Ineligibility of projects with a total project cost exceeding \$1.75 million, and/or building size exceeding 10,000 square-feet.
  - Preference may be given to property tax-generating projects.
  - Introduction of a Pre-Qualification Form to determine subject property appropriateness and eligibility.
- Past rounds of the NCR program have authorized NCR funds for 23 projects.
  - Notable NCR projects to date
    - Historic Varsity Theater
    - Temple Block Building at 6th and Forest
    - Re/Max Precision Urban Office at 6th and Douglas
    - Historic Concord commercial building at 740 18th Street
    - French Way Cleaners building
    - Uptown Shopping Center
    - Joppa Experience restaurant
    - Historic renovation of 609 Euclid Avenue
    - Historic Harlan's Barber Shop, now Sequel Architecture office
    - Ashley's Beauty Salon at 501 E Army Post Road
- Return on investment is approximately 14:1 throughout the last three (3) rounds of this program.
  - For every \$1 of NCR funds awarded, there is approximately \$14 in committed non-NCR investment.
  - There has been approximately \$18.2 million in total investment through NCR projects.
    - \$1.2 million in total NCR fund
    - \$17 million from other sources
- Thirteen (13) projects have been completed, with an additional five (5) projects currently under construction. Two (2) projects did not move forward and withdrew from the NCR program. All other projects are currently pending construction.

- Thirty-nine percent (39%) [9 out of 23] of awarded projects committed to properties owned or operated by women, minority community members, or disabled veterans and individuals with disabilities.
- Thirty percent (30%) [7 out of 23] of awarded projects committed to properties within a designated Local or National Historic District or considered a Local Landmark or included on the National Register of Historic Places.

**PREVIOUS COUNCIL ACTION(S):**

Date: April 10, 2023

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

Action: [Round](#) three (3) NCR Program funding, and authorizing execution of agreements with NCR Program round three (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:**

- Council consideration of any recommended financial assistance awards over \$50,000 for future rounds.

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