

COUNCIL COMMUNICATION

	Number:	26-174	Meeting:	May 4, 2026
	Agenda Item:	21-I	Roll Call:	26-0560
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Second Amendment to the 28E Agreement by and between Polk County, the City of Des Moines, and Invest DSM, Inc. for funding and operation of Invest DSM, Inc.

SYNOPSIS:

Recommend approval of the Second Amendment to the 28E Agreement with Polk County, the City of Des Moines, and Invest DSM, Inc. for funding and operation of Invest DSM, Inc. for the purposes of coordinating the implementation of neighborhood revitalization plans. The term of the 28E Agreement is five (5) years, and the Agreement specifies funding levels, board representation, reporting, and how City and County funds can be used by Invest DSM, Inc.

FISCAL IMPACT:

Amount: \$5,000,000 Fiscal Year End (FYE) 2027; \$5,000,000 FYE 2028; \$5,000,000 FYE 2029; \$5,000,000 FYE 2030; \$5,000,000 FYE 2031.

Funding Source: Local Options Sales and Services Tax (LOSST).

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).
- In August 2019, the Des Moines City Council approved a Chapter 28E Agreement by and between the City, County, and Invest DSM, Inc. to facilitate the amount and use of funding to be provided by the City and County to Invest DSM, Inc. for three (3) years from August 1, 2019 until July 31, 2022, and with said funding to be used by Invest DSM, Inc. for operating expenses and program and project activities associated with Revitalization Plan implementation (Roll Call No. 19-1346).
- In March 2022, the Des Moines City Council approved a Chapter 28E Agreement by and between the City, County, and Invest DSM, Inc. to facilitate the amount and use of funding to be provided by the City and County to Invest DSM, Inc. for five (5) years, from August 1, 2022, until July 31, 2027.

- The second amendment will extend the agreement through July 31, 2031.
- The City will provide \$5,000,000 to Invest DSM, Inc. in fiscal year (FY) 2027, and \$5,000,000 in each FY thereafter for the duration of the Agreement or annual notice of funding commitment for each FY thereafter for the duration of the Agreement.
- The County will provide \$5,000,000 to Invest DSM, Inc. in FY 2027, and annual notice of funding commitment for each FY thereafter for the duration of the Agreement.
- Failure by the City or the County, respectively, to provide notice or to provide funding in an amount equal to or greater than \$1,250,000 in any FY constitutes default.
- Invest DSM, Inc. may use up to 10% of the annual funding provided to cover operating expenses. The remainder must be used to pay expenses related to program and project activities associated with Revitalization Plan implementation for the SIDs previously designated by the City.
- The City and County each have representation on the Invest DSM, Inc. Board of Directors on a tiered basis with three (3) representatives each for contributing \$5,000,000 annually, two (2) representatives each for contributing between \$2,500,000 and \$4,999,999 annually, one (1) representative each for contributing between \$1,250,000 and \$2,499,999 annually, and no representatives for contributions less than \$1,250,000 annually.
- Invest DSM, Inc. 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: February 21, 2022

Roll Call Number: [22-0244](#)

Action: [28E](#) Agreement between the City, Polk County and Invest DSM, Inc. ([Council Communication No. 22-067](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

Date: August 19, 2019

Roll Call Number: [19-1346](#)

Action: [Intergovernmental](#) 28E Agreement between the City of Des Moines, Polk County and Invest DSM, Inc. ([Council Communication No. 19-376](#)) Moved by Boesen to adopt. Motion Carried 7-0.

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: NONE

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