



Roll Call Number

19-2014

Agenda Item Number

29 ✓

Date December 16, 2019

RESOLUTION APPROVING ECONOMIC DEVELOPMENT LOAN AGREEMENT WITH NEIGHBORHOOD DEVELOPMENT CORPORATION FOR ACQUISITION OF PROPERTY AT 3615 6TH AVENUE

WHEREAS, the Neighborhood Development Corporation (NDC) is a non-profit organization that promotes business and economic revitalization, businesses that add diversity to or generate new opportunities for Iowa economy, and businesses that generate public gains and benefits warranted in comparison to the amount of the funds dispensed, throughout the City of Des Moines; and

WHEREAS, NDC intends to purchase the real property locally known as 3615 6th Avenue, Des Moines, Iowa ("Property"), which Property is located along the City's 6th Avenue commercial corridor within the Oak Park-Highland Park Special Investment District established by the Des Moines City Council, and to further purchase the business assets and equipment and reopen the closed Hiland Park Bakery small business ("Business") located within the Property (collectively "Project"); and

WHEREAS, the City's Office of Economic Development has negotiated an Economic Development Loan Agreement (the "Agreement") with the NDC, as substantially in form on file in the office of the City Clerk, whereby NDC will use the funds for the purchase of the Property and Business, the reopening, operation, and maintenance of the Business, and expenses associated with improvements to the Property including external facade improvements; and

WHEREAS, the Agreement provides that in consideration of NDC's efforts and improvements, the City will provide an economic development loan, with a term of three years and in the total amount of \$130,000.00 at zero percent interest, with up to \$25,000.00 thereof to be forgiven upon full loan payment; and

WHEREAS, economic development assistance for NDC in the form of said loan shall be provided by the City to Company pursuant to Chapter 15A of the Code of Iowa, and the assistance will ensure job creation and retention and is intended to support neighborhood commercial stabilization and revitalization in the Oak Park-Highland Park neighborhoods.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

- 1. The City Council hereby makes the following findings in support of the proposed Agreement with the Neighborhood Development Corporation (NDC):
a. The economic development incentives for the NDC Project are provided by the City pursuant to Chapter 15A of the Code of Iowa, and the NDC's obligations under the Agreement to undertake the above-stated economic development actions in relation to the retention and expansion of NDC's Project and employment base related thereto further the objectives of economic development to (1) preserve and create new jobs and income as well as retain existing jobs and income that would otherwise be lost, (2) generate public gains and benefits which are warranted in comparison to the amount of funds dispensed, and (3) support an environment within the City of Des Moines and the Oak Park-Highland Park neighborhoods ("Project Area") which will protect the health, safety, and general welfare of City residents and expand taxable values of properties.
b. The provision of economic development assistance from the City is necessary to enable the above-stated economic development actions in relation to the NDC Project in accordance with the terms of the Agreement, and such assistance will generate public gains and benefits for economic development which gains and benefits are warranted in comparison with the amount of such assistance.



Roll Call Number

19-2014

Agenda Item Number

29 ✓

Date December 16, 2019

- c. The NDC's undertakings of the above-stated economic development actions in relation to the retention and reopening of NDC Project, pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the project will be undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
- 2. The Development Agreement between the City and Neighborhood Development Corporation, in substantially the form on file in the office of the City Clerk and subject to final approval as to form by the Legal Department, is hereby approved.
- 3. Following approval as to form by the Legal Department, the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
- 4. The Director of the Office of Economic Development or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department to enable the Finance Director to make any appropriate disclosure filings in accordance with the City's adopted revised Disclosure Policy.
- 5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the payment(s) on the Economic Development Loan Agreement pursuant to Article 2 of the Agreement.
- 6. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City and to monitor compliance by the Company with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 19-557)

MOVED BY Stetto TO ADOPT.

APPROVED AS TO FORM:

Glenna K. Frank

Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

J. M. Frank Mayor

CERTIFICATE

I, P. KAY CMELIK, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

P. Kay Cmelik

City Clerk