



**Roll Call Number**

24-0804

**Agenda Item Number**

22

**Date** June 3, 2024

**TERMINATING 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 ECONOMIC DEVELOPMENT LOAN AND GRANT AND APPROVING DEVELOPMENT AGREEMENT WITH JOPPA EXPERIENCE LLC (“DEVELOPER”)**

WHEREAS, on November 23, 2020, by Roll Call No. 20-1894, the City Council approved the Neighborhood Commercial Revitalization (“NCR”) Program and Program policy (the “Program”), to be administered by the Office of Economic Development, to provide financial assistance pursuant to Iowa Code Chapters 15A and 403 to property owners and tenants, investors, private entities, non-profit organizations, and other qualified developers for projects involving façade renovations, exterior site improvements, building stabilization, roof repair, installation of fat, oil, grease (“FOG”) interceptors, installation of energy-efficient HVAC systems, fire sprinkler systems, electrical updates, and plumbing updates, for commercial properties in the City of Des Moines; and

WHEREAS, on August 22, 2022, by Roll Call No. 22-1359, the City Council approved funds for the NCR Program, with the source of funds being Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”), authorized by the American Rescue Plan Act (“ARPA”); and

WHEREAS, pursuant to said Roll Call and the NCR Program policy, the City’s Office of Economic Development accepted applications for the third round (“Round 3-ARPA”) of NCR Program funding in February 2023, and thereafter the Program selection committee, comprised of staff from various City Departments, used the Program scoring criteria to competitively score all applications received and compiled a recommendation for approval of several projects and funding amounts based on scoring and in accordance with the Council-approved NCR Program policy and the Program implementation guidelines, including but not limited to reimbursement eligibility requirements and capacity of the applicant to undertake the proposed project; and

WHEREAS, Developer submitted an application for Round 3-ARPA NCR Program funding, which application was recommended by the Program selection committee, accepted for funding by the City Council on April 10, 2023 by Roll Call No. 23-0496 (“Developer’s application” or “Application”), with funding approved in the total amount of \$60,763.00 and pursuant to the terms set forth herein; and

WHEREAS, Developer and City entered into a Grant Agreement dated May 23, 2023 pursuant to the approved application and program guidelines and said Agreement was amended on or about December 14, 2023; and



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WHEREAS, due to financing difficulties and other logistical considerations, Developer and City have negotiated an alternative funding agreement which will separate Developer’s work on the Project into distinct phases which will be financed through a mix of forgivable and non-forgivable loans as well as NCR grant funding; and

WHEREAS, the City and Developer have negotiated an Agreement that outlines the terms and conditions under which the City shall provide loan and grant funding to Developer to assist with Developer’s construction and/or renovation of certain real property as set forth in the Application (the “Project”) located at 1829 6th Avenue (“Property”) in the city of Des Moines; and

WHEREAS, City believes that the redevelopment of the Property pursuant to the Agreement in form on file in the Office of the City Clerk and the City’s Office of Economic Development, 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 warrant the provision of the economic assistance set forth in this Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES MOINES, IOWA** as follows:

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Joppa Experience LLC (“Developer”):
  - a. The fulfillment of Developer's obligations under the Development Agreement to redevelop the Project for restaurant use further the goals and objectives of the Metro Center Urban Renewal Plan by generating the following public gains and benefits:
    - i. it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan;
    - ii. it will protect the health, safety, and general welfare of City residents;
    - iii. it will maintain and expand taxable property values;
    - iv. it will establish conditions which attract further new investments and prevent the recurrence or spread of blight and blighting conditions to the surrounding area; and



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- v. it will further the City's efforts to retain and create job opportunities within the Project Area and surrounding area which might otherwise be lost.
  - b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Development Agreement to construct the Project will generate the public gains and benefits stated above in subsection (a).
  - c. The construction of the Project is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
  - d. The development of the Project pursuant to the Development 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 has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
2. The existing Agreement between the City and Developer dated May 23, 2023 as amended on or about December 14, 2023 is hereby terminated pursuant to the terms thereof and agreement of the parties thereto.
  3. The funding for this project previously approved via Roll Call No. 23-0496 is hereby reallocated and the Finance Director or his designee is hereby authorized to take all actions necessary to effectuate this reallocation and is further authorized and directed to make payment pursuant to the terms of the Agreement and the direction of the Office of Economic Development and Legal Department.
  4. The Urban Renewal Development Agreement between the City and Joppa Experience LLC in the form on file in the office of the City Clerk, is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and attest to, respectively, the Agreement on behalf of the City of Des Moines.
  5. The City Manager or his designee are directed to submit a copy of the fully-executed Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings.



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- 6. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to the terms of the Development Agreement.
- 7. The Department Services Director or designee(s) are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The Department Services Director 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. 24-241)

Moved by Gatto to adopt. Second by Voss

APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.  
Gary D. Goudelock Jr.  
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
SIMONSON	✓			
VOSS	✓			
COLEMAN	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	7			
MOTION CARRIED		APPROVED		

**CERTIFICATE**

I, LAURA BAUMGARTNER, 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.

Connie Boesen Mayor

Laura Baumgartner City Clerk