


COUNCIL COMMUNICATION

	Number:	19-297	Meeting:	June 24, 2019
	Agenda Item:	61	Roll Call:	19-1048
	Submitted by:	Phillip Delafield, Assistant City Manager		

AGENDA HEADING:

Creation of Invest DSM, receiving Articles of Incorporation and Bylaws, and appointing board members.

SYNOPSIS:

This resolution will authorize the City Manager to file with the Iowa Secretary of State and the IRS to create a new non-profit 501c3 corporation, named Invest DSM, to distribute funds, develop programs, and manage activities that implement City-approved plans for the purposes of neighborhood revitalization. Included in this packet are articles of incorporation and bylaws for the proposed corporation.

FISCAL IMPACT:

Amount: \$5 million in fiscal year (FY) 2020

Funding Source: \$2.5 million from Local Option Sales and Service Tax (LOSST), and \$2.5 million from Polk County

ADDITIONAL INFORMATION:

- On September 24, 2018, City Council directed staff to redesign the Neighborhood Revitalization Program, based on recommendations outlined in a report from consulting firm czbLLC entitled Neighborhood Revitalization Planning Program Review.
- As part of the program redesign, staff recommends creating a new non-profit 501c3 corporation, named Invest DSM, to coordinate the implementation of City-adopted plans for the purposes of neighborhood revitalization. On September 24, 2018, City Council selected four (4) pilot areas. The plans for these areas are nearly complete, and will be ready to move into the implementation phase in late summer 2019. These new small area plans identify sub-areas within neighborhoods where activities will be focused, called Special Investment Districts.
- Invest DSM will be a complement to existing tools and partners like the Neighborhood Finance Corporation and Neighborhood Development Corporation, acting as the umbrella under which all plan implementation activities will be orchestrated. Its primary purpose is to ensure that the outcomes identified in City-adopted small area plans are achieved. It will receive funds from

both public and private sector and distribute them through RFPs, partnership agreements with non-profit or private organizations, or its own programs. In addition, Invest DSM will have close, ongoing coordination with City staff to implement activities that are City department responsibilities, such as capital projects or code enforcement.

- The City Council has budgeted \$2,500,000 in FY2020 for the purposes of plan implementation. Staff recommends allocating this funding to Invest DSM through a 28E agreement once the corporation is established. The 28E agreement will be presented to City Council for consideration at a later date, after the small area plans are approved.
- The Polk County Board of Supervisors voted at their June 18, 2019 meeting to partner with the City in this new approach. It is anticipated that Polk County will match the City's funding commitment of \$2,500,000 for FY2020. Funding will be allocated with a 28E agreement.
- Invest DSM will be structured as a non-profit organization with an initial Board of Directors comprised of six (6) members that include the following: three (3) City Council representatives and three (3) Polk County Supervisors. The purpose of including City and County elected officials on the Board is to protect the public trust and leverage private involvement and investment. The initial Board will be responsible for recruiting three (3) to five (5) private sector representatives with expertise determined to be valuable to the organization.

PREVIOUS COUNCIL ACTION(S):

Date: September 24, 2018

Roll Call Number: [18-1617](#)

Action: [Authorizing](#) the redesign of the Neighborhood Revitalization Program, selecting four pilot areas for planning and revitalization work, and approving Professional Services Agreement with czbLLC. ([Council Communication No. 18-490](#)) Moved by Boesen to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of a 28E agreement with, and funding allocation to, Invest DSM.

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