

COUNCIL ACTION FORM

SUBJECT: LETTER OF SUPPORT AND ASSURANCES FOR IOWA
ECONOMIC DEVELOPMENT AUTHORITY COMMUNITY
CATALYST BUILDING REMEDIATION PROGRAM GRANT

BACKGROUND:

At the December 19, 2017 meeting, the City Council authorized the Main Street Cultural District (MSCD) to prepare a grant pre-application in the City's name for a Community Catalyst Building Remediation Program Grant. The proposed grant is for improvements to 131 Main Street (owned by Avec Holdings). The pre-application was accepted by the Iowa Economic Development Authority (IEDA) which, in January, invited MSCD to submit a full application. The formal grant application is due March 1, 2018. IEDA requires a letter of support to accompany the formal grant application. A draft letter of support is included as Attachment A.

The project proposal is included for the Council's review as Attachment B. In summary, the project creates interior office space on the ground floor and the basement level for Avec's use. Access to this space will be from the main entrance at the southwest corner of the building. The second floor is a separate office tenant space having access from the Douglas Avenue side of the building.

Exterior improvements will include replacing the second floor vinyl windows that have wood infills at the top. The replacement windows will be full size and will reflect the historic style of the building. The ground floor windows will be replaced at the same time and with windows reflecting the historic style of the building. The exterior doors were installed in the 1970s with inappropriate infills along the sides. Full width doors will replace them.

A new metal canopy will be installed along much of the length of the two facades. It will mimic the style of the original canopy that was removed a decade ago.

The IEDA requires the City to submit a Letter of Intent to Participate and a separate document of Assurances. The letter, of intent states that the City Council and local building code officials have reviewed the project proposal. The letter further notes that the City agrees that all historically significant properties will comply with the Secretary of Interior's Standards for historic property rehabilitation. Staff is aware that the project is also being reviewed at this time by the State Historic Preservation Office (SHPO) to determine compliance with the Secretary of Interior's Standards for historic property rehabilitation. SHPO will also inspect upon completion to ensure compliance with the approved plans. The City is not responsible for assuring conformity to the Secretary's standards upon commencement of the project.

The Assurances state that certain federal and state regulations will be followed and that the project will be completed within two years unless an extension is granted. Assurances are intended to verify that the proposed project can be accomplished by the property owner in the stated timeframe, not that the City must complete the project.

In allowing MSCD to submit on behalf of the City, MSCD gave assurances to the City Council that they will be doing the bulk of the work in preparing the grant application. To date, that has been proven true. City staff will review the grant application prior to submittal and note any changes that may need to be made. No significant staff time is requested to complete the grant application.

In order to make the grant more competitive, IEDA has asked for some component of local financial match by the City. Financial match can be provided by a variety of methods, including façade grants or property tax abatement. The owner has submitted two façade grant applications for consideration for the Spring 2017/18 round of Downtown Façade Grants. The facade applications will be brought forward at the next City Council for City Council review and approval. The proposed remodeling may also be eligible for a Downtown Urban Revitalization Area partial property tax exemption. The eligibility and amount of that exemption won't be known until the project is completed, but an estimated amount will be calculated and included in the application. Both the façade grants and the Urban Revitalization Area partial property tax exemption are available to any owner who meets the eligibility criteria—they are not limited only to this property.

It is important to note that the grant application to IEDA should not be submitted by the Main Street Cultural District until a final decision has been made by the City Council regarding the Façade Grant application since these funds will represent the local match needed to improve the chances of receiving the State grant.

ALTERNATIVES:

1. The City Council can authorize the mayor to sign the Letter of Intent to Participate and Assurances for the Community Catalyst Building Remediation Program Grant.
2. The City Council can defer action on this request and refer it back to City staff with specific direction and schedule review of the letter on February 27th.
3. The City Council can decline to authorize submitting the grant application.

CITY MANAGER'S RECOMMENDATION:

The City Council authorized the MSCD to submit the application on behalf of the City. IEDA is seeking a statement that the City intends to participate in the grant and, if it is awarded, to comply with all applicable regulations governing the project. Ultimately, the property owner is subject to completing the terms of the Grant and it is not a City obligation to ensure consistency upon award of the grant.

Therefore, it is the recommendation of the City Manager that the City Council act in accordance with Alternative #1, which is to authorize the mayor to sign the Letter of Intent to Participate and Assurances for the Community Catalyst Building Remediation Program Grant.



February 13, 2018

The City of Ames supports application to the Iowa Economic Development Authority for a Community Catalyst Building Remediation Program Grant. The City of Ames further states that representatives of the city council and local building and/or fire code officials who may be responsible for inspection of project properties have reviewed the project proposal.

The City of Ames further agrees that all historically significant properties submitted for consideration in this application will comply with the Secretary of Interior's Standards for historic property rehabilitation.

Signature of Mayor

Date

Signature of Applicable Sub-Recipient

Date

Fiscal/Applicant Organization: City of Ames

The Fiscal/Applicant Organization, as eligible applicant under the rules governing this grant program shall:

- abide by the requirements of Titles VI and VII of the Civil Rights Act of 1964, as amended, and the Rehabilitation Act of 1973, as amended, which bar discrimination against any employee, applicant for employment, or any person participating in any sponsored program on the basis of race, creed, color, national origin, religion, sex, age, physical or mental disability;
- abide by the requirements of the American with Disabilities Act;
- require compensation for employment at not less than minimum wage;
- provide safe and sanitary working conditions;
- expend funds received as a result of this application on the described project within a 24-month time frame, unless written approval has been granted to exceed the aforementioned time period;
- submit all required written reports in a timely manner;
- agree to comply with all federal regulations as defined by HUD and previously outlined.

The Fiscal or Applicant Organization also assures that the representations made in this application, including all exhibits and attachments, are true and correct to the best of the entity's knowledge.

Signature

Date

John A. Haila, Mayor
Typed/printed name and title of above individual

