

MARSHALLTOWN

— I O W A —

Joel Greer, Mayor
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TO: Mayor Greer and City Council
FROM: Jessica Kinser, City Administrator
DATE: May 23, 2022
RE: 26 E Main Development Agreement

Policy Issue: Council is required to approve an agreement for the allocation of Catalyst funds; Council is required to approve a resolution to utilize Council-designated Local Option Sales Tax

<input checked="" type="checkbox"/> Goal 1: Expand and improve development	<input type="checkbox"/> Goal 3: Continually improve the City's organization & services
<input type="checkbox"/> Goal 2: Enhance Marshalltown's public image	<input type="checkbox"/> Goal 4: Partner with others to improve quality of life

Specific Objective/Action: Obj 1: Support the MCBBD and development in Downtown- administer the Catalyst Building Grant Program

Recommendation: Approve the resolution as proposed

Budget Impact: \$100,000 in LOST

Description/Background: The City was granted \$1.5 million in emergency Catalyst Building grant funds from the Iowa Economic Development Authority (IEDA) following the 2018 tornado. These funds were granted for properties in the Marshalltown Central Business District for two purposes: \$1 million for building projects and \$500,000 specifically for upper story housing. All funds except \$250,000 for upper story housing have been spent/designated. IEDA has recently extended the deadline, but is encouraging the final amount be awarded to a shovel-ready project.

At this time, 26 East Main Street is the only project that has the design work complete and could apply for a building permit. This is important due to the time left on these grant funds (June 30, 2023), and the ability to start and complete an upper story housing project by this date. The project is for 3 upper story units, which will result in the front and rear facades being reconstructed/updated.

In addition to the Catalyst fund, this resolution proposes using \$100,000 in Council-designated LOST to provide the City funding towards the project. This amount of funding is too small for TIF, which would have upwards of \$10,000 in legal costs to do the plan amendment and development agreement. All TIF funds on-hand from the Downtown district have been allocated to the MCBBD's incentive grant programs.

IEDA has concurred with the award and we are now ready to move forward with approval of the development agreement.

CITY COUNCIL

Al Hoop, Gabriel Isom, Barry Kell, Mike Ladehoff,
Jeff Schneider, Gary Thompson, Dex Walker

