Council Communication

Department: Community Development Case/Project No.: N/A	Ordinance No.: N/A Resolution No.: 20 - ___	City Council Meeting Date: 3-23-2020

Subject/Title

Approve grant application to the Iowa Economic Development Authority's Community Catalyst Remediation Program on behalf of The 712 Initiative for the property located at 530 West Broadway

Location

530 West Broadway (old EQ building)

Background/Discussion

Background

The Iowa Economic Development Authority (IEDA) administers the State's Community Catalyst Remediation Program. Through this program, IEDA provides grants to communities for the redevelopment, rehabilitation or deconstruction of buildings to stimulate economic growth or reinvestment in the community.

The maximum grant award is $100,000 and only one application per community can be submitted per year. Strong applications show (1) the potential of catalytic economic growth in the community; (2) improve appearances & safety; (3) make use of underutilized property; (4) exhibit appropriate design standards; and (5) be well-funded. Economic growth may include the creation of additional jobs, growth of new or existing businesses, development of new housing units, increase property values, or potential population growth.

Discussion

Staff has been working with the 712 Initiative to complete an application for funding for the redevelopment of 530 West Broadway. 712 currently owns the property which has a tenant in a portion of the first floor but otherwise vacant. The three story building will consist of four commercial bays on the first floor and 15 residential units on second and third floors. The residential units will appeal to a wide range of tenants, offering both market rate rents and rents targeted to moderate-income households.

Total costs are estimated at $5,380,000. Other sources of funds include bank financing, urban revitalization tax abatement, brownfield tax credits, workforce housing tax credits and local foundation dollars. If approved, the application will require subsequent city council actions on local assistance such as tax increment financing and workforce housing tax credit benefits.

As a partially vacant and underutilized building, staff believes the proposed project meets the criteria outlined for the Community Catalyst program. As part of the downtown area, this project will bring additional space for new and existing businesses creating new job opportunities for residents. It will also create new housing units in varying sizes.

Staff Recommendation

The Community Development Department recommends City Council adopt a resolution authorizing the Mayor to execute and submit an application to the Iowa Economic Development Authority for

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Community Catalyst Remediation Program on behalf of the 712 Initiative for the property located at 530 West Broadway.
Attachments
Application