

Committee of the Whole  
September 25, 2018

Present: Mayor Pro Tempore Allesee; Councilmembers Gassman, Seeley, McGraw, Connell, Schemers, and Odor, City Attorney, City Administrator, City Clerk, Press and interested citizens. Mayor Vulich – absent.

1. Community Catalyst Building Remediation Grant – Downtown SSMID, Karen Rowell

Downtown Alliance Director Karen Rowell stated Jim Thompson of the Iowa Economic Development Authority (“IEDA”) presented information on the State of Iowa Community Catalyst Building Remediation Grant at the August 14, 2018 Committee of the Whole meeting. Rowell stated Bellevue and Maquoketa had been past recipients of the grant. Rowell stated the City would need to apply for the grant and both the City and the SSMID would provide matching funds. Rowell stated the City would provide \$25,000.00 towards the grant and the SSMID would provide \$25,000.00. Rowell stated the grant amount would be \$100,000.00. Rowell stated the SSMID would like to use the grant funds to rehabilitate 512 South Second Street. Rowell stated the goal would be to rehabilitate the building, sell the building and use the sale proceeds to complete a similar process on another building in the downtown. Rowell stated pre-application for the grant was due in November and the grant application was due in December. Rowell stated the grant funds would assist with improving the downtown, one building at a time.

Councilmember Seeley inquired about resources for existing businesses and resources to help businesses succeed. Rowell stated the SSMID worked with existing business and two new businesses recently opened in downtown. Rowell stated four buildings had been sold in the 100 block of the downtown to a former resident. Councilmember Seeley inquired about programs to assist entrepreneurs. Rowell stated the City of Burlington offered a forgivable business loan program and out of fourteen loans provided, only one business had failed. Rowell stated the SSMID may be able to partner with other agencies to start a similar program in the City.

Councilmember Connell stated an incubator was needed. Rowell stated co-working spaces had been reviewed. Rowell stated big changes would be seen within a year to the downtown. Mayor Pro Tempore Allesee stated the Small Business Development Center provided free business counseling. Rowell stated brand new businesses were referred to the Small Business Development Center as well as partnered with other local businesses. Councilmember Seeley stated it was disheartening to see so many businesses come and go in the downtown. Mayor Pro Tempore Allesee stated some of that was due to cash flow projection and inexperience. Rowell stated education was paramount.

Councilmember Seeley inquired about the affordability of 512 South Second Street if \$100,000.00 was put into the building. Rowell stated the building would be sold at fair market value and the focus would be on completing the second floor. Rowell stated with the second floor being completed as an apartment, the rental income could help offset the expenses of a business located on the first floor. Rowell stated the downstairs would not be completed until information was known about the buyer and the usage for the first floor. Rowell stated the building could also be leased for a year and then sold. Rowell stated interest had already been expressed in 512 South Second Street.

Councilmember Seeley inquired how often the grant could be applied for. Rowell stated the application period occurred once per year and discussion had occurred with the IEDA about the best way to secure a grant. Rowell stated matching funds were a key component of the grant application.

Administrator Matt Brooke stated it was a great project. Administrator Brooke stated the grant application would show that the Council was serious about improving the downtown. Administrator Brooke stated it would be an investment in the community and the City's portion of required matching funds was available due to interest rate savings on the City's 2017 bond. Councilmember Seeley noted that sale proceeds could be used to invest in future projects. Rowell concurred.

M/S, Seeley-Connell moved to forward a resolution to the next Council meeting to approve applying for the Community Catalyst Building Remediation Grant. On roll call, carried unanimously.

## 2. Mayor and Council Updates

Councilmember Seeley stated the work on the Showboat was well done and the Showboat was looking very nice.

M/S, McGraw-Gassman moved to adjourn. All in favor.

Respectfully Submitted,

Lisa Frederick  
City Clerk