



**Grinnell FINANCE COMMITTEE Meeting  
MONDAY, FEBRUARY 17, 2020 AT 7:00 A.M.  
IN THE LARGE CONFERENCE ROOM ON THE 2<sup>ND</sup> FLOOR  
OF THE CITY HALL**

***TENTATIVE AGENDA***

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**ROLL CALL:** Wray (Chair), White, Bly.

**PERFECTING AND APPROVAL OF AGENDA:**

**COMMITTEE BUSINESS:**

1. Consider resolution approving FY 2021 maximum property tax dollars. (See Resolution No. 2020-28).
2. Update on 915 Main Street property.

**INQUIRIES:**

**ADJOURN:**

**RESOLUTION NO. 2020-28**

**RESOLUTION APPROVING FY 2021 MAXIMUM PROPERTY TAX DOLLARS.**

WHEREAS, the City Council of the City of Grinnell have considered the proposed FY 2021 city maximum property tax dollars for the affected levy total, and

WHEREAS, a notice concerning the proposed city maximum property tax dollars was published as required and posted on city web site and/or social media accounts,

WHEREAS, a public hearing concerning the proposed city maximum property tax dollars was held on February 17, 2020,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Grinnell that the maximum property tax dollars for the affected tax levies for FY 2021 shall not exceed the following total:

Total maximum levy for affected property tax levies - \$3,879,024.

The Maximum Property Tax dollars requested in the total maximum levy for affected property tax levies for FY 2021 represents an increase of greater than 102% from the Maximum Property Tax dollars requested for FY 2020.

Roll Call Vote:

\_\_\_\_\_ - YEA/NAY

Passed and approved this 3rd day of February 2020.

\_\_\_\_\_  
Dan F. Agnew, Mayor

ATTEST:

\_\_\_\_\_  
Annamarie Wingerter, City Clerk/Finance Director

<b>CITY NAME</b>	<b>NOTICE OF PUBLIC HEARING -PROPOSED PROPERTY TAX LEVY</b>	<b>CITY CODE</b>
<b>Grinnell</b>	<b>Fiscal Year July 1, 2020 - June 30, 2021</b>	<b>79-745</b>

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

<b>Meeting Date:</b>	<b>Meeting Time:</b>	<b>Meeting Location:</b>
02/17/2020	7:00 p.m.	Council Chambers, City Hall, 520 4th Ave

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After adoption of the proposed tax levy, the Council will publish notice and hold a hearing on the proposed city budget.

<b>City Web Site (if available):</b>	<b>City Telephone Number:</b>
ww.grinnelliowa.gov	641-236-2600

Iowa Department of Management	Current Year Certified Property Tax 2019/2020	Budget Year Effective Property Tax 2020/2021**	Budget Year Proposed Maximum Property Tax 2020/2021	Annual % CHG
Regular Taxable Valuation 1	270,446,876	286,504,701	286,504,701	
Tax Levies:				
Regular General 2	\$2,190,620	\$2,190,620	\$2,320,687	
Contract for Use of Bridge 3	\$0	\$0		
Opr & Maint Publicly Owned Transit 4	\$0	\$0		
Rent, Ins. Maint. Of Non-Owned Civ. Ctr. 5	\$0	\$0		
Opr & Maint of City-Owned Civic Center 6	\$0	\$0		
Planning a Sanitary Disposal Project 7	\$0	\$0		
Liability, Property & Self-Insurance Costs 8	\$165,000	\$165,000	\$165,000	
Support of Local Emer. Mgmt. Commission 9	\$0	\$0		
Emergency 10	\$73,021	\$73,021	\$77,356	
Police & Fire Retirement 11	\$341,350	\$341,350	\$381,310	
FICA & IPERS 12	\$265,000	\$265,000	\$269,150	
Other Employee Benefits 13	\$646,260	\$646,260	\$665,521	
<b>*Total 384.15A Maximum Tax Levy 14</b>	<b>\$3,681,251</b>	<b>\$3,681,251</b>	<b>\$3,879,024</b>	<b>5.37%</b>
<b>Calculated 384.15A Maximum Tax Rate 15</b>	<b>\$13.61173</b>	<b>\$12.84883</b>	<b>\$13.53914</b>	

Explanation of significant increases in the budget:

Regular General Levy and Emergency Levy revenue have increased due to the Regular Taxable Valuation increase. Police & Fire Retirement has increased due to an increase in employer contribution from 24.41% to 25.31% and because FY20 was underestimated. Other Employee Benefits has increased due to an expected increase in Medical Insurance rates.

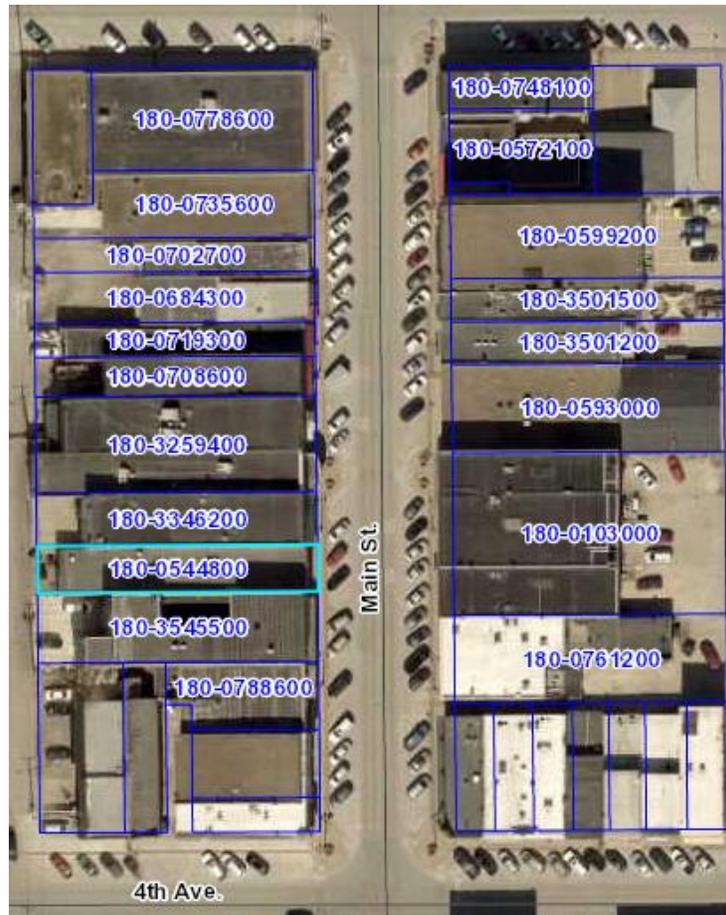
If applicable, the above notice also available online at:

City of Grinnell website, City of Grinnell Facebook page, and City of Grinnell Twitter account.

\*Total city tax rate will also include voted general fund levy, debt service levy, and capital improvement reserve levy  
 \*\*Budget year effective property tax rate is the rate that would be assessed for these levies if the dollars requested is not changed in the coming budget year

## ***915 Main Street – Proposed Restaurant and Urban Plaza***

### ***Request for Iowa Community Catalyst Endorsement***



### **1. The Property**

915 Main Street (outlined in light blue) is located in Grinnell's Downtown Historic District, mid-block between 4<sup>th</sup> and 5<sup>th</sup> Avenues. The site has a 28' street frontage, is 165' deep, and comprises 4,620 SF of space. It has access both to Main Street (to the East) and the Alley (to the West). Two-storey commercial buildings are located along its North and South flankages.

## 2. The Building



Until recently, the site was occupied by a one-storey, commercial building, built in 1934. A year ago, the building which housed *La Cabana Restaurant* was destroyed by fire. What remains is a 1950's Addition to the back of the original building. The Addition, approximately 1,600 SF in size, accommodated a commercial kitchen, storage areas, and the building's HVAC systems. The Addition survived the fire virtually intact. The original building has now been cleared, creating a vacant space at Street Front, which is 28' wide and 60' deep, or approximately 1,680 SF in size.

## 3. Ownership and Tenancy

The property is under a contract to purchase by Karjalahti Enterprises, who intend to bring a new restaurant to the property.

## 4. Proposed Renovation and Reuse of 915 Main Street

Karjalahti Enterprises intend to renovate the 1950's Addition, restoring the commercial kitchen and creating an indoor dining area that can accommodate approximately 30 customers.

An outdoor plaza will be developed in the now vacant space fronting Main Street. The Plaza could accommodate another 30 - 40 customers in table seating – and many more for special events.

The Plaza would be landscaped in a mixture of pavers and natural elements. An intimate performance stage would be provided along the north side of the plaza.

The Plaza itself will be framed by:

- The renovated 1950's Addition in back,
- The two existing two-storey commercial buildings on either side; and
- An architectural façade-like feature along the street.

The architectural feature, or Frame, will allow for both:

- The continuation of the traditional *building-scape* along the Street; as well as
- A strong sense of definition and entry to the plaza.

The Plaza will contain:

- Festive Lights for evening use;
- A small stage to accommodate live events; and
- Audio-visual equipment to show films.

## 5. Urban Precedents

Developments of this type are becoming more common in America's Downtown areas. The proposed project at 915 Main Street incorporates three ideas, namely:

- The creation of a small, intimate but active urban plaza that will be well served by its associated restaurant and events programming;
- The celebration of Downtown Grinnell's historic character and charm, by restoring the broken façade pattern along the street; and
- The ideas of *turning adversity into opportunity* and of *telling the story of the fire* through an imaginative reuse of a present-day eyesore.



Examples of urban precedents considered in the formulation of the proposed concept include:



*Bacchanal in New Orleans*

Bacchanal is a specialty wine store located in New Orleans' Ninth Ward, which offers backyard barbecues presented by celebrity chefs. Bacchanal was featured on the television series, *Treme*.



*Silky O'Sullivans in Memphis*

Silky O'Sullivans offers barbecues and the blues in a historic old blues bar on Beale Street in Memphis.



*Revel Motor Show Plaza in Chicago*

The Revel Motor Show is a historic rehabilitation of a former 1920's automobile dealership. It is now being used as a conference, banquet hall, and event center. The outdoor plaza is off the street, surrounded on three sides by historic buildings, and is used for weddings, social events, and small concerts. The compactness of the space provides much of its charm.



*Bakalion in Detroit*

Bakalion is the Dionisopoulos Family's newest concept on Monroe Street in Greektown. It combines their longstanding restaurant, *The Golden Fleece*, with a Greek bakery and grocery. The sidewalk café, only 20' wide, is its most prominent feature, dramatically activating the street when open for business.



*Publico in Atlanta*

Publico on Crescent Avenue in Midtown Atlanta is a fusion taqueria which designed their grassy patio with both people and their dogs in mind. Dogs can relax with plenty of water in the soft grass and casually indulge in treats freshly made for them!

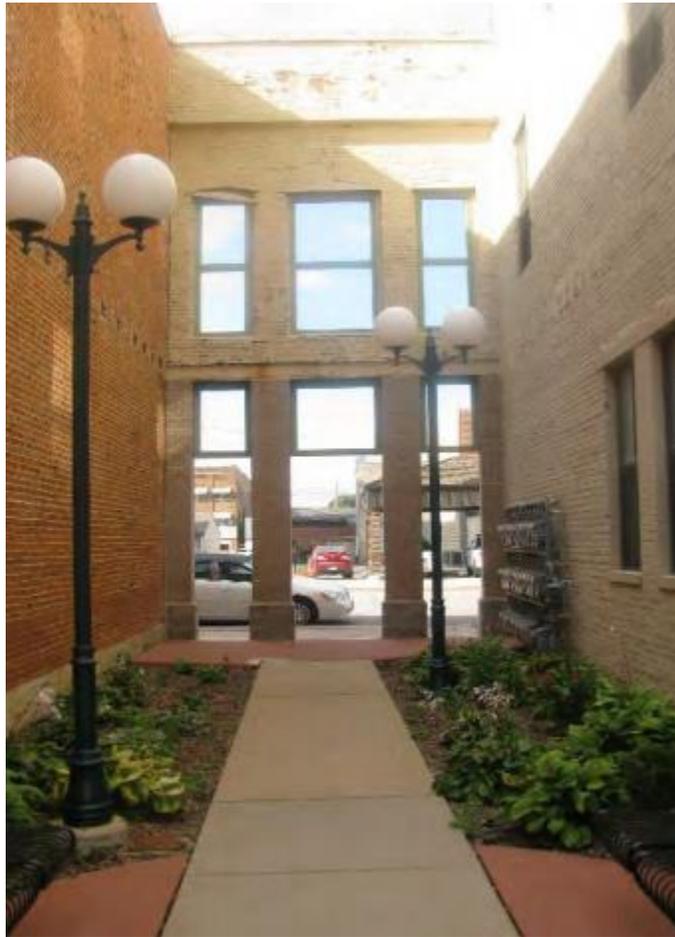
Iowa Economic Development, who administer the Community Catalyst program, have promoted these ideas in their Grant Workshops as a way of dealing with adversity in Iowa's smaller downtowns. The following photos are examples that they have shown on how cities can imaginatively respond to a break in their Downtown street pattern.



*Small Urban Plaza at Night*



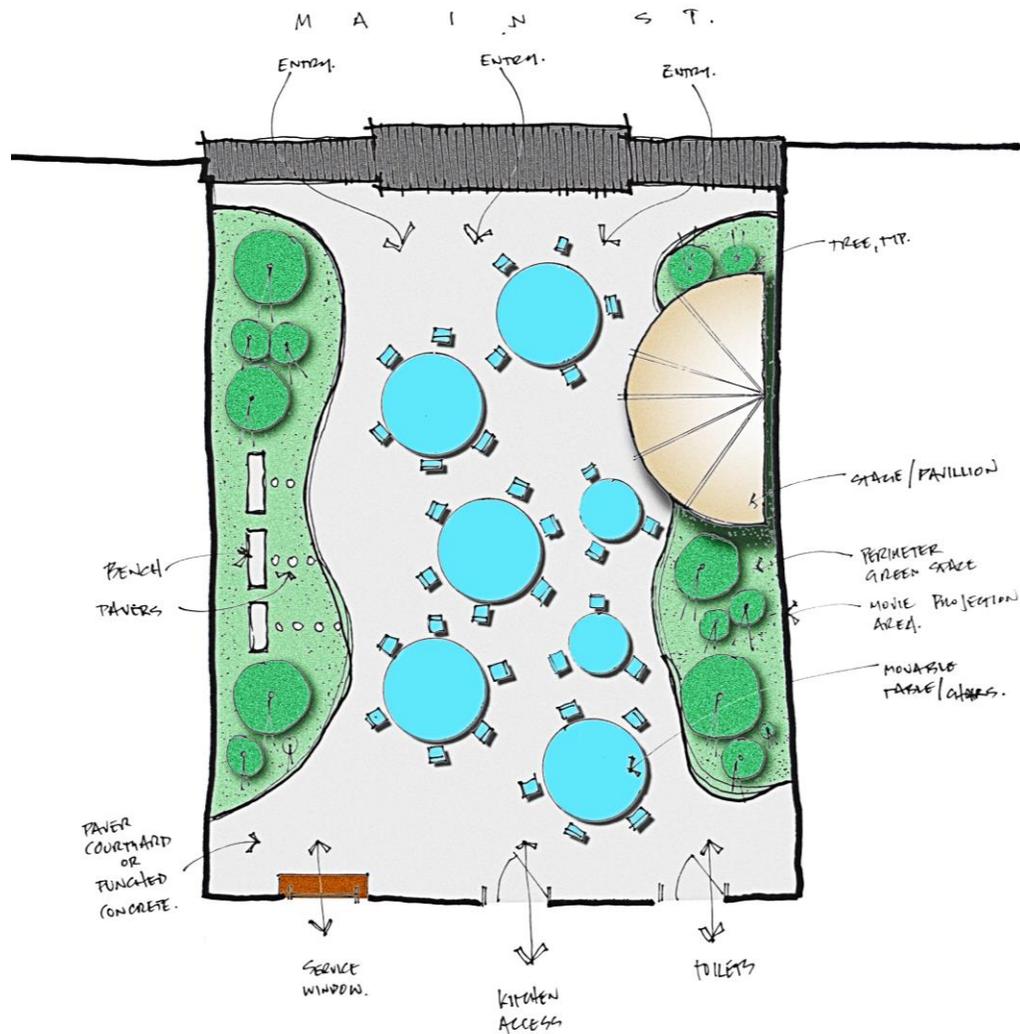
*The same plaza in Winter*



*IEDA Example of Architectural Framing*

## **6. Sketches of the Proposed Concept for 915 Main Street**

The following sketches of the proposed project have been prepared by Joseph Benesh, Architect and Principal for the Ingenuity Company, a Des Moines-based consulting company.



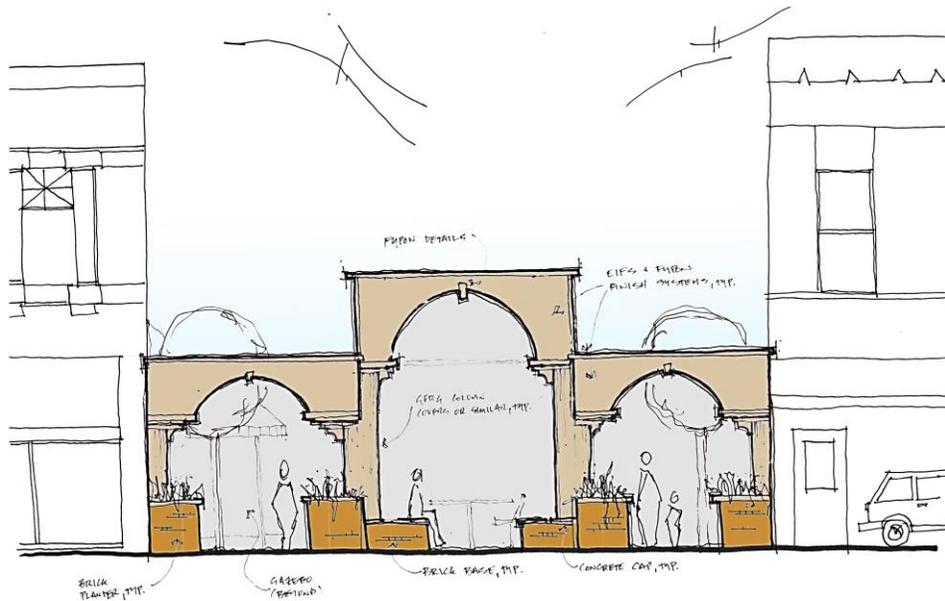
915 Main Street  
Grinnell, Iowa  
Courtyard Infill

The Ingenuity Company  
Design Sketch • Not to Scale  
07 February 2020



The site plan contains natural landscaping set against the adjacent buildings, a paved central area that will ordinarily contain tables and chairs, and a small gazebo-like stage on one side of the plaza.

The architectural feature (along the street) is shown at the top of the diagram. The commercial building with new entrances is shown at the bottom of the diagram.

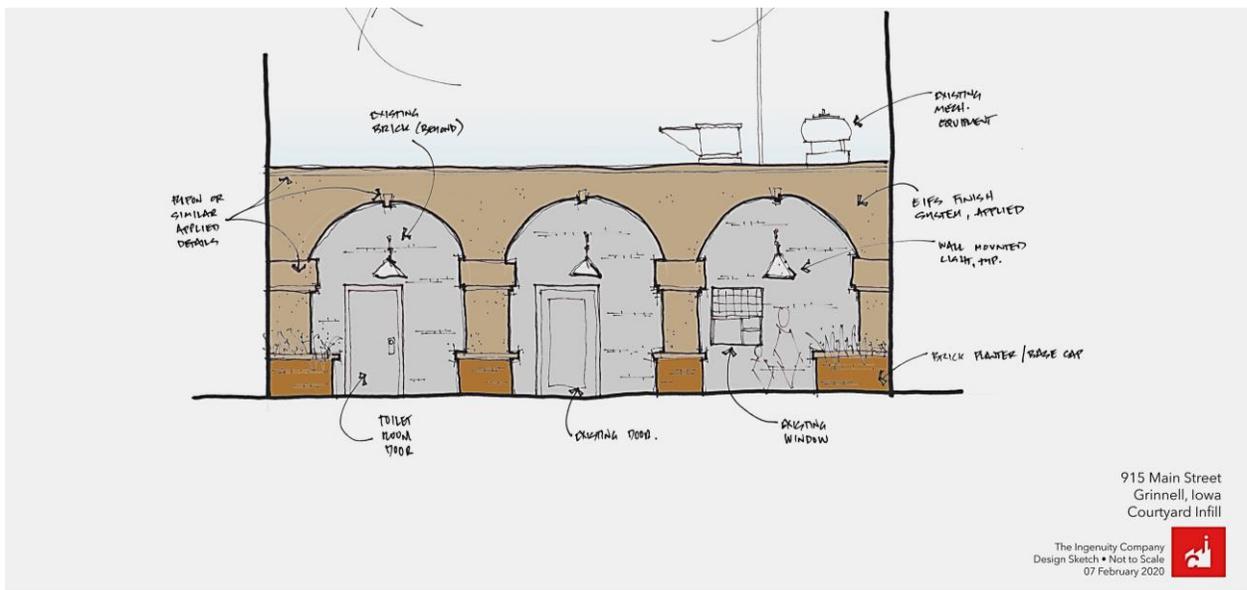


915 Main Street  
Grinnell, Iowa  
Courtyard Infill

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The Architectural Feature (shown above) implies the presence of a one-storey structure, with a raised entry in the center. The columns are wrapped in GRFG; The upper façade work is covered with EIFS. The new commercial building façade (shown below) follows the theme of the Architectural Feature; again, the new materials are GRFG and EIFS. The existing red, concrete block 'façade' also shows through. A new exterior door for the washrooms has been added. The existing door and window have been rebuilt.



915 Main Street  
Grinnell, Iowa  
Courtyard Infill

The Ingenuity Company  
Design Sketch • Not to Scale  
07 February 2020



## **7. Iowa Community Catalyst Building Remediation Grant**

A new round of applications for the Community Catalyst grant program is now underway. In November, City Council approved the sponsorship of a Catalyst Grant at 901 Main Street, which was prepared by the author of this report. IEDA rejected that preliminary application because cities may only make one application per year and IEDA had approved an emergency grant for 915 Main Street in Grinnell in response to a prior request submitted earlier in this fiscal year.

With the grant allocation of 915 Main Street already in place, the City of Grinnell need only sponsor a proposal for redevelopment of the property and submit it to IEDA for approval. The period of funding eligibility expires at the end of this fiscal year, i.e. June 30, 2020; so, time is of the essence in terms of seeking IEDA approval.

The \$100,000 grant is to be given to the private developer for the project as a flow-through from the State to the City of Grinnell. Some form of municipal financial sponsorship is also required by IEDA.

## **8. Proposed Budget**

Karjalahti Enterprises, as a non-cash contribution, propose to act as a general contractor – a cash equivalent value for this work is included in the budget on the following page:

## Estimated Costs

<b>Land &amp; Building Acquisition</b>	<b>\$ 60,000</b>
<b>Hard Costs</b>	
<b>Plaza Costs</b>	
Demolition & Excavation (Strand Excavation)	\$ 18,000
Storm Water, (German/Strand)	\$ 5,000
Utility Connections (German/Strand)	\$ 5,000
Hard Landscaping @ \$12/SF (Vantomme Landscaping)	\$ 12,000
Natural Landscaping, (Vantomme Landscaping)	\$ 3,500
Half Gazebo/Stage w/ Electric	\$ 7,500
<b>Total Plaza Costs</b>	<b>\$ 51,000</b>
<b>Building Renovation Costs</b>	
Roofing Repairs (J&M Roofing)	\$ 5,000
HVAC (German Plumbing and Heating)	\$ 8,500
Electrical (S&S Electric)	\$ 2,000
Plumbing (German Plumbing and Heating)	\$ 2,500
Exterior Renovations, (Grinnell Remodeling)	\$ 3,000
Interior Buildout (Grinnell Remodeling)	\$ 18,000
Kitchen Renovations (Grinnell Remodeling)	\$ 3,200
<b>Total Building Costs</b>	<b>\$ 42,200</b>
<b>Urban Frame</b>	<b>\$ 20,000</b>
<b>Subtotal - Hard Costs</b>	<b>\$ 113,200</b>
Hard Cost Contingency @ 7%	\$ 7,924
General Contractor Costs @12%	\$ 14,535
<b>Total Hard Costs</b>	<b>\$ 135,659</b>
<b>Total Costs</b>	<b>\$ 195,659</b>

## 9. Proposed Funding Sources

Proposed funding sources are shown below:

Iowa Catalyst Grant	\$	100,000
City TIF Contribution	\$	20,000
Karjalahti Cash	\$	61,124
<b>Total Cash Sources</b>	<b>\$</b>	<b>181,124</b>
Karjalahti Non-Cash	\$	14,535
<b>Total Sources</b>	<b>\$</b>	<b>195,659</b>

## 10. Requested City of Grinnell Support

The Community Catalyst Building Remediation Grant program is ordinarily competitive. In this case, the Grant is pre-approved but subject to IEDA review and acceptance. If this were a competitive application, the proposed project would score well because it:

- Is situated in a prominent Downtown location;
- Removes a visual eyesore from the street;
- Creates new employment and adds to the property assessment base;
- Replaces a 'lost' restaurant with a new one;
- Adds a uniquely new, urban space to Downtown which is capable of supporting smaller, more intimate, outdoor events; and
- Respects Historic Downtown Grinnell by providing an Architectural Frame along the street front.

As previously stated, some credible form of municipal contribution is required in the application. We are proposing that the same contribution that was approved in principle for 901 Main Street be approved for this development.

This would include the normal commercial property tax abatement offered in Downtown Grinnell and a second contribution, through the Tax Increment Financing Process, of \$20,000, which is roughly equivalent to the estimated costs of providing the Architectural Frame along Main Street.

It is, therefore, requested that the City of Grinnell:

1. Sponsor the proposed development at 915 Main Street as described in this report for application to the Iowa Community Catalyst Building Remediation grant program;
2. Authorize Karjalahti Enterprises and their consultant, 571 Polson Developments LLC, to prepare application materials for the project to be submitted with the City's permission as soon as possible;
3. Authorize Mayor Agnew to sign the Cooperative Agreement with Karjalahti Enterprises; and
4. Approve in principal the use of commercial property tax abatement and tax increment financing as described in this report in support of the project.

Respectfully Submitted



**Glenn Lyons, MCIP**  
**571 Polson Developments LLC**