



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 08/23/04
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Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Resolution supporting designation of the “Capitol East Cultural District” as a Cultural and Entertainment District by the State of Iowa.

SYNOPSIS—

Support for the designation of the Capitol East Cultural District as a Cultural and Entertainment District by the Iowa Department of Cultural Affairs. The designation will bring availability of additional historic tax credits and possibly other State incentives for the rehabilitation of historic buildings.

FISCAL IMPACT—

The administrative rules promulgated by the Iowa Department of Cultural Affairs for designation of Cultural and Entertainment districts require that the City adopt a resolution that endorses the submission of the application and agrees to participate in the development and financial support of said Cultural and Entertainment District. The City's existing contribution to the Neighborhood Development Corporation (NDC) for development projects, and the City's existing financial incentives in the area satisfies the criteria of financial support for the Cultural and Entertainment District.

RECOMMENDATION—

Approval

BACKGROUND—

A Cultural and Entertainment District is a new designation under Iowa Code and is administered through the Iowa Department of Cultural Affairs. It is defined as a recognized, mixed-use area of the city in which a high concentration of cultural facilities serves as the anchor. The arts and culture, as well as historic structures, serve as the center of revitalization efforts. The goal is to attract residents and tourists who support adjacent businesses such as restaurants, lodging, retail and entertainment.

The Neighborhood Development Corporation (NDC) intends to submit an application for designation of the “Capitol East Cultural District” with boundaries from East 14th to East 18th Streets, I-235 to both sides of Walnut Avenue. The Capitol East Cultural District is eligible to be a cultural and entertainment

district because of the presence of two identified historic districts and several historic homes. It also has become a focus of Hispanic culture through businesses and restaurants.

The Neighborhood Development Corporation, Executive Director, Carol Bower, is a nonprofit development corporation located at 601 Forest Avenue. The City has an agreement to provide \$1,000,000 annually to the NDC and has two staff persons on the NDC Board.

The NDC has been working with property and business owners along the East Grand Avenue corridor for the past two years. In order to proceed with development that makes economic sense and is supported by the neighborhood, the NDC hired RDG Crose, Gardner, and Shukert to develop a plan for East Grand with an extensive public input process.

The Neighborhood Development Corporation has site control or ownership of several sites for redevelopment in the proposed Capitol East Cultural District. The NDC currently has site control over properties on the north side of East Grand Avenue between E. 15th and E. 16th Streets with the exception of the Lathrop Building at 1510 East Grand. They also have site control of 1752 and 1760 East Grand at the far east end of the proposed district.

City’s Role

The government body must agree to participate in the development and financial support of the Cultural and Economic District for a period of at least ten years. The financial support can take many forms including financial incentives, tax abatement, or the existing contribution that the City makes to the Neighborhood Development Corporation. In addition, the City must agree to appoint a representative to the Board of the nonprofit, a condition the City already fulfills.

Management Plan

To be designated a Cultural and Entertainment District by the State of Iowa, Department of Cultural Affairs, an area must have a leadership/management team with a management structure

and plan. The management team may be a nonprofit organization, a businesses association or a form of government. The plan is not as extensive as a Main Street Community that requires staff but is similar in its goals. The Neighborhood Development Corporation (NDC) is willing to be the nonprofit for management of the cultural district.

Benefits

The principal benefit of designation at this time is additional historic tax credits for rehabilitation of historic structures (\$500,000 statewide in July 2005 and an additional \$500,000 in July 2006). There is an identified National Register Historic District at E. 16th and Grand that can take advantage of these credits in 2005. There may also be additional points awarded for grant or financing incentives for properties within a cultural district from other State of Iowa departments.