



# CITY COUNCIL MEETING MEMORANDUM

<b>ITEM:</b> Business District Building Improvement Grant	<b>DEPARTMENT:</b> City Administration
<b>AGENDA SECTION:</b> New Business	<b>SUBMITTED BY:</b> Callie Jo McFarland, Community Development Director
<b>ATTACHMENTS:</b> ( ) RESOLUTION ( ) OTHER SUPPORTING DOCUMENTS	<b>DATE:</b> September 9, 2020

**BACKGROUND:**

The City Council adopted the Monticello Business District Redevelopment Plan and Project in August of 2019, through approval of Ordinance 2019-40. The Business District allows an additional 1% sales tax on eligible items within the geographic boundaries of the District. The revenues generated would alleviate the burden on the general fund for existing programs, as well as provide a dedicated financial source towards anticipated projects within the area.

Upon creation of the plan, city staff was adamant that from the revenues generated from the Business District, a portion would go towards public-private partnerships by way of a new program- the Building Improvement Program. This program combines and expands on the former Façade Improvement grant program, which had been funded by the City and administered by Monticello Main Street for 20+ years, as well as the Downtown Life-Safety Grant program, which the City established in 2015. Included with the redevelopment plan, are the following objectives:

- Ameliorate the blighting conditions within the District.
- Facilitate the repair, renovation, rehabilitation and restoration of deteriorated structures.
- Provide assistance in facilitating the highest level of public safety to the community.
- Promote investment in the City’s infrastructure and utilities (roadways, sidewalks, water, sewer, storm/flood water).
- Enhance the sales tax base of the District.
- Recruit new retail businesses to promote future sales tax growth.
- Retain small businesses to the community.
- Enhance the property tax base of the District.
- Recruit new development and encourage redevelopment to increase the EAV of the properties in the Area, which in turn creates new property tax revenues for all associated taxing districts.

With the draft policy of the Building Improvement Program, the overarching goal is to improve the quality of the buildings to house existing and potential businesses, focusing on the physical infrastructure, increasing property tax base, and expanding the sales tax base. The program has been expanded to include elements beyond the façade, as well as include the life-safety components of buildings, many of these were limited by the \$3,000 match of the previous programs.

Generally speaking, there will be two application windows each year. No applications will be awarded until Council approves a Redevelopment Agreement (RDA) with the applicant, and the project is completed and signed off by City Staff, and within the terms identified in the RDA. The City Council approves all program funds, and has the authority to award beyond the 50% match up to \$10,000, and extend the general timeline advertised in the policy. Staff also feels the proposed structure will address the “tying up” of funds while waiting on projects to get finished.

The applications will be based on an average score from individual members of the review committee: The Director of the Chamber of Commerce who will represent the business community, a member of the Main Street Design Committee to review the historic and aesthetic appropriateness in the district, and a member of the Planning & Zoning Board to provide oversight as it relates to the Downtown Enhancement Plan. Staff support will be provided from the Community Development Director, Permit Technician and the City Administrator.

The draft has been reviewed and approved by the Monticello Chamber and Main Street Executive Director, Monticello Main Street Design Committee, and City legal counsel. Staff will review the details of the program at the September 14, 2020 City Council meeting.