



To: Mayor and City Council  
From: Dylan Mulfinger  
Subject: One South Frederick  
Date: 9/5/2024

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The City of Oelwein was unsuccessful in obtaining a Community Catalyst Building Remediation Program grant from the Iowa Economic Development Authority. The city will not be able to provide \$100,000.00 in state funding to start construction for the rehabilitation of 1 South Frederick Avenue. The City Council now has several options to pursue to determine the future of this building. The city council must consider several factors when determining the future of this building.

In the summer of 2023, 1 South Frederick Avenue was reported to be in critical condition by an engineer with imminent collapse being a possibility. This caused the city to shut down half the street and bring in additional resources to understand the problem with the building. The city has had many discussions with the current property owner and had planned for the rehabilitation with a new owner to be the solution.

The following options are the directions the city can take and move forward:

1. Provide an additional \$100,000 to Matt Construction in local option sales tax to ensure the building is properly rehabilitated. The money is not budgeted for and would not follow any of the current economic development incentives that the city has provided to anyone whether it be in the downtown or outside of the downtown. The city committed \$100,000.00 in TIF funds from the downtown to match the project. Matt Construction said they cannot make the building viable without \$200,000.00 in funds to supplement their investment. This option accomplishes the goal of getting the building rehabilitated, opens the sidewalk, and provides renovated upper story housing downtown.
2. The city can wait one more year and apply for the catalyst grant again with Matt Construction. This allows the city and Matt Construction to create a more competitive application in hopes it is funded by the Iowa Economic Development Authority. This would push back opening of the sidewalk one additional year and would delay the renovation of the building until fall of 2025. This option falls in line with the city's plan to continue to invest in downtown buildings and upper story housing within the downtown. This plan would require the city and the community to have to wait an additional year with a sidewalk closed and a building in danger of collapsing.
3. The third option is to enforce the city's code against the current owner and require them to come up with a solution. This option would most likely result in the current owner tearing down the building and owning an empty lot downtown. This option removes every possibility of a renovated building downtown and any renovated upper story housing units downtown. This option would most likely be the quickest way to open the sidewalk and take away any dangers of an unsafe building downtown. This option would result in the teardown of three downtown buildings within the last two years.

The City Administrator recommends waiting one more year and applying again to the Community Catalyst Building Remediation Program.