



Agenda

Planning, Finance, Enterprise, and Economic Development
Oelwein Chamber and Economic Development, 6 South Frederick Avenue SW, Oelwein, Iowa
5:30 PM

September 20, 2022
Oelwein, Iowa

Mayor: Brett DeVore

Mayor Pro Tem: Lynda Payne

Council Members: Karen Seeders, Tom Stewart, Matt Weber, Dave Garrigus, Dave Lenz

Pledge of Allegiance

Discussions

- [1.](#) Oelwein Event Center Funding Discussion.

Adjournment

In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 319-283-5440



To: Mayor and City Council

From: Dylan Mulfinger

Subject: Event Center Funding Request

Date: 9/12/2022

On August 22, 2022, the City Council toured the proposed event center site and was asked to pledge \$500,000 to the project. The event center committee requested hotel motel tax funding as they assumed the city had a large balance. The current balance of the hotel motel fund is near \$25,000. After thorough discussions with the City Clerk, the City Administrator has the following proposal. Council must provide direction to the City Administrator to ensure that the city does not impede the progress of the event center.

Year	Fiscal Year	Economic Development	Hotel Motel	Hotel Motel	Franchise Fee	Economic Development	Annual Totals
1	2022-23	\$200,000	\$20,000				\$220,000
2	2023-24			\$6,000	\$100,000	\$35,000	\$141,000
3	2024-25			\$6,000		\$35,000	\$41,000
4	2025-26			\$6,000		\$35,000	\$41,000
5	2026-27			\$6,000		\$35,000	\$41,000
Fund Totals		\$200,000	\$20,000	\$24,000	\$100,000	\$140,000	\$484,000

Several areas of this funding must fall into place for this plan to be successful.

First, the Oelwein Community School District must waive their remaining four payments of the Regional Tec Complex which is \$35,000 annually. This conversation has been started between staff, but it has not been presented to the Oelwein School Board.

Second, the city would be using \$340,000 from economic development dollars. This would be a cash contribution and not come from any type of grant or tax increment financing. Economic development funding comes from local option sales tax. Local option sales tax is the current driver for housing improvements and planning economic development. Below is a short list of expenditures:

- \$50,000 Oelwein Chamber and Development
- \$45,000 Abatement (Code enforcement officer)
- \$35,000 Oelwein Regional Tech Complex (Tec Spec)
- \$35,000 Library Accreditation
- \$25,000 Residential tear down grant



- \$65,000 Junk house removal
- \$15,000 Fayette County Housing Trust Fund
- \$15,000 CDBG Housing Grant
- \$25,000 Wellness Center Loss

Third and final, The City would need to pull back funding from the Fayette County Fair or other hotel motel tax participants to fund a four-year commitment to the center. The Fayette County Fair is operating at a profit and no longer is eligible for the funds. This event center could become a major draw for hotel motel stays.

The City would use reserves for the \$200,000 in economic development funds in the first year along with \$100,000 in reserves from franchise fees.

Council must provide direction to the City Administrator on their funding interest for the event center. If the city provides funding for this project, this will be one of the largest investments in the downtown in several years. This will increase professional traffic during the week and visitors during the weekend. Oelwein will have a great downtown amenity that will help several businesses in town.