

CHAPTER 39  
IOWA MAIN STREET PROGRAM  
[Prior to 1/14/87, Iowa Development Commission[520] Ch 9]

**261—39.1(75GA,ch1201) Purpose.** The purpose of the Iowa main street program is to stimulate downtown economic development within the context of historic preservation and to establish a strong public/private partnership to revitalize downtowns and their communities. The main street program emphasizes community self-reliance and downtown's traditional assets of personal service, local ownership and unique architecture. The main street program is based on four strategies which, when applied together, create a positive image and an improved economy in downtown. The strategies are organization, promotion, design and economic restructuring.

Communities selected for participation in this demonstration program will receive technical assistance from the department's main street staff, professional staff of the National Main Street Center, and other professional consultants and may have professional services of other state agencies to draw upon in order to facilitate their local main street program. Participants will receive a grant to aid them in the implementation of their local main street program.

**261—39.2(75GA,ch1201) Definitions.** The following definitions will apply to the Iowa main street program unless the context otherwise requires:

“*Department*” means the Iowa department of economic development.

“*Director*” means the director of the Iowa department of economic development.

“*Eligible activity*” includes organization promotion, design and economic restructuring activities to create a positive image and an improved economy in a city's downtown.

“*Eligible applicant*” means a city with a population of less than 50,000 based upon the most recent census report or population study completed since the last census, filing a joint application with a local nonprofit organization established by the community to govern the local main street program.

“*Grant*” means funds received through the Iowa main street program as evidenced by an agreement with the Iowa department of economic development.

“*Grantee*” means any eligible applicant receiving funds under this program.

“*National Main Street Center*” refers to an entity within the National Trust for Historic Preservation, a nonprofit national organization chartered by Congress.

**261—39.3(75GA,ch1201) Program administration.**

**39.3(1) *Administering agency.*** The Iowa main street program will be administered by the Iowa department of economic development.

**39.3(2) *Subcontracting.*** The department may contract with the National Main Street Center of the National Trust for Historic Preservation for technical and professional services as well as other appropriate consultants and organizations.

**39.3(3) *Request for proposals (RFP).*** The department, upon availability of funds, will distribute a request for proposal which describes the Iowa main street program, outlines eligibility requirements, includes an application and a description of the application procedures. Grants will be awarded on a competitive basis.

**39.3(4) *Applications.*** Applications may be obtained by contacting the Iowa Main Street Program Coordinator, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone (515)242-4733.

**39.3(5) *Deadline.*** A completed application shall be returned to the department, postmarked no later than the date specified by the department in the RFP and contain the information requested in the application.

**39.3(6) *Advisory council.*** The director may appoint a state main street advisory council composed of individuals knowledgeable in downtown revitalization to advise the director on the various elements of the program.

**261—39.4(75GA,ch1201) Eligible applicants.** All cities with a population under 50,000 are eligible to file a joint application along with their local community nonprofit organization established to govern the local main street program for selection as a main street demonstration community.

**261—39.5(75GA,ch1201) Funding.**

**39.5(1) *Timing of grants.*** The funding of eligible projects under the Iowa main street program is contingent upon the availability of funds allocated to the department. Grants will be announced annually. When funds are available, the department reserves the right to withhold grant funds if an insufficient number of acceptable applications are submitted to adequately achieve the purposes of the Iowa main street program.

**39.5(2) *Grant period.*** A selected community may receive a grant each year of the five-year program start-up period.

**39.5(3) *Compliance and termination.*** Continued funding during the start-up period is contingent upon acceptable audit and monitoring reports received by the department and the grantee's compliance with the terms and conditions of the grant agreement. The department may terminate or suspend funding, in whole or in part, if there is a substantial violation of a specific provision of the agreement or these rules and corrective action has not been taken by the grantee.

**39.5(4) *Allowable cost.*** Funds granted by this program to a community shall be applied toward the operation of the local main street program.

**39.5(5) *Match required.*** Funds and in-kind services from local public and private sources shall be used to supplement the state grant awarded by this program. For cities under 5,000 in population, the minimum match requirement shall be 2.5 times the state grant in year one, 3 times the state grant in year two, 4 times the state grant in year three, 5.5 times the state grant in year four, and 8 times the state grant in year five. For cities between 5,000 and 50,000 in population, the minimum match requirement shall be 3 times the state grant in year one, 4 times the state grant in year two, 5.5 times the state grant in year three, 8 times the state grant in year four, and 14 times the state grant in year five.

**261—39.6(75GA,ch1201) Selection.**

**39.6(1)** The director will determine, contingent upon the availability of state funding, the number of cities to be selected for inclusion in the main street program.

**39.6(2)** Cities will be selected for participation in the program on a competitive basis as described in these rules.

**39.6(3)** Upon selection of the demonstration projects, the department shall prepare a grant agreement which will include the terms and conditions of the grant.

**261—39.7(75GA,ch1201) Selection criteria.** The following factors shall be considered in the selection of a city for participation in the main street program (the highest point total possible is 400 points):

**39.7(1) *Support/funding. (100 points maximum)***

*a.* Evidence of a strong commitment from city government and various local and private sector organizations to support a local main street program for at least three years. This evidence will include a resolution of support from the city government and other organizations in the community such as: merchants, associations, chambers of commerce or economic development corporations in addition to letters of support from other private sector entities.

*b.* Evidence of local public and private funds available to finance, in addition to the state main street grant, a local main street program for three years. This evidence will include a proposed local main street budget, sources of funding and financial commitment letters from the city government and other identified sources.

*c.* Evidence of a positive commitment to hire a local main street program manager for not less than a three-year period. This evidence shall include a written commitment to hire a program manager, signed jointly by the local nonprofit organization established to govern the local program and the city. For cities under 5,000 in population, the local main street program manager shall be hired for a minimum

of 25 hours per week. For cities between 5,000 and 50,000 in population, the local main street program manager shall be hired full-time.

*d.* Evidence of the existence of, or a plan for, a nonprofit corporation organized under the laws of the state, such as a local main street organization, merchants association, chamber of commerce or economic development corporation that will be locally designated to serve as the governing body and policy board for the local main street program and program manager. This evidence will include a copy of the proposed or filed articles of incorporation and the bylaws of such organization.

**39.7(2) *Historic building fabric. (60 points maximum)***

*a.* Evidence of the existence of architecturally and historically significant buildings in the downtown area currently listed on the national register or national register eligible and designated historic preservation districts. This evidence shall include identification of such buildings or districts.

*b.* Evidence of a local historic preservation organization and any evidence that indicates the organization's involvement working on historic projects located in the downtown central business district. This evidence shall include the identification of such organizations and activities over the past three years.

*c.* Evidence of any current historic preservation activities.

*d.* Evidence of the concentration of historic buildings located within the identifiable main street area.

*e.* Evidence of a locally designated historic district.

**39.7(3) *Potential. (100 points maximum)***

*a.* Consideration of the possible demonstrable change in the downtown as a result of being a main street city. This includes the identified goals of the applicant, the potential for the realization of these goals and identification of the long-term impact the main street program will have on the city.

*b.* Potential for successfully completing the five-year program start-up period. This shall include the proposed structure of the organization, the responsibilities of the board members, the program manager and the chain of command for the organization.

*c.* Demonstration of the need for economic revitalization and development downtown. This includes a summary of the current economic trends in the area, their impact on the downtown and a summary identifying reasons for needing the main street program.

*d.* Identification of the size and location of the downtown as related to the whole community. This shall include justification for the size of the project area.

**39.7(4) *Current community demographics. (40 points maximum)***

*a.* Description of the housing characteristics of the city, including the average vacancy rate and the condition of housing stock.

*b.* Description of the cultural, tourism and recreational aspects of the community. The importance the community places on these quality of life issues provides a barometer for future community growth.

*c.* Description of the downtown mix of retail, professional services, government offices and other commercial uses.

*d.* Description of building ownership within the main street area, such as the current use, percentage of owner-occupied buildings, average rent rates and the vacancy rate.

**39.7(5) *Previous history. (60 points maximum)***

*a.* Identification of previous downtown revitalization efforts, including identifying prior programs and their outcome.

*b.* Evidence of past public/private partnerships. This shall include a summary of significant civic improvements completed by the community within the past three years.

*c.* Evidence of good private investment record in the downtown main street area. This shall include descriptions of commercial building rehabilitations and new construction within the past three years.

*d.* Evidence of downtown plans, studies or surveys done within the past three years. This shall include copies of such plans, studies or surveys and their outcome.

*e.* Evidence of participation in the Iowa community betterment program, the Iowa community economic preparedness program (commercial) or related programs within the last three years.

*f.* Designation as a certified local government from the state historical society of Iowa.

**39.7(6) Readiness. (40 points maximum)**

*a.* Identification of the community's familiarity with the main street program and principles as evidenced by prior exposure to main street conferences, slide shows and contact with the main street Iowa program.

*b.* Demonstration of support shown for the main street program by the local financial community, the chamber of commerce, the local economic development organization, the local elected officials and the professional staff of city government.

*c.* Demonstration of the ability to implement the main street program and hire a program manager upon selection. This shall include a work plan with established timetables to hire a manager and organize a board of directors, if needed.

**261—39.8(75GA,ch1201) Financial management.**

**39.8(1)** All grants under the main street program are subject to audit. Grantees shall be responsible for the procurement of audit services and for the payment of audit costs. Audits may be performed by the state auditor's office or by a qualified independent auditor. Grantees which determine that they are not required to comply with the Single Audit Act of 1984 shall then have audits prepared in accordance with state laws and regulations. Representatives of the department and the state auditor's office shall have access to all books, accounts, documents and records belonging to, or in use by, grantees pertaining to the receipt of a grant under these rules.

**39.8(2)** All records shall be retained for three years beyond the grant period or longer if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the record. In these instances, the records will be retained until the litigation, audit or claim has been resolved.

**261—39.9(75GA,ch1201) Performance reviews.** Grantees shall submit performance reports to the department as required. The reports shall assess the use of funds in accordance with program objectives and progress of the program activities.

**261—39.10(75GA,ch1201) Noncompliance.** If the department finds that a grantee is not in compliance with the requirements under this program, the grantee will be required to refund to the state all disallowed costs. Reasons for a finding of noncompliance include, but are not limited to, a finding that the grantee is using program funds for unauthorized activities, has failed to complete approved activities in a timely manner, has failed to comply with applicable laws and regulations or the grant agreement, or the grantee lacks the capacity to carry out the purposes of the program.

**261—39.11(75GA,ch1201) Forms.** The following forms will be used by the administering agency for the main street program.

1. Application form for the Iowa main street program (Form 1).
2. Performance reports for monitoring the performance of each grantee (Form 2).

This chapter is intended to implement 1994 Iowa Acts, chapter 1201.

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