

ITEM #:	<u>7</u>
DATE:	<u>01-09-24</u>
DEPT:	<u>P&R</u>

COUNCIL ACTION FORM

SUBJECT: **COMMUNITY ATTRACTION AND TOURISM (CAT) GRANT AGREEMENT**

BACKGROUND:

The City, in cooperation with the Ames Chamber of Commerce, submitted a Community Attraction and Tourism (CAT) grant application for the Fitch Family Indoor Aquatic Center in November 2023. The grant application was in the amount of \$500,000. The CAT grant is administered by the Enhance Iowa Board (EIB), which is a branch of the Iowa Economic Development Authority (IEDA).

On December 7, 2023, the EIB unanimously voted to award the full amount of the grant request to the City. A CAT Grant Agreement (Attachment A) must now be approved through a resolution, signed by a City representative, and returned within 45 days of the effective date of the agreement (December 7, 2023).

GRANT AGREEMENT:

Several key provisions in the CAT grant agreement are summarized below:

Exhibit B: Project Description: The project description includes specific elements of the proposed facility: "The proposed FFIAC is a 39,000 square foot recreational and wellness facility that will include a six-lane 25-yard lap pool, a zero-depth recreational pool with a current channel, children's play structure, a wellness pool, two water slides, locker rooms, a party/meeting room, multi-purpose rooms, walking area, staff offices, storage, social area, and a mechanical/equipment room for the pool basins. The lap pool is adaptable to various obstacle courses and sporting activities for recreational purposes."

Article 1.5 - Project Completion Date: The project tasks must be fully constructed and operational by December 31, 2025. The standard practice is for EIB to allow projects approximately two years from the award date to complete projects. There is an amendment process if more time is needed and it detailed in Article 10.8.

Article 4.2 - Receipt Of Funds: Since the funding for this grant comes from the State, this item states that any termination, reduction, or delay of CAT funds to the EIB may, in the EIB's sole discretion, result in the termination, reduction, or delay of CAT funds to the City and/or termination of this agreement. Please note that these grant funds are State money and EIB has already received the funding to provide the City's award.

Article 5.6 - Cost Variation: In the event that the actual total project cost is less than the amount specified in the Agreement, the grant funds shall be reduced by the same ratio as the actual total project cost divided by the total project cost listed in Exhibit B. Any reimbursed excess above the reduced grant funds amount shall be returned to IEDA.

Article 5.8 - Conveyance Of Project Property: For three (3) years after the agreement end date, the City may not sell, transfer, convey, assign, encumber, or otherwise dispose of all or any portion of the

project property without the written permission of the EIB.

Article 6.2 - Reimbursement Of Funds: Grant funds are disbursed on a reimbursement basis with the reimbursement limited to a pro-rata portion of the allowable expenses for the relevant period. The City's disbursement rate is two percent (2%) with funds being disbursed at the end of each fiscal year.

Article 6.2(a) - Retainage: Five percent (5%) of the grant award will be withheld from disbursement until agreement closeout procedures have been completed.

Article 8.1(h) - Interest And Surplus Proceeds: The City shall return all unexpended grant funds and interest accrued on grant funds to IEDA within thirty (30) days after the project completion date.

Article 10.3 - Enhance Iowa Recognition: The project shall permanently recognize, in a manner acceptable to IEDA, the financial contribution to the project made by the State of Iowa through the Community Attraction and Tourism Program.

Staff does not see any components of this agreement that the City cannot meet. Once the agreement is signed and returned, EIB will provide additional information regarding reporting of expenses and the disbursement process.

ALTERNATIVES:

1. Approve the attached Community Attraction and Tourism (CAT) Grant Agreement with the Enhance Iowa Board in the amount of \$500,000.
2. The City Council can reject the \$500,000 grant from the Enhance Iowa Board by not approving the attached Community Attraction and Tourism (CAT) Grant Agreement.
3. Refer back to staff.

CITY MANAGER'S RECOMMENDED ACTION:

City Council has had the vision, for many years, to construct a new indoor aquatic facility which includes multipurpose space and a walking area. Cost estimates and available funding has been a concern throughout the design process for this facility, so staff submitted a CAT grant application for \$500,000. The EIB has awarded this grant which will help fund the construction of the Fitch Family Indoor Aquatic Center. Depending on the bids received on January 11, 2024, this funding could help lower the amount of G.O. Bonds needing to be issued. A resolution by City Council is needed to approve the agreement. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, as described above.

ATTACHMENT(S):

[Attachment A-Ames CAT Grant_Application.pdf](#)
[Attachment B-CAT Grant Agreement.pdf](#)