



# CITY OF IOWA CITY COUNCIL ACTION REPORT

May 7, 2024

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Resolution authorizing the City Manager to sign a grant agreement with the Neighborhood Centers of Johnson County for building acquisition and renovations.

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Prepared By: Sam Turnbull, Grants Specialist  
Reviewed By: Geoff Fruin, City Manager  
Erika Kubly, Neighborhood Services Coordinator  
Tracy Hightshoe, Neighborhood and Development Services Director  
Fiscal Impact: The City has been allocated \$18,325,190 in ARPA-SLFRF funds. This agenda item would authorize expenditure of \$2,000,000 of those funds.  
Staff Recommendation: Approval  
Commission Recommendations: NA  
Attachments: [Resolution Agreement](#)

## Executive Summary:

As part of the American Rescue Plan Act (ARPA), the City was awarded State and Local Fiscal Recovery (SLFRF) funds to respond to the COVID-19 pandemic. This resolution authorizes a grant of \$2,000,000 of State and Local Fiscal Recovery (SLFRF) funds to the Neighborhood Centers of Johnson County (NCJC) to acquire two buildings in the Towncrest neighborhood at 2709 Muscatine Avenue and 1041 Arthur Street to add a Family Resource Center and an Early Childhood Center. This resolution further authorizes the City Manager to amend the agreement as needed.

## Background / Analysis:

Since 1973, NCJC has offered neighborhood and school based services and activities for children and families. Their current early childhood education program serves 96 children in the Broadway and Pheasant Ridge neighborhoods. NCJC has the state's highest (level 5) IQ4K rated preschool, Iowa's Quality Rating and Improvement System for Department of Health and Human Services licensed child care centers and preschools. Their programs are accredited by the National Association for the Education of Young Children (NAEYC). This project expands their programs and services into the Towncrest neighborhood. NCJC has accepted purchase offers on both buildings, subject to City Council approval.

The 2709 Muscatine Avenue building will be used by NCJC's leadership, administration and family support workers as a Family Resource Center. NCJC plans to use Iowa City funds to acquire the building for \$600,000 and invest \$125,000 of their funds in renovations. They anticipate the first floor will be occupied by key staff immediately after closing on the sale.

Limited programming and establishing key neighborhood connections will begin by October 2024. Minor renovations to the lower level and parking will be completed by the end of 2024.

The 1041 Arthur Street building will be renovated to create an Early Childhood Center with five licensed classrooms, a library, a computer lab, a multi-purpose space with a kitchen, and a large after-school classroom. The new center would add at least 50 early childhood slots in the Towncrest neighborhood. NCJC will use \$500,000 in City funds to acquire the building. They anticipate a \$2,000,000 construction budget, which includes playground installation. \$900,000 will come from City funds and \$1,100,000 as a construction loan and/or from their capital campaign. They anticipate the renovations will be complete by July of 2025 with operations at full capacity by July 2027.

Exhibit A to the agreement provides additional detail regarding the properties and planned renovations.