



## **Downtown Grant Review Board Meeting Agenda**

***Wednesday, February 21, 2024 - 9:00 AM***

City Offices (Building 18, Legacy Plaza) - Large Conference Room  
303 W 4th St N, Suite 501  
Newton, IA 50208

- I. Roll Call
- II. Review of Minutes of Previous Meeting: 9-27-2023
- III. Downtown Improvement Grant- 118 North 2nd Avenue East, Gray Moon Public Market, Ex Nihilo LLC, Applicant
- IV. Adjourn

Members: Fred Chabot, Corrine Coyle, Don Poynter, Rita Reinheimer, Marilyn Terlouw, Bonnie Terpstra, Vacancy

## Minutes of Meeting Downtown Grant Review Board

Community Development/Community Services/Public Works Large Conference Room  
401 West 4<sup>th</sup> Street North, Building 18, Suite 501  
Newton, Iowa 50208

**September 27, 2023**

ROLL CALL: Board members present: Sell, Chabot, Coyle, Poynter, Reinheimer, Terlouw, Terpstra

Board members absent:

STAFF PRESENT: Erin Chambers, Director of Community Development

OTHERS PRESENT:

A quorum being present, the meeting was called to order at 9:01 AM by Chair Coyle

**Minutes of the Previous Meeting.** Minutes of the previous meeting for August 17, 2023 were reviewed and approved. Motion by Terpstra, seconded by Poynter; unanimous approval.

### **Downtown Improvement Grant Request: 309 1<sup>st</sup> Avenue West Painting and Façade Rehabilitation**

Staff reviewed the staff report for the proposed project, which consists of exterior painting, new shutters and new front door (regular door and storm door).

Staff reviewed the past approved/awarded grants for the property and provided a summary of how the proposed new work fits within the total amounts allowable per property per program area.

The initial recommended grant amount was \$5,880.90. There was discussion about the front door being completed prior to consideration by the grant board. Commissioners discussed the recent Facebook post by the applicant. Consensus to remove the door expenses from the grant, given the program requirements.

The amended total recommended grant amount for the project is \$4,104.93 with a 1:1 match provided by the applicant.

**Motion** by Terpstra, **seconded** by Reinheimer to approve a painting and façade grant in an amount not to exceed \$4,104.93 with the applicant providing a 1:1 match. Roll call vote, unanimous approval.

### **Downtown Improvement Housing Grant: 114 East 2<sup>nd</sup> Street South**

Staff reviewed the prepared staff report for the proposed project, which consists of façade removal and façade rehabilitation (stucco) to the exterior of all four sides of the building. The subject property is not a contributing structure to the historic district.

Recommended grant amounts are \$5,000 (for all four sides) for façade removal and \$20,000 (for all four sides) of façade rehabilitation for the new stucco treatment, with a 1:1 match provided by the applicant.

**Motion** by Chabot, **seconded** by Sell to approve the grant as recommended by City Staff. Roll call vote, unanimous approval.

**Adjournment.** Meeting adjourned at 9:32 AM; motion by Reinheimer, seconded by Terlouw, unanimous approval.



## Downtown Grant Review Board - Staff Report

Location: 118 North 2<sup>nd</sup> Avenue East  
Applicant: Jerry Schwaller, Ex Nihilo LLC  
Owner: Same as Applicant  
Program Area: Façade Removal, Façade Rehabilitation, Painting, Restaurant Improvements

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**Proposal:** The applicant is embarking on a \$3,000,000+ renovation of the Lederman Building (historically known as Montgomery Ward & Co. Building) at 118 North 2<sup>nd</sup> Avenue East.

**Building Background (Site Inventory Form):** The building's property record indicates that it was constructed in 1909 after the historic Lambert Hotel, one of the pioneer hostelries in Newton, had been moved from the site. Elmer E. Graber had the resource built as a two-story garage and he operated a garage, selling and servicing automobiles, at this site for 20 years. He remodeled the building starting in 1928 so that Montgomery Ward & Co. could lease the building for a department store. Montgomery Ward & Co. opened for business there on June 15, 1929 and, according to the Newton Daily News edition published on May 2, 1952, Herschel Goeble was the store's first manager.

Kramer Grocery shared the first floor with Montgomery Ward and Co. for a short period in the mid-1930's and the Independent Order of Odd Fellows occupied the second floor space for a short time during that era also. Mr. Graber sold the building to a Newton attorney, Larry L. Brierly, on December 27, 1945 and the latter took possession of the property on January 1, 1946. The Montgomery Ward and Co. store operated at this site until 1985.

The alteration of both the storefront and upper story, to make it look as it does at the present time, took place in 1963 according to a building permit on file with the City of Newton Public Works Department. The changes to the façade of the building were undertaken by Montgomery Ward & Co., the leaseholder, to give the business a modern look. In 1981 the interior of the first floor was altered to create two leaseholds. After 1985 various businesses occupied the two sections going forward, including Newton Video Mart, Something Beautiful home furnishings, and Video Place through 2002. Lederman Bail Bonds purchased the building in 2000 and operated a bail bonding business out of half of the first floor through 2010. Book Trader/Tan America has leased the other half of the first floor from 2007 to present. The second floor of the building remained vacant

from 1985 onwards until it was leased out successively by Show Time Dance Studio and Michelle's Dance Academy between 2002 and 2011.

During the 2010's the 1963 façade was removed to reveal the remnants of the art-deco era façade underneath.

**Property Photos:**



**Grant Request:** The applicant has provided a Preliminary Opinion of Probable Costs prepared by OPN Architects. Based on these probable costs, the following grant requests through the City's Downtown Improvement Grant Program are being made by the applicant. This request

maximizes grant availability in the requested program areas. There are two program areas where funds have not yet been requested from. See the following summary tables:

| Past Awarded Project | Grant Amount |
|----------------------|--------------|
| Architectural Fees   | \$3,750.00   |

| Proposed Project  | Project Area          | Estimated Cost | 1:1 Match Amount | Maximum Allowed           | Recommended Grant |
|---|-----------------------|----------------|------------------|---------------------------|-------------------|
| Façade Demo Including: removing stone caps, band; removing glass for reglazing, etc                           | Façade Removal        | 245,000.00     | 122,500.00       | \$8,000 (2,000 per side)  | 8,000.00          |
| Masonry, Parapet, Windows/Glazing, patching terra cotta, granite base, stain removal, brick and masonry, etc. | Façade Rehabilitation | 300,000.00     | 150,000.00       | \$20,000 (5,000 per side) | 20,000.00         |
| Painting  | Painting              | 72,945.00      | 36,472.50        | \$1,500                   | 1,500.00          |
| Restaurant/Kitchen Equipment- Fire suppression  | Restaurant/Kitchen    | 110,200.00     | 55,100.00        | \$25,000                  | 25,000.00         |
|   |                       |                |                  |                           | 54,500.00         |

| Future Grant Categories Still Available |
|---|
| Signage                                 |
| New Awning                              |

Because the property owner is applying for Historic Tax Credits, the project, by default, aligns with the City’s Downtown Historic District Design Guidelines and the Secretary of Interior’s Standards for Rehabilitation.

The proposed project will be a dynamic addition to the Newton Downtown and aligns with the recommendations of the City’s comprehensive plan, *Envision Newton 2042*.

**TOTAL GRANT RECOMMENDATION:** Staff recommends a downtown improvement grant in the total amount of \$54,500.00 be provided to Jerry Schwaller, Ex Nihilio, LLC, for the rehabilitation project at 118 North 2<sup>nd</sup> Avenue East.

Attachments: Summary of probable cost, Gray Moon Public Market Logo, Exterior Rendering, Interior renderings.



GRAYMOON MARKET







COFFEE











BURRITOS

WALL