

Red Tape Review Rule Report (Due: September 1, 2025)

Department Name:	IEDA	Date:	8/25/25	Total Rule Count:	8
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter 39	Iowa Code Section Authorizing Rule:	15.106A(1)“i”; 15.108(3)
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 39 is to describe the policies and procedures applicable to the main street Iowa program. Communities selected by the authority for participation in the program may receive technical assistance and financial assistance that enables them to revitalize traditional commercial districts.

Is the benefit being achieved? Please provide evidence.

Yes. The authority is able to effectively administer the program.

What are the costs incurred by the public to comply with the rule?

Communities applying for or participating in the program may require staff time to complete an application. Designated main street Iowa communities may incur costs to participate in technical assistance opportunities or administer an award of financial assistance. Some communities may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

What are the costs to the agency or any other agency to implement/enforce the rule?

IEDA staff time is required to review and prepare applications for approval, draft and execute program contracts, disburse funds, communicate with program applicants and recipients, and provide technical assistance.

Do the costs justify the benefits achieved? Please explain.

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities supported.

Are there less restrictive alternatives to accomplish the benefit? ☐ YES ☒ NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules are no more than necessary to implement the purposes of the program.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes.

Rule 39.1 should be updated to omit unnecessary language.

Rule 39.2 should be updated to incorporate a new definition of “designated main street Iowa community” that will contribute to added clarity throughout the chapter. The definition of “eligible applicant” should be updated to allow for the possibility of a combined application submitted by two or more cities, if invited by the authority. The definition of “National Main Street Center” should be updated to reflect the current name of that organization, Main Street America.

Rule 39.3 should be updated to eliminate unnecessary language about administration of the program and to eliminate a description of the program agreement that can be added to rule 39.10.

Rule 39.6 should be updated to be clearer and more concise.

Rule 39.7 should be updated for clarity.

Rule 39.9 should be updated for clarity.

Rule 39.10 should incorporate the requirement that designated communities enter an agreement with the authority that is currently included in rule 39.3.

Rule 39.11 is unnecessary and can be rescinded.

Rules throughout the chapter should be renumbered due to the elimination of rescinded rules

RULES PROPOSED FOR REPEAL (list rule number[s]):

261.39.11

***RULES PROPOSED FOR RE-PROMULGATION* (list rule number[s] or include text if available):**

CHAPTER 39
MAIN STREET IOWA PROGRAM

261—39.1(15) Purpose. Communities selected by the authority for participation in the main street Iowa program pursuant to this chapter will receive technical assistance from the authority's main street Iowa staff, professional staff of Main Street America, and other professional consultants to facilitate the communities' local main street programs and may receive financial assistance from the authority.

261—39.2(15) Definitions. The following definitions will apply to the main street Iowa program unless the context otherwise requires:

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Designated main street Iowa community*” means a community that has been selected for participation in the program pursuant to this chapter.

“*Director*” means the director of the economic development authority.

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

“*Eligible applicant*” means a city in Iowa that files a joint application with a local nonprofit organization established by the community to govern the local main street program. Two or more cities may submit a combined application if invited to submit such combined application by the authority.

“*Main Street America*” means a nonprofit subsidiary of the National Trust for Historic Preservation, a nonprofit organization chartered by the United States Congress. Main Street America owns the licensed, trademarked Main Street Four-Point Approach®.

“*Program*” means the main street Iowa program established in this chapter.

“*Traditional commercial district*” means a downtown or neighborhood area that is walkable and is dominated by historic or older commercial architecture and contiguous commercial uses. A traditional commercial district defines the target area of the local program efforts.

261—39.3(15) Program administration.

39.3(1) Subcontracting. The authority may contract with the Main Street America for technical and professional services as well as with other appropriate consultants and organizations.

39.3(2) Advisory council. The director may appoint a state main street advisory council composed of individuals knowledgeable in traditional commercial district revitalization to advise the authority on the various elements of the program.

261—39.4(15) Application and selection process.

39.4(1) The authority will make standard application forms available only prospective applicants that have attended an application workshop conducted by the authority. A completed application shall be submitted to the authority no later than the date specified in the application, and contain the information requested in the application.

39.4(2) The director will determine the number of applicants to be selected for inclusion in the program.

39.4(3) The authority will select applicants for participation in the program based on the criteria in rule 261—39.5.

39.4(4) The authority will notify applicants selected for participation in the program in writing.

261—39.5(15) Selection criteria. The authority will consider the following factors to select applicants for participation in the program:

39.5(1) The applicant has a well-planned budget demonstrating sustainable funding for ongoing operations and evidence of adequate local sources of funding to support the traditional commercial district revitalization organization and its programming.

39.5(2) The applicant has garnered broad-based financial and philosophical community support for the local program including support from the city.

39.5(3) The applicant has provided evidence of willingness by local stakeholders to get involved in the effort.

39.5(4) The applicant has demonstrated its commitment to the main street approach and has hired or will hire an executive director to manage the local program.

39.5(5) The applicant is committed to historic preservation and preservation-based economic development and has a track record of preservation planning and a commitment to future preservation projects.

39.5(6) The applicant has provided evidence of traditional commercial district planning efforts and clearly defined goals.

39.5(7) The applicant has defined an organizational structure to manage local program efforts.

39.5(8) The applicant demonstrates an eagerness to learn and implement traditional commercial district revitalization strategies and techniques.

39.5(9) The applicant has clearly defined the boundaries of the proposed traditional commercial district and has articulated the reasons behind the location of the boundaries.

39.5(10) The applicant has identified a traditional commercial district that has clear potential for success, as demonstrated by the presence of the following elements:

- a. Existence of historic character of the traditional commercial district.
- b. Plans for the traditional commercial district demonstrate a recognition of traditional commercial district trends and address the challenges unique to that district.
- c. Present market capacity defined by a current business environment upon which the district can build its revitalization efforts.
- d. Present physical capacity defined by building stock and built environment upon which the district can build its revitalization efforts.

261—39.6(15) Reports. Designated main street Iowa communities shall submit performance reports to the authority as required that document the progress of the program activities.

261—39.7(15) Program agreement and noncompliance. Each designated main street Iowa community shall enter into a standard program agreement with the authority. The program agreement will describe the obligations of the authority and the community designated main street Iowa community. If the authority finds that a designated main street Iowa community is not in compliance with the requirements of the program or the terms of the program agreement, the authority may terminate the program agreement.

These rules are intended to implement Iowa Code section 15.106A(1)“i” and 15.108(3).

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	1
Proposed word count reduction after repeal and/or re-promulgation	189
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	5

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.