

OTTUMWA CITY COUNCIL MINUTES

REGULAR MEETING NO. 30
Council Chambers, City Hall

October 5, 2021
5:30 O'Clock P.M.

The meeting convened at 5:36 P.M.

Present were Council Member Roe, Meyers, Johnson, Berg, Dalbey and Mayor Lazio.

Meyers moved, seconded by Johnson to approve the following consent agenda items: Mins. from Special Mtg. No. 27 on Sept. 14, 2021, Regular Mtg. No. 28 on Sept. 21, 2021 and Special Mtg. No. 29 on Sept. 24, 2021 as presented; Recommend appointment Ann Youngman to Ottumwa Housing Auth., term to expire 11/11/2022, due to an upcoming vacancy; Res. No. 191-2021, approving Street Fin. Rpt. for fiscal yr. July 2020 through June 2021 for the City of Ottumwa; Beer and/or liquor applications for: Bridge View Center/VenuWorks, 102 Church St.; Mimi's Taqueria, 707 Church St.; Warehouse Barbeque, 2818 N. Court; Alpine Inn, 1804 Albia Rd., with OSA; Potros Garcia, 2804 N. Court; Red's Pub LLC, 618 Church St., temp OSA for 10/30/2021; all applications pending final inspections. Vote taken: Ayes: Roe, Meyers, Johnson, Berg. Abstain: Dalbey, related to appointment to Ottumwa Housing Auth. Motion passed.

Dalbey moved, seconded by Roe to approve the agenda as presented. All ayes.

Dr. Matt Thompson, President, IHCC, discussed the \$28 Million bond referendum that is going before the voters on Nov. 2, 2021. Originally started as \$36 Million bond trimmed down to \$28 Million due to secured grant funding. This bond referendum will allow IHCC to improve campus classrooms and master facilities at the Centerville Educational Bldg. along with facilities at the Ottumwa sites: Center for Fine Arts, Criminal Justice Training Center, Student Wellness Center and Virtual Classrooms. 92% of IHCC students are from Iowa with 8 out of 10 from the 10-county region; 86% of IHCC graduates remain in the 10-county region after graduation.

City Admin. Rath discussed quarterly mtg. held with Bridge City Sanitation as part of the new contract. The number of customer complaints have decreased which is a good sign that things are moving in the right direction. Citizens can email BCS to schedule bulky item pick-up and currently developing a website. Will schedule a spring clean-up day sometime in April/May 2022.

He also reminded the public of the City Election on 11/2/2021.

Mayor Lazio inquired if there was anyone from the audience who wished to address an item on the agenda. Bridgett Michel, 318 Bonita Ave., wished to discuss Item H-3, setting dates of a Consultation and PH on Proposed Bonita URP/URA. Concerned that crime rate will go up; property taxes increase while values decrease if this is built. Where is all of the traffic going to go? Wouldn't it have made more sense to build this over by JBS and not on the north side of town?

Roe moved, seconded by Meyers to approve and authorize the City to use a portion of future Road Use Tax (RUT) Funds to settle with IADOT the balance owed following project completion and evaluation. Rath reported; on Jan. 23, 2013, the City Council adopted Res. 19-2013, which allowed the city to submit an application under Revitalize Iowa's Sound Economy (RISE) program. The res. auth. the city to commit \$792,795 for a CIP – reconstruction of Iowa Ave. The program allows the IADOT to reimburse the city for project expenses in exchange for future job creation resulting from the project. Property owner (Cargill Meat Solutions) supported the project and anticipated the creation of 120 jobs within two yrs. following completion. IADOT awarded the grant under RISE Immediate Opportunity program and

reimbursed the city \$1,172,195 toward the project. On or around July 1, 2015, Cargill Meat Solutions sold the property to JBS USA (current owner). IADOT completed a review of the project and associated job creation and identified that neither employer had met the job creation requirement during the six-month monitoring period. In accordance with grant docs, the penalty for this failure is reimbursement of the proportionate share of additional RISE funds provided under the "Immediate Opportunity" provision based upon actual jobs created to required jobs created. The City is required to reimburse IADOT \$342,913 based upon the report figures in the Settlement. Three options were presented: lump sum pymt., installments., or charges against the City's share of future Road Use Tax Fund (RUTF). All ayes.

Berg moved, seconded by Johnson to approve and auth. the City to contribute \$10,000 to Greater Ottumwa Partners in Progress (GOPiP) toward completion of an airport analysis and comp. land use plan for the airport and surrounding area. Rath reported *Our Ottumwa 2040 Comp. Plan* identifies Growth as one of the four guiding principles related to the vision of the City. Economic development is a major driver for growth and the airport is a key feature for growth and development of commercial and industrial opportunities. One of the goals identified is to invest in Airport infrastructure by conducting a feasibility study to assess future expansion and development possibilities. Sharon Stroh, VP Industrial Development & Organizational Communication GOPiP, in coordination with City staff took on this goal and identified Bolten Menk to complete such a study. This proposal will cost \$58,500, with the City contributing \$10,000. The study will provide information related to land use, transportation and utilities. It will also provide a development concept for the land associated with the airport. This study is scheduled to take approx. 6 months. Vote taken: Ayes: Meyers, Johnson, Berg, Dalbey. Abstain: Roe, serving as the Chair of the GOPiP Board. Motion passed.

Roe moved, seconded by Dalbey that Res. No. 186-2021, approving CO No. 2, accepting work as final and complete, and approving final pay request for the 13/31 Runway Recon. Project at the Ottumwa Reg. Airport, be passed and adopted. CO No. 2 increased contract by \$123,800.57; new contract sum \$6,987,765.61. All ayes.

Berg moved, seconded by Roe that Res. No. 187-2021, auth. advancement of costs for an URP and Cert. of Expenses incurred by the City for Reimbursement under Iowa Code Section 403.19, be passed and adopted. Fin. Dir. Mulder reported the City has entered into a DA with Cobblestone Hotel Development, LLC in the West Gate Economic Development URA. This res. is auth. advancement of costs not to exceed \$75,000 if site remediation and site preparation is needed. All ayes.

Meyers moved, seconded by Roe that Res. No. 188-2021, a res. determining the necessity and setting dates of a Consultation and a Public Hearing on a Proposed Bonita URP for a Proposed URA in the City of Ottumwa, be passed and adopted. Simonson reported Huegerich Const. is seeking to create 108 units of housing on 10 acres of property on Bonita Ave. The developer is interested in obtaining a TIF Rebate for this project. In order to use TIF, the property needs to be included in an URA. This res. begins the process of est. a Bonita URA. The plan designates the Bonita URA as an economic development area appropriate for the development of new low-to-moderate income residential housing units and housing which is necessary to encourage the retention or relocation of industrial and commercial enterprises. Low-to-moderate (LMI) housing for this community is 60% of LMI affordable rent is up to \$979 for a two-bedroom and \$1131 for a three-bedroom. In the proposed project, the developer is pursuing workforce tax credits and has developed a proforma for achieving the LMI standard by charging affordable rents, rather than verifying incomes. The Bonita URP describes providing a TIF rebate up to 100% of the incremental property tax generated by the housing development for 20 yrs., not to exceed \$3.5 Million. Tax increment financing is an urban renewal power given to cities that allows us to leverage future taxable value to incentivize growth. This rebate is not general fund or other taxpayer money. Instead the developer will pay their taxes and the tax paid for most levies on the added value will

be rebated back to the developer. A second project included in the URP is street repair for Bonita. Concerned that the construction could cause damage to Bonita Ave. which will require repair or reconstruction. Est. cost could be \$250,000. JBS has played a key role in this project. They recruited the developer and will likely provide some of their own incentives. As the area's largest employer, they are especially aware of the challenges housing creates for attracting and retaining talent. Ryan Huegerich, owner Hugerich Construction; Joe Mach, General Mgr. and Zenna Boyd, HR, of JBS were also present to discuss this item. Council questions/concerns: What is the impact on property values in this area? What is the traffic load? Not a fan of creating new TIF areas as they don't generate any help for the general fund. What is something tangible for the City? We need to see single-family units instead of apartments. Ms. Boyd shared that they need to hire at least 200 more people for open positions at their plant; people don't want to relocate their families to hotels until they can find a house to purchase, which is why this is so important. Vote taken: Ayes: Roe, Meyers, Johnson, Berg. Nays: Dalbey. Motion passed, 4-1.

Dalbey moved, seconded by Roe that Res. No. 189-2021, approving the Design Contract between the City and Willett Hoffman and Assoc., Inc. for City Hall Improv. Project, be passed and adopted. PW Dir. Seals reported this provides for the design features included in system 6 HVAC that will allow for heating and cooling with the ability for zone separation control. The selected system has the ability to be installed and then expanded in phases as needed without major rework. Add'l improv. include first floor remodeling and redefining the original corridor. The reno. will address bldg. wide access to meet both ADA reqs. and fire protection. Add'l office space will be developed for IT office, work shop and storage area in the basement and all restrooms will be up-dated as part of the ADA reqs. Prior to kick off, an adv. committee will be est. to seek input from staff members for design features and maintain job functionality during construction. Design contract lump sum est. at \$275,750. This does not include the Historical Structure Report needed for grant applications. Will need to do this separately, will cost around \$10-12,000. This will give us the entire design and overall view of entire bldg. with actual costs for each phase. All ayes.

Roe moved, seconded by Berg that Res. No. 190-2021, approving a Subordination Agt. between the City, South Ottumwa Savings Bank, and Rippling Waters Property Development, be passed and adopted. Simonson reported this correlates to the CDBG Upper-Story Housing program in 2018-2019. All ayes.

Mayor Lazio inquired if anyone from the audience wished to address an item not on the agenda. Bill O'Hara, 1119 N. Court, wanted to speak about a business being operated next door on West St. Parking has caused some issues on the street; health hazards from junk and trash in the neighborhood; and construction of numerous tents.

There being no further business, Roe moved, seconded by Dalbey that the meeting adjourn. All ayes.

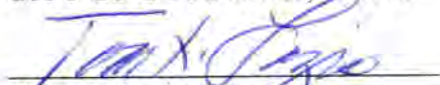
Adjournment was at 7:12 P.M.

ATTEST:



Christina Reinhard, CMC, City Clerk

CITY OF OTTUMWA, IOWA


Tom X. Lazio, Mayor