



CITY OF PELLA

CITY COUNCIL OFFICIAL MINUTES

October 4, 2022

A. CALL TO ORDER BY MAYOR AND ROLL CALL

The City Council of the City of Pella, Iowa, met in regular session at the Public Safety Complex (614 Main Street) at 6:00 p.m., Mayor Don DeWaard presiding. Council members present were: Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Dr. Spencer Carlstone, Dave Hopkins. Absent: None.

City Administrator Mike Nardini and City Clerk Mandy Smith were present.

Eleven staff members and twenty-six members of the general public attended in person.

One staff member and ten members of the general public attended via conference call.

B. MAYOR'S COMMENTS

1. Approval of Tentative Agenda.

Items E-6 and E-7 were pulled from the agenda.

Branderhorst moved to approve the tentative agenda as amended, seconded by Hopkins.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

2. Oath of Office for New Police Officer Mya Irlmeier.

BACKGROUND: Mya Irlmeier has accepted a position as a sworn full-time police officer with the City of Pella. Miss Irlmeier consistently excelled in the competitive police officer testing process at the Pella Police Department. Miss Irlmeier grew up on a family farm near Manning, Iowa, graduating from IKM-Manning High School. She earned an associate degree in criminal justice from Des Moines Area Community College and has completed an internship with the Des Moines Police Department.

ATTACHMENTS: Oath of Office
REPORT PREPARED BY: Shane McSheehy, Chief of Police
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Administer Oath of Office

C. PUBLIC FORUM (for anyone wishing to address Council regarding agenda items)

No comments were received.

D. APPROVAL OF CONSENT AGENDA

Bandstra moved to approve the consent agenda, seconded by Hopkins.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

The following items were approved:

1. Approval of Minutes

a. Official Council Minutes for September 20, 2022

2. Report of Committees

a. Airport Committee Minutes for May 27, 2022

Members Present: Matt Hutchinson, Rick Gritters, Eric Recker, Jeff Bollard, Ted Zylstra, Trevor Nikkel, Joel Weiler

Members Absent: None

Others Present: Shane Vande Voort, Denny Buyert

Approval of Minutes: March 25, 2022 minutes reviewed.

Motion to approve Zylstra, Support Gritters. Passed unanimously.

Regional Airport Update - No change - Iowa Supreme Court decision on 28E not expected until June

Discussion on apron expansion bids. Shane will communicate with Gardner on tie downs.

Researching solutions to phone system issues

Reviewed Tulip Time Fly-In Breakfast

Motion to ask Methodist Church to provide breakfast at the 2023 Fly-In, Bollard, Support Gritters Passed unanimously

Airport Managers report to the committee-Shane Vande Voort:

Equipment Update: We are readying equipment for mowing season. The Grasshopper front mount mower is really showing its age and should be replaced soon.

FBO operations: Classic Aviation remains busy and staffing is still an issue. We had an encouraging recruiting visit with the maintenance classes at Indian Hills Community College

Hangar and ramp space: We are still very short on hangar space, especially shop space. Aircraft that are in for maintenance routinely have to be moved multiple times during even short maintenance events.

Special Events: Any way you measure it the annual Tulip Time Flight breakfast was a success. We are grateful for the volunteer help we received. Final numbers are around 900 breakfasts served and about 70 airplanes for the fly-in and over 80 for the day. We are looking forward to the CPPP (Cirrus training event August 20th.

Project and focus on improvement: I continue to recommend in addition to capital improvement items such as ramp expansion and FBO hangar construction that a terminal building remodel and entrance road improvement be addressed soon. Also the city owned phone system is down from nine to two or three working phones at any time. I'm working to find the best value for a modern system.

Adjourn: Motion by Recker, Support Nikkel Passed unanimously

Next regular meeting will take place on June 24th, 2022 7am

b. Library Board Minutes for July 12, 2022

- I. Call to Order: Vice President Suzy Card called the meeting to order at 4:00 p.m. Board members present were: Suzy Card, Darath Fisher, Nathan Copeland, Kristi Leonard, Dayrel Gates and Matt Van Gelder. Board members absent were: President, Brenda Huisman. Library Director Mara Strickler was present. Meeting held at the Library's Heritage Room.
- II. Recognition of Visitors and Visitor Comments:
Community member comments: Resident of Pella, appreciate the opportunity to attend the meeting; Resident of Pella, recommend that the comments to the board be shared, discussion around how we have been attending and reporting.
- III. Approval of Agenda: The June meeting agenda was received by all Board members prior to the meeting. There were no changes to the agenda. The agenda stood as presented. Kristi motioned for July's meeting agenda to be approved as presented, Darath seconded the motion. Motion was unanimously approved.
- IV. Disposition of Minutes: All Board members received the minutes to last month's meeting prior in advance.
Discussion regarding corrections to the draft minutes, including correct spelling of names. Kristi motioned for June's meeting minutes be approved as amended, Matt seconded the motion. Motion was unanimously approved.
- V. Approval of Bills: All Board members received the list of bills prior to the meeting. After a brief discussion and questions regarding the bills: Kristi motioned for the bills to be approved as presented, Darath seconded the motion. Motion was unanimously approved.
- VI. Unfinished Business:
1. Approval of Board Statement re: Resolution No. 6442. Motion Dayrel, seconded by Matt; motion was unanimously approved. Please refer to attached statement.
- VII. New Business:
1. Motion to accept proposed slate of officers. Motion Kristi, seconded by Darath; motion was unanimously approved.
2. RFID installation. Contractor installation of RFID hardware. Monday 8th and 9th closed to the public (but open for curbside). Q: communication to the public. Q: staff hours? No changes to staff schedule. Motion Nathan, seconded by Kristi to modify hours; motion was unanimously approved.
3. Ethics Statement and Conflict of Interest Statement. Both statements have been completed by all Trustees for FY22/23, as required by existing policy.
4. FY20/21 Statistics. Please refer to the attached written summary. The statistics will be reviewed in greater detail upon completion of the annual report which needs to be submitted to the State Library by 10/31/22.
- VIII. President's Report and Announcements: No written report provided.
- IX. Director's Report: Please refer to attached written report.
- X. Trustee Training Reports: Sept. 8th Marion County Board training.
- XI. Committee Reports:
1. Policy Review. ILL Policy. Kristi motioned to retain the policy as written, Matt seconded. Motion was unanimously approved (Darath not present).
2. Personnel committee. Discussion of the Director's annual evaluation. At approximately 5:00 p.m. The Vice-President announced that the Board would enter closed session to conduct the annual evaluation of the Library Director. The Board exited closed session at 5:14 p.m.
- XII. Adjournment: Vice-President, Suzy Card. adjourned the meeting at 5:15 p.m. The next regularly scheduled Board Meeting is scheduled for August 9, 2022. Location: City Council Space

c. Community Development Committee Minutes for July 13, 2022

- Chairperson Cody called the Community Development Committee (CDC) to order in the Memorial Building at 5:30 p.m. Members present were: Jerry Brummel, Patsy Cody, Mike Kiser, Shelly Riggen, Wayne Stienstra, Caryn Van Hemert, Dennis Vander Beek, and Christi Vander Voort; absent: Linda Groenendyk and Nancy Henry. Staff present: Planning and Zoning Director Gerald Buydos, and Zoning Analyst Jared Parker.
- APPROVAL OF TENTATIVE AGENDA: Motion by Van Hemert, second by Vander Voort to approve the tentative agenda. Motion carried 8-0.
- APPROVAL OF MINUTES: Motion by Brummel, second by Vander Beek to approve the minutes from the June 22, 2022 meeting. Motion carried 8-0.
- OTHER BUSINESS / WORK SESSION
- Work Session to Discuss Proposed Design Review District Design Manual Updates and Review Draft Architectural Design Guidelines
- Director Buydos stated that if members of the committee wish to submit revisions to the plan they should do so to get them included into the record. The Historic Preservation Commission has been given copies to review due to their expertise on historic design. The Planning and Zoning Commission will also be given copies to review. The plan is for a public meeting in August for the public to come and comment. He anticipates an October or November approval timeline. He requested that if the committee members had any questions or comments.
- Stienstra noted his concerns with the term modern, due to the connotations.
- Director Buydos noted that a name can be changed if the committee would prefer a change.
- Cody noted Contemporary as an option.
- Groenendyk spoke in favor of Contemporary Dutch as well.
- Van Hemert noted that by changing it to modern, it would fit better since modern has a more specific definition.
- Vander Voort suggested transitional as a replacement for Intermediate.
- Director Buydos also noted that these changes could be made.
- Cody expressed support for Transitional Dutch.
- Stienstra noted that Historic, Transitional, and Contemporary appeared to work together well.
- Van Hemert moved the change to Transitional. Seconded by Van Hemert. It appeared to have support by consensus.
- Director Buydos noted that there will be no further meetings on the manual until the open house for the revisions. He noted that there will be a thorough effort to engage the public.
- Vander Voort commented on the quality work the committee has done.
- Cody commented on the ease of working with the consultant.
- Director Buydos stated that the document may have been difficult to work with, but it had enough functioning parts to help update it. He also pointed out the values of a more inviting document.
- Stienstra thanked everyone for reconsidering the district names.
- Van Hemert asked for signs with individual letters to be added as an example.
- Stienstra noted that individuals need to be careful with channel letters due to the holes they leave behind in brick.
- Director Buydos noted that the city could encourage channel letters to be on boards.
- Riggen suggested that building owner permission is needed for channel letters directly applied to brick.
- Next Meeting Dates: The next regular meeting is scheduled for July 13, 2022.
- Van Hemert motioned to adjourn. Seconded by Brummel.
- Adjourned at 5:55 p.m.

d. Board of Adjustment Minutes for July 18, 2022

Chairperson Westra called the Board of Adjustment to order at 6:00 p.m. in the Public Safety Complex. Members present were: Kristi Kious, Jaci Nunnikhoven, Susan Reiter, Lyle Vander Meiden, Mike Vander Wert, and Corey Westra; absent: Vince Nossaman. Staff present: Planning and Zoning Director Gerald Buydos, and Zoning Analyst Jared Parker. One member of the public attended the meeting.

CHAIRPERSON'S COMMENTS

Approval of the Tentative Agenda: Motion by Reiter, second by Vander Meiden to approve the tentative agenda. Motion carried 6-0.

APPROVAL OF MINUTES: Motion by Nunnikhoven, second by Reiter to approve the June 20, 2022 minutes. Motion carried 6-0.

PUBLIC HEARINGS

Consider a Variance requested by Mark Fopma to construct a deck within the rear yard setback at 608 Monroe.

In the R1B Zoning District, in which 608 Monroe is located, the rear setback requirement is 30 feet.

Mr. Fopma requested a variance to construct a deck for the purpose of enjoying his rear yard along with providing access for his wife who would not be able to use stairs due to mobility limitations.

The applicant noted that he does not want a huge place, just a place to sit that would not impact any undue change in the neighborhood, nor be visible from the road.

Convened Public Hearing on the Variance. No written comments were received.

Reiter inquired if an ADA ramp would be precluded. Staff indicated a ramp with a 5' x 5' landing would not have required a variance.

Reiter inquired if the proposed drawing was to scale. Staff and the applicant indicated that it was not.

The applicant also noted his neighbor to the rear received a variance for their garage.

Motion by Vander Wert, second by Reiter to close the Public Hearing as no further comments were received. Motion carried 6-0.

Motion by Vander Wert, second by Nunnikhoven to grant the variance due to it being a minimal impact on the property. Motion carried 5-1.

Yeas: Kious, Nunnikhoven, Reiter, Vander Wert, Westra. Nays: Vander Meiden

Next Meeting Date: The next regular meeting is scheduled for August 15, 2022.

Staff noted that there were at least three items on the upcoming agenda.

Adjourned at 6:13 p.m.

e. Historic Preservation Commission Minutes for August 8, 2022

Chairperson Kermode called the Historic Preservation Commission (HPC) to order in the Memorial Building at 5:00 p.m. Members present were: Don André, Bruce Boertje, Rhonda Kermode, and Lila Turnbull. Absent: Lorinda Bradley. Staff present: Planning and Zoning Director Gerald Buydos and Zoning Analyst Jared Parker. Two members of the public attended the meeting.

APPROVAL OF TENTATIVE AGENDA: Motion by Boertje, second by André to approve the tentative agenda. Motion carried 4-0.

APPROVAL OF MINUTES: Motion by André, second by Boertje to approve the minutes from the June 13, 2022 meeting. Motion carried 4-0.

OTHER BUSINESS/WORK SESSION

Work Session to Discuss the Proposed Scholte Garden Historic District

Boertje noted that the pictures need to be printed. He also mentioned the need to determine which garages need to be noted as historical. Kermode inquired if a 50-year standard could be used, to which the general consensus appeared to be anything built before 1959 would be considered historical.

Kermode commented that the evolution of garages in the Collegiate Historic District were a detail to consider in the process. There was some discussion on the presence of a garage that was previously in the proposed historic district.

Boertje asked on the quote for the proposed booklets. Director Buydos noted that he had received a quote of \$454 for 100 booklets. The discussion turned to the scale of printing. Due to properties and other City officials needing copies, Director Buydos indicated that the City would need approximately 100. For 250 booklets it would be \$769. Boertje indicated that the per unit price increased at 250 booklets compared to 200.

For the lifespan, Director Buydos indicated that he wished for the booklets to have a lifespan of six months without the need for revisions.

Wayne Stienstra noted that a hundred copies would go quickly; to which Director Buydos responded that it would be for the creation of the district; subsequent efforts would likely require more. Boertje noted that he could acquire cheaper versions from Pella Corporation, albeit without glossy paper; which Director Buydos noted would be a route to go for the initial efforts and to utilize glossier paper for once the district is agreed to.

Boertje indicated that the next step in the state certification is to print the photographs and to have them numbered and identified, along with being placed on a map. Kermode offered to provide assistance or to have a work session regarding that item. André stated that for the standards, the photos just needed an address, parcel number, and a description and that they did not need to be printed on glossy stock.

Director Buydos noted that two copies of the photographs will be made: a master copy and a reserve copy. Boertje stated that they will need more photographs of garages.

Work Session to Discuss IEDA Presentations

Kermode wished to discuss the IEDA presentations, of which none of the present commission members were able to attend. André said that Sarah attended and was very excited. He noted a staff member for the state would be willing to visit with the City Council regarding Certified Local Government. Kermode stated one of the presentations was regarding Certified Local Governments and Historical Preservation Commissions. This item is to be discussed at the September meeting.

Work Session to Discuss the Historic Fire Station and Hose Tower

Kermode inquired on if a quote had been received for the Hose Tower. Director Buydos stated one had not been received yet. He provided historic context on the repairs for the hose tower, and that two previous efforts had failed to receive suitable bids. One major issue was no one was willing to work with the constraints. It may be possible with a time and material bid, but Director Buydos indicated that this would only be feasible for priceless buildings. He indicated that the estimate was likely to be between \$75,000 to \$100,000; and would need to be in a future budget. Boertje asked for the price on a replacement; to which Director Buydos stated that it could be similar, but that an argument for the prioritization of the cost will need to be made.

Wayne Stienstra asked if grants were available, but Director Buydos indicated that since it was built in the 1980's it would not be eligible.

André stated that the state likely would have no concerns if it was not replaced since it is not historic. Kermode stated that she did have an old photograph of the hose tower, and stated that she believed it held value in telling the history of fire stations. Kermode asked about the window on the second floor, to which Director Buydos said he would inquire with the City's Fire Chief.

Kermode asked Wayne Stienstra if the Historic Trust was looking at the hose tower. Mr. Stienstra stated that they were to meet the next night.

Turnbull stated that if it was open more that school children would possibly be interested in it. André noted that the hose tower is not pushed as a feature by entities. Director Buydos noted that logistics and its location makes it difficult to have open more often.

There was some discussion regarding the proposed trolley tours by the Historic Trust.

Other:

Turnbull inquired on the design manual changes to which Director Buydos noted that there were proposed changes. Turnbull reiterated that she believes that if there are historical features that they should be encouraged to be preserved. This was echoed by Kermode. There was further discussion regarding the new guidelines and how they interact with buildings downtown, with Director Buydos explaining how the process works. Kermode expressed that the absence of historic preservation guidelines was why she did not respond. Wayne Stienstra inquired on how the Historical Village interacts with the design review guidelines.
Next Meeting Date: The next meeting is scheduled for September 12, 2022.
Adjourned at 5:50 p.m.

f. Library Board Minutes for August 9, 2022

I. Call to Order: President Brenda Huisman called the meeting to order at 4:00 p.m. Board members present were Suzy Card, Darath Fisher, Nathan Copeland, Kristi Leonard, Dayrel Gates, and Matt Van Gelder. Library Director Mara Strickler was present. Meeting held at the Public Safety Complex.

II. Recognition of Visitors and Visitor Comments: 1 community member present. Requested a list of all books purchased in the last two years. Mara confirmed these have been provided to the community member's associates.

III. Approval of Agenda: The August meeting agenda was received by all Board members prior to the meeting. Following distribution two changes were requested. New Business: Community Services requested EV charging station be tabled until a future meeting. New Business: Remove "2022" from Adoption of 2022 holiday and closing schedule. Matt motioned for August's agenda be approved with changes presented, Kristi seconded the motion. Motion was unanimously approved.

IV. Disposition of Minutes: All Board members received previous month's meeting minutes prior to the meeting. Brenda motioned July's meeting minutes be approved with changes below, Kristi seconded the motion. Changes: Remove community member's names. Motion was unanimously approved.

V. Approval of Bills: All Board members received previous month's list of bills prior to the meeting. After a brief discussion and questions regarding the bills, Brenda motioned for the prior month's bills be approved as presented, Nathan seconded the motion. Motion was unanimously approved.

Discussion: none.

VI. Unfinished Business:

1. Board Statement regarding Resolution 6422. Mara shared City's attorney revised guidance to City Council. Specifically, Resolution 6422 would need to be voted on at next general election and could not be moved to an earlier special election. Board previously approved the submission of a statement to City Council regarding Resolution 6422. Given revised attorney guidance this statement now contains moot content. Following a brief discussion, the board's decision was to include statement in July minutes.

VII. New Business:

1. EV Charging station (tabled)

2. Committee appointments. Kristi motioned to approve 2022-23 Library Committee appointments as presented, Suzy seconded. Motion was unanimously approved. Personnel/Nominating: Suzy Card, Nathan Copeland, and Darath Fisher. Governance/Policy: Dayrel Gates, Kristi Leonard, and Matt Van Gelder.

3. Adoption of holiday and closing schedule. Discussion regarding draft schedule. Staff was charged with providing additional information. Agenda item was tabled and will be included on next month's agenda.

4. Review of collection agency statistics.

5. Set policy for September Library Card sign up month. Nathan motioned for free library card replacements during the month of September, Brenda seconded. Motion was unanimously approved.

VIII. President's Report and Announcements:

1. City Council planning. August 16th – Nathan. September 6th – Darath. October 18th – Kristi exchanged with Brenda for October 4th. Suzy Card will not be able to attend October's board meeting.

IX. Director's/Staff Report:

1. Staff Transitions: Special thanks to Jen Jennings and Hannah Stephenson for their work as Library Staff. Library custodian posted. Assistant position will be posted.

2. The 2022 Summer Library Program has completed. Katie Dreyer will provide a report next month.

X. Trustee Training Reports:

1. Upcoming Marion County Board of Directors training (September 8th, 6-8pm)

XI. Committee Reports:

1. Committee Assignments. Personnel/Nominating: No new business. Personnel committee: No new business.

XII. Adjournment: President, Brenda H. adjourned the meeting at 4:50 p.m. The next regularly scheduled Board Meeting is scheduled for September 13, 2022. Location: Library - Heritage Room.

g. Community Services Board Minutes for August 19, 2022

Present: Nathan Guess, Glenn Steimling, Amanda Schwerdtfeger, Lauri Amelse, Stephen Fyfe, Arvin Van Zante

Absent: Mike Lyons

Staff: Jeanette Vaughan, Brenda Ross, Kevin Vos

12:04pm Community Services Director Jeanette Vaughan called the meeting to order

Minutes - Motion by Steimling, seconded by Guess to approve the Community Services Board Meeting minutes of June 17, 2022. Motion carried 6-0.

Department Updates:

Art & Rec/ Brenda Ross

- Soccer & Flag Football registration has closed, but we are allowing registration to make the teams even. 533 soccer registrations with 64 teams & 179 football registrations with 15 teams. Staff has been busy putting teams together, ordering shirts and getting equipment ready.
- Summer Art Classes has ended, and we had a total of 198 patrons participate in the various programs.
- On-line registration for fall art classes started on Monday, August 8 and the Monday, Tuesday & Wednesday after school classes were full by the end of the first day.
- Adult co-ed softball has two weeks of regular play left and the season end tournament.

Golf & Athletic Fields/ Kevin Vos

- Pella Sports Park: USSSA practices and drop in field usage is continuing. Cross Country teams are practicing at the complex. Meets will be held at the complex this fall as well. Marking outfield of Field 1 for youth flag football league.
- Pella Soccer complex: Irrigation pump has been rebuilt but it is not providing enough pressure to water the entire complex. Contractor thinks that the issue may be related to an irrigation line blockage for large leak. Since no areas are wet/green we do not believe it to be a leak. Staff will continue to investigate. Laying out 20+ soccer fields between the two complexes. Club premier leagues have started practicing.

- Bos Landen Golf Course: Roof leaks were repaired on the clubhouse roof. Repairs were made to the large walk-in cooler by the bar area. Staff removed and replaced the hazardous stairs by the Hole 7 green. Staff getting quotes for the cart path repairs needed by Hole 9. PACE golf event being held today. Several other events took place earlier in August. A few more events in September and October are scheduled as well. Hole 1 and Hole 9 fairways are being re-seeded to creeping bent grass for easier maintenance. The fairways will also be connected now by the pond for easier play on both holes.

Parks/Jeanette Vaughan for Chandler Nunnikhoven

- Last week for summer staff. We have one that may stay to help out for the next couple weekends for shelter/garbage work.
- Running 2-3 water trucks daily to keep up with watering the new trees planted this spring and the annual flower beds.
- New pick-up truck arrived. Due to limited availability a four-door model was purchased. In addition to being a water truck it will be used to transport summer staff. Truck was also used to transport 5 individuals to recreation center site visits instead of driving two different vehicles. Very useful!
- CIP project are underway. Quotes have been received for replacing the roof on the gazebo in South Park and replacing the siding on the Caldwell Maintenance Shop.
- Staff is tearing down/winterizing the outdoor aquatic facility.

Aquatics/ Jeanette Vaughan for Alex Meyers

- Indoor pool was drained, cleaned, annual maintenance performed and refilled at the beginning of the month. It reopened on August 15th.
- The outdoor pool closed August 13th mainly due to the majority of the lifeguards returning to school activities and college. Summer attendance at the outdoor pool was just over 21,000.
- Large pump being changed out. Public Works will be providing equipment to assist with lowering the pump into place.
- Staff working on cleaning/winterizing the outdoor area.
- Looking for lifeguards and swim instructors for the fall and winter.

General Updates:

Vaughan reported that work is still progressing on the Southside Beautification Project. Environmental studies are underway for the proposed park area. The Bos Landen Conference Center renovation project will hopefully be going to Council soon for direction. Vaughan has spent the last 10 months working with the engineer and insurance company on the proposed project. Vaughan has also been working on an agreement and contract for extra decorations in Central Park requested by the Spirit of Pella organization. City Administration has informed staff that budget preparations will start early this year in September. Vaughan let the Board know that at the September meeting projects for the upcoming year will be reviewed.

Discussion Items

- Update Indoor Recreation Center - Ad Hoc Indoor Recreation Committee has started regular weekly meetings with the architect-engineer. Members of staff and the committee visited two sites in Marion Iowa on Wednesday – Linn Mar Aquatic Center and the newly opened Marion YMCA building. Vaughan reported that it was beneficial to conduct site visits to help members get a better understanding of room sizes. Ad Hoc group has been providing programming and club information through a shared document to help the architects understand the current programs in town that need space and other programming that has been cancelled or no longer exists due to space limitations. Vaughan stated a good example is the City's adult volleyball program that used to have 22 teams. The league was cancelled when room was no longer available at the schools. Vaughan said that the committee's main purpose is to come up with a design for the facility encompassing approximately 90,000 square feet but that alternates can also be proposed as available funding will determine the final size and scope of the facility. Vaughan reported that public input meetings would take place after the vote to renew the Lost Option Sales and Services Tax as the rec facility will be partially funded by the LOSST. Schwerdtfeger asked about the functionality of two pools, one being a competition pool and one a rec pool, specifically how they would be guarded. Vaughan stated that there would be separation between the two as they will need different climates, such as water and air temperature, so that each side would need its own lifeguarding staff. Fyfe asked how this project would affect the current non-paved, walking/running trail at the Pella Sports Park that local cross-country teams use for practice and meets. Fyfe and Vos reviewed the location of the current trail and discussed feasible options to keep a multipurpose 5K trail at the complex with the new facility being built.

General Discussion

Steimling reports that Caldwell and Kiwanis courts both have areas that need to be addressed for playability and safety.

Adjournment: 1:10pm, Motion to adjourn by Schwerdtfeger, seconded by Steimling.

The next meeting is scheduled for Friday, September 16, 2022, at noon in room 204, in the Community Center.

Respectfully submitted: Jeanette Vaughan

3. Petitions and Communications

a. Renewal of Special Class C (Beer/Wine) Liquor License with Sunday Sales for AmericInn By Wyndham

BACKGROUND: Jay Vairahi Hospitality LLC, DBA AmericInn By Wyndham at 910 W 16th Street, has applied for renewal of their special class C (beer/wine) liquor license with Sunday sales. The term of the new license is 12 months and, if approved, would expire on October 31, 2023. The application has been completed online with the state, and staff is recommending approval.

ATTACHMENTS: None

REPORT PREPARED BY: City Clerk

REVIEWED BY: City Administrator

RECOMMENDATION: Approve renewal

b. Renewal of Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout Beer), and Sunday sales for Casey's General Store #3566

BACKGROUND: Casey's Marketing Company, DBA Casey's General Store #3566 at 509 Main Street, has applied for renewal of their class E liquor license with class B wine permit, class C beer permit (carryout beer), and Sunday sales. The term of the new license is 12 months and, if approved, would expire on November 30, 2023.

The application has been completed online with the state, and staff is recommending approval.

ATTACHMENTS: None

REPORT PREPARED BY: City Clerk

REVIEWED BY: City Administrator

RECOMMENDATION: Approve renewal

E. RESOLUTIONS

1. Resolution No. 6497 entitled, "RESOLUTION SETTING DATES OF A CONSULTATION AND A PUBLIC HEARING ON A PROPOSED AMENDMENT NO. 1 TO THE WEBSTER PARK URBAN RENEWAL PLAN IN THE CITY OF PELLA, STATE OF IOWA."

Hopkins moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution establishes November 1, 2022 as the public hearing date to consider amendment no. 1 to the Webster Park Urban Renewal Plan (URP). As background, Council initially adopted the Webster Park URP in 2018. The purpose of the Webster Park URP is to create redevelopment opportunities for blight remediation and facilitation of additional housing which includes construction of the South Main development.

URP Amendment No. 1: The purpose of amendment no. 1 to the Webster Park URP is to add the following as eligible projects:

1. Pella Main Street Market Development Agreement. In 2021, Council approved a conditional resolution of support for this project. Under this agreement, the developer will be responsible to construct the Pella Market and Café and agree to a minimum assessed value of \$4.4 million. In exchange, on an annual basis, the developer would receive a rebate equal to the tax increment financing revenues generated by the development, not to exceed \$1,775,000. Additional details regarding the terms of this proposed Development Agreement are included as agenda item E-2.
2. Future Development Agreements. The city may consider requests for future development agreements including, but not limited to, land, loans, grants, tax rebates, public infrastructure assistance, and other incentives in an amount estimated not to exceed \$500,000.

Summary: Under Iowa Code, the city is required to hold a consultation with all affected taxing entities prior to amending urban renewal areas; therefore, staff is recommending approval of this resolution which sets October 14, 2022 as the consultation date for affected taxing entities.

Furthermore, this resolution establishes November 1, 2022 as the public hearing date for formal City Council consideration of proposed amendment no. 1 to the Webster Park URP.

ATTACHMENTS: Resolution, Amendment No. 1 to the Webster Park Urban Renewal Plan
REPORT PREPARED BY: City Administration
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

2. Resolution No. 6498 entitled, "RESOLUTION FIXING DATE FOR A PUBLIC HEARING ON THE PROPOSAL TO ENTER INTO A DEVELOPMENT AGREEMENT WITH PELLA MAIN STREET MARKET LLC, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF."

Bandstra moved to approve, seconded by Hopkins.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution establishes November 1, 2022 as the public hearing date to consider a Development Agreement with Pella Main Street Market, located at 503 Main Street, within the Webster Park Urban Renewal Area. As background, Council approved a conditional resolution of support for this development on July 6, 2021. The developer for this site is currently constructing the Pella Market, which is intended to be similar to the Gateway Market in Des Moines. According to the developer, the proposed Pella Market will offer fresh food and friendly service by providing produce essentials, freshly baked artisan breads, unique grocery, a collection of cheeses, distinctive wines, chef-crafted meals-to-go, and food and wine educational experiences for their customers. The Café will serve breakfast, lunch, and dinner options and will offer catering and boxed lunches of the same quality found in the market.

Comprehensive Plan: The Comprehensive Plan identified a shortage of restaurants and drinking establishments within Pella, identifying this area as a 'service gap' where the local demand exceeds the retail supply. In addition, the Comprehensive Plan identifies this section of Main Street as a commercial corridor and economic development area. Staff believes the proposed Pella Market strongly aligns with the Comprehensive Plan. In addition, staff believes it will help address the shortage of eating and drinking establishments in Pella and will complement the new South Main development. It is also important to note that Council determined this commercially zoned area was in conformance with the Comprehensive Plan when the property was rezoned in May of 2021.

Webster Park Urban Renewal Plan: In October of 2018, the City Council adopted the Webster Park Urban Renewal Plan (URP) which encompasses the location of this project. The primary objectives of the Plan are to provide opportunities and incentives for redevelopment that promote blight remediation, as well as to stimulate private investment in new residential development which enhances the economic vitality of the community. As a part of the urban renewal adoption process, a consultant evaluated the property in the Webster Park Urban Renewal Area and found that 75% of the Area is considered 'blighted' under Iowa law. One of the blighted properties in the Area is the location of this project.

Financial Request by Developer: Due to the complexity of the project, which involves redevelopment of blighted property, the developer is requesting to receive economic development grants funded through tax increment financing (TIF) revenues generated by the development. The estimated cost of the project is \$5.0 million. Furthermore, operating a venture similar to the Gateway Market in a small demographic area is extremely challenging for the developer. As a result, the developer is requesting 15 years of TIF rebates for the project. Based on agreed upon assessment valuations, this equates to \$1,775,000 in potential TIF rebates to the developer over a 15-year time period.

Minimum Assessment Agreement: As a condition of the development agreement, the developer will be required to complete a minimum tax assessment agreement establishing the minimum taxable valuation for the project at \$4.4 million before rollback. Furthermore, the agreement states the valuation will increase by a minimum of 2% annually.

Financial Analysis: In analyzing this financial arrangement, it is important to keep in mind that the developer is proposing to be reimbursed as property taxes are received. This means the developer would only receive TIF rebates if incremental property taxes are collected. Under this structure, most of the risk is transferred to the developer because they will only receive grants equal to the amount of increased property taxes generated by the project and collected as tax increment by the city. Furthermore, staff believes the city can provide services to this development without triggering significant increases in the city's workforce.

It is also important to understand that TIF revenues are only a portion of the total tax revenues paid to the local tax entities. Specifically, the local taxing entities will still receive their debt service levy from this property, and the school district will receive its PPEL and ISPL taxes as well. For example, listed below is a comparison of the property taxes generated by the three former houses which occupied this site versus the property taxes the governmental entities will receive after the Pella Market is constructed:

Projected non-TIF property taxes received from the proposed Pella Market:	\$15,600
Less property taxes received from the former residential properties: (706 Independence, 704 Independence, 503 Main Street)	<u>(2,600)</u>
Net annual increase in property taxes received	<u>\$13,000</u>

In the above example, the Pella Market would generate an additional \$13,000 annually in property taxes to support the Pella Community School District, Marion County, and the City of Pella. Furthermore, the Market has the potential to draw visitors to our community which will also produce a positive economic impact for the community.

Key Conditions of the Development Agreement

Listed below are key conditions of the proposed development agreement:

Responsibilities of the Developer

A. The developer will be required to construct the proposed Pella Market by December 31, 2022.

B. The developer will be required to construct the proposed Pella Market in accordance with all city standards including the approved PUD ordinance which established design standards.

C. The developer will be required to sign a minimum tax assessment of \$4.4 million for the Pella Market and agree to a 2% increase annually on the assessment.

D. The developer will be required to operate the Pella Market six days a week for at least eight hours per day. The Market will also be required to provide fresh food and friendly service by providing produce essentials, freshly baked artisan breads, unique grocery, a collection of cheeses, distinctive wines, chef-crafted meals-to-go, and food and wine educational experiences for their customers.

Responsibilities of the City of Pella

The development agreement includes 15 grants to the developer each in the amount of 100% of the tax increment produced by the project and received by the city under Iowa Code Section 403.19. The aggregate amount of the grant payments to the developer shall not exceed \$1,775,000.

Summary: In summary, staff is recommending approval of this resolution which establishes November 1, 2022 as the public hearing date for formal City Council consideration of a proposed Development Agreement with Pella Main Street Market.

ATTACHMENTS: Resolution, Development Agreement

REPORT PREPARED BY: City Administration

REPORT REVIEWED BY: City Administrator, City Clerk

RECOMMENDED ACTION: Approve resolution

3. Resolution No. 6499 entitled, "RESOLUTION DETERMINING THE NECESSITY AND SETTING DATES OF A CONSULTATION AND A PUBLIC HEARING ON A PROPOSED TIMBERVIEW URBAN RENEWAL PLAN FOR A PROPOSED URBAN RENEWAL AREA IN THE CITY OF PELLA, STATE OF IOWA."

Hopkins moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution establishes November 15, 2022 as the public hearing date for the proposed Timberview Urban Renewal Plan (URP) which is intended to help facilitate additional housing in our community. The proposed development is located just north of the Hazel Street and East Park Lane intersection. Phase 1 of the development will provide approximately 36 residential lots split between a detached and an attached product over multiple phases. The proposed development will include a mix of product type from zero threshold patio type attached homes to standard market rate detached dwelling units and lots. The developer estimates a seven-year build out with estimated valuations of nearly \$16.1 million. This would ultimately result in approximately \$296,000 in annual property tax revenues for our community.

Housing Needs in the City of Pella: The 2015 Marion County housing assessment identified an additional 966 housing units which are needed through the year 2025 to meet our community's housing needs. This equates to roughly a 15% increase in the number of housing units currently located within our community. To-date, the City of Pella has approved plans for an additional 450 housing units, which is approximately 46% of the identified need stated in the Marion County Housing Assessment.

In addition, another important factor to keep in mind is industry standards recommend communities have three to five years of buildable lots in their inventory. The reason for this recommendation is it takes a significant amount of lead time to before a new residential subdivision can sell lots. For instance, it takes approximately two years for a new residential subdivision to complete engineering design, receive legislative approval, and construct public improvements; therefore, the key with residential housing is to always have an ample inventory of buildable lots. As of this date, the City of Pella has approximately 123 buildable lots within our community. Depending on the economy, we typically issue between 20 to 60 single family building permits on an annual basis. Based on staff's analysis, we believe the proposed Timberview residential development is needed within our community.

Comprehensive Plan: The Comprehensive Plan identified a shortage of housing and housing types in the community. Furthermore, the Comprehensive Plan identified five residential growth areas: Far Northwest, Northwest, Airport area, Northeast, Southeast, East, and Far East. Timberview is in the Northeast identified area.

The Comprehensive Plan also identifies the need to provide a mix of housing types, which are identified as Single-Family Detached, Single-Family Attached, and Multi-Family. Timberview will provide Single-Family Attached and Single-Family Detached products.

Staff believes the proposed Timberview development aligns strongly with the Comprehensive Plan. In addition, staff believes it will help address the shortage of residential housing in Pella.

Eligible Urban Renewal Projects

The following items are identified as eligible projects under the URP:

1. Public Improvements: Upgrade 1,349 linear feet of existing gravel road to an urban cross section with public utilities at an estimated cost of \$1.3 million.

2. Development Agreement with Pella Timberview: The developer is requesting partial reimbursement for the cost of its public infrastructure which would be built to the city's development standards and dedicated to the city upon completion. The estimated cost to install the necessary streets, sanitary sewer, water, and storm sewer infrastructure to serve Phase 1 of the development is estimated to cost \$2.5 million. The total amount of the grant payments to the developer are not to exceed the lesser of \$1,750,000 or 70% of the actual costs incurred by the developer.

Additional details regarding the terms of this proposed Development Agreement are included as agenda item E-4.

3. Other Development Agreements: The city may consider requests for future development agreements including, but not limited to, land, loans, grants, tax rebates, public infrastructure assistance, and other incentives in an amount estimated not to exceed \$500,000.

4. Planning, engineering fees (for URPs), attorney fees, and other related costs to support URPs. The estimated fees are not to exceed \$20,000.

Summary: Under Iowa Code, the city is required to hold a consultation with all affected taxing entities prior to adopting urban renewal areas; therefore, staff is recommending approval of this resolution which sets October 20, 2022 as the consultation date for affected taxing entities.

Furthermore, this resolution establishes November 15, 2022 as the public hearing date for consideration of the proposed Timberview URP.

ATTACHMENTS: Resolution, Timberview Urban Renewal Plan

REPORT PREPARED BY: City Administration

REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Approve resolution

4. Resolution No. 6500 entitled, "A RESOLUTION IN SUPPORT OF THE PROPOSED TERMS TO BE INCLUDED IN AN AGREEMENT FOR PRIVATE DEVELOPMENT BY AND BETWEEN THE CITY OF PELLA AND PELLA TIMBERVIEW, LLC."

De Jong moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution offers the City of Pella's support and clarifies items the city intends to include in a development agreement for the Timberview housing subdivision. It is important to note that this resolution does not create binding obligations for the city, but rather describes potential contributions toward the project conditioned on the developers meeting certain requirements including construction and dedication of public infrastructure, dedication of property for a future park, and the City Council approving an urban renewal plan and development agreement for the project. Finally, this resolution of support is similar to the proposed development terms Council discussed on July 19, 2022.

Proposed Development: This proposed residential development is located just north of the Hazel Street and East Park Lane intersection. The Phase 1 portion of the development would provide 36 lots consisting of 24 attached units and 12 detached units. The proposed development will include a mix of product type from zero threshold patio type attached homes to standard market rate detached dwelling units.

The developer will be required to construct all on-site public infrastructure including streets, water, sewers, storm drains, curbs, gutters, sidewalks, retention ponds, electric, and fiber optic connections for the new residential lots. The estimated cost of this public infrastructure is \$2,500,000 for Phase 1. The developer estimates a seven-year build out with estimated valuations of nearly \$16.1 million, ultimately resulting in approximately \$296,000 in annual property tax revenues.

Housing Needs in the City of Pella: The 2015 Marion County Housing Assessment identified an additional 966 housing units which are needed through the year 2025 to meet our community's housing needs. This equates to roughly a 15% increase in the number of housing units currently located within our community. To-date, the City of Pella has approved plans for an additional 450 housing units, approximately 46% of the identified need stated in the Marion County Housing Assessment.

Industry standards recommend communities have three to five years of buildable lots in their inventory as it takes a significant amount of lead time before a new residential subdivision can sell lots. For instance, it takes approximately two years for a new residential subdivision to complete engineering design, receive legislative approval, and construct public improvements; therefore, the key with residential housing is to always have an ample inventory of buildable lots. As of this date, there are approximately 123 buildable lots within our community. Depending on the economy, typically 20 to 60 single family building permits are issued annually. Based on staff's analysis, we believe the proposed Timberview residential development is needed within our community.

Comprehensive Plan: The Comprehensive Plan identified a shortage of housing and housing types in the community. Furthermore, the Comprehensive Plan identified five residential growth areas: Far NW, NW, Airport area, NE, SE, E, and Far E; Timberview is in the NE area. Staff believes the proposed development aligns strongly with the Comprehensive Plan and will help address the shortage of residential housing.

Financial Request by the Developer: In order to build the proposed subdivision, the developer is requesting partial reimbursement for the cost of public infrastructure which would be built according to the city's development standards and dedicated to the city when complete. The estimated cost to install the development's streets, water mains, sanitary sewer mains, storm sewers, and electric infrastructure is approximately \$2.5 million, including engineering costs. As a result, the developer is requesting a total reimbursement of up to the lesser of 70% of the cost of the public infrastructure, or \$1,750,000.

Below is an overview of key terms of the development agreement:

1. Length of Tax Increment Financing (TIF) district: 15 years subject to consent of other taxing entities.
2. Estimated cost of public infrastructure dedicated to the City of Pella: \$2,500,000.
3. Park: proposed lot for the city park to be dedicated to the city with the Phase I final plat.
4. Minimum assessment: \$400,000 per single family home and \$350,000 per townhome.
5. Aggregate maximum reimbursement for public infrastructure: the lesser of 70% of the actual cost of public infrastructure dedicated to the City of Pella, or \$1,750,000.
6. Method of developer reimbursement:
 - Benchmark grant of \$500,000 payable after the Phase I final plat has been approved by the City Council and all Phase I public infrastructure as well as the city park property have been dedicated to the city.
 - The remainder of the financial incentives will be TIF rebates subject to:
 - i. All tax increment that is not set aside for low- and moderate-income (LMI) housing assistance will first be used by the city to pay off any internal or external loans or bonds/notes incurred to make the benchmark grant.
 - ii. After the city has repaid its internal or external loans or bonds/notes, the city will annually provide the developer with payments equal to any tax increment created by the development that is not set aside for LMI housing assistance until the earlier of:
 1. The expiration of the period that tax increment may be collected.
 2. The aggregate maximum reimbursement amount is paid.
 3. The development agreement is terminated.
 - iii. The TIF rebates will be subject to claw-back provisions in the event minimum housing units are not constructed within the terms of the development agreement.

In analyzing this proposed development, staff believes most of the risk has been transferred to the developer. In addition, we believe a 15-year TIF district is necessary to fully reimburse the developer and fund the city's LMI requirements. Furthermore, staff believes the city can serve this development until the proposed TIF district is retired.

Requirements for Tax Increment Financing for Non-LMI Housing: According to Iowa law, TIF can be used to assist with public improvements related to housing and residential development; however, for developments which are not LMI housing, there are specific requirements that need to be adhered to, as listed below:

- Unless an extension is approved by both the Pella Community School District and Marion County, the ability to collect tax increment is limited to 10 years. If approved by both the school district and county, the ability to collect tax increment could be extended to 15 years.
- Any TIF revenues generated can only be used to offset the cost of public infrastructure.
- While Iowa law allows cities to use TIF to support housing developments without limitation on either the price of the homes or the income levels of the prospective owners, the tradeoff is a percentage of the TIF revenues must be used to support housing assistance to families whose incomes are no greater than 80% of the median income in the county in which the project is located. For the proposed Timberview development, the city will be required to dedicate an amount equal to 36.77% (the current percentage of families in Marion County considered LMI) of the tax increment expended in support of the housing development (in this case, an amount equal to 36.77% of the aggregate amount of the cost of the incentives provided to the developer) to support LMI housing within our community. Based on the developer's TIF rebate request of up to \$1,750,000, this equates to approximately \$643,475. These funds can be used for additional LMI housing projects or programs such as down payment assistance for LMI households within the city.

Summary: In summary, this non-binding conditional resolution of support is subject to the City of Pella completing all legislative processes necessary for the project to be included in the Timberview Urban Renewal Plan and subject to the City Council approving a development agreement for the project. This resolution does not create binding obligations for the city, but rather describes potential contributions toward the project conditioned on the developer meeting the requirements as outlined above.

ATTACHMENTS: Resolution
REPORT PREPARED BY: City Administration
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDED ACTION: Approve resolution

5. Resolution No. 6501 entitled, “RESOLUTION FIXING DATE FOR A PUBLIC HEARING ON THE PROPOSAL TO ENTER INTO A DEVELOPMENT AGREEMENT WITH PELLA TIMBERVIEW, LLC, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF.”

Branderhorst moved to approve, seconded by Hopkins.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution establishes November 15, 2022 as the public hearing date to consider a development agreement with Pella Timberview, LLC. This proposed residential development is located just north of the Hazel Street and East Park Lane intersection. The Phase 1 portion of the development would provide 36 lots consisting of 24 attached units and 12 detached units. The proposed development will include a mix of product type from zero threshold patio type attached homes to standard market rate detached dwelling units.

The developer will be required to construct all on-site public infrastructure including streets, water, sewers, storm drains, curbs, gutters, sidewalks, retention ponds, electric, and fiber optic connections for the new residential lots. The estimated cost of this public infrastructure is \$2,500,000 for Phase 1. The developer estimates a seven-year build out with estimated valuations of nearly \$16.1 million, ultimately resulting in approximately \$296,000 in annual property tax revenues.

Housing Needs in the City of Pella: The 2015 Marion County Housing Assessment identified an additional 966 housing units which are needed through the year 2025 to meet our community’s housing needs. This equates to roughly a 15% increase in the number of housing units currently located within our community. To-date, the City of Pella has approved plans for an additional 450 housing units, approximately 46% of the identified need stated in the Marion County Housing Assessment.

Industry standards recommend communities have three to five years of buildable lots in their inventory as it takes a significant amount of lead time before a new residential subdivision can sell lots. For instance, it takes approximately two years for a new residential subdivision to complete engineering design, receive legislative approval, and construct public improvements; therefore, the key with residential housing is to always have an ample inventory of buildable lots. As of this date, there are approximately 123 buildable lots within our community. Depending on the economy, typically 20 to 60 single family building permits are issued annually. Based on staff’s analysis, we believe the proposed Timberview residential development is needed within our community.

Comprehensive Plan: The Comprehensive Plan identified a shortage of housing and housing types in the community. Furthermore, the Comprehensive Plan identified five residential growth areas: Far NW, NW, Airport area, NE, SE, E, and Far E; Timberview is in the NE area. Staff believes the proposed development aligns strongly with the Comprehensive Plan and will help address the shortage of residential housing.

Financial Request by the Developer: In order to build the proposed subdivision, the developer is requesting partial reimbursement for the cost of public infrastructure which would be built according to the city’s development standards and dedicated to the city when complete. The estimated cost to install the development’s streets, water mains, sanitary sewer mains, storm sewers, and electric infrastructure is approximately \$2.5 million, including engineering costs. As a result, the developer is requesting a total reimbursement of up to the lesser of 70% of the cost of the public infrastructure, or \$1,750,000.

Below is an overview of key terms of the development agreement:

1. Length of Tax Increment Financing (TIF) district: 15 years subject to consent of other taxing entities.
2. Estimated cost of public infrastructure dedicated to the City of Pella: \$2,500,000.
3. Park: proposed lot for the city park to be dedicated to the city with the Phase I final plat.
4. Minimum assessment: \$400,000 per single family home and \$350,000 per townhome.
5. Aggregate maximum reimbursement for public infrastructure: the lesser of 70% of the actual cost of public infrastructure dedicated to the City of Pella, or \$1,750,000.
6. Method of developer reimbursement:
 - Benchmark grant of \$500,000 payable after the Phase I final plat has been approved by the City Council and all Phase I public infrastructure as well as the city park property have been dedicated to the city.
 - The remainder of the financial incentives will be TIF rebates subject to:
 - i. All tax increment that is not set aside for low- and moderate-income (LMI) housing assistance will first be used by the city to pay off any internal or external loans or bonds/notes incurred to make the benchmark grant.
 - ii. After the city has repaid its internal or external loans or bonds/notes, the city will annually provide the developer with payments equal to any tax increment created by the development that is not set aside for LMI housing assistance until the earlier of:
 1. The expiration of the period that tax increment may be collected.
 2. The aggregate maximum reimbursement amount is paid.
 3. The development agreement is terminated.
 - iii. The TIF rebates will be subject to claw-back provisions in the event minimum housing units are not constructed within the terms of the development agreement.

In analyzing this proposed development, staff believes most of the risk has been transferred to the developer. In addition, we believe a 15-year TIF district is necessary to fully reimburse the developer and fund the city’s LMI requirements. Furthermore, staff believes the city can serve this development until the proposed TIF district is retired.

Requirements for Tax Increment Financing for Non-LMI Housing: According to Iowa law, TIF can be used to assist with public improvements related to housing and residential development; however, for developments which are not LMI housing, there are specific requirements that need to be adhered to, as listed below:

- Unless an extension is approved by both the Pella Community School District and Marion County, the ability to collect tax increment is limited to 10 years. If approved by both the school district and county, the ability to collect tax increment could be extended to 15 years.
- Any TIF revenues generated can only be used to offset the cost of public infrastructure.
- While Iowa law allows cities to use TIF to support housing developments without limitation on either the price of the homes or the income levels of the prospective owners, the tradeoff is a percentage of the TIF revenues must be used to support housing assistance to families whose incomes are no greater than 80% of the median income in the county in which the project is located. For the proposed Timberview development, the city will be required to dedicate an amount equal to 36.77% (the current percentage of families in Marion County considered LMI) of the tax increment expended in support of the housing development (in this case, an amount equal to 36.77% of the aggregate amount of the cost of the incentives provided to the developer) to support LMI housing within our community. Based on the developer’s TIF rebate request of up to \$1,750,000, this equates to approximately \$643,475. These funds can be used for additional LMI housing projects or programs such as down payment assistance for LMI households within the city.

Summary: In summary, staff is recommending approval of this resolution which establishes November 15, 2022 as the public hearing date for formal City Council consideration of a proposed development agreement with Pella Timberview, LLC.

ATTACHMENTS: Resolution, Development Agreement
REPORT PREPARED BY: City Administration
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDED ACTION: Approve resolution

6. Item pulled from the agenda.
7. Item pulled from the agenda.

F. CLAIMS

1. Abstract of Bills No. 2112.
Branderhorst moved to approve, seconded by De Jong.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

G. OTHER BUSINESS/PUBLIC FORUM (any additional comments from the public)

Comments were received and addressed.

H. POLICY AND PLANNING

From 6:29 p.m. to 7:35 p.m., Council adjourned to the Policy and Planning meeting to hold a discussion regarding the following items, with no formal Council action taken:

1. Pella Community Center
2. Pella Ambulance Service
3. Peddler Permits within the Oskaloosa Street Corridor

Council adjourned for a brief recess from 7:36 p.m. to 7:40 p.m.

I. CLOSED SESSION

1. At 7:41 p.m., Bandstra moved to enter into closed session pursuant to Iowa Code Chapter 388.9(1) to discuss marketing and pricing strategies or proprietary information of a city utility if its competitive position would be harmed by public disclosure not required of potential or actual competitors, and if no public purpose would be served by such disclosure, seconded by Hopkins.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

Council reconvened to open session at 8:12 p.m.

No action was taken regarding this closed session.

J. ADJOURNMENT

There being no further business claiming their attention, Bandstra moved to adjourn, seconded by Hopkins.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

Meeting adjourned at 8:13 p.m.